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made of fiber



EARNINGS ANNOUNCEMENT
(unaudited information)

1Q23

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This document is a translation of a document originally issued in Portuguese, prepared using accounting policies consistent with the International Financial Reporting Standards adopted in European Union (IFRS-EU), some of which may not conform or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

Highlights of 1Q23

Altri Group achieved total revenues of € 224.7 M in 1Q23, a decrease of 9.9% vs 1Q22. The global destocking effect in the pulp and paper industry led the Altri Group to register a lower sales volume than the same period last year. Additionally, the change of the electricity regime of Celbi to self-consumption ended up leading to a relevant reduction in the level of revenues.

Altri Group reached a EBITDA of € 50.2 M in 1Q23, a decrease of 17.6% when compared to the same period of last year. **EBITDA margin reached 22.3%**, a decrease over the 24.5% reported in 1Q22. During 1Q23, we started to notice a **decrease in variable costs per ton**, a trend that should accelerate in the coming quarters.

Altri Group's Net Profit reached **€ 19.6 M in 1Q23**, a decrease of 34.3% when compared to 1Q22.

Altri Group maintains a comfortable debt level at the end of the 1Q23, reaching a **Net Debt/EBITDA LTM ratio of 1.1x**, which corresponds to a net debt level of € 327.5 M.

The Altri Group continues to look for opportunities to **improve the efficiency of its industrial units**. In addition, the Group expects to start up, still in 2023, with additional power-generating capacity, through new photovoltaic plants and by using the excess power from Caima's new biomass boiler.

The Altri Group continues to develop the **Gama project** and a final investment decision is expected to be announced by the end of 2023. The Gama project should be a transformational project, implying the construction of a new industrial unit for the production of dissolving pulp and sustainable textile fibers, in Galicia. Altri Group continues to actively work in the environmental impact study, engineering project, economic feasibility study, financing structure and access to European Union funds.

Message from the CEO

After a challenging 2022, we entered this new year with a strong focus on operational discipline and on transforming the Group's profile, oriented towards bioeconomy markets and the creation of greater value.

In our operations, we successfully carried out the scheduled maintenance downtime of what is the largest industrial unit of Altri Group, Celbi, this quarter, reinforcing its operational efficiency. This downtime implied a reduction in the total volume of fibers produced by the Altri Group.

The context of destocking along the value chain of the pulp and paper industry, a consequence of the slowdown in global demand and normalization of global logistics, led to a decrease in sales at a time of dropping fiber prices.

Although we have seen a stabilization in the main costs, they remain higher than in the same period last year. This context reinforces our focus on managing costs throughout the production process and implementing additional measures to improve operational efficiency.

Despite this conjuncture, we continue our new investment effort in relevant projects that reinforce our focus on organic growth. In this quarter alone, Altri Group invested a total of 18.4 million Euro, almost three times more than in the same period last year, in an effort to improve the efficiency and sustainability of our industrial units, but also to prepare them to seize the new opportunities created by the bioeconomy.

We remain committed to the development of the Gama Project, focused on the production of sustainable fibers for the textile industry, in Galicia, and for which we expect to announce a final investment decision by the end of 2023.

José Soares de Pina
Altri's CEO

Operating and financial performance

Pulp market

Global demand for pulp during 1Q23 decreased by 3.5% vs the same period of the previous year, with demand for Hardwood pulp registering a slightly better evolution, with a reduction of 3.1%, according to the PPPC (World Chemical Market Pulp Global 100 Report – March 2023).

In regional terms, and focusing essentially on the Hardwood pulp market, in which Altri Group has a predominant position, we positively highlight Latin America (+19.1%) and China (+4.3%). The European market in particular, as a consequence of the destocking effect already seen in the last months of 2022, showed a significant decrease of -18.1% in 1Q23.

000' Tons	1Q23	1Q22	YoY
Bleached Hardwood Sulphate	9,078	9,372	-3.1%
Bleached Softwood Sulphate	6,014	6,156	-2.3%
Unbleached Sulphite	659	782	-15.7%
Sulphite	25	31	-19.3%
Pulp Global Demand	15,776	16,341	-3.5%
Bleached Hardwood Sulphate per region			
North America	788	797	-1.1%
Western Europe	1,808	2,203	-18.1%
Eastern Europe	310	374	-17.1%
Latin America	818	686	19.1%
Japan	243	272	-10.5%
China	3,684	3,533	4.3%
Rest of Asia/Africa	1,383	1,447	-4.4%
Oceania	45	59	-23.4%
Total	9,078	9,372	-3.1%

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

One of the relevant factors to confirm 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 in general, the level of stocks at European Ports experienced an increase during 1Q23, and is now at levels slightly above the historical average.

Pulp stocks in European Ports

Mil Tons	Mar-23	Feb-23	Jan-23	2022	2021	2020	2019
Stocks (EU Ports)	1,722	1,674	1,514	1,157	1,198	1,542	1,912

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

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

During 1Q23, the list price of pulp (BHKP) in Europe decreased from February onwards, ending the quarter at US\$1,280/ton. After a year 2022 with several supply constraints, exacerbated by logistical difficulties, we are now witnessing a process of normalization of the value chains.

BHKP average pulp price evolution in Europe (2017 to 1Q23)

US\$/ton	2023 1Q	2022	2021	2020	2019	2018	2017
Avg. Pulp Price (BHKP)	1,337	1,286	1,014	680	858	1,037	819

Source: FOEX.

Global demand for Dissolving Pulp (DP) has registered a slight decrease of 2.2% during 1Q23, according to Numera Analytics (Global DP Demand Report – February 2023). These demand figures are still a consequence of the slowdown verified during 4Q22 in the textile industry. We recall that DP is targeted for textile use and used mainly in Asia, the region that absorbs more than 80% of the demand. In geographical terms, China registered an increase of 7.8%, despite the negative figures from other parts of Asia. Despite this reduction in demand in the first two months of the year, there are indications that the market has stabilized and that demand, as well as the price level, is already in a process of recovery.

Global dissolving pulp demand

000' Tons	Jan-Feb 2023	Jan-Feb 2022	YoY
North America	94	70	35.2%
Western Europe	88	106	-16.5%
Asia	977	1,012	-3.4%
China	771	715	7.8%
Japan	32	28	14.9%
Taiwan	6	7	-16.8%
Thailand	24	27	-10.9%
Other Asia	145	235	-38.4%
Other	9	9	2.8%
Total	1,169	1,195	-2.2%

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

Altri Group

Operating performance

Total volume of pulp produced in 1Q23 achieved 239.5 thousand tons, a decrease of 17.5% when compared to the previous quarter and a 14.5% decrease over the same quarter in the previous year. This variation is explained essentially by the downtime that occurred during 1Q23 in Celbi, the main industrial unit of the Altri Group.

In terms of pulp sales, the recorded volume was approximately 251.4 thousand tons during 1Q23, a growth of 2.8% vs 4Q22 and a decrease of 15.7% when compared to the 1Q22.

The reduction vs the same quarter of the previous year is explained essentially by the destocking effect along the value chain of the pulp and paper industry, a consequence of the slowdown in global demand for pulp and normalization of world logistics. This effect was especially relevant in the 'Printing & Writing (P&W)' segment and some 'Specialties'.

Operating indicators (Quarter)

000' tons	1Q23	1Q22	1Q23/1Q22	4Q22	1Q23/4Q22
Production Pulp BHKP	214.8	256.5	-16.2%	269.2	-20.2%
Production Pulp DWP	24.7	23.8	3.9%	21.3	16.2%
Total Production	239.5	280.3	-14.5%	290.4	-17.5%
Pulp Sales BHKP	228.8	264.0	-13.4%	228.3	0.2%
Pulp Sales DWP	22.6	34.1	-33.7%	16.3	38.5%
Total Sales	251.4	298.1	-15.7%	244.6	2.8%

In terms of end use, Tissue continues to maintain solid demand levels, increasing its weight to 56% (53% in 2022 and 50% in 2021). The P&W segment remains the second most important, with 16% of the volume sold, but losing importance given the particularly relevant destocking effect occurring in this segment. In regional terms, Europe (including Portugal), accounts for 66% of sales, followed by the Middle East with 23%, Turkey and Israel being the main destinations in the Middle East.

Weight of sales (volume) by end use

	1Q23	2022	2021
Tissue	56%	53%	50%
P&W	16%	24%	19%
Dissolving	10%	8%	8%
Décor	5%	5%	7%
Specialties	5%	5%	6%
Packaging	2%	2%	2%
Other	6%	3%	8%

Weight of sales (volume) by region

	1Q23	2022	2021
Europe (excl. Portugal)	54%	61%	61%
Middle East	23%	17%	17%
Portugal	12%	15%	14%
Asia	11%	7%	8%

Economic and financial performance

During 1Q23, total revenues of Altri Group amounted to € 224.7 M, a 9.9% decrease vs 1Q22 and a decrease of 13.7% vs 4Q22. This variation in revenues from 'Cellulosic fibers' is explained essentially by the deceleration in global demand for pulp, and, consequently, by the destocking effect along the value chain of the pulp and paper industry. Compared to 4Q22, and despite the increase in tons sold (2.8%), the decrease in revenues from 'Cellulosic fibers' (-12.4%) is mainly explained by the drop in the price of Hardwood pulp (BHKP) during 1Q23 and the unfavorable evolution of the Euro vs. the US Dollar (US\$) in the period.

The variation of revenues included in the item 'Others' (-27.6% vs 1Q22) is explained essentially by a change in the Electric Energy (EE) sales regime, as a consequence of Celbi's production unit switching to Self-Consumption as of 3Q22. As such, the sale of electric energy started to correspond only to the surplus, being previously sold the total gross energy produced. As from that date, and since the Group sells the energy surplus in the market, it became exposed to the evolution of electricity prices. Given the reduction in pool prices during 1Q23 when compared to the previous quarter, we have witnessed a decrease of revenues from the sale of surplus generated electricity, which also explains the decrease in the item 'Others'.

In the first three months of 2023, we saw a stabilization and slight reduction in the prices of the main variable costs compared to 4Q22, although they are still at a much higher level than in 1Q22. Additionally, the scheduled maintenance downtime of the production unit of Celbi took place in February and March 2023 without incidents and with positive results. All these factors, both in terms of revenues and costs, ended up leading to a negative evolution in the margin when compared to the previous quarter and with the same quarter of the previous year.

In 1Q23, EBITDA reached € 50.2 M, decreasing 17.6% vs 1Q22 with an EBITDA margin of 22.3%, a decrease of 2.2 p.p. when compared to the same period in the previous year and of 7.7 p.p. when compared to 4Q22.

Although about 32% of the gross nominal financial debt is issued at a fixed rate (including interest rate swap contracts), the caption 'Financial results' increased in 65.9% compared to 1Q22, as a result of interest rate increases, which impacted the cost of financing at a variable rate. Compared to 4Q22, there was a significant improvement in the financial results (-67.7%), given that some factors that weighed negatively in 4Q22, such as currency hedges and exchange rate differences, evolved more favorably this quarter.

The decrease in the caption 'Income tax' was in line with the decrease in 'Profit before income tax of continued operations', with the effective tax rate remaining relatively stable vs the same quarter of the previous year.

The Net Profit of the Altri Group reached € 19.6 M, a decrease of 34.3% when compared to the 1Q22 and of 43.9% vs 4Q22.

Income statement highlights of the 1Q23

€ M	1Q23	1Q22	1Q23/1Q22	4Q22	1Q23/4Q22
Cellulosic fibers	189.1	200.0	-5.5%	215.9	-12.4%
Others ¹	35.6	49.2	-27.6%	44.5	-19.9%
Total Revenues	224.7	249.2	-9.9%	260.4	-13.7%
EBITDA	50.2	61.0	-17.6%	78.1	-35.7%
EBITDA mg	22.3%	24.5%	-2.2 pp	30.0%	-7.7 pp
EBIT	32.8	44.4	-26.1%	63.3	-48.2%
EBIT mg	14.6%	17.8%	-3.2 pp	24.3%	-9.7 pp
Net profit of cont. operations²	19.6	29.8	-34.3%	34.9	-43.9%

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

Investment

The total net investment made by the Altri Group during the first three months of 2023 reached € 18.4 M, which compares with the € 6.8 M in the same period of 2022. The total investment for the three month period of 2023 includes € 6.6 M related to the new biomass boiler for the Caima industrial unit.

	1Q23	2022	4Q22	3Q22	2Q22	1Q22
Total net investment	18.4	45.3	10.5	16.0	12.0	6.8

Debt

The Altri Group's net debt was € 327.5 M at the end of the 1Q23, a slight increase vs € 325.8 M at the end of 2022 and vs € 303.3 M in 1Q22. This level of debt is equivalent to a Net Debt/EBITDA LTM ratio of 1.1x. The Total net debt level, when adding lease liabilities, was around € 403.2 M at the end of 1Q23.

€ M	1Q23	4Q22	3Q22	2Q22	1Q22	2021
Net Debt	327.5	325.8	360.1	356.9	303.3	344.0

Sustainability

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

- To value the people
- Develop and enhance the forest
- Focus on operational excellence and technological innovation
- Affirming sustainability as a competitiveness factor

Based on this strategy, the main sustainability objectives for the Group were identified, in line with the Sustainable Development Goals (SDGs) of the United Nations, and with the expectations of our stakeholders, resulting in the definition of the “2030 Commitment” of the Altri Group. Every quarter we see progress towards a more sustainable Group, of which we highlight the recent initiatives:

- The Altri Group maintained its **rating ESG as A- in combating climate change** in 2022, status that fits in the band of 'Leadership' of the **CDP agency ranking**. This ranking is above the European regional average ('B') and of the 'Wood and Paper' sector average ('C'), as defined by CDP, and described as a reference of best practice implementation.
- In addition, CDP assigned Altri Group a **'B' rating regarding its performance in Forestry**, from policies, commitments, risk management, certification, forest strategy, among others. This rating is above the European average ('B-') and in line with the sector of 'Wood and Paper' ('B'), as defined by CDP.



**CDP SCORE REPORT
FORESTS 2022 - Timber**

CDP SCORE REPORT - CLIMATE CHANGE 2022

Perspectives

The process of normalization of the **global pulp market**, which began during the last months of 2022, is expected to continue during the second quarter of 2023. **Europe** continues to show some slowdown in demand, particularly in the more cyclical end-use segments such as Printing and Writing (P&W) and Décor (construction). The Group believes that the destocking that is still occurring along the value chain of the pulp and paper industry is the consequence of some economic slowdown and the normalization of global logistics. Additionally, the expectation of more Hardwood pulp supply from new projects in Latin America in the coming months may be amplifying this global destocking effect. On the positive side is the solid performance of the Tissue segment, which represents more than 50% of Altri Group's sales.

The reopening of the **Chinese** economy during the last quarter of 2022 was awaited with some expectation in the sector, given its central role in global pulp consumption. Despite being one of the regions with positive demand levels (+4.3%) in 1Q23, according to the PPPC, it has not been enough to offset the slowdown in other regions. Although the decline in Hardwood pulp (BHKP) prices in China since the beginning of the year has been faster than market expectations, the Group believes that current price levels will be close to the year's lows which will lead to a reactivation in demand.

In **Europe**, the price of Hardwood pulp (BHKP) has followed the global downward price trend. After ending 1Q23 at levels of US\$ 1,280/ton, we continue to witness a correction in prices, following this destocking process in the paper industry. The Group believes that this normalization process may be approaching its end and, with it, an improvement in the outlook for prices. The Altri Group remains attentive and prudent in relation to the market's evolution perspectives for the coming quarters.

After the challenging year of 2022, trying to minimize the effect of a generalized inflation of **variable costs**, we have seen some price stabilization during 4Q22 as well as in the beginning of 2023. In 1Q23 we were able to decrease production costs per ton and we expect this trend to accelerate in the coming quarters. The downward trend in natural gas and chemical prices has accelerated in recent months and we note a trend toward lower wood prices in the local markets in addition to lower import requirements. The Group is also implementing additional measures to mitigate the impact on fixed costs.

In order to strengthen the energy competitiveness of the Altri Group, we expect that the project started in 2022 to install **additional electricity generation capacity**, through photovoltaic plants at the three Altri mills, will start operating in the second half of 2023.

In what concerns the **Gama project**, in Galicia, the Altri Group continues to work with the goal of announcing the final investment decision in 2023. The Group continues to make progress on the main pillars for the decision making, namely the environmental impact study, engineering design, economic feasibility, financing structure and access to funds of the European Union. To be noted that the Gama project stems from a Memorandum of Understanding (MoU) signed with Impulsa, a public-private consortium from the Autonomous Community of Galicia, to study exclusively the construction of a greenfield industrial plant from scratch, with an annual production capacity of 200,000 tons of soluble pulp and sustainable textile fibers.

Annexes

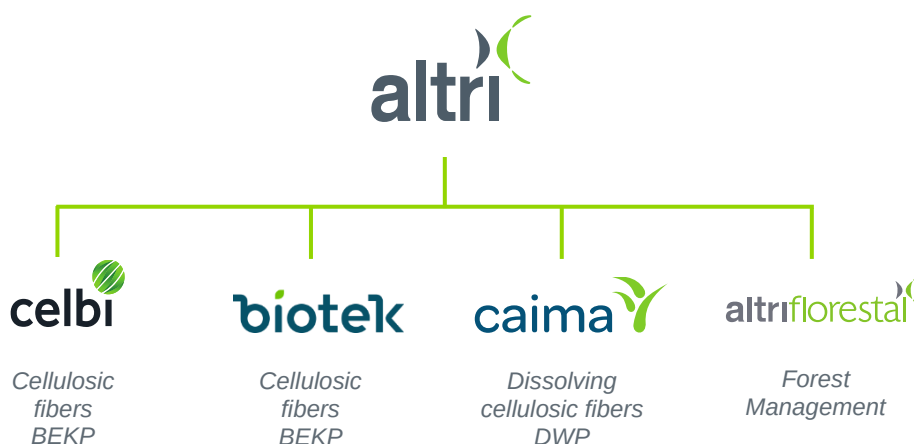
Description of Altri Group

Altri is a reference in European eucalyptus cellulosic fibers producers. In addition to cellulosic fibers production, the Group is also present in the renewable power production business from forest base sources, namely industrial cogeneration through black liquor. The forestry strategy is based on the full use of all the components provided by the forest: cellulosic fibers, black liquor and forest wastes.

Currently, Altri manages around 90.4 thousand hectares of forest in Portugal, entirely certified by the Forest Stewardship Council® (FSC® -C004615) and by Programme for the Endorsement of Forest Certification™ (PEFC™), two of the most acknowledged certification entities worldwide.

Currently, Altri has three pulp mills in Portugal, with an installed capacity that, in 2022, surpassed 1.1 million tonnes/year of eucalyptus cellulosic fibers.

Altri's current organic structure at the end of 1Q23 can be represented as follows:

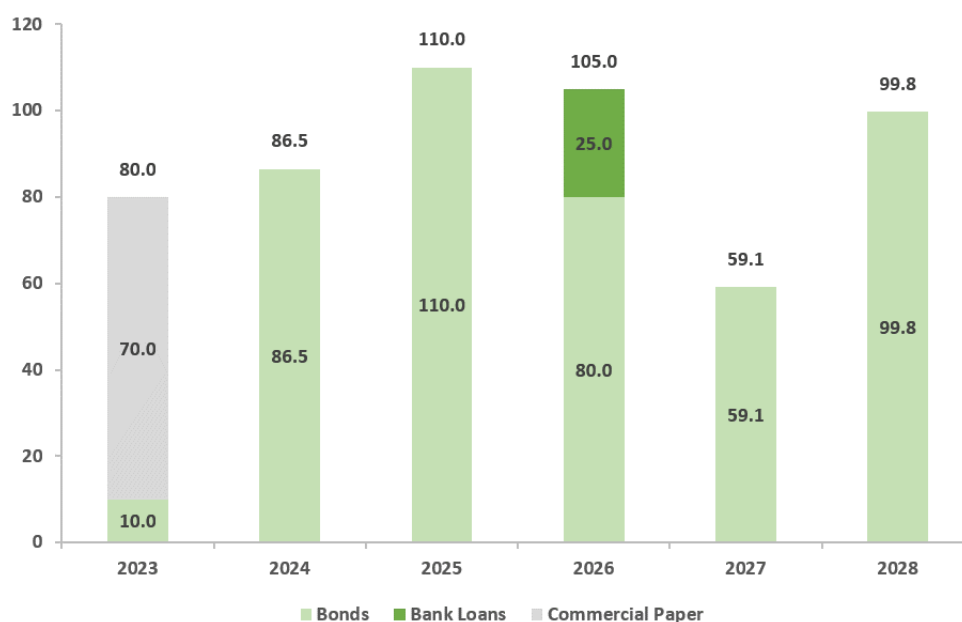


Pulp mill's maintenance downtime schedule

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

Mill	2023	Status
Celbi	March	Concluded
Biotek	October	Scheduled
Caima	October	Scheduled

Debt maturity profile



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

Income statement (1Q23)

€ M	1Q23	1Q22	1Q23/1Q22	4Q22	1Q23/4Q22
Cellulosic fibers	189.1	200.0	-5.5%	215.9	-12.4%
Others ¹	35.6	49.2	-27.6%	44.5	-19.9%
Total revenues	224.7	249.2	-9.9%	260.4	-13.7%
Cost of sales	112.0	103.7	8.1%	116.9	-4.2%
External supplies and services	47.2	71.4	-33.8%	42.0	12.4%
Payroll expenses	11.6	10.1	14.0%	17.1	-32.5%
Other expenses	3.7	3.1	20.5%	6.8	-45.2%
Change in fair value of Biological assets	0.0	0.0	s.s.	-3.6	s.s.
Provisions and impairment losses	-0.1	0.0	s.s.	3.0	s.s.
Total expenses	174.5	188.3	-7.3%	182.3	-4.3%
EBITDA	50.2	61.0	-17.6%	78.1	-35.7%
EBITDA margin	22.3%	24.5%	-2.2 pp	30.0%	-7.7 pp
Amortisation and depreciation	-17.4	-16.5	5.1%	-14.7	17.8%
EBIT	32.8	44.4	-26.1%	63.3	-48.2%
EBIT margin	14.6%	17.8%	-3.2 pp	24.3%	-9.7 pp
Financial results	-5.8	-3.5	65.9%	-18.0	-67.7%
Profit before income tax of continued operations	27.0	40.9	-34.0%	45.4	-40.4%
Income tax	-7.6	-11.1	-31.6%	-10.6	-28.5%
Consolidated net profit of continued operations in the	19.4	29.8	-34.8%	34.7	-44.0%
Attributable to:					
Equity holders of the parent	19.6	29.8	-34.3%	34.9	-43.9%
Non-controlling interests	-0.2	0.0	s.s.	-0.2	-19.4%

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.

Balance sheet (1Q23)

€ M	1Q23	2022	1Q23/2022
Biological assets	109.7	109.1	0.5%
Property, plant and equipment	342.8	336.6	1.8%
Right-of-use assets	68.3	68.6	-0.5%
Goodwill	265.6	265.6	0.0%
Investments in joint ventures and associates	0.9	1.7	-48.3%
Others	19.9	22.0	-9.4%
Total non-current assets	807.2	803.7	0.4%
Inventories	138.2	112.9	22.4%
Trade receivables	124.9	134.6	-7.2%
Cash and cash equivalents	212.9	233.6	-8.9%
Others	36.8	32.9	11.8%
Total current assets	512.8	514.0	-0.2%
Group of assets classified as held for distribution to shareholders	153.5	180.6	-15.0%
Total assets	1,473.5	1,498.4	-1.7%
Total equity and Non-controlling interests	608.0	609.9	-0.3%
Bank loans	25.0	25.0	0.0%
Other loans	357.0	433.8	-17.7%
Reimbursable government grants	1.3	1.6	-20.0%
Lease liabilities	64.6	64.9	-0.4%
Others	51.9	47.8	8.4%
Total non-current liabilities	499.8	573.2	-12.8%
Bank loans	0.0	19.1	-99.9%
Other loans	161.5	82.5	95.8%
Reimbursable government grants	0.7	0.7	0.0%
Lease liabilities	11.1	17.4	-36.4%
Trade payables	111.9	108.7	2.9%
Others	80.5	86.9	-7.4%
Total current liabilities	365.6	315.3	16.0%
Total liabilities and equity	1,473.5	1,498.4	-1.7%

Note: Consolidated financial information included in this document was prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU).

Glossary

CDP: ESG Rating agency

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

EBIT margin: EBIT / Total Revenues

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

EBITDA LTM: EBITDA reported in the last twelve months

EBITDA margin: EBITDA / Total Revenues

ESG: Environment, Social and Governance

Financial results: Results related to investments, Financial expenses and Financial income

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

Net Profit: Net profit of continued operations attributable to equity holders of the parent

Total Net Debt: Net Debt + Lease Liabilities

Total net investment: Payments in the period relating to acquisitions of property, plant and equipment

Total Revenues: Sales + Services rendered + Other income



CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AND
NOTES

1Q23

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2023 AND 31 DECEMBER 2022

(Translation of financial statements originally issued in Portuguese - Note 22)
(Amounts expressed in Euros)

ASSETS	Notes	31.03.2023	31.12.2022
NON-CURRENT ASSETS:			
Biological assets		109,660,469	109,128,392
Property, plant and equipment		342,804,784	336,625,954
Right-of-use assets		68,276,912	68,634,565
Investment properties		24,169	24,169
Goodwill		265,630,973	265,630,973
Intangible assets		434,263	409,552
Investments in joint ventures and associates	4.2	889,154	1,719,146
Other investments		376,734	361,019
Other non-current assets		1,770,595	1,770,595
Derivative financial instruments	12	5,553,657	6,477,587
Deferred tax assets		11,765,238	12,950,816
Total non-current assets		807,186,948	803,732,768
CURRENT ASSETS:			
Inventories		138,195,538	112,906,298
Trade receivables		124,872,012	134,579,669
Other receivables		15,357,857	13,596,845
Income tax		1,035,780	3,147,399
Other current assets		7,308,414	7,016,587
Derivative financial instruments	12	13,126,256	9,169,496
Cash and cash equivalents	7	212,866,381	233,607,053
Total current assets		512,762,238	514,023,347
Group of assets classified as held for distribution to shareholders	6	153,516,211	180,607,307
Total assets		1,473,465,397	1,498,363,422
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	9	25,641,459	25,641,459
Legal reserve		5,128,292	5,128,292
Hedging reserve		13,069,587	8,201,686
Other reserves		545,092,842	117,245,225
Amounts recognized in other comprehensive income and accumulated in equity related to group of assets classified as held for distribution to shareholders	6	(3,473,218)	23,617,878
Consolidated net profit/(loss) for the period attributable to Equity holders of the parent		19,604,579	427,852,393
Total equity attributable to Equity holders of the parent		605,063,541	607,686,933
Non-controlling interests		2,931,114	2,185,099
Total equity		607,994,655	609,872,032
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Bank loans	10	25,000,000	25,000,000
Other loans	10	357,026,578	433,812,843
Reimbursable government grants	10	1,307,674	1,634,593
Lease liabilities		64,635,400	64,901,619
Other non-current liabilities		4,814,181	3,392,957
Deferred tax liabilities		40,464,200	38,932,184
Pension liabilities		793,018	793,018
Provisions	11	5,796,436	4,731,433
Derivative financial instruments	12	-	-
Total non-current liabilities		499,837,487	573,198,647
CURRENT LIABILITIES:			
Bank loans	10	16,621	19,132,535
Other loans	10	161,525,462	82,483,367
Reimbursable government grants	10	653,837	653,837
Lease liabilities		11,054,969	17,382,431
Trade payables		111,920,056	108,741,684
Liabilities associated with contracts with customers		3,759,834	9,092,199
Other payables		18,346,599	25,567,482
Income tax		29,464,588	23,017,898
Other current liabilities		27,728,565	24,556,110
Derivative financial instruments	12	1,162,724	4,665,200
Total current liabilities		365,633,255	315,292,743
Total liabilities and equity		1,473,465,397	1,498,363,422

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

The Chartered Accountant

The Board of Directors

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE THREE MONTHS PERIODS ENDED 31 MARCH 2023 AND 2022

(Translation of financial statements originally issued in Portuguese - Note 22)
(Amounts expressed in Euros)

	<u>Notes</u>	<u>31.03.2023</u>	<u>31.03.2022</u>
Sales		214,486,332	246,284,466
Services rendered		1,865,394	1,675,459
Other income	16	8,336,381	1,289,644
Costs of sales		(112,013,863)	(103,667,037)
External supplies and services		(47,241,271)	(71,396,543)
Payroll expenses		(11,560,962)	(10,140,267)
Amortisation and depreciation		(17,371,871)	(16,525,879)
Provisions and impairment losses	11	55,504	-
Other expenses		(3,730,088)	(3,095,480)
Results related to investments	14	(29,992)	126,895
Financial expenses	13	(9,008,788)	(5,957,672)
Financial income	13	3,247,449	2,340,551
Profit before income tax from continuing operations		27,034,225	40,934,137
Income tax		(7,587,631)	(11,100,250)
Consolidated net profit for the period from continuing operations		19,446,594	29,833,887
Profit after tax from discontinued operations	6	-	12,497,749
Consolidated net profit for the period		19,446,594	42,331,636
Attributable to:			
Equity holders of the parent			
Continued operations	15	19,604,579	29,833,887
Discontinued operations	15	-	3,737,961
Non-controlling interests			
Continued operations		(157,985)	-
Discontinued operations		-	8,759,788
		19,446,594	42,331,636
Earnings per share			
From continuing operations			
Basic	15	0.10	0.15
Diluted	15	0.10	0.15
From discontinued operations			
Basic	15	-	0.02
Diluted	15	-	0.02

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

The Chartered Accountant

The Board of Directors

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIODS ENDED 31 MARCH 2023 AND 2022

(Translation of financial statements originally issued in Portuguese - Note 22)
(Amounts expressed in Euros)

	Notes	31.03.2023	31.03.2022
Consolidated net profit/(loss) for the period		19,446,594	42,331,636
Other comprehensive income from continued operations:			
Items that may be reclassified to profit or loss in the future			
Changes in fair value of cash flow hedging derivatives - gross amount	12	6,637,036	742,602
Changes in fair value of cash flow hedging derivatives - deferred tax		(1,769,135)	(205,394)
Change in exchange rate reserve		(4,776)	2,216
		<u>4,863,125</u>	<u>539,424</u>
Other comprehensive income from discontinued operations:			
Items that will not be reclassified to profit or loss			
Changes in the value of financial assets at fair value	6	(27,091,096)	-
		<u>(27,091,096)</u>	<u>-</u>
Items that may be reclassified to profit or loss in the future			
Changes in fair value of cash flow hedging derivatives - gross amount		-	(13,489,312)
Changes in fair value of cash flow hedging derivatives - deferred tax		-	3,372,328
Change in exchange rate reserve		-	(1,655,754)
Changes in comprehensive income of joint ventures and associates, net of deferred taxes		-	(183,301)
		<u>-</u>	<u>(11,956,039)</u>
Other comprehensive income for the period		(22,227,971)	(11,416,615)
Total consolidated comprehensive income for the period		<u>(2,781,377)</u>	<u>30,915,021</u>
Attributable to:			
Equity holders of the parent			
Continued operations		(2,623,392)	30,373,311
Discontinued operations		-	(153,235)
Non-controlling interests			
Continued operations		(157,985)	-
Discontinued operations		-	694,945
		<u>(2,781,377)</u>	<u>30,915,021</u>

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

The Chartered Accountant

The Board of Directors

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIODS ENDED 31 MARCH 2023 AND 2022

(Translation of financial statements originally issued in Portuguese - Note 22)
(Amounts expressed in Euros)

	Notes	Attributable to Equity holders of the parent					Consolidated net profit/(loss) for the period	Total	Non-controlling interests	Total equity
		Share capital	Legal reserve	Hedging reserve	Other reserves	Amounts recognized in other comprehensive income and accumulated in equity related to group of assets classified as held for distribution to shareholders				
Balance as at 1 January 2022	9	25,641,459	5,128,292	(2,364,102)	393,895,052	(7,835,311)	127,691,605	542,156,995	181,349,138	723,506,133
Appropriation of the consolidated net profit from 2021		-	-	-	127,691,605	-	(127,691,605)	-	-	-
Acquisition of subsidiaries		-	-	-	-	-	-	-	781,420	781,420
Capital contributions by non-controlling interests		-	-	-	-	-	-	-	61,633	61,633
Others		-	-	-	(1,870)	-	-	(1,870)	2,253	383
Total consolidated comprehensive income for the period		-	-	537,208	2,216	(3,891,196)	33,571,848	30,220,076	694,945	30,915,021
Balance as at 31 March 2022	9	25,641,459	5,128,292	(1,826,894)	521,587,003	(11,726,507)	33,571,848	572,375,201	182,889,389	755,264,590
Balance as at 1 January 2023	9	25,641,459	5,128,292	8,201,686	117,245,225	23,617,878	427,852,393	607,686,933	2,185,099	609,872,032
Appropriation of the consolidated net profit from 2022		-	-	-	427,852,393	-	(427,852,393)	-	-	-
Capital contributions by non-controlling interests		-	-	-	-	-	-	-	904,000	904,000
Total consolidated comprehensive income for the period		-	-	4,867,901	(4,776)	(27,091,096)	19,604,579	(2,623,392)	(157,985)	(2,781,377)
Balance as at 31 March 2023	9	25,641,459	5,128,292	13,069,587	545,092,842	(3,473,218)	19,604,579	605,063,541	2,931,114	607,994,655

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

The Chartered Accountant

The Board of Directors

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE THREE MONTHS PERIODS ENDED 31 MARCH 2023 AND 2022

(Translation of financial statements originally issued in Portuguese - Note 22)
(Amounts expressed in Euros)

	Notes	31.03.2023	31.03.2022
Operating activities:			
<i>Cash flows generated by operating activities (1)</i>		<u>26,682,236</u>	<u>60,980,409</u>
Investment activities:			
Receipts arising from:			
Investments	4.2	800,000	-
Property, plant and equipment		-	157,104
Investment grants		1,542,579	-
Interest and similar income		<u>462,857</u>	<u>141,919</u>
Payments relating to:			
Investments in subsidiaries net of cash and cash equivalents acquired		(3,000)	-
Property, plant and equipment		<u>(18,362,095)</u>	<u>(6,770,431)</u>
<i>Cash flows generated by investment activities (2)</i>		<u>(15,559,659)</u>	<u>(6,471,408)</u>
Financing activities:			
Receipts arising from:			
Loans obtained		55,000,000	57,500,000
Capital contributions by non-controlling interests		904,000	-
Other financing transactions	12	<u>704,057</u>	<u>-</u>
Payments relating to:			
Interest and similar expenses		(3,987,932)	(3,813,741)
Loans obtained		(55,000,000)	(92,500,000)
Reimbursable government grants		(326,919)	(326,919)
Lease liabilities		(9,965,900)	(9,143,011)
Other financing transactions	12	<u>(61,571)</u>	<u>(594,772)</u>
<i>Cash flows generated by financing activities (3)</i>		<u>(12,734,265)</u>	<u>(48,878,443)</u>
Cash and cash equivalents at the beginning of the period		214,646,491	238,937,382
Changes in currency exchange rate		(168,422)	62
Cash and cash equivalents variation: (1)+(2)+(3)		<u>(1,611,688)</u>	<u>5,630,558</u>
Cash and cash equivalents at the end of the period	7	<u><u>212,866,381</u></u>	<u><u>244,568,002</u></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 February 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 cellulosic fibres at three production plants. The Board of Directors considers, with reference to 31 March 2023, there is only one business segment, namely the production and commercialization of cellulosic fibers (Note 17).

The Altri Group's condensed consolidated financial statements are presented in Euro, in amounts rounded off to the nearest Euro. This is the currency used by the Group in its operations and, as such, is deemed to be the functional currency. The exchange rates used for the conversion of balances and transactions in currencies other than Euro to Euro were as follows:

	31.03.2023	
	Closing of the period	Average of the period included in the financial statements
Swiss Francs	0.99635	0.99215

2. MAIN ACCOUNTING POLICIES AND BASIS OF PRESENTATION

a) Main Accounting Policies

The condensed consolidated financial statements, for the three months period ended on 31 March 2023, 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 condensed consolidated financial statements of the Altri Group for the financial year ended 31 December 2022.

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

b) Basis of Presentation

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; ii) financial assets measured at fair value; and iii) 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 2022.

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 condensed consolidated financial statements, the European Union endorsed the following accounting standards, interpretations, amendments and revisions, mandatorily applied to the financial year beginning on 1 January 2023:

	Effective date (financial years began on or after)
IFRS 17 – Insurance Contracts, including amendments to IFRS 17	01 Jan 2023
Amendments to IFRS 17 Insurance Contracts – Initial application of IFRS 17 and IFRS 9 - Comparative Information	01 Jan 2023
Amendments to IAS 1 – Disclosure of Accounting Policies	01 Jan 2023
Amendments to IAS 8 – Definition of Accounting Estimates	01 Jan 2023
Amendments to IAS 12 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01 Jan 2023

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

No new accounting standards or interpretations, with mandatory application in future economic years, have been endorsed by the European Union until the date of approval of these condensed consolidated financial statements.

The following standards, interpretations, amendments and revisions were not endorsed by the European Union at the date of the approval of the condensed consolidated financial statements:

	Effective date (financial years begun on or after)
Amendments to IAS 1 – Presentation of financial statements – Classification of current and non-current liabilities	01 Jan 2024
Amendments to IFRS 16 – Lease liabilities in sale and leaseback transactions	01 Jan 2024

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 condensed consolidated financial statements for the period ended 31 March 2023, as their application is not mandatory, and is in the process of examining the expected effects of these standards.

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 31 March 2023 and 31 December 2022 are as follows:

Company	Registered office	Effective held percentage		Main activity
		31.03.2023	31.12.2022	
Parent company:				
Altri, SGPS, S.A.	Portugal			Holding (company)
Subsidiaries:				
Altri Abastecimento de Madeira, S.A.	Portugal	100.00%	100.00%	Timber commercialization
Altri Abastecimento de Biomassa, S.A. (a)	Portugal	100.00%	-	Biomass commercialization
Altri, Participaciones Y Trading, S.L.	Spain	100.00%	100.00%	Commercialization of cellulosic fibers
Altri Sales, S.A.	Switzerland	100.00%	100.00%	Group management support services
Celbi, S.A.	Portugal	100.00%	100.00%	Production and commercialization of cellulosic fibers
Altri Florestal, S.A.	Portugal	100.00%	100.00%	Forest management
Inflora – Sociedade de Investimentos Florestais, S.A.	Portugal	100.00%	100.00%	Forest management
Viveiros do Furadouro Unipessoal, Lda.	Portugal	100.00%	100.00%	Plant production in nurseries and services related with forest and landscapes
Florestsul, S.A.	Portugal	100.00%	100.00%	Forest management
Caima, S.A.	Portugal	100.00%	100.00%	Production and commercialization of cellulosic fibers
CaptaRaiz Unipessoal, Lda.	Portugal	100.00%	100.00%	Real estate
Biotek, S.A.	Portugal	100.00%	100.00%	Production and commercialization of cellulosic fibers
Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A.	Portugal	100.00%	100.00%	Real estate
Biogama, S.A.	Portugal	100.00%	100.00%	Holding (company)
Greenfiber, S.L.	Spain	75.00%	75.00%	Production and commercialization of cellulosic fibers
Greenfiber Development, S.L.U. (b)	Spain	75.00%	-	Production and commercialization of cellulosic fibers

(a) Entity incorporated in the first quarter of 2023

(b) Entity acquired in the first quarter of 2023

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

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 31 March 2023 and 31 December 2022 are as follows:

Company	Registered office	Statement of financial position		Effective shareholding percentage		Main activity
		31.03.2023	31.12.2022	31.03.2023	31.12.2022	
Pulpchem Logistics, A.C.E.	Lavos, Portugal	-	-	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, Portugal	-	-	35.20%	35.20%	Provision of forest fire prevention and fighting services
C.V. Scheepvaartonderneming Schouwenbank (a)	Delfzijl, Netherlands	-	882,022	-	23.08%	Managament of freight vessels destined for ocean-going shipping
Investments in joint ventures		<u>-</u>	<u>882,022</u>			
Operfoz – Operadores do Porto da Figueira da Foz, Lda.	Figueira da Foz, Portugal	889,154	837,124	33.33%	33.33%	Port operations
Investments in associates		<u>889,154</u>	<u>837,124</u>			
		<u>889,154</u>	<u>1,719,146</u>			

(a) Investment in the company sold in the first quarter of 2023

These entities were included in the Altri Group's consolidated financial statements using the equity method.

In the investments in joint ventures presented, the resolutions at the General Meeting are taken with unanimity, and the number of members in the Board of Directors is equal or decisions are taken with unanimity, with the parties having joint control.

The movements in the balance of this caption in the period ended 31 March 2023 and in the year ended 31 December 2022 are detailed as follows:

	Statement of financial position			Statement of financial position		
	31.03.2023			31.12.2022		
	Operfoz	Schouwenbank	Total	Operfoz	Schouwenbank	Total
Opening balance	837,124	882,022	1,719,146	758,652	-	758,652
Increases	-	-	-	-	900,000	900,000
Disposals	-	(882,022)	(882,022)	-	-	-
Changes in currency exchange rate	-	-	-	-	-	-
Equity method:						
Effects on gains and losses pertaining to joint ventures and associates (Note 14)	52,030	-	52,030	78,472	(17,978)	60,494
Closing balance	<u>889,154</u>	<u>-</u>	<u>889,154</u>	<u>837,124</u>	<u>882,022</u>	<u>1,719,146</u>

The financial investment held in the joint venture C.V. Scheepvaartonderneming Schouwenbank was sold in the first quarter of 2023 for the amount of 800,000 Euro, having generated a capital loss of 82,022 Euro (Note 14).

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 three months period ended 31 March 2023 there were no changes in the consolidation perimeter compared to 31 December 2022, other than those referred to in Note 4.

6. DISCONTINUED ACTIVITIES

On 31 December 2021 and from this date, Greenvolt and its subsidiaries were presented as Group of assets classified as held for distribution to shareholders.

During the second quarter of 2022, 48,118,446 Greenvolt shares were distributed to Altri's shareholders, and, on that date, the Altri Group became the holder of 19.08% of Greenvolt. As a result of this distribution, Altri Group lost control over this subsidiary. Therefore, on that date, Greenvolt and its subsidiaries ceased to be consolidated by the full consolidation method and the remaining interest retained in Greenvolt was recognized at fair value through other comprehensive income since that date.

In July 2022, an operation of public offering for subscription of shares representing the capital of Greenvolt occurred, to be issued as part of a capital increase of Greenvolt in the amount of approximately 100 million Euro. Considering that the Altri Group decided not to participate in said capital increase, it became the holder of 16.64% of Greenvolt, with a total of 23,154,783 shares.

Between 31 December 2022 and 31 March 2023, a decrease of 27.1 million Euro was recognized in the fair value through other comprehensive income of the financial investment that Altri Group holds in Greenvolt.

On 28 April 2023, at the General Meeting, it was decided that the remaining financial interest in Greenvolt would be distributed to shareholders, in the form of a dividend in kind. The delivery of the shares to shareholders took place on 24 May 2023, and according to the previously announced conditions, 21,288,664 Greenvolt shares were distributed to Altri's shareholders. On that same date Altri Group became the holder of 1.34% of Greenvolt, equivalent to a total of 1,866,119 shares (Notes 19 and 20).

7. CASH AND CASH EQUIVALENTS

As at 31 March 2023 and 2022, Cash and cash equivalents were as follows:

	31.03.2023	31.03.2022
Cash	304,108	35,155
Bank deposits	212,562,273	244,532,847
Cash and cash equivalents on the statement of financial position	212,866,381	244,568,002
Bank overdrafts (Note 10)	-	-
Cash and cash equivalents on the statement of cash flows	212,866,381	244,568,002

8. CURRENT AND DEFERRED TAXES

According to current Portuguese legislation, tax returns are subject to review and correction by the Portuguese tax authorities during a period of four years (five years for Social Security), except when there have been tax losses, tax benefits granted, or when inspections, complaints or challenges are in progress, in which cases, depending on the circumstances, the deadlines are extended or suspended. Thus, the Group's tax returns since 2019 may still be subject to review.

The Group's Board of Directors considers that any corrections resulting from reviews/inspections by the tax authorities to those tax returns will not have a material effect on the condensed consolidated financial statements as at 31 March 2023.

9. SHARE CAPITAL

As at 31 March 2023 and 31 December 2022, 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.

10. BANK LOANS, OTHER LOANS AND REIMBURSABLE GOVERNMENT GRANTS

As at 31 March 2023 and 31 December 2022, 'Bank loans', 'Other loans' and 'Reimbursable government grants' can be detailed as follows:

	31.03.2023					
	Nominal value			Book value		
	Current	Non-current	Total	Current	Non-current	Total
Bank loans	-	25,000,000	25,000,000	16,621	25,000,000	25,016,621
Bank overdrafts (Note 7)	-	-	-	-	-	-
Bank loans	-	25,000,000	25,000,000	16,621	25,000,000	25,016,621
Commercial paper	70,000,000	-	70,000,000	70,495,146	-	70,495,146
Bond loans	86,500,000	358,900,000	445,400,000	91,030,316	357,026,578	448,056,894
Other loans	156,500,000	358,900,000	515,400,000	161,525,462	357,026,578	518,552,040
Reimbursable government grants	653,837	1,307,674	1,961,511	653,837	1,307,674	1,961,511
	157,153,837	385,207,674	542,361,511	162,195,920	383,334,252	545,530,172

	31.12.2022					
	Nominal value			Book value		
	Current	Non-current	Total	Current	Non-current	Total
Bank loans	-	25,000,000	25,000,000	171,973	25,000,000	25,171,973
Bank overdrafts (Note 7)	18,960,562	-	18,960,562	18,960,562	-	18,960,562
Bank loans	18,960,562	25,000,000	43,960,562	19,132,535	25,000,000	44,132,535
Commercial paper	70,000,000	-	70,000,000	70,171,523	-	70,171,523
Bond loans	10,000,000	435,400,000	445,400,000	12,311,844	433,812,843	446,124,687
Other loans	80,000,000	435,400,000	515,400,000	82,483,367	433,812,843	516,296,210
Reimbursable government grants	653,837	1,634,593	2,288,430	653,837	1,634,593	2,288,430
	99,614,399	462,034,593	561,648,992	102,269,739	460,447,436	562,717,175

The book value includes accrued interest 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 13).

11. ACCUMULATED PROVISIONS AND IMPAIRMENT LOSSES

The movement occurred under provisions and impairment losses in the three months periods ended 31 March 2023 and 2022 can be detailed as follows:

	31.03.2023			
	Provisions	Impairment losses in receivables	Impairment losses in inventories	Total
Opening balance	4,731,433	3,519,857	12,314,552	20,565,842
Increases	1,329,120	-	-	1,329,120
Utilizations	(29,493)	-	-	(29,493)
Reversals	(234,624)	(1,150,000)	-	(1,384,624)
Closing balance	5,796,436	2,369,857	12,314,552	20,480,845

	31.03.2022			
	Provisions	Impairment losses in receivables	Impairment losses in inventories	Total
Opening balance	4,082,239	3,612,771	10,414,552	18,109,562
Increases	-	-	-	-
Utilizations	(390,866)	-	-	(390,866)
Reversals	-	-	-	-
Transfers	(3,051)	-	-	(3,051)
Closing balance	3,688,322	3,612,771	10,414,552	17,715,645

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.

12. DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 March 2023 and 31 December 2022, companies of the Altri Group had in force derivative financial instrument contracts associated with hedging interest rate changes, exchange rate changes, pulp price changes and energy price changes. All these instruments are recorded at fair value, based on assessments carried out by specialized external entities, which were subject to internal validation.

Altri Group subsidiaries only use derivatives to hedge cash flows associated with operations generated by their activity.

As at 31 March 2023 and 31 December 2022, the fair value of derivative financial instruments is as follows:

	31.03.2023				31.12.2022			
	Asset		Liability		Asset		Liability	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Interest rate derivatives	685,059	5,553,657	-	-	142,379	6,477,587	-	-
Exchange rate derivatives	5,453,577	-	810,599	-	6,559,932	-	2,287,150	-
Pulp price derivatives	1,300,766	-	352,125	-	-	-	2,378,050	-
Energy price derivatives	5,686,854	-	-	-	2,467,185	-	-	-
	13,126,256	5,553,657	1,162,724	-	9,169,496	6,477,587	4,665,200	-

The movement in the fair value of the derivative financial instruments during the three months period ended 31 March 2023 can be broken down as follows:

	Interest rate derivatives	Exchange rate derivatives	Pulp price derivatives	Energy price derivatives	Total
Opening balance	6,619,966	4,272,782	(2,378,050)	2,467,185	10,981,883
Change in fair value					
Effects on equity	(279,520)	370,196	3,326,691	3,219,669	6,637,036
Effects on the income statement	(101,730)	642,486	(1,456,204)	2,485,559	1,570,111
Effects on the statement of financial position	-	(642,486)	1,456,204	(2,485,559)	(1,671,841)
Closing balance	<u>6,238,716</u>	<u>4,642,978</u>	<u>948,641</u>	<u>5,686,854</u>	<u>17,517,189</u>

13. FINANCIAL RESULTS

The financial results for the three months periods ended 31 March 2023 and 2022 are detailed as follows:

	31.03.2023	31.03.2022
Financial expenses		
Interest expenses	5,386,611	2,397,877
Other financial expenses and losses	3,622,177	3,559,795
	<u>9,008,788</u>	<u>5,957,672</u>
Financial income		
Interest income	458,111	10,785
Other financial income and gains	2,789,338	2,329,766
	<u>3,247,449</u>	<u>2,340,551</u>

During the periods ended on 31 March 2023 and 2022, 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 10) and exchange rate losses. The caption 'Other financial income and gains' includes, mainly, exchange rate gains.

14. RESULTS RELATED TO INVESTMENTS

The results related to investments for the three-month periods ended 31 March 2023 and 2022 can be detailed as follows:

	31.03.2023	31.03.2022
Capital losses related to the disposal of investments	(82,022)	-
Equity method (Note 4.2):		
Operfoz	52,030	126,895
	<u>(29,992)</u>	<u>126,895</u>

The financial investment held in the joint venture C.V. Scheepvaartonderneming Schouwenbank was sold in the first quarter of 2023 for the amount of 800,000 Euro, having generated a capital loss of 82,022 Euro (Note 4.2).

15. EARNINGS PER SHARE

Earnings per share for the three-month periods ended 31 March 2023 and 2022 were calculated based on the following amounts:

	31.03.2023	31.03.2022
Number of shares for basic and diluted earning calculation	205,131,672	205,131,672
Earnings of continued operations for the purpose of calculating earnings per share	19,604,579	29,833,887
Earnings of discontinued operations for the purpose of calculating earnings per share	-	3,737,961
Earnings per share		
From Continued Operations		
Basic	0.10	0.15
Diluted	0.10	0.15
From Discontinued Operations		
Basic	-	0.02
Diluted	-	0.02

16. OTHER INCOME

As of 31 March 2023 and 2022, the caption Other income was composed as follows:

	31.03.2023	31.03.2022
Investment and exploration subsidies	3,229,919	850,653
Gains in derivative instruments (Note 12)	2,485,559	-
Others	2,620,903	438,991
	<u>8,336,381</u>	<u>1,289,644</u>

The variation in the item “Investment and exploration subsidies” is related to the incentive *Apoiar as Indústrias Intensivas em Gás*. The variation in the item “Others” refers to claims relating to credit insurance.

17. INFORMATION BY SEGMENTS

As mentioned in Note 6, in May 2022, 48,118,446 Greenvolt shares were distributed to Altri's shareholders, and as a result of this first distribution, Altri Group lost control over this subsidiary. Under the terms of the operations referred to above, the reorganization originated the separation of Altri's two autonomous business units corresponding to the exercise of the management of investments in the cellulosic fiber sector and in the electric energy production sector, respectively. This reorganization was part of a rationale of focus and transparency of Altri's business, aimed at giving each of the areas greater visibility and perception of value by the market, and allowed the Altri Group to concentrate its activity on its core business, the production of cellulosic fibers. Therefore, with reference to 31 March 2023, the Board of Directors considers that there is only one segment that can be reported, namely the production and commercialization of cellulosic fibers, and the management information is also prepared and analysed on this basis.

18. 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 three months periods ended 31 March 2023 and 2022, there were no transactions with the Board of Directors, nor were they granted loans.

By reference to 31 March 2023, and as a result of a review of the definition of related parties, the disclosure criteria was revised. Until this date, in addition to what is referred to in IAS 24, the interpretation was also in line with the definition of special relations as defined in the Portuguese Corporate Income Tax Code. As of this date, the definition was reviewed to be fully aligned with what is foreseen by the standard IAS 24.

18.1 Related parties from continued activities

As at 31 March 2023 and 2022, balances and transactions from continued activities with related entities can be summarised as follows:

	Payables	
	31.03.2023	31.03.2022
Balances		
Joint ventures and associates (a)	3,821,623	2,243,660
	<u>3,821,623</u>	<u>2,243,660</u>
	Purchases and acquired services	
	31.03.2023	31.03.2022
Transactions		
Joint ventures and associates (a)	9,100,304	7,817,623
	<u>9,100,304</u>	<u>7,817,623</u>

(a) Entities included in the consolidation using the equity method as at 31 March 2023 and 2022 (Note 4.2)

18.2 Related parties from discontinued activities

As of 31 March 2023, Greenvolt and its subsidiaries are no longer fully consolidated, so there are no balances or transactions with related parties from discontinued activities.

As at 31 March 2022, balances and transactions from discontinued activities with related entities can be detailed as follows:

	Transactions			
	Purchases and acquired services	Sales and services rendered	Interest expense	Interest obtained
Joint ventures and associates	-	389,826	-	353,835
Other related parties	21,525	97,694	707,860	-
	<u>21,525</u>	<u>487,520</u>	<u>707,860</u>	<u>353,835</u>
	Balances			
	Payables	Receivables	Loans granted	Shareholders Loans
Joint ventures and associates	-	251,718	48,718,622	-
Other related parties	29,506	123,697	10,020,196	41,246,944
	<u>29,506</u>	<u>375,415</u>	<u>58,738,818</u>	<u>41,246,944</u>

19. APPROPRIATION OF NET PROFIT

Regarding the 2022 financial year, the Board of Directors proposed in its annual report that the individual net profit of Altri, SGPS, S.A. in the amount of 487,073,688 Euro, should be allocated as follows:

Coverage of negative reserves	240,827,992 Euro
Dividends	51,282,918 Euro
Free reserves	194,962,778 Euro

The Board of Directors proposed to the General Meeting in its annual report the distribution, under the conditions presented in the respective proposal, which was approved in the General Meeting held on 28 April 2023, of a cash dividend corresponding to 0.25 Euro per share. The same proposal also contemplated the distribution of a dividend in kind, consisting of a maximum number of 23,154,783 shares representing Greenvolt's share capital and voting rights. If in this scenario of joint distribution, i.e. in cash and in kind the amount to be distributed exceeded the amount of distributable funds, the portion of the dividend in cash would be reduced by the amount corresponding to the excess, rounded down (to a minimum of 0.01 Euro per share).

On 24 May 2023, and according to the previously announced conditions, a total cash dividend of 51,282,918 Euro (0.25 Euro per share) was distributed, 12,157,766 Euro of withholding tax was paid relating to the dividend in kind and 21,288,664 Greenvolt shares were distributed (Notes 6 and 20).

20. SUBSEQUENT EVENTS

As mentioned in Notes 6 and 19, on 24 May 2023, and in accordance with the conditions previously announced, the distribution of 21,288,664 shares representing the share capital of Greenvolt was carried out, following which Altri Group now holds 1.34% of Greenvolt, in a total of 1,866,119 shares.

From 31 March 2023 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.

21. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated condensed financial statements were approved by the Board of Directors and authorised for issue on 25 May 2023.

22. 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 Antunes de Oliveira

Paula Simões de Figueiredo Pimentel Freixo Matos Chaves

José Armindo Farinha Soares de Pina

Carlos Alberto Sousa Van Zeller e Silva

Vítor Miguel Martins Jorge da Silva

Miguel Allegro Garcez Palha de Sousa da Silveira

João Carlos Ribeiro Pereira

Sofia Isabel Henriques Reis Jorge



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ALTRI, SGPS, S.A.

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

Share capital: Euro 25,641,459

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