altri

2018

ANNUAL REPORT AND ACCOUNTS

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MANAGEMENT REPORT

To the Shareholders

Pursuant to the legal and statutory requirements, the Board of Directors of Altri, SGPS, S.A. (hereinafter referred to as "Altri", "Company" or "Group"), hereby presents the Annual Report and Accounts for 2018. In accordance with Article 508(6)(C) of the Commercial Companies Code (CSC), the Board of Directors decided to submit a single Management Report, fulfilling all the applicable legal requirements that will enable a complete, practical and integrated analysis of the information made available therein.

Introduction

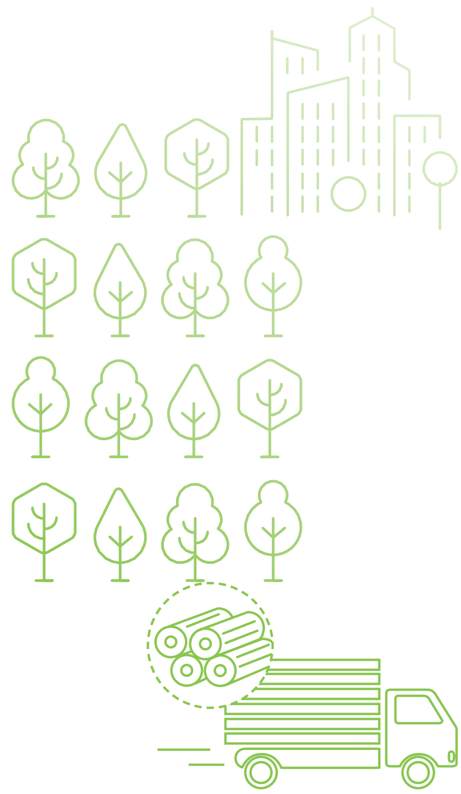
2018 was, once again, a record year in terms of pulp production and sales.

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 Notebly the high level of investment made, especially in recent years - Altri has invested more than 640 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.



The forest is a strategic asset for Altri. At the end of 2018, Altri, through its subsidiary, Altri Florestal, S.A., managed 80,000 hectares of forest in Portugal.

Altri Florestal S.A.'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:

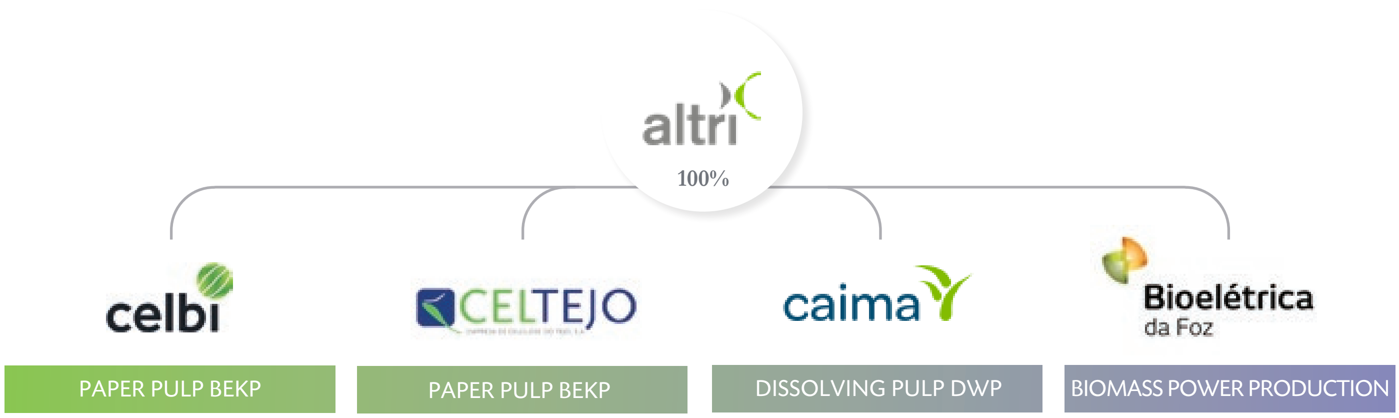
- Cutting cash cost per tonne: the projects completed in recent years and those underway do not entail an increase in fixed costs, leading to a dilution of the cash cost per tonne;
- Strategic location of the customer base: the prime location for Altri's customers is Western and Central Europe, where it is possible to optimise the balance between the quality of customer service and transportation costs;
- Wood self-sufficiency: Altri manages about 80,000 hectares of forest in Portugal, ensuring a potential level of wood self-sufficiency around 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 - Bioeléctrica, 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 Bioelétrica da Foz, S.A.). Following the Competition Authority's decision not to object to the proposal, the transaction took place at the end of November and the Group took control of the entire operation as of that date.

So, Altri, through its subsidiary Bioelétrica da Foz, S.A. (Bioelétrica) owns and manages four biomass power plants and is in the process of building a fifth plant, 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).

Consequently, the new functional organisational structure of the Altri Group is as follows:



Macroeconomic background

At the beginning of 2018, the world economic activity was surrounded by great optimism, after a year that was characterised by synchronised global growth. An economic environment favourable to the markets, the tax reform implemented by Donald Trump and good data from China suggested that 2018 would be another positive year worldwide. However, from a very early stage, there was a slowdown in global industrial activity, as well as in international trade, which ultimately plagued the confidence of economic agents. The implementation of customs tariffs by some of the largest countries in the world - especially the US - and the subsequent retaliations, namely from China, have created a negative environment for the market and for economic agents in general.

Nevertheless, 2018 was a year of growth in virtually all geographic regions, as the world economy is estimated to have grown 3.7%, slightly above the 3.6% of 2017 (OECD data) and above the 3.4% average recorded since 2011. However, in the OECD economies, there was a slight slowdown in growth, from 2.5% in 2017 to 2.4% in 2018, due to the slowdown in the Euro area and Japan.

On the other hand, 2018 was a year of slowdown in Portugal, comprising yet another example of the economic cycle's maturity. GDP grew by 2.1% in 2018, against 2.8% in 2017, as domestic demand and tourism remained strong. Portugal has already felt the impact of the slowdown of some of its main trading partners, namely Spain and Germany. Nevertheless, exports continued to grow at a good pace (6%). The unemployment rate fell again in 2018, reflecting economic growth and the growth of tourism. Average inflation in Portugal was 1%, below the forecasts at the beginning of the year and well below the European average of 1.9%.

Economic growth in Europe peaked in 2017, reaching the fastest pace of the last decade at the time. This pace was more moderate in 2018, as the international scenario became less favourable. The European Commission estimates that the economy grew by 1.9% in 2018 and will slow down to 1.3% in 2019. The IMF was relatively more optimistic than the European Commission in its latest report, issued in November, estimating a slowdown in GDP growth from 2.4% in 2017 to 2.0% in 2018 and 1.9% in 2019.

Growth in the United States is expected to slow down over the next two years as macroeconomic policies become less favourable. Monetary policy has gradually been normalised as inflation approaches the 2% target of the Federal Reserve. Inflation is expected to rise slightly above the Fed's target, while the amount of unused resources in the economy decreases. At the last monetary policy meeting, the US Federal Reserve Bank raised interest rates to 2.25%-2.50%, as expected, continuing to characterise the economy in a positive manner.

After a rise of 6.9% in 2017, China's growth remained strong in the first half of last year, but slowed down in the second half, having grown by 6.6% in 2018. The country has been under heavy pressure from the US in the recent "trade war," but some of the tension between the two sides has been relieved this year.

Stock exchange evolution

(Note: PSI 20 was regarded as an index with an initial value identical to that of the security under analysis in order to enable a better comparison between share prices.)

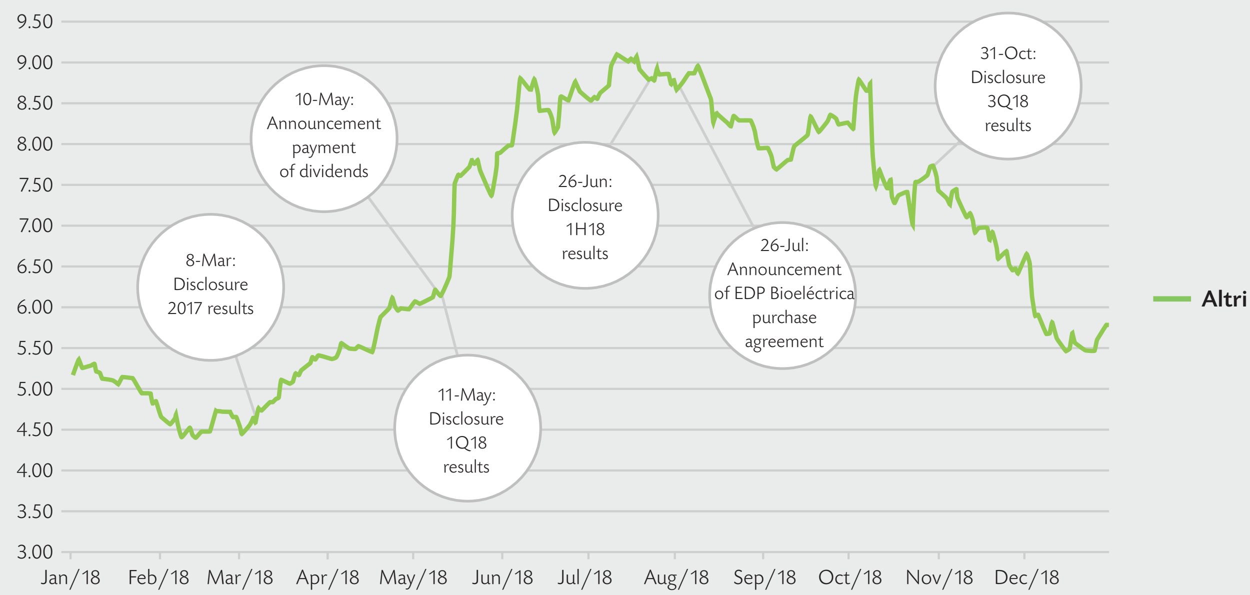
Altri's shares increased in value by 12% in 2018, while PSI-20 decreased in value by 12% in the same period.

At the end of 2018, Altri's share price stood at 5.80 Euro per share. Market capitalisation was about 1.19 billion Euro at the end of 2018.

In 2018, Altri's shares were traded at a maximum price of 9.13 Euro per share and at a minimum of 4.41 Euro per share. In total, approximately 89 million Altri shares were traded in that period, corresponding to 43.5% of the issued capital.

The main events that marked the evolution of the Company's shares in FY 2018 can be chronologically described as follows:

Change in Altri share price



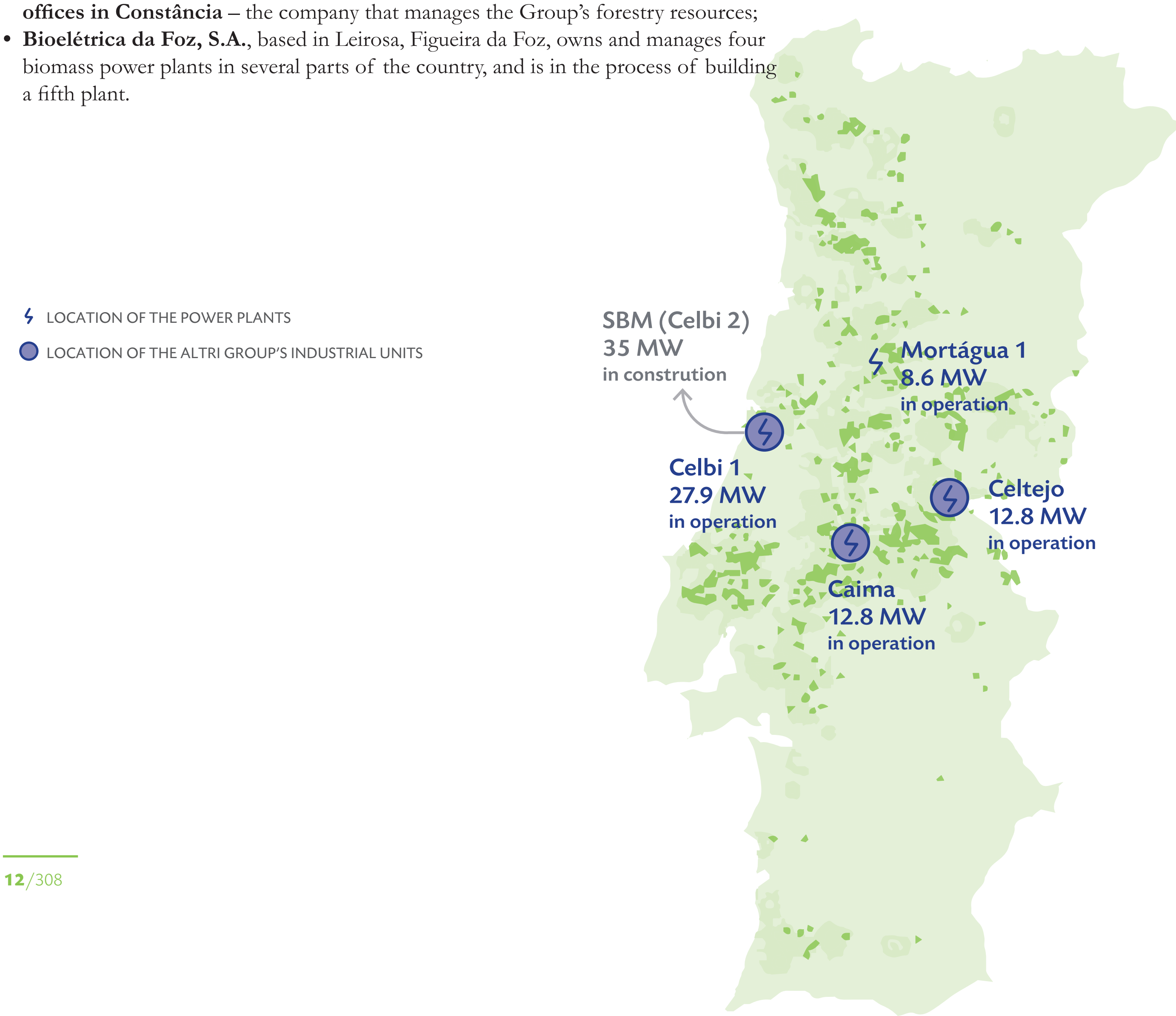
- On March 8, 2018, the Group announced its financial performance for FY 2017, with a consolidated net profit of 96.1 million Euro. Total consolidated revenues amounted to 665.8 million Euro. Consolidated EBITDA exceeded 191 million Euro, in a record year in terms of pulp production and sales. The closing price on that date was 4.78 Euro per share.
- On April 20, 2018, Altri announced to the market that its subsidiary Celbi issued a bond loan named "CELBI 2018/2026," in the amount of Euro 50,000,000;
- In the announcement made on May 10, 2018, Altri informed the market that the dividends pertaining to FY 2017, corresponding to 0.30 Euro per share, would be paid as of May 30;
- In an announcement made on May 11, the Group disclosed its results for the first quarter of 2018. During this period, total consolidated revenues amounted to Euro 173.4 million, EBITDA reached approximately Euro 63.3 million, while consolidated net income stood at Euro 32.7 million;
- On May 28, 2018, Altri announced to the market that its subsidiary Celbi issued a bond loan named "CELBI 2018/2028," in the amount of Euro 50,000,000;
- On July 26, Altri disclosed the results for the first half of 2018 to the market, with revenues of around 378.4 million Euro, an EBITDA of approximately 136 million Euro and a net income of approximately 73.8 million Euro;
- On July 31, Altri informed that it had reached an agreement with EDP - Energias de Portugal, S.A., to acquire, directly and through its subsidiary Caima - Indústria de Celulose, S.A., 50% of EDP Produção - Bioeléctrica, S.A., thereby taking control of 100% of this Company. The transaction took place following the Competition Authority's decision not to object to the proposal;
- The results for the 3rd quarter were disclosed on October 31. In the first nine months of the year, the Group achieved total revenues of 583.6 million Euro, EBITDA was approximately 218 million Euro and net profit stood at 120.4 million Euro.

The Group's activity

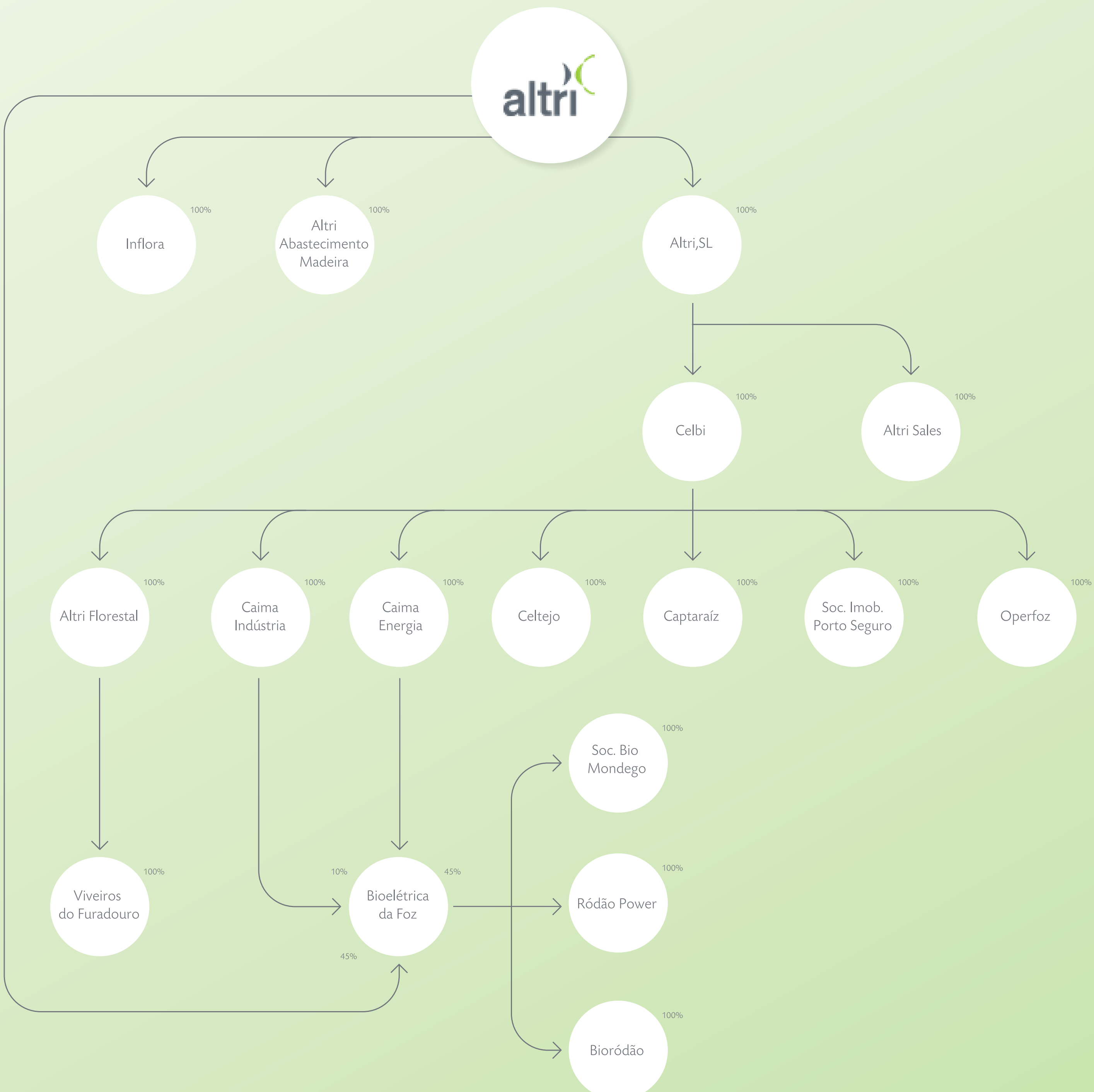
Altri is a leading European producer of bleached eucalyptus pulp and, more recently, a producer of dissolving pulp. The Company is also a relevant player in the field of forest-based renewable energy, particularly in industrial cogeneration using black liquor and biomass.

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

- **Celulose Beira Industrial (Celbi), S.A. (Celbi),** based in Leirosa, Figueira da Foz – paper pulp producer and distributor;
- **Celtejo – Empresa de Celulose do Tejo, S.A. (Celtejo),** based in Vila Velha de Ródão – also a paper pulp producer and distributor;
- **Caima – Indústria de Celulose, S.A. (Caima), based in Constância –** dissolving pulp producer and distributor;
- **Altri Florestal, S.A., based in Leirosa, Figueira da Foz, but with operational offices in Constância** – the company that manages the Group's forestry resources;
- **Bioelétrica da Foz, S.A.**, based in Leirosa, Figueira da Foz, owns and manages four biomass power plants in several parts of the country, and is in the process of building a fifth plant.



As of December 31, 2018, the full ownership structure of the Altri Group is as follows:



Altri's product

Celbi and Celtejo produce eucalyptus pulp, using the sulphate process, or Kraft. Caima produces dissolving pulp, for applications in the textile industry, using the sulphite process.

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

The fact that the production of paper pulp at Celbi and Celtejo is based on the use of eucalyptus globulus as a raw material, combined with the corresponding production processes, gives them special characteristics which make them particularly suitable to produce certain types of paper or cardboard.

In Celbi's case, the pulp's characteristics make it suitable for manufacturing fine printing and writing papers, papers for decorative laminates and papers used to achieve a high printing quality. In Celtejo's case, the pulp is particularly suitable for manufacturing tissue papers.

Caima produces dissolving pulp using eucalyptus globulus as raw material. This pulp is used in the production of viscose, one of the raw materials for the textile industry, alongside cotton and polyester. There is a development project underway to make it possible to use this pulp in a wider range of products in the future, with applications in the detergent and pharmaceutical industries, sponges, etc. The target markets for paper pulp are Western Europe, Eastern Europe and the Mediterranean. Dissolving pulp is mainly sold in China, which is the world's largest viscose producer.

In addition to dissolving pulp, Caima also sells magnesium lignosulphonate, which is mainly used in the construction industry, as an addictive for concrete.

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

Paper pulp market

According to data from the Pulp and Paper Products Council (PPPC), World Chemical Market Pulp Global 100 Report, in 2018 the total demand for hardwood pulp grew by about 0.4%, which resulted in an absolute incremental growth of 0.35 million tonnes.

However, the slowdown in consumption was very sharp in December 2018, when the demand for hardwood pulps amounted to 2.8 million tonnes, which corresponds to a decrease of 18% compared to the demand in December 2017.

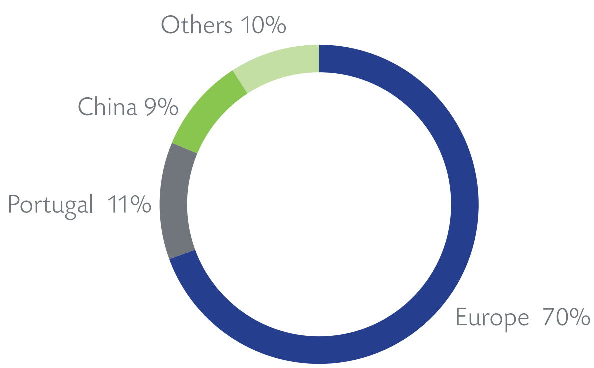
In terms of developments in the price of BHKP pulp, the 4th quarter of 2018 was characterised by a downward trend, as the average price reached 1,045 USD/ton, against an average market price (PIX) of approximately 1,050 USD/ton in the 3rd quarter.

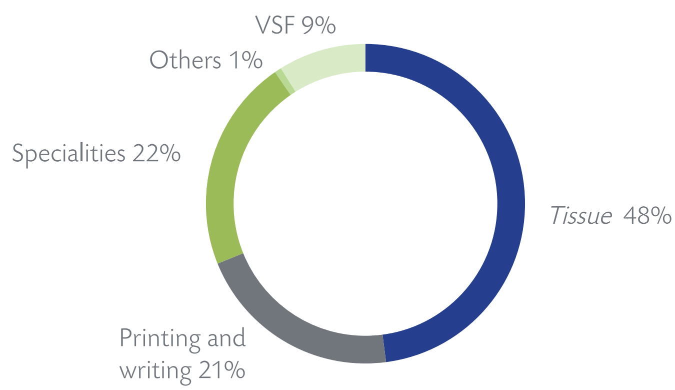
Developments in the price of BEKP pulp in Europe between 2003 and the end of March 2019

Source: FOEX

Once again, Altri hit a new production record in 2018. Nearly 1.097 million tonnes of pulp were produced (54,000 tonnes more than in the previous year), of which approximately 106,500 tonnes were dissolving pulp (DWP). In terms of sales, in the financial year under analysis, 1.055 million tonnes of pulp were sold, of which 950,700 tonnes were paper pulp and nearly 104,300 tonnes were DWP.

Pulp sales by region and use





The average market price of paper pulp (BHKP) in 2018 was € 879.4/ton, which corresponds to a 21% increase against the average price recorded in 2017.

In terms of geographic distribution of Altri's sales, Europe (excluding Portugal) is the main target market for the Group's sales, accounting for 70% of sales, i.e., about 735,000 tonnes. Portugal accounts for 11% of sales, while China accounts for about 9% of pulp sales.

In terms of use, tissue producers are Altri's main customers with a 48% share, followed by speciality producers and graphic printing and writing paper producers, with market shares of 22% and 21%, respectively. Producers of viscose filaments - consumers of DWP pulp - account for about 9% of sales.

Financial Review

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

The main data and indicators of the Altri Group's consolidated activity can be summarised as follows:

thousand Euro	2018	2017	2018/2017 Var%
Total revenues	**784,831**	**665,779**	**17.9%**
Sales cost	255,518	257,011	-0.6%
External supplies and services	187,071	166,658	12.2%
Staff costs	39,528	33,953	16.4%
Other costs	12,645	8,291	52.5%
Provisions and impairment losses	655	-167	-
Change in fair value of biological assets	-3,269	8,934	-
Total costs (a)	492,149	474,681	3.7%
EBITDA (b)	**292,682**	**191,098**	**53.2%**
margin	**37.3%**	**28.7%**	**+8.6 pp**
Amortisation and depreciation	60,204	53,692	12.1%
EBIT (c)	**232,478**	**137,406**	**69.2%**
margin	**29.6%**	**20.6%**	**+9.0 pp**
Investment-related results	30,809	2,529	1118.3%
Financial expenditure	-20,710	-26,329	-21.3%
Financial income	8,063	4,982	61.8%
Financial results	18,162	-18,818	-196.5%
Pre-tax earnings	250,640	118,589	111.4%
Income tax	-56,142	-22,520	149.3%
Net consolidated result ascribable to shareholders of the parent company	**194,498**	**96,068**	**102.5%**

(a) Operating costs excluding amortisation, financial expenses and income tax
(b) EBITDA = earnings before interest, taxes, depreciation and amortisation
(c) EBIT = earnings before interest and taxes

In FY 2018, Altri's total revenues reached 784.8 million Euro, which corresponds to a growth of around 18% compared to FY 2017.

In 2018, total expenditure, excluding amortisations, financial expenses and taxes, amounted to approximately 492.1 million Euro, corresponding to growth of about 3.7% against the expenses recorded in the previous year. We should note that, as in 2017, biological assets were recognised at fair value in the year under analysis, leading to an increase of approximately 3.3 million Euro in asset value.

In 2018, EBITDA reached 292.7 million Euro, a growth of approximately 53% against the EBITDA for the previous year, and its margin reached 37.3% (+8.6 p.p.).

Operating income (EBIT) for the year stood at 232.5 million Euro, an increase of nearly 69% compared to the previous year.

Financial income amounted to approximately 18.2 million Euro. The item "Results of associated companies" includes mainly the accounting gain corresponding to the acquisition of the entire share capital of Bioelétrica. Because this acquisition was carried out in stages (since the Altri group already held 50% of the capital), Altri, under the applicable accounting regulations, had to reassess the equity interest it held in Bioelétrica at its fair value on the date of the latest acquisition. This measurement resulted in the recognition of an accounting gain in the amount of 26 million Euro in the consolidated financial statements.

Altri's net income reached approximately 194.5 million Euro.

Key balance sheet indicators

thousand Euro	2018	2017	Var%
Biological assets	98,474	94,848	4%
Tangible fixed assets	555,509	396,516	40%
Goodwill	265,531	265,531	0%
Intangible assets	55,284	1,019	5325%
Investments in associated companies and joint ventures	697	17,457	-96%
Others	41,064	51,590	-20%
Non-current assets	**1,016,559**	**826,961**	**23%**
Inventories	70,096	50,728	38%
Clients	120,825	113,285	7%
Cash and cash equivalents	240,766	193,600	24%
Others	43,943	25,515	72%
Current assets	**475,630**	**383,127**	**24%**
Total assets	**1,492,189**	**1,210,089**	**23%**
Equity	**521,597**	**394,567**	**32%**
Bank loans	33,500	39,500	-15%
Other loans	506,035	442,484	14%
Repayable incentives	16,412	14,566	13%
Others	66,175	45,427	46%
Non-current liabilities	**622,122**	**541,977**	**15%**
Bank loans	6,536	6,217	5%
Other loans	128,812	94,831	36%
Repayable incentives	5,511	3,122	77%
Suppliers	123,711	95,373	30%
Others	83,900	74,002	13%
Current liabilities	**348,470**	**273,544**	**27%**

The total net investment (CAPEX) made in 2018 by the Group's units amounted to 110.8 million Euro.

Altri's remunerated nominal debt net of cash as of December 31, 2018 amounted to 433 million Euro. As a result, net debt increased by approximately 45 million Euro compared to the net debt of 388 million Euro at the end of 2017, mainly as a result of the acquisition of Bioelétrica.

Activity developed by the non-executive members of the board of directors

In 2018, all non-executive directors regularly and effectively performed their duties of monitoring and following-up on the activity carried out by the executive members.

Among others, in 2018, the non-executive members of the Board of Directors actively and regularly attended the meetings of the Board of Directors, analysing the various issues on the matters under consideration and expressing their views on the Group's strategic guidelines. Where necessary, they maintained a close and direct contact with the Group's operational and financial officers. In 2018, and as part of the meetings of the Board of Directors, the Executive Directors provided all the information that was requested by the other members of the Board of Directors.

Proposal of the board of directors for the appropriation of individual net profit and distribution of free reserves

Altri, SGPS, S.A., as the Group's holding, recorded in its individual accounts prepared in accordance with the principles of recognition and measurement of the International Financial Reporting Standards as adopted by the European Union, a net profit of 135,210,911.23 Euro. The Board of Directors proposes to the Shareholders' General Meeting its full distribution in form of dividends.

Altri's Board of Directors also proposes to the Shareholders' Meeting the distribution of free reserves in the amount of 12,483,892.84 Euro, in the form of dividends, in addition to said distribution of profits for the year.

The distribution of profits for the year and free reserves hereby proposed will result in the payment of a gross dividend of 0.72 Euro per share.

Future prospects

From the operational point of view, and during the first quarter of the year (February), the activity of Celbi's industrial unit was suspended for more than 15 days due to scheduled maintenance works. Considering the level of stocks accumulated in previous quarters, no material changes in the volumes sold are expected to occur during the first quarter of 2019.

The scheduled maintenance of Altri's industrial units has been planned as follows:

Celtejo: May
Caima: October

In terms of the CAPEX, Altri is planning to invest nearly 80 million Euro in 2019, of which 30 million Euro will be invested in the completion of the Figueira da Foz biomass plant, which is due to start operating in the third quarter of 2019.

CORPORATE GOVERNANCE REPORT

Corporate governance

ALTRI, SGPS, S.A. (hereinafter referred to as "ALTRI" or "Company") hereby discloses to its Shareholders, customers, suppliers and other stakeholders and to society in general, its Corporate Governance Report ("Report").

The model for this Report is the one included in the Regulation of the Portuguese Securities Market Commission (CMVM) number 4/2013, and the information contained therein complies with all the applicable legal requirements including, but not limited to, Article 245A of the Securities Code (CVM).

In FY 2018, ALTRI began to adapt its structure in order to comply with the Corporate Governance Code of the Portuguese Institute for Corporate Governance (IPCG).

Its management model is in line with this Code and ALTRI is very much pleased with the fact that it managed to reach a high level of compliance with its recommendations in the year in which these entered into force.

With teams whose size meets the Company's needs, to which it provides high levels of training and which are constantly reminded that they need to support their decisions on sustainability criteria, the Company's entire staff works in unison, focused on achieving its goals.

ALTRI believes that the evolution of its results and, in particular, the results presented in the 2018 Annual Report & Accounts, are the materialisation of a well-established path.

In fact, ALTRI has been consolidating its image as a company with a strict and transparent management, which has earned the prize for the Portuguese company with the best performance in the capital market in 2018, awarded at the Euronext Lisbon Awards.

This distinction in the capital market "strengthens our belief that we're on the right track," said Paulo Fernandes, ALTRI's Chairman and Co-CEO, at the award ceremony.

ALTRI works to deliver added value to its shareholders and surrounding communities, so earning a prize that demonstrates the confidence of Shareholders, investors and the market in general, in an increasingly informed society, sensitive to careful and responsible management and to environmental and sustainability issues, places in our hands the responsibility of continuing to do more and better.

And that is what Shareholders and the market in general can always expect from ALTRI - a true commitment focused on goals, to be able to continue to do more and better.

Part I – information on shareholder structure, organisation and corporate governance

A. Shareholder structure

I. Capital structure

1. Capital structure

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

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

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

2. Restrictions on the transfer and ownership of shares

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

3. Own shares

The Company does not hold any own shares as of December 31, 2018.

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

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

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

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

ALTRI did not adopt any defensive measures.

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

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

II. Shareholdings and Bonds held

7. Qualifying holdings

As of December 31, 2018 and according to the notifications received by the Company, pursuant to and for the purposes of Articles 16, 20 and 248B of the CVM and Article 448 of the Commercial Companies Code ("CSC"), the Company informs that the companies and/or natural persons with qualifying holdings exceeding 2%, 5%, 10%, 20%, 33% and 50% of the voting rights are as follows:

	No. of shares 31-dec-2018	% Share capital with voting rights
Norges Bank		
Directly	4,149,572	2.02%
Total attributable	4,149,572	2.02%
1 Thing, Investments, S.A.		
Directly[(a)]	14,359,708	7.00%
Total attributable	14,359,708	7.00%
Domingos José Vieira de Matos		
Through Livrefluxo, S.A. (of which he is dominant shareholder and director)	24,454,208	11.92%
Total attributable	24,454,208	11.92%
Paulo Jorge dos Santos Fernandes		
Through Actium Capital, S.A. (of which he is dominant shareholder and director)	26,024,874	12.69%
Total attributable	26,024,874	12.69%
João Manuel Matos Borges de Oliveira		
Through Caderno Azul, S.A. (of which he is shareholder and director)	30,000,000	14.62%
Total attributable	30,000,000	14.62%
Promendo Investimentos, S.A.		
Directly [(b)]	42,545,053	20.740%
Through its director José Manuel de Almeida Archer	1,500	0.001%
Total attributable	42,546,553	20.741%

(A) The 14,359,708 shares represent Altri, SGPS, S.A. total shares held by 1 Thing, Investments, S.A. of which Pedro Miguel Matos Borges de Oliveira is a Board Member
(B) The 42,545,053 shares represent Altri, SGPS, S.A. total shares held by Promendo Investimentos, S.A. that are considered equally attributable to Ana Rebelo de Carvalho Menéres de Mendonça, director and dominant shareholder of Promendo Investimentos, S.A. and director of Altri, SGPS, S.A.

This matter is also addressed in the Annual Management Report.
The up-to-date information on qualifying holdings is available at:
http://www.altri.pt/pt/investors/shareholder-information/shareholder-structure

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

The shares and bonds held by members of management and supervisory boards in the Company and in companies in a control or group relationship with the Company, directly or through related persons, are disclosed in the appendices to the Management Report as required by Article 447 of the CSC and Article 14 of Regulation 5/2008 of the Portuguese Securities Market Commission ("CMVM ").

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

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

We should note that Article 4 of the Company's Articles of Association, as amended by resolution taken on March 31, 2006, gave the Board of Directors the possibility of deciding, with the prior approval of the Company's supervisory body, to increase the Company's share capital, one or more times, up to the limit of 35 million Euro, by means of new cash inflows.

This statutory provision, pursuant to Article 456(2)(b) of the CSC, was in force for a period of five years, and was not renewed, pursuant to paragraph 4 of the same legal provision, expiring on March 31, 2011. From that date onwards, the General Meeting was given exclusive power in these matters.

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

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

We should note, in this regard, a transaction carried out in 2018 between the Company and a company named Préstimo - Prestígio Imobiliário, S.A., in which some ALTRI directors hold managerial positions (see section 90 of this Report); the transaction involved the purchase by ALTRI of a property owned by Préstimo - Prestígio Imobiliário, S.A. to set up ALTRI's new headquarters.

This transaction, in compliance with the provisions of Article 406(e) of the CSC, as well as of Article 5(1)(a) of Decree-Law no. 495/88, in its current wording, was approved by resolution of the Board of Directors, taken at a meeting held on November 22, 2018, pursuant to which, and in compliance with the provisions of Article 397 of the CSC, there was a decision to request the prior opinion of the Company's supervisory board.

Concluding that it would occur under normal market conditions, the Company's Supervisory Board issued a favourable opinion, thus giving the go-ahead for said transaction.

Information on the deals between the Company and related parties can be found in note 30 of the Notes to the Consolidated Statements and note 18 of the Notes to the Individual Accounts concerning transactions with related parties.

B. Governing bodies and committees

I. General meeting

a) Composition of the board of the general meeting

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

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

As of December 31, 2018, the Board of the General Meeting was composed of the following members, in their first term of office:

Chairman: **Manuel Eugénio Pimentel Cavaleiro Brandão**
Secretary: **Maria Conceição Henriques Fernandes Cabaços**

The current term of office began in 2017 and will end in 2019.

b) Exercising the voting right

12. Restrictions on voting rights

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

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

The Company has not issued preferential shares without voting rights.

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

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

Individual shareholders and legal persons may be represented by a person appointed for that purpose by means of a written document addressed to the Chairman of the Board of the General Meeting, by letter delivered at the Company's headquarters by the end of the third business day prior to the General Meeting.

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

The Company's shareholders may vote by correspondence on all matters subject to consideration by the General Meeting, by means of a written statement, with the identification of the shareholder which, in the case of a natural person, consists of a certified copy of the corresponding identity card/citizen card or passport, required in compliance with Article 5(2) of Law 7/2007, of 5 February, as amended by Law number 32/2017, of 1 June, and, in the case of a legal person, consists of a duly recognised signature, in accordance with the applicable legal provisions.

Pursuant to the Company's Articles of Association, the declaration of intention to vote by correspondence must be delivered at the company's headquarters by the end of the third business day prior to the day for which the meeting is scheduled, with the identification of the sender, addressed to the Chairman of the Board of the General Meeting.

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

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

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

We should also note that the Company discloses, within the applicable legal deadlines and in all places required by law, the calls to General Meetings, which contain information on how shareholders can qualify to participate and exercise their voting rights, as well as on procedures to be adopted to allow exercising the right to vote by correspondence or to appoint a representative.
The Company also discloses, in accordance with applicable legal provisions, the deliberation proposals, the preparatory information required by law, representation letter drafts and ballot papers for exercising the right to vote by correspondence, in order to guarantee, promote and encourage the participation of the shareholders or their appointed representatives in the General Meetings.

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

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

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

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

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

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

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

a) Composition

15. Identification of the corporate governance model in place

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

The Board of Directors is, therefore, the body responsible for managing the Company's business in pursuit of its corporate purpose, determining its strategic orientation, without prejudice to it being monitored and assessed by the Supervisory Board, as part of its powers.

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

We should note that diversity policy is not a new issue for the ALTRI group.

In fact, taking into account that the activity carried out by the Group's companies is an industrial activity historically prone to male predominance, the Company has, from an early stage, encouraged the promotion of women to senior positions, such as in the case of the election of Laurentina da Silva Martins in 2009 and, in 2014, the election of Ana Rebelo de Carvalho Menéres de Mendonça, both of whom remain in office in a board currently composed of 7 members.

We should also note that, out of the four divisions created within the Group since 2015, two are led by women, a fact that reflects ALTRI's approach to this matter.

At a time when there were no legal requirements, ALTRI was already quickly moving forward along this path, with a significant gender representativeness.

And this is because ALTRI's culture is based on criteria of true meritocracy.

As there is no diversity policy formally in place, precisely because we believe that diversity including, in particular, gender diversity, must be regarded as the ultimate expression of an excellent performance on the way up to senior positions, ALTRI will continue to act in strict compliance with all the applicable legal requirements, particularly upon the election of the new members of its governing bodies, at the beginning of the next mandate, due to begin in 2020.

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

Last, but not least, ALTRI believes that the gender balance in its management body, which already existed before the entry into force of the Law, proves that diversity policy is not a new issue for the Group that, faithful to principles of true meritocracy, has been assigning senior management positions to women for many years.

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

The members of the Company's Board of Directors are elected by the Shareholders, by resolution taken at the General Meeting. The members of the Board of Directors are elected for a period of three years and can be re-elected one or more times. The Board of Directors is composed of three to nine members, shareholders or not, elected at a General Meeting.

The Group's market positioning and the results disclosed to the public, especially in 2018, show that the Company's management team has been performing its duties with a high level of expertise, precision and competence.

Also with regard to the election of the members of the Board of Directors, it is important to mention the statutory rule set forth in Article 15 of the Articles of Association, according to which, at the electoral General Meeting, one, two or three directors shall be elected individually among the candidates proposed on the lists endorsed by Groups of shareholders, depending on whether the total number is three or four, five or six, seven or more than seven, provided that none of said Groups holds shares representing more than twenty percent and less than ten per cent of the Company's share capital. Each of the aforementioned lists shall propose at least two candidates eligible for each of the available positions, one of whom will be appointed as alternate. No shareholder may endorse more than one such lists.

The General Meeting may not elect any other directors until one, two or three directors have been elected in line with the above, unless the aforementioned lists are not submitted. If the director elected in line with the above is not present, his/her alternate will be called and, if he/she is absent, there will be a new election to which all the rules described above shall apply, mutatis mutandis.

17. Composition of the Board of Directors

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

On December 31, 2018, this body was composed of the following members:

- Paulo Jorge dos Santos Fernandes – President and Co-CEO
- João Manuel Matos Borges de Oliveira – Vice-President and Co-CEO
- Domingos José Vieira de Matos – Member
- Laurentina da Silva Martins – Member
- Pedro Miguel Matos Borges de Oliveira – Member
- Ana Rebelo de Carvalho Menéres de Mendonça – Member
- José Manuel de Almeida Archer – Member

All the members of the Board of Directors were elected at the General Meeting held on April 26, 2017 for the 2017/2019 triennium.

Name	First appointment	End of the term of office
Paulo Jorge dos Santos Fernandes	March 2005	31 December 2019
João Manuel Matos Borges de Oliveira	March 2005	31 December 2019
Domingos José Vieira de Matos	March 2005	31 December 2019
Laurentina da Silva Martins	March 2009	31 December 2019
Pedro Miguel Matos Borges de Oliveira	April 2014	31 December 2019
Ana Rebelo de Carvalho Menéres de Mendonça	April 2014	31 December 2019
José Manuel de Almeida Archer	September 2015	31 December 2019

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

On December 31, 2018, the Board of Directors was composed of seven members and included three non-executive members: Laurentina da Silva Martins, Ana Rebelo de Carvalho Menéres de Mendonça and José Manuel de Almeida Archer.

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

- Ensuring that the executive directors are available to provide non-executive directors with all the additional information deemed relevant or necessary, as well as to carry out further studies and analyses concerning all matters that are deliberated upon, or otherwise analysed, by the Company;
- Sending the calls for meetings to all the members of the Board of Directors in advance and in a timely manner, including the corresponding meeting agenda, even if provisional, together with all the other relevant information and documentation;
- Ensuring that all the records of the Company and its subsidiaries, namely minutes books, share registration books, contracts and other documents supporting the operations carried out by the Company or its subsidiaries are available for examination, and that a direct channel for obtaining information is created and promoted among the directors and the operational and financial officers of the various companies that are part of the Group, without the need for executive directors to take part in that process.

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

The management report includes, in the chapter "Activity carried out by the non--executive members of the Board of Directors," a description of the activity carried out by the non-executive directors in FY 2018.

The Board of Directors has one independent member - Laurentina Martins.

She used to work at the subsidiary Caima - Indústria de Celulose, S.A., but left her position more than three years ago. We should note that she receives a retirement pension paid by the pension fund in force for that subsidiary's employees. However, this pension, because it is an acquired right unrelated to the fact that she holds a managerial position at ALTRI and which she will continue to receive after the termination of her service, whatever the reason for such termination, does not affect her independence.

So, ALTRI considers that both the independence criteria set forth in section 18.1 of the Annex to CMVM Regulation number 4/2013 and the independence criteria included in recommendation III.4 of the Corporate Governance Code of the IPCG are fully met, allowing her to be appointed as independent director.

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

The curricula of the member of the Board of Directors are presented in Appendix I to this Report.

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

On December 31, 2018:

The President of the Board of Directors and Co-CEO Paulo Jorge dos Santos Fernandes is a director and majority shareholder of ACTIUM CAPITAL, S.A., a company holding 12.69% of ALTRI's share capital.

The Vice-President of the Board of Directors and Co-CEO, João Manuel Matos Borges de Oliveira is a director and shareholder of CADERNO AZUL, S.A., a company holding 14.62% of ALTRI's share capital.

The director Pedro Miguel Matos Borges de Oliveira is the President of the Board of Directors of the company 1 THING, INVESTMENTS, S.A., a company holding 7% of ALTRI's share capital and is João Manuel Matos Borges de Oliveira's brother.

The director Domingos José Vieira de Matos is a director and majority shareholder of LIVREFLUXO, S.A., a company holding 11.92% of ALTRI's share capital.

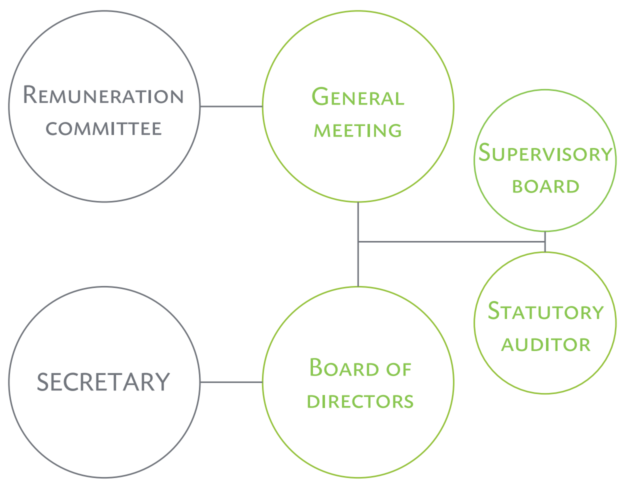
The director Ana Rebelo de Carvalho Menéres de Mendonça is a director and majority shareholder of PROMENDO INVESTIMENTOS, S.A., a company holding 20.74% of ALTRI's share capital.

ALTRI has a policy to prevent situations of conflicts of interest, which is enshrined in the Code of Ethics and Conduct in force in the Group.

This code is applicable across all the levels of the organisation, including to the members of governing bodies. Under the aforementioned policy, no employee or member of a governing body may play an active role in decision-making processes involving, directly or indirectly, organisations with which they collaborate or have collaborated, in other positions or which are related, directly or indirectly, to persons or entities to whom they are connected by ties of kinship (these being understood by family relations up to the third degree) or to which they are or have been bound by friendly relations.

On the other hand, we should note that this policy includes the obligation of the director who is in a situation of conflict of interests to immediately report that fact to the Board of Directors, so that all the necessary procedures can be triggered in line with the subsequent terms of the aforementioned policy.

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



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

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

There are no limitations on the maximum number of positions that can be accumulated by the directors in the governing bodies of other companies. Therefore, most of the members of ALTRI's Board of Directors are also members of the governing bodies of the most relevant subsidiaries of the Group, ensuring that their activities are closely and permanently monitored.

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

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

In compliance with this Group policy, which is perfectly in line with recommendation I.1.1. of the Corporate Governance Code of the IPCG, and in compliance with the applicable legal regulations, ALTRI has been ensuring the accurate and timely disclosure of information to the market, through the CMVM's Information Disclosure System (CMVM's IDS), guaranteeing that this information is made available to its shareholders, other stakeholders and the market in general at the same time and with the same level of detail.

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

Remuneration Committee

The Board of Directors considers that, given the specific organisational structure and size of the Company (as detailed in section 28 below), the only specialised committee that is necessary is the Remuneration Committee.

The Remuneration Committee is the body responsible for assessing the performance and approving the remuneration of the members of the Board of Directors and other governing bodies. This committee is responsible, in compliance with the provisions of Article 2(1) of Law 28/2009, of 19 June, and of recommendation V.2.3. of the Corporate Governance Code of the IPCG, for preparing the Declaration on the Governing Body Remuneration and Compensation Policy, as well as for preparing a proposal for the approval of said Policy and for submitting it to the General Meeting, which is the deliberating body responsible for deciding on these matters.
Once the Governing Body Remuneration and Compensation Policy is approved by the Shareholders at a General Meeting, this committee is responsible for enforcing its application, while ensuring that it is in line with the Company's reality.

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

Corporate Finance Area

ALTRI's Corporate Finance area, given its integrated vision which cuts across all the Group's companies, is responsible, on the one hand, for outlining financial management strategies and policies and, on the other hand, for acting as an interface between the Company and the capital, debt and banking markets. It is also responsible for developing the mechanisms necessary for implementing the proposed financial management strategies and policies.

Management Planning and Control Area

ALTRI's management planning and control area provides support in the implementation of the corporate and/or business strategies followed by the Group. This area prepares and analyses management information from all Group companies, as well as consolidated information, be it monthly, quarterly, half-yearly or annual, monitoring deviations from the budget and proposing the necessary corrective measures. It is also responsible for outlining business plans, integrating the multidisciplinary work teams created for this purpose; these activities are carried out together with the development of technical and benchmarking studies focused on the existing businesses, in order to monitor ALTRI's performance considering its strategic position in the market.

Legal & Compliance Area

The Legal and Compliance area provides legal support to all areas of activity of the Group, monitoring and ensuring, on the one hand, that all activities are carried out in compliance with the law and ensuring, on the other hand, a good relationship with Euronext Lisbon, CMVM and the shareholders when legal issues are in question. This area is also responsible for monitoring the corporate governance policy to ensure compliance with the best practices in this area. It is also responsible for preparing and/or analysing contracts that allow maximising security and reducing legal risks and potential costs, as well as for managing aspects related to the Group's intellectual and industrial property, while performing corporate secretarial duties to ensure the constant monitoring of legal compliance. This area is also responsible for providing legal support in financing operations carried out in the capital market and for providing internal legal support in mergers and acquisitions. This area of the Group monitors all legislative changes with an impact on the Group's activity, analyses and identifies the consequences of these changes in the corresponding business areas and prepares memoranda and internal notes on the changes that should be considered, with proposals for procedures to be implemented. This is, therefore, a back-office area that monitors and supports the Board of Directors to ensure its strategies are implemented in full compliance with the law.

Investor Relations Area

ALTRI's investor relations area establishes a relationship between the Group and the financial community, by permanently disclosing relevant and up-to-date information about its activity. It is also responsible for assisting the Board of Directors when it comes to providing up-to-date information about the capital market, as well as for supporting the management of ALTRI,'s institutional relations, by liaising with institutional investors, shareholders and analysts and representing the Group in associations, forums or events (national or international).

Subsidiary Management Control Area

We should add that the operating companies of the ALTRI Group have their own management control areas that carry out their activity within the subsidiaries, in compliance with ALTRI's guidelines, and prepare monthly reports on the corresponding Boards of Directors, which, in turn, ensure a regular and permanent flow of information between themselves and the Company's Board of Directors.

ALTRI's Board of Directors is organised as follows:

Paulo Fernandes
President
CO-CEO

João Borges De Oliveira
Vice-President
CO-CEO

Domingos Matos
Laurentina Martins
Pedro Borges de Oliveira
Ana Rebelo Mendonça
José Archer
Members

ALTRI's directors are mainly focused on managing the Group's holdings and outlining its strategic guidelines. Decisions regarding matters of structural importance for the Group's activity are taken by the Board of Directors as a collective body including all its members, executive and non-executive, in the normal performance of their duties.

The day-to-day management of the operating companies is ensured by the boards of directors of the various subsidiaries, which usually include members who are also directors at ALTRI, in addition to other directors with specific powers and responsibilities.

We should note that the fact that the Company's directors hold managerial positions in subsidiaries gives them in-depth knowledge of the business, close to its operations and its people; this means that the decisions taken at ALTRI, as the group's holding, are more thoughtful and informed.

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

Accordingly, and considering the activities developed by the members of the Board of Directors, both at ALTRI and at its subsidiaries, the Company's functional organisation chart is as follows:

altri

Paulo Fernandes
João Borges de Oliveira
Domingos Matos
Laurentina Martins
Pedro Borges de Oliveira
Ana Mendonça
José Archer

CELBI

Paulo Fernandes
João Borges de Oliveira
Domingos Matos
Pedro Borges de Oliveira
A. Dolores Ferreira
J. Nogueira dos Santos
Carlos Van Zeller

CELTEJO

Paulo Fernandes
João Borges de Oliveira
Domingos Matos
A. Dolores Ferreira
J. Nogueira dos Santos
Carlos Van Zeller

CAIMA INDÚSTRIA

Paulo Fernandes
João Borges de Oliveira
Domingos Matos
A. Dolores Ferreira
J. Nogueira dos Santos
Carlos Van Zeller

ALTRI FLORESTAL

Domingos Matos
Pedro Borges de Oliveira
A. Dolores Ferreira
Miguel Silveira

BIOMASS POWER PRODUCTION

Laurentina Martins
A. Dolores Ferreira
Carlos Coelho
J. Nogueira dos Santos
Carlos Van Zeller
Miguel Silveira
Gualter Vasco
Pedro Baptista

b) Functioning

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

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

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

Article 17 of the Company's Articles of Association establishes that the Board of Directors shall meet whenever it is convened by its chairman, on his own initiative or at the request of other directors and, at least, once a month.

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

In 2018, the Board of Directors held twelve meetings which were attended by all its members.

The meetings of the Board of Directors are scheduled and prepared in advance, and all the documentation supporting the proposals included in the agenda is made available, ensuring that the conditions are in place for directors to fully exercise their duties and take fully informed decisions.
Similarly, call notices and, subsequently, meeting minutes are sent to the chairman of the Board of Directors, creating a regular flow of information that fosters an active and permanent supervision.

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

In line with what is stated in section 21 above, the Remuneration Committee is the body responsible for assessing the performance and approving the remuneration of the members of the Board of Directors and other governing bodies. This committee is responsible, in compliance with the provisions of Article 2(1) of Law 28/2009, of 19 June, and of recommendation V.2.3. of the Corporate Governance Code of the IPCG, for preparing the Declaration on the Governing Body Remuneration and Compensation Policy, as well as for preparing a proposal for the approval of said Policy and for submitting it to the General Meeting, which is the deliberating body responsible for deciding on these matters.

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

At least one member of the Remuneration Committee must attend the Annual General Meetings at which the Declaration on Governing Body Remuneration and Compensation Policy is deliberated upon, in order to ensure that any doubts regarding said Declaration that may arise therein are clarified. The committee was represented by Pedro Pessanha at the Annual General Meeting held in 2018.

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

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

The remuneration of the executive members of the Board of Directors includes a medium-term variable component (period between 2011 and 2019, corresponding to three terms) calculated based on objective and pre-established criteria, namely: (i) total return for the shareholder (share remuneration plus dividend paid); (ii) sum of the net consolidated income for the 9 years and; (iii) evolution of the Company's business.

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

ALTRI's directors are fully committed to their demanding duties. Therefore, the Group's senior managers are very present, being close to their people and their business.
Their professional activities, the names of other companies where they perform management duties and details of other relevant activities carried out by them are presented in Appendix I to this Regulation.

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

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

The Board of Directors considers that, given the specific organisational structure and size of the Company (detailed in section 28 below), the only specialised committee that is necessary is the Remuneration Committee.

ALTRI has formally set up a Remuneration Committee, elected at the General Meeting for the term corresponding to the three-year period started in 2017 and ending in 2019, which is composed as follows

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

The Remuneration Committee has a regulation valid for the current term which is available on the Company's website (www.altri.pt)("Investors" tab, "Governance" section).

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

As mentioned throughout this Report, ALTRI is continuously monitoring the adequacy of the model in place. In terms of organisational structure, this constant monitoring has allowed concluding that, given the small size of the Board of Directors, which is composed of seven members, there is no need to formally appoint an Executive Committee within that body.

However, as mentioned in section 18 of this Report, four of the seven members of the Board of Directors perform duties which can be considered executive - with a more practical or operational nature - who, in the performance of their duties, are responsible for:

- sending the calls for meetings to all the members of the Board of Directors in advance and in a timely manner, including the corresponding meeting agenda, even if provisional, together with all the other relevant information and documentation;
- ensuring that the executive directors are available to provide non-executive directors with all the additional information deemed relevant or necessary, as well as to carry out further studies and analyses concerning all matters that are deliberated upon, or otherwise analysed, by the Company, and;
- ensuring that all the records of the Company and its subsidiaries, namely minutes books, share registration books, documents supporting the operations carried out by the Company or its subsidiaries are available for control and examination purposes, and that a direct channel for obtaining information is created and promoted among the directors and operational and financial officers of the subsidiaries of the Group, without the need for executive directors to take part in that process.

Therefore, the Company believes that the necessary conditions are in place for decisions on matters of structural importance to be, as they are, taken by the Board of Directors as a collective body including all its members, executive and non-executive, in the normal performance of their duties, in an informed manner, totally focused on creating value for the shareholders.

Nevertheless, and as mentioned above, the Board of Directors has been regularly reflecting on the adequacy of its organisational structure. These reflections have always led to the conclusion that the existing structure complies with the best corporate governance practices, a fact that has been resulting is a positive performance reflected in the Company's Report & Accounts.

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

In line with what is stated in sections 21 and 24 above, the Remuneration Committee is the body responsible for assessing the performance and approving the remuneration of the members of the Board of Directors and other governing bodies. This committee is responsible, in compliance with the provisions of Article 2(1) of Law 28/2009, of 19 June, and of recommendation V.2.3. of the Corporate Governance Code of the IPCG, for preparing the Declaration on the Governing Body Remuneration and Compensation Policy, as well as for preparing a proposal for the approval of said Policy and for submitting it to the General Meeting, which is the deliberating body responsible for deciding on these matters.

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

Company Secretary

The Company Secretary is responsible for: (i) Supporting the President of the Board of the General Meeting in convening General Meetings, making sure that the information sent to the Company by the President of the Board for the purpose of attending and voting at meetings is received; (ii) Preparing the minutes and attendance lists of Shareholder Meetings; (iii) Supporting and supervising the preparation of documents supporting General Meetings; (iv) Preparing the necessary documents to convene meetings of the Board of Directors, making sure that they are sent in a timely manner and effectively received by all the directors; (v) Supporting the flow of information between the Board of Directors and the Supervisory Board; (vi) Preparing replies to shareholders pursuant to the law and in matters for which he/she has competence or obtaining answers internally, from the relevant areas, to ensure, at all times, that the Shareholders are provided with the necessary information and (vii) ensuring that corporate resolutions are registered with the Companies Register in a timely manner.

All corporate secretarial duties were regularly performed in 2018.

III. Supervision

a) Composition

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

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

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

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

On December 31, 2018, this body was composed of the following members:

- Chairman: **Pedro Nuno Fernandes de Sá Pessanha da Costa**
- Member: **António Luís Isidro de Pinho**
- Member: **Guilherme Paulo Aires da Mota Correia Monteiro**
- Substitute: **André Seabra Ferreira Pinto**

The members of the Supervisory Board, Pedro Pessanha and André Pinto, were elected for the first time in April 2014, for the term of office that began in 2014 and ended in 2016, so they are currently in their second term of office. The members António Pinho and Guilherme Monteiro were elected for the first time in April 2017 for the three-year term which began in 2017 and ends in 2019.

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

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

All the members of the Company's Supervisory Board thus comply with the independence rules identified above and are not in any of the incompatibility situations established by law. Each of the members individually signs a declaration for this purpose which is submitted to the Company.

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

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

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

b) Functioning

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

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

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

In 2018, the Supervisory Board held six meetings which were attended by all its members. The minutes of the aforementioned meetings are recorded in the Supervisory Board minutes book, in accordance with the applicable legal provisions.

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

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

c) Powers and duties

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

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

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

Once the Board of Directors concludes that the conditions are in place and puts forward the subject to the Supervisory Board, the Supervisory Board carries out an in-depth analysis of the additional services to be provided by the External Auditor and the Statutory Auditor, taking a favourable decision if the analysis shows that: (i) hiring the additional services does not compromise the External Auditor's independence; (ii) there is a healthy balance between the regular audit services and the additional services whose provision is under analysis and that (iii) the provision of the additional services which are being proposed is not prohibited pursuant to Article 77(8) of Law number 140/2015. In this analysis, the Supervisory Board also ascertains whether (iv) the additional services will be provided in compliance with the quality standards in force in the Group, while ensuring that, should these services be provided, they do not compromise the independence required for the performance of audit duties.

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

Therefore, the Company considers that there is a threefold degree of control ensuring that the independence criteria are not compromised when it decides to hire the External Auditor to provide additional services

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

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

38. Other duties of the supervisory body

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

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

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

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

a) Obtains from the Management the information required to carry out its activity, namely on the operational and financial evolution of the company, changes in the composition of its portfolio, terms of operations that are carried out and contents of decisions that are taken;
b) Monitors the risk management and internal control system, preparing an annual assessment report and recommendations addressed to the Management, where necessary;
c) Receives, at least five days before the meeting, the individual and consolidated financial statements, and the associated Management reports, analysing, in particular, the main changes, relevant transactions and the corresponding accounting procedures and clarifications obtained from the Management, namely through the Board of Directors and the external auditor, and issues its assessments and resolutions;
d) Informs the Management of analyses and inspections that are carried out and measures that are taken and the corresponding results;
e) Attends the General Meetings and the meetings of the Board of Directors to which he/she is convened or at which the accounts for each financial year are discussed;
f) Carries out an annual self-assessment of its activity and performance, including the review of these regulations, with the aim of developing and implementing measures to improve its functioning;
g) Performs all other duties that are assigned to him/her by law.

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

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

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

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

In addition, the supervisory body is called upon to intervene in order to issue an opinion whenever there is a transaction between ALTRI directors and the Company itself or between ALTRI and companies in a control or group relationship, where one of the parties is a director, pursuant to Article 397 of the CSC.
The Supervisory Board will be called upon to give its opinion regardless of the materiality of the operation in question.

On the other hand, as part of the Company's supervisory body and within the scope of the internal audit, the External Auditor analyses (i) the functioning of internal control mechanisms, reporting any weaknesses that may be identified; (ii) checks whether the main elements of the internal control and risk management systems implemented in the Company regarding the process of disclosure of financial information are presented and disclosed in the annual information on Corporate Governance and (iii) issues a legal certification of accounts and Audit Report, which certifies that the report on the corporate governance structure and practices includes the elements referred to in Article 66B of the CSC in its current wording or, if that is not the case, ensuring that such information is included in another report that is also provided to the shareholders, that the provisions of Article 245A of the CVM are complied with, that it conforms to the structure in CMVM Regulation number 4/2013, and that it includes a declaration of compliance with the Corporate Governance Code of the IPCG.

In FY 2018, the Statutory Auditor monitored the development of the Company's activities and carried out the examinations and checks deemed necessary for the legal review and certification of accounts, in interaction with the Supervisory Board and always relying on the cooperation of the Board of Directors, which provided all information that was requested as quickly as possible.

In line with the above, the Statutory Auditor gave its opinion on the activity carried out in 2018, and this information was included in its annual audit report, which will be submitted to the Shareholders for approval at the Annual General Meeting.

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

IV. Statutory auditor

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

ALTRI's Statutory Auditor is Ernst & Young Audit & Associados - SROC, S.A., represented by Rui Manuel da Cunha Vieira or Rui Abel Serra Martins.

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

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

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

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

V. External Auditor

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

The Company's External Auditor, appointed pursuant and for the purposes of Article 8 of the CVM, is Ernst & Young Audit & Associados - SROC, S.A., represented by Rui Manuel da Cunha Vieira or Rui Abel Serra Martins, registered at the CMVM under no. 1154 and under no. 1119, respectively.

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

The External Auditor was elected for the first time in 2017, being in the second year of its first term of office, as well as the partners who represent it.

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

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

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

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

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

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

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

No services other than audit services were provided by the external auditor in 2018.

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

	2018		2017	
Company				
Audit and statutory audit (€)	2,500	1.9%	1,000	0.7%
Other assurance services (€)	-	0.0%	-	0.0%
Tax conculting services (€)	-	0.0%	-	0.0%
Other services (€)	-	0.0%	-	0.0%
Group entities				
Audit and statutory audit (€)	126,450	97.3%	134,000	99.3%
Annual accounts	126,450		134,000	
Interim accounts	-		-	
Other assurance services (€)	1,000	0.8%	-	0.0%
Tax conculting services (€)	-	0.0%	-	0.0%
Other services (€)	-	0.0%	-	0.0%
Total				
Audit and statutory audit (€)	128,950	99.2%	135,000	100.0%
Other assurance services (€)	1,000	0.8%	-	0.0%
Subtotal assurance services	129,950	100.0%	135,000	100.0%
Tax conculting services (€)	-	0.0%	-	0.0%
Other services (€)	-	0.0%	-	0.0%
	129,950	**100.0%**	**135,000**	**100.0%**

C. Internal organisation

I. Articles of association

48. Rules governing amendments to the articles of association

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

II. Reporting of Irregularities

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

ALTRI has a Code of Ethics and Conduct that reflects the principles and rules that should guide the internal and external relationships established between all the companies of the ALTRI Group and its stakeholders, and its main objective is to guide the personal and professional conduct of all employees, regardless of their position or the duties they perform, based on common ethical principles.

The Code of Ethics and Conduct was provided to all Employees and Partners and is available on the Company's website (www.altri.pt) ("Investors" tab, "Governance" section).

The Code of Ethics and Conduct applies to all ALTRI Group employees, including members of the governing bodies of all Group companies, as well as – with the required adaptions - to agents, external auditors, customers, suppliers and other service providers, either regularly or occasionally.

All ALTRI Group Employees should guide their conduct by the following principles:

- Strict compliance with the law, regulations, recommendations and statutory provisions, as well as the internal rules, policies and guidelines of the ALTRI Group;
- Integrity, ethics, transparency and honesty in decision making;
- Cooperation and professionalism in relations with partners and with the local communities in which each ALTRI Group company operates;
- Loyalty, discipline and good faith in the conducting of business in line with the ALTRI Group's objectives.
- Great awareness of the need for all the information that is produced or accessed in the performance of their duties to be treated as confidential;
- Diligent and careful treatment of all the work tools or assets of the ALTRI Group companies, ensuring their protection and good state of repair, refraining from using them for personal benefit.

The Supervisory Board is the body to which any irregular situations should be reported by employees, partners, suppliers or any other stakeholders.

The ALTRI Group has a specific mechanism for reporting irregular situations which, in accordance with the purposes of Recommendation number I.2.5 of the Corporate Governance Code of the IPCG, are ethical or legal violations with a significant impact on the areas of accounting, the fight against corruption and banking and financial crime (Whistleblowing), which protects the confidentiality of the information that is provided and the identity of the whistle-blower, where requested.

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

Any actual or suspected irregularity should be reported to the Supervisory Board by means of a closed letter with a reference to its confidentiality sent to the following address: Rua Manuel Pinto de Azevedo, no. 818, 4100-320 Porto. Anonymous reports will only be accepted and handled under exceptional circumstances.

We should note that no irregular situations were reported to the Company's Supervisory Board in 2018.

III. Internal control and risk management

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

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

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

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

Despite the fact that there isn't a department specifically created for this purpose, risk management is ensured within the ALTRI Group by each of its divisions, which are sufficiently and deeply aware of the need to identify and quantify the risk associated with any and all decisions, based on criteria that are communicated to them and enable them to assess, autonomously and in each individual case, whether the risk in question can be taken by the management or whether the decision on taking such risk, according to criteria of materiality or exposure of the Group, is the responsibility of the Board of Directors of the company in question, either ALTRI or any of its subsidiaries. Therefore, the Group's operational teams operate based on clear criteria of (i) risk-taking levels and who should make the decision on whether or not to take them; (ii) the identification of ways to mitigate such risks; (iii) personal accountability, leading to more thoughtful decision-making.

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

- The first stage is the identification and prioritisation of internal and external risks that may have a material impact on the pursuit of the Group's strategic goals;
- The operational managers of the various Group divisions identify the risk factors and events that may affect ALTRI's operations and activities, as well as possible control processes and mechanisms;
- In addition, the impact and likelihood of occurrence of each risk factor are weighted and, depending on the level of exposure, the need to respond to the risk is assessed; and
- Risk mitigation measures are monitored and the level of exposure to critical factors is constantly monitored.

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

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

- Knowing the most significant risks that affect the Group;
- Ensuring that the Group has an appropriate knowledge of the risks that affect its operations and how to manage them;
- Ensuring that the risk management strategy is disseminated across all hierarchical levels;
- Ensuring that the Group can minimise the probability of occurrence and the impact of the risks on the business;
- Ensuring that the risk management process is appropriate and that the risks with a higher probability of occurring and with a greater impact on the Group's operations are strictly monitored;
- Ensuring permanent communication with the Supervisory Board, informing it of the level of exposure of the risk that was taken and requesting, where necessary, the opinions of this body that it deems necessary for making thoughtful and informed decisions, ensuring that the identified risks and outlined policies are analysed under the multidisciplinary perspectives that guide the group's performance.

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

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

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

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

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

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

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

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

52. Other functional areas responsible for risk control

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

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

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

Credit Risk

As in any activity involving a commercial component, credit risk is a major factor considered by the management regarding the operating units.

This risk is monitored and controlled through a system aimed at collecting financial and qualitative information, ensured by credible entities that provide risk information, making it possible to assess the customers' capacity to meet their obligations, in order to mitigate the risk associated with loans.

The credit risk assessment is carried out on a regular basis, considering the economic conditions at any given time and the specific credit position of each of the companies, adopting corrective procedures where appropriate.

Credit risk is mitigated by managing the risk concentration of the customer portfolio and by a stringent selection of counterparties, as well as by taking out credit insurance with specialised institutions to cover a significant part of the loans that are granted.

Market Risk

Interest Rate Risk

Considering the indebtedness to which the Group is exposed, any variations in the interest rate may have an undesirable impact on its results. In this context, an appropriate management of interest rate risk leads the Group to try to optimise the balance between the cost of debt and the exposure to interest rate variability. Thus, when the desired limit of exposure to interest rate risk is considered to have been exceeded, the Company enters into interest rate swaps that cover its exposure to risk and reduce the volatility of its results.

The Group's exposure to the interest rate risk stems essentially from Euribor-indexed long-term loans.

Exchange Rate Risk

As there is a great volume of transactions with non-resident entities and denominated in currencies other than the Euro, exchange rate variation may have a relevant impact on the Group's performance. Accordingly, where necessary, the Group seeks to hedge its exposure to exchange rate variability by using derivative financial instruments to reduce the volatility of its results.

Commodity price variability risk

Because it carries out its activity in a sector where commodities (paper pulp) are traded, the Group is particularly exposed to price variations, with the corresponding impact on results. However, operating in these sectors allows it to enter into contracts to hedge price changes in pulp, at the amounts and values deemed appropriate to the planned operations, thus reducing the volatility of its results.

Liquidity Risk

Liquidity risk can occur if the available sources of financing, such as operating cash flows, divestment flows, credit line flows and cash flows obtained from financing operations, fail to meet the existing financing needs, such as cash outflows for operating and financing activities, investments, shareholder remuneration and debt repayment.

The main objective of the liquidity risk management policy is to ensure that the Group has, at all times, the necessary financial resources to meet its responsibilities and to pursue the strategies outlined in compliance with all its commitments to third parties, as they become due, by adequately managing the maturity of the corresponding loans.

Therefore, the Group adopts an active refinancing strategy based on the maintenance of a high level of immediately available resources to meet short-term needs and by extending or preserving debt maturities according to the expected cash flows and the capacity to leverage its balance sheet.

Legal, Fiscal and Regulatory Risks

ALTRI, as well as its business, have permanent legal, fiscal and regulatory advice, provided in cooperation with the business areas, ensuring that the Group's interests are preventively protected in strict compliance with the legal provisions applicable to the business areas in which the Company operates.
This advice is also supported at the national and international level by external service providers hired by ALTRI, which selects highly reputed firms that operate according to the highest standards of competence, precision and professionalism.

However, ALTRI and its subsidiaries may be affected, like any other entity, by legislative changes that occur in Portugal, the European Union or other countries where it operates. ALTRI does not, of course, control such changes which, if they do occur, could have an adverse impact on the Group's business and could consequently undermine or hinder the achievement of the strategic objectives. ALTRI's policy in this area is to delegate to the Legal Department the permanent monitoring of legislative changes and new legal acts, being informed in this matter and able to permanently respond to the challenges that may arise from the materialisation of legal, fiscal and regulatory risks.

Forest Risk

ALTRI, through its subsidiary Altri Florestal, manages about 80,000 hectares of forest, 80% of which is eucalyptus. This forest is certified by the FSC®[1] (Forest Stewardship Council®) and the PEFC (Programme for the Endorsement of Forest Certification), which set out principles and criteria for assessing the sustainability of forest management from the economic, environmental and social points of view.

In this context, all forestry activities are geared towards the optimisation of the available resources, safeguarding the environmental stability and the ecological values present in its assets and guaranteeing their development.

The risks associated with any forestry activity are also present in the management of Altri Florestal. Forest fires, as well as the pests and diseases which can occur in the different forests spread throughout the Portuguese territory are the greatest risks faced by the sector in which it operates. These threats, if they do occur, affect the normal operation of forest holdings and the efficiency of production according to their intensity.

In order to prevent and reduce the impact of forest fires, Altri Florestal is part of an economic interest group called Afocelca whose purpose is to provide, coordinate and manage the means available for fighting fires. On the other hand, it makes large investments to clear forest areas in order to reduce the risks of fire propagation, as well as to reduce possible losses.

The occurrence of pests and diseases can significantly reduce the growth of forest stands causing irreversible productivity damages. Integrated control procedures have been put in place to combat pests and diseases, either through biological control or using plant protection products to control harmful insect populations and reduce the negative impact of their presence. On the other hand, in the most affected areas, Altri Florestal is using new plantations with more suitable genetic material that, due to their characteristics, are better able to resist to risks caused by biotic and abiotic factors.

In any case, and in a scenario of materialisation of the consequences of any risk associated with its activity, the Group's policy is to ensure a permanent collaboration with the competent authorities, providing all the necessary information in an open and transparent manner.

[1]FSC-C004615

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

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

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

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

- The first stage is the identification and prioritisation of internal and external risks that may have a material impact on the pursuit of the Group's strategic goals;
- The operational managers of the various operational units of the Group identify the risk factors and events that may affect ALTRI's operations and activities, as well as possible control processes and mechanisms;
- In addition, the impact and likelihood of occurrence of each risk factor are weighted and, depending on the level of exposure, the need to respond to the risk is assessed; and
- Risk mitigation measures are monitored and the level of exposure to critical factors is constantly monitored.

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

We highlight the following strategies:

- The control systems and procedures and policies in place are in accordance with all the applicable laws and regulations and are effectively enforced;
- All financial and operational information is comprehensive, reliable, safe and disclosed periodically and in a timely manner.
- ALTRI's resources are used in an efficient and rational manner; and
- Value for shareholders is maximised and the Company's operational management takes the necessary measures to correct any problems that may be reported.

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

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

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

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

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

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

- The use of accounting principles which are detailed in the notes to the financial statements is one of the pillars of the control system;
- The plans, procedures and records of the Company and its subsidiaries provide reasonable assurance that only duly authorised transactions are recorded and that such transactions are recorded in accordance with widely accepted accounting principles;
- Financial information is systematically and regularly analysed by the management of the operational units, ensuring a continuous monitoring and budget control;
- The process of preparing and reviewing financial information includes establishing a timetable for closing the accounts, which is shared with all the areas involved, and all documents are subject to an in-depth review.
- The accounting records and the individual financial statements of the various Group companies are prepared by the administrative and accounting departments. The financial statements are prepared by chartered accountants and reviewed by each subsidiary's financial division;
- The consolidated financial statements are prepared every three months by the consolidation team. This process is an additional element aimed at controlling the reliability of the financial information, in particular by ensuring the uniform application of accounting principles and cut-off procedures, by checking balances and transactions between Group companies;
- The consolidated financial statements are prepared under the supervision of the financial division. The documents comprised in the annual report are sent to the Board of Directors for review and approval. Once they are approved, the documents are sent to the External Auditor, who issues his Legal Certification of Accounts and the Audit Report; and
- The preparation of individual and consolidated information, as well as of the Management Report is coordinated by the Board of Directors and monitored by the Supervisory Board. These bodies analyse the Company's financial statements every three months.

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

The Board of Directors regularly analyses and supervises the preparation and disclosure of financial information, in coordination with the Supervisory Board, in order to prevent the unauthorised and untimely access of third parties to relevant information.

IV. Investor Assistance

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

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

The Company has an Investor Support Office with a Representative for Market Relations and a person responsible for Investor Relations. Investors can send their requests for information to the following addresses:

Rua Manuel Pinto de Azevedo, 818
4100-320 Porto
Tel: + 351 22 834 65 02
Fax: + 351 22 834 65 03
Email: investor.relations@altri.pt

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

57. Market Liaison Officer

The functions of Group's market liaison are performed by Miguel Valente and the investors relations functions are performed by Ricardo Mendes Ferreira.

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

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

V. Website

59. Address(es)

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

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

www.altri.pt > about > overview

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

www.altri.pt > investors > governance > articles of association
www.altri.pt > investors > governance

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

www.altri.pt\about\management team
www.altri.pt/en/investors/investor-assistance

This page also contains information about the number of meetings held by the various governing bodies and the Remuneration Committee.

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

www.altri.pt > investors > reports and presentations
www.altri.pt > investors > financial calendar

64. Location where the call for the general meeting and all the preparatory and subsequent information is available

www.altri.pt > investors > general meetings

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

www.altri.pt > investors > general meetings

D. Remunerations

I. Powers

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

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

II. Remuneration committee

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

Currently, ALTRI has a Remuneration Committee elected at a general shareholder meeting for a three-year term of office, starting in 2017 and ending in 2019, which is composed as follows:

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

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

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

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

In 2018, this committee did not consider it necessary to hire any persons or entities to support its decision-making.

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

The experience and professional qualifications of the members of the Remuneration Committee are reflected in the curricula available on the Company's website at www.altri.pt, "Investors" tab, "Investors / General meeting /2017/ Annex: Résumés", which were provided as part of their election at the 2017 Annual General Meeting and remain available in accordance with the applicable legal provisions.

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

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

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

III. Remuneration structure

69. Description of the management and supervisory body remuneration policy referred to in Article 2 of Law no. 28/2009, of 19 June

As provided for in Law no. 28/2009, of 19 June, a Declaration on the Management and Supervisory Body Remuneration Policy is submitted to the general meeting for examination.

The Remuneration and Compensation Policy applicable to ALTRI's governing bodies, approved at the General Meeting held on May 4, 2018, is in line with the following principles:

Board of Directors:

The individual remuneration of each director is determined considering:
- The duties performed in the Company and in its subsidiaries
- The responsibility and added value of the individual's performance
- The knowledge and experience acquired in the position held
- The Company's economic situation; and
- The remuneration earned in companies operating in the same sector and in other companies listed in Euronext Lisbon.

The total fixed remuneration of the Board of Directors, including the remunerations paid by subsidiaries to members of the Board of Directors, cannot exceed 2,000,000 Euro per year.

1. Executive directors

- Fixed component paid on a monthly basis.
- Medium-term variable component: this component is intended to better align the interest of the executive directors with those of the shareholders and will be calculated for a period corresponding to three terms of office, 2011 to 2019, based on:
  -Total return for the shareholder (shares valorisation plus dividend paid)
  -Sum of the net consolidated income for the 9 years (2011 to 2019)
  -Evolution of the Company's business

The total value of the medium-term variable remuneration may not exceed 50% of the fixed remuneration earned in the 9-year period.

2. Non-executive directors

The individual remuneration of any non-executive director may not exceed 120,000 Euro/year and is exclusively comprised of a fixed amount.

Supervisory Board:

The remuneration of the members of the Supervisory Board is based on annual fixed values deemed appropriate for similar positions.

General Meeting:

The remuneration of the board of the General Meeting shall be exclusively fixed and follow market practices.

Statutory Auditor:

The Statutory Auditor shall receive a fixed remuneration in line with its duties and in accordance with market practices, under the supervision of the Supervisory Board.

Compensation for terminating service before the end of the corresponding term of office:

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

In this regard, we should add that no compensation was paid to former directors in 2018.

Scope of the principles:

The principles underlying the remuneration and compensation policies set out in this declaration cover, not only the total remuneration paid by ALTRI, but also the remunerations paid to the members of its Board of Directors by companies directly or indirectly controlled by it.

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

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

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

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

The remuneration policy, as detailed in section 69 above, was approved at the General Meeting held on May 4, 2018 and includes a performance-based variable component for the period between 2011 and 2019.

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

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

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

Currently, there are no variable remunerations whose payment is deferred over time.

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

ALTRI has not implemented or provided for any form of remuneration involving the assignment of shares or any other share-based incentive scheme.

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

ALTRI has not implemented or provided for any form of remuneration involving the assignment of stock options.

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

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

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

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

In this regard, we should note that the director Laurentina Martins receives a pension assigned to her when she left her position in the subsidiary Caima – Indústria de Celulose, S.A. in the standard terms in force in that Company's Pension Plan. She left the company on September 30, 2012.
So, we should clarify that the pension she receives is no more than a right acquired as a result of the employment relationship established with said subsidiary and it is not related to the managerial duties she performs at ALTRI; i.e., should she terminate her service at ALTRI, whatever the reason for such termination, the right to receive said pension would always be ensured. This means that her independence is not affected by this circumstance.

In this regard, we should note that, in 2018, the director in question, in compliance with the rules inherent to the plan, made no contributions to the aforementioned fund; however, she received an amount of € 33,705 relating to her retirement pension.

For more detailed information about the Pension Plan referred herein, please read note 28(a) of the notes to the consolidated statements on December 31, 2018.

IV. Disclosure of remunerations

77. Details of the amount of annual remuneration paid, collectively and individually, to the members of the company's management bodies by the company, including their fixed and variable remuneration and, with regard to the latter, a reference to the different components involved in its calculation

In 2018, the remunerations earned by the members of ALTRI's Board of Directors, in the performance of their duties, included only a fixed component and were paid directly by ALTRI, SGPS, S.A. and not by any of its subsidiaries. The total amount was 1,774,520 Euro divided as follows: Paulo Fernandes - 490,310 Euro; João Borges de Oliveira – 490,310 Euro; Domingos Matos – 282,500 Euro; Pedro Borges de Oliveira – 282,500 Euro; Ana Mendonça – 109,900 Euro; Laurentina Martins – 59,500 Euro; José Archer – 59,500 Euro.

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

The remunerations earned by the members of the Board of Directors was fully paid by ALTRI, SGPS, S.A. and, as of December 31, 2018, none of the directors is being paid by other Group companies.

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

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

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

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

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

The remuneration of the members of the Supervisory Board is composed of a fixed annual amount based on ALTRI's and on market practices used by companies with a similar relevance and size. In the year ended on December 31, 2018, the remuneration of the current members of the Supervisory Board amounted to 31,620 Euro, distributed as follows: Pedro Pessanha - 15,000 Euro; António Pinho – 8,310 Euro; Guilherme Monteiro – 8,310 Euro.

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

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

The remuneration of the chairman of the board of the general meeting in the year ended on December 31, 2018 amounted to 3,500 Euro and the remuneration of the secretary amounted to 1,500 Euro.

V. Agreements with remuneration implications

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

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

84. Reference to the existence and description, with indication of the amounts involved, of agreements between the company and the members of the management body and senior managers, within the meaning of Article 248-B(3) of the Portuguese Securities Code, providing for compensation in the event of resignation, dismissal without just cause or termination of the employment relationship following a change in the control of the company

There are no agreements between the Company and the members of the management body or other senior managers, within the meaning of Article 248-B(3) of the CVM, providing for compensation in the event of resignation, dismissal without just cause or termination of the employment relationship following a change in the control of the Company. There are also no agreements with the directors aimed at ensuring the payment of compensations if their terms of office are not renewed.

VI. Plans for assigning shares or stock options

85. Identification of the plan and its intended recipients

ALTRI does not have a plan to assign shares or stock options to members of governing bodies or employees.

86. Characterisation of the plan

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

87. Stock options assigned to the company's employees

No stock options have been assigned to the Company's employees.

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

Not applicable as explained above.

E. Transactions with related parties

I. Control mechanisms and procedures

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

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

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

Its opinion is, obviously, binding.

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

Therefore, the Company has considered that it has hitherto not been necessary to adopt a formal policy that establishes materiality criteria, given that all potential transactions are subject to close scrutiny as established by law.

We should also note that the Board of Directors provides the Supervisory Board with all the necessary information at least every three months, including reports on transactions with related parties; in this context, there has never been a transaction that could compromise the precision and transparency that governs the performance of the Company that was not subject to the prior opinion of the Supervisory Board.

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

In 2018, the only relevant transaction was carried out between the Company and a company named Préstimo - Prestígio Imobiliário, S.A., in which some ALTRI directors hold managerial positions; the transaction involved the purchase by ALTRI of a property owned by Préstimo - Prestígio Imobiliário, S.A. to set up ALTRI's new headquarters.

This transaction, in compliance with the provisions of Article 406(e) of the CSC, as well as of Article 5(1)(a) of Decree-Law no. 495/88, in its current wording, was approved by resolution of the Board of Directors, taken at a meeting held on November 22, 2018, pursuant to which, and in compliance with the provisions of Article 397 of the CSC, there was a decision to request the prior opinion of the Company's supervisory board.

Concluding that it would occur under normal market conditions, the Company's Supervisory Board issued a favourable opinion, thus giving the go-ahead for said transaction.

In FY 2018, there were no other significant commercial deals or transactions between the Company and qualifying shareholders that the Company has been made aware of.

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

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

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

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

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

In 2018, the Supervisory Board was only asked to issue an opinion on the transaction detailed in section 90 above.

II. Information on business deals

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

The information on deals with related parties is provided in note 30 of the Notes to the Consolidated Statements and note 18 of the Notes to the Individual Accounts.

Part II – Corporate governance assessment

1. Details of the Corporate Governance Code in place

This corporate governance report describes the corporate governance structure in place at ALTRI, and presents the policies and practices that, according to such model, are necessary and adequate to ensure a governance in line with the best practices in this area.

The assessment complies with the legal requirements of Article 245A of the CVM and discloses, under the comply or explain principle, the degree of compliance with the Recommendations of the IPCG included in the 2018 Corporate Governance Code, which is the Corporate Governance Code adopted by the Company.

The information duties required by Law no. 28/2009, of 19 June, as well as by Articles 447 and 448 of the CSC and by CMVM Regulation no. 5/2008, of 2 October 2008, are fully complied with.

All the legal provisions mentioned in this Report and the Recommendations included in the 2018 Corporate Governance Code of the IPCG are available at www.cmvm.pt e https://cgov.pt/images/ficheiros/2018/codigo-pt-2018-ebook.pdf, respectively.

This Report should be read as an integral part of the Annual Management Report and the Individual and Consolidated Financial Statements pertaining to FY 2018, as well as together with the Sustainability Report that complies with the provisions of Article 66 B of the CSC, as amended by Decree-Law 89/2017, of 28 July.

2. Analysis of compliance with the Corporate Governance Code in place

ALTRI has been encouraging and promoting all measures aimed at adopting the best Corporate Governance practices, following a policy based on high ethical standards of social and environmental responsibility and making decisions increasingly based on sustainability criteria.

Managing the Group in an integrated and effective manner is one of the goals of ALTRI 's Board of Directors that, promoting the transparency of its relationships with the investors and the market, has been gearing its performance towards a constant effort to create value, promoting the legitimate interests of the shareholders, the Company's employees and other Stakeholders.

For the purposes of complying with the provisions of Article 245-A(1)(o) of the CVM, the Recommendations included in the 2018 Corporate Governance Code of the IPCG that the Company undertook to meet are listed below.

Recommendations	Compliance	Notes
Chapter i - general aspects		
General principle: corporate governance should promote and enhance corporate performance, as well as the performance of the capital market, and foster the confidence of investors, employees and the general public in the quality and transparency of corporate management and supervision and in the sustainable development of the company.		
I.1. Relationship of the company with investors and information		
Principle: companies and, in particular, their directors, must treat shareholders and other investors fairly, in particular by ensuring mechanisms and procedures for the appropriate processing and disclosure of information		
Recommendation:		
I.1.1. The company must establish mechanisms that adequately and strictly ensure the production, processing and timely disclosure of information to its governing bodies, shareholders, investors and other stakeholders, financial analysts and the market in general	Adopted	Part 1, sections 21, 22, 38, 59 to 65
I.2 Diversity in the composition and functioning of governing bodies		
Principles:		
I.2.A companies ensure diversity in the composition of their governing bodies and adopt individual merit criteria as part of appointment processes, which are the sole responsibility of their shareholders		
I.2.B companies should have clear and transparent decision-making structures to ensure that their bodies and committees function as effectively as possible		
Recommendations		
I.2.1. Companies should establish criteria and requirements for the profile of new members of the governing bodies in line with the duties they will perform. In addition to individual attributes (such as competence, independence, integrity, availability and experience), these profiles should consider diversity requirements, giving particular attention to gender diversity, contributing to improve the performance of the body in question and to balance its composition	Adopted	Part 1, sections 16, 19, 26, 33 and 36
I.2.2. Management and supervisory bodies and their internal committees should have internal regulations - in particular on the performance of the corresponding duties, chairmanship, meeting frequency, functioning and framework of duties of their members -, and ensure that their meetings are recorded in detailed minutes	Adopted	Part 1, sections 22, 27, 29 and 34
I.2.3. The internal regulations of the management and supervisory bodies and their internal committees should be fully available on the internet	Adopted	Part 1, sections 22, 27, 34 and 61
I.2.4. The composition and the number of meetings held every year by the management and supervisory bodies and by their internal committees should be published on the company's website	Adopted	Part 1, section 62
I.2.5. The company's internal regulations should provide for the existence and ensure the functioning of mechanisms for detecting and preventing irregular situations, as well as for the adoption of a whistleblowing policy that guarantees adequate means for reporting and handling irregular situations while protecting the confidentiality of the information that is provided and the identity of the whistle-blower, where requested	Adopted	Part 1, sections 38 and 49
I.3. Relationship between governing bodies		
Principle: members of governing bodies, especially directors, should create conditions so that, as far as each body's responsibilities are concerned, it is ensured that weighted and efficient measures are taken, and that the various governing bodies act in a harmonious and coordinated manner, with all the information that they need to perform their duties		
Recommendations		
I.3.1. The articles of association or other equivalent means adopted by the company must establish the mechanisms to ensure that, within the limits of the applicable legislation, the members of the management and supervisory bodies are permanently guaranteed access to all the information and employees they need to assess the company's performance, situation and prospects for development, including, in particular, minutes, documents supporting the decisions that are taken, call notices and the archive of the meetings of the executive management body, without prejudice to the access to any other documents or persons who may be called upon to provide clarifications	Adopted	Part 1, sections 18, 38 and 61
I.3.2. Each of the company's bodies and committees must ensure, in a timely and adequate manner, the flow of information, including call notices and minutes, required for other bodies and committees to exercise their legal and statutory powers	Adopted	Part 1, sections 18, 23, 28, 38

Recommendations	Compliance	Notes
I.4. Conflicts of interest		
Principle: any real or potential conflicts of interest between the members of governing bodies or committees and the company must be avoided. It must be ensured that the member in conflict does not interfere with the decision-making process.		
Recommendations:		
I.4.1. Members of governing bodies and committees should be required to inform the relevant body or committee of facts that may represent or give rise to a conflict between their interests and the company's interests	Adopted	Part 1, section 20
I.4.2. Procedures should be adopted to ensure that the member in conflict does not interfere in the decision-making process, without prejudice to the duty to provide information and clarifications requested by the body, the committee or their members	Adopted	Part 1, section 20
I.5. Transactions with related parties		
Principle: due to the potential risks involved, transactions with related parties must be justified by the interests of the company and carried out under market conditions, subject to the principles of transparency and adequate supervision		
Recommendations:		
I.5.1. The management body shall outline, based on a prior and binding opinion of the supervisory body, the type, scope and minimum individual or combined value of deals with related parties that: (i) require the prior approval of the management body (II) and those that, for involving higher sums, further require a favourable prior opinion of the supervisory body	Not adopted	Clarification on the recommendation that has not been adopted below
I.5.2. The management body should report all the deals covered by recommendation I.5.1 To the supervisory body at least every six months	Adopted	Part 1, section 89
Chapter II – shareholders and general meeting		
Principles:		
II.A an appropriate involvement of shareholders in corporate governance is a positive factor, as it contributes to the efficient functioning of the company and to the achievement of its corporate purpose		
II.B the company should promote the personal participation of the shareholders in general meetings, as these are a forum that enables the shareholders and the governing bodies and committees to communicate and reflect on the company.		
II.C the company should also allow shareholders to attend general meetings via telematic means, vote by correspondence and, in particular, electronic voting, except when this is disproportionate, particularly taking into account the associated costs		
Recommendations:		
II.1. The number of shares required by the company to grant voting rights shouldn't be too high, and the governance report should explain the company's choice should it entail a deviation from the principle that each share corresponds to one vote	Adopted	Part 1, section 12
II.2. The company should not adopt mechanisms that make it difficult for its shareholders to take decisions, namely by establishing a deliberative quorum higher than the one provided by law	Adopted	Part 1, section 14
II.3. The company shall implement adequate means to allow exercising the right to vote by correspondence, including by electronic means	Partially adopted	Part 1, section 12 Clarification on the recommendation that has been partially adopted below
II.4. The company shall implement adequate means to allow shareholders to attend meetings by telematic means	Partially adopted	Part 1, section 12 Clarification on the recommendation that has been partially adopted below
II.5. Articles of association that establish limits for the number of votes that may be held or exercised by a single shareholder, individually or together with other shareholders, must also establish that, at least every five years, the amendment or maintenance of this statutory provision is deliberated upon at a general meeting - without aggravated quorum requirements vis-à-vis the legally required quorum - and that, in said resolution, all votes cast are counted without said limitation	Not applicable	Clarification on recommendation that is not applicable below
II.6. Companies should not adopt measures that entail making payments or incurring costs in the event of a change in control or in the composition of the management body and which may harm the economic interest in the transfer of shares and the free assessment of the directors' performance by the shareholders	Adopted	Part 1, sections 4 and 84

Recommendations	Compliance	Notes
Chapter IIi - non-executive management and supervision		
Principles:		
IIi.A members of governing bodies with non-executive managerial and supervisory duties must exercise, in an effective and judicious manner, a supervisory function and challenge the executive management to fully accomplish the corporate purpose, and their performance should be supplemented by committees focused on key areas of corporate governance		
IIi.B the composition of the supervisory body and the non-executive directors as a whole must provide the company with a balanced and appropriate diversity of skills, knowledge and professional experiences		
IIi.C. The supervisory body should permanently supervise the company's management, also from a preventive point of view, monitoring the company's activity and, in particular, decision of vital importance for the company		
Recommendations		
IIi.1. Without prejudice to the legal duties of the chairman of the board of directors, if he/she is not independent, the independent directors must choose a lead independent director among them, who should (i) act as interface with the chairman the board of directors and the other directors; (II) ensure that they have all the necessary conditions and means to perform their duties; and (IIi) coordinate them in the assessment of the management body's performance provided for in recommendation v.1.1.	Not adopted	Clarification on the recommendation that has not been adopted below
IIi.2. The number of non-executive members of the management body, as well as the number of members of the supervisory body and the number of members of the committee for financial matters should be suited to the size of the company and the complexity of the risks inherent to its activity, but sufficient to ensure that the duties entrusted to them are efficiently performed	Adopted	Part 1, section 18
IIi.3. In any case, there should be more non-executive directors than executive directors	Not adopted	Clarification on the recommendation that has not been adopted below
IIi.4. At least one third (and always more than one) of the company's directors should be non-executive directors who meet independence criteria. For the purpose of this recommendation, independent means a person who is not associated with any specific interest group in the company or under circumstances that may affect his/her independence of analysis or decision, namely due to: **(i)** Having performed duties in one of the company's governing bodies for more than twelve consecutive or non-consecutive years; **(ii)** Having worked in the company or in a controlled, controlling or group company in the last three years; **(iii)** Having provided services or established a significant commercial relationship with the company or with a controlled, controlling or group company in the last three years, either directly or as a partner, director, manager or head of a legal person; **(iv)** Receiving a remuneration paid by the company or by a controlled, controlling or group company other than the remuneration derived from the performance of duties as a director; **(v)** Being in a non-marital partnership or being the spouse, relative or related in line of descent until the third degree of a company director, a director of a legal person that is a qualified shareholder of the company or legal persons who are, directly or indirectly, qualified shareholders of the company; **(vi)** Being a qualified shareholder or the representative of a qualified shareholder	Not adopted	Clarification on the recommendation that has not been adopted below
IIi.5. The provisions of paragraph (i) of recommendation IIi.4 Shall not preclude the qualification of a new director as independent if, between the termination of his/her duties in any corporate body and his/her new appointment, a period of at least three years has elapsed (cooling-off period)	Not applicable	Clarification on recommendation that is not applicable below
IIi.6. Non-executive directors should collaborate with the management body in outlining the strategy, main policies, corporate structure and decisions that should be considered strategic for the company, due to their amount or risk, as well as in assessing compliance with these	Adopted	Part 1, section 21
IIi.7. The general and supervisory board should, within the framework of its legal and statutory powers, collaborate with the executive board of directors in outlining the strategy, main policies, corporate structure and decisions that should be considered strategic for the company, due to their amount or risk, as well as in assessing compliance with these	Not applicable	Clarification on recommendation that is not applicable below
IIi.8. In compliance with the powers conferred on it by law, the supervisory body shall, in particular, monitor, assess and express its views on the strategic guidelines and risk policy established by the management body	Adopted	Part 1, sections 15 and 38

Recommendations	Compliance	Notes
IIi.9. Companies should set up specialised internal committees that are appropriate to their size and complexity, covering, separately or cumulatively, corporate governance, remuneration and performance appraisal, and appointment matters	Adopted	Part 1, sections 27, 29
IIi.10. Risk management, internal control and internal audit systems should be structured according to the size of company and the complexity of the risks inherent to its activity	Adopted	Part 1, sections 50 to 55
IIi.11. The supervisory body and the financial committee should oversee the effectiveness of the risk management, internal control and internal audit systems and propose any adjustments that may prove necessary	Adopted	Part 1, sections 27, 29, 38 and 50
IIi.12. The supervisory body should express its views on the work plans and resources allocated to internal control services, namely services that monitor compliance with the standards applicable to the company (compliance services) and internal audit services, and should be the intended recipients of the reports prepared by these services, at least in the case of matters related to the rendering of accounts, the identification or resolution of conflicts of interest and the detection of potentially irregular situations	Adopted	Part 1, sections 37, 38 and 50
Chapter iv — executive management		
Principles:		
Iv.A in order to increase the efficiency and quality of the board of directors' performance and the adequate flow of information to this body, the day-to-day management of the company should be carried out by executive directors with the appropriate qualifications, competencies and experience. The executive management is responsible for managing the company, pursuing its corporate purposes and aiming to contribute to its sustainable development		
Iv.B the determination of the number of executive directors shall consider, in addition to costs and desirable agility of the executive management, the size of the company, the complexity of its activity and its geographical dispersion.		
Recommendations		
Iv.1. The management body shall approve, by means of internal regulations or similar instruments, the rules governing the performance of the directors and the exercise of executive duties in entities outside the group	Not applicable	Clarification on recommendation that is not applicable below
Iv.2. The management body must ensure that the company is operating in line with its objectives and must not delegate powers, namely in what regards: i) the outlining of the company's strategy and main policies; II) the organisation and coordination of the corporate structure; IIi) matters regarded as strategic given their amount, risk or special characteristics	Adopted	Part 1, sections 21 and 28
Iv.3. The management body should set risk-taking goals and make efforts to ensure they are achieved	Adopted	Part 1, section 50 clarification on the recommendation that has been adopted below
Iv.4. The supervisory body should organise itself internally, implementing periodic control mechanisms and procedures to ensure that the risks effectively incurred by the company are consistent with the objectives set by the management body	Adopted	Part 1, section 51
Chapter v - performance evaluation, remuneration and appointments		
V.1 Annual performance evaluation		
Principle:		
The company shall promote the assessment of the performance of the executive body and each of its members and also of the overall performance of the management body and the specialised committees established within it		
Recommendations		
V.1.1. The management body shall assess its performance, as well as the performance of its committees and managing directors every year, taking into account compliance with the company's strategic plan and budget, risk management, internal operation and the contribution of each member for this purpose, as well as the relationship between the various governing bodies and committees	Adopted	Clarification on the recommendation that has been adopted below
V.1.2. The supervisory body shall supervise the company's management and, in particular, carry out an annual assessment of the degree of compliance with the company's strategic plan and budget, risk management, the internal functioning of the management body and its committees, as well as the relationship between the various governing bodies and committees	Adopted	Part 1, sections 24, 25 and 38
V.2 Remunerations		
Principle:		
The remuneration policy for members of the management and supervisory bodies should allow the company to attract qualified professionals, at a cost that is economically in line with its situation, promote the alignment of their interests with the interests of the shareholders - taking into account the wealth that is actually created by the company, its economic situation and the market's economic situation - and be a factor for the development of a culture of professionalisation, promotion of merit and corporate transparency		

Recommendations	Compliance	Notes
V.2.1. All remunerations must be set by a committee that is independent from the company's management	Adopted	Part 1, sections 66, 67 and 68
V.2.2. The remuneration committee shall approve, at the beginning of each term, and annually enforce and confirm the remuneration policy for members of the company's governing bodies and committees, which allows determining the fixed components of their remuneration, and, for executive directors or directors who are occasionally entrusted with executive duties, if there is a variable component of remuneration, the corresponding assignment and measurement criteria, limitation mechanisms, mechanisms for the deferred payment of remunerations, option-based or share-based remuneration mechanisms	Adopted	Part 1, sections 69 to 75
V.2.3. The statement on the remuneration policy applicable to administrative and supervisory bodies referred to in article 2 of law no. 28/2009, Of 19 june, shall additionally contain: **(i)** The total remuneration broken down by components, the relative proportion of the fixed and the variable remuneration, an explanation of how the total remuneration complies with the remuneration policy in force, including how it contributes to the performance of the company in the long run, and details on how the performance criteria were applied; **(ii)** Remunerations from companies belonging to the same group; **(iii)** The number of shares and stock options granted or offered, and the main conditions for exercising the corresponding rights, including the price and the date of that exercise and any changes in those conditions; **(iv)** Information on the possibility of requesting the return of variable remuneration; **(v)** Information on any deviations from the application of the remuneration policy that has been approved, including an explanation of the exceptional circumstances in question and a reference to the specific elements subject to derogation; **(vi)** Information on whether or not directors are entitled to compensation upon termination of their duties.	Adopted	Clarification on the recommendation that has been adopted below
V.2.4. For each term of office, the remuneration committee shall also approve the pension scheme for directors, if the articles of association allow it, and the maximum amount of any compensation to be paid to members of any corporate body or committee upon terminating their service	Not applicable	Clarification on recommendation that is not applicable below
V.2.5. In order to provide information or clarification to the shareholders, the chairman or, in his/her absence, another member of the remuneration committee shall attend the annual general meeting and any other meetings whose agenda includes matters concerning the remuneration of the members of governing bodies and committees or if his/her presence is requested by the shareholders	Adopted	Part 1, section 24
V.2.6. Within the budgetary constraints of the company, the remuneration committee should be free to decide whether the company should hire the consultancy services deemed necessary or convenient for the performance of its duties. The remuneration committee must ensure that the services are provided independently and that the providers in question are not hired to provide any other services to the company or to companies that are in a control or group relationship with it without the express authorisation of the committee	Adopted	Part 1, section 67
V.3. Remuneration of directors		
Principle:		
Directors should receive a consideration that: **(i)** Adequately remunerates them taking into account their responsibilities, availability and expertise provided to the company; **(ii)** Ensures a performance in line with the long-term interests of the shareholders, as well as other they may expressly establish; and **(iii)** Rewards their performance		
Recommendations		
V.3.1. In order to align the interests of the company with the interests of the executive directors, part of their remuneration should be variable and reflect the company's sustained performance without encouraging excessive risk-taking	Adopted	Part 1, sections 69 to 76
V.3.2. A significant portion of the variable component should be delivered over time, over a period of no less than three years, being associated with the confirmation of the sustainability of the company's performance, as set forth in the corresponding internal regulations	Not adopted	Clarification on the recommendation that has not been adopted below

Recommendations	Compliance	Notes
V.3.4. When the variable remuneration includes options or other instruments directly or indirectly dependent on the value of the shares, the beginning of the exercise period shall be deferred for a period of no less than three years	Not applicable	Clarification on recommendation that is not applicable below
V.3.5. The remuneration of non-executive directors must not include any component whose value depends on the performance of the company or its value	Adopted	Clarification on the recommendation that has been adopted below
V.3.6. The company must have the appropriate legal instruments to prevent an early termination of a director's service from directly or indirectly giving rise to payments of amounts other than those provided for by law; the legal instruments in place must be detailed in the corporate governance report	Adopted	Part 1, section 83
V.4. Appointments		
Principle:		
Regardless of how the members of governing bodies and senior managers are appointed, their profile, knowledge and curriculum should be suited to the duties they are required to perform		
Recommendations:		
V.4.1. The company must, under such terms as it deems appropriate, but always demonstrably, ensure that the proposals for the election of the members of its governing bodies are accompanied by information proving the adequacy of each candidate's profile, knowledge and curriculum to the duties that he/she will be required to perform	Adopted	Part 1, sections 16, 19, 22, 29, 31 and 33
V.4.2. Unless the size of the company does not justify it, there should be an appointment committee responsible for monitoring and supporting the appointment of senior managers	Not applicable	Clarification on recommendation that is not applicable below
V.4.3. This committee includes a majority of independent non-executive members	Not applicable	Clarification on recommendation that is not applicable below
V.4.4. The appointment committee shall make its terms of reference available and shall, to the extent of its powers, promote transparent selection procedures that include effective mechanisms for identifying potential candidates, ensuring that those who have the greatest merit and are most suited to the job requirements are chosen, while promoting, within the organisation, an adequate diversity (including gender diversity)	Not applicable	Clarification on recommendation that is not applicable below
Chapter vi - risk management		
Principle:		
Based on its medium- and long-term strategy, the company should establish a risk management and control and internal audit system to anticipate and minimise the risks inherent to its activity		
Recommendations:		
Vi.1. The management body shall discuss and approve the company's strategic plan and risk policy, including the establishment of acceptable levels of risk	Adopted	Part 1, sections 21, 51 to 54
Vi.2. Based on its risk policy, the company shall establish a risk management system, identifying (i) the main risks to which it is exposed as part of the development of its activity; (II) the likelihood of occurrence of these risks and their impact; (IIi) the instruments and measures that should be taken to mitigate them; (iv) monitoring procedures with a view to keep track of them; and (v) the procedure for inspecting, periodically assessing and adjusting the system	Adopted	Part 1, sections 50 to 55
Vi.3. The company must annually assess its degree of internal compliance and the performance of the risk management system, as well as the prospects for changing the risk framework that had been previously outlined.	Adopted	Part 1, sections 38 and 50 to 55
Chapter vII - financial information		
VII.1 Financial information		
Principles:		
VII.A. The supervisory body should independently and diligently ensure that the management body fulfils its responsibilities in choosing appropriate accounting policies and criteria and in establishing appropriate systems for financial reporting, risk management, internal control and internal audit		
VII.B. The supervisory body should promote an adequate coordination between the internal audit and the statutory audit		
Recommendations:		
VII.1.1. The internal regulations of the supervisory body should require it to supervise the adequacy of the preparation and disclosure of financial information by the management body, including the adequacy of accounting policies, estimates, judgements, relevant disclosures and their consistent application throughout the various financial years, being documented and disseminated in an appropriate manner	Adopted	Part 1, sections 34 and 38

Recommendations	Compliance	Notes
VII.2 Statutory audit and supervision		
Principle:		
The supervisory body is responsible for establishing and monitoring formal, clear and transparent procedures for selecting and liaising with the statutory auditor and for checking its compliance with the rules of independence imposed by the applicable law and professional standards.		
Recommendations:		
VII.2.1. By means of internal regulations, the supervisory board shall set forth: **(i)** The criteria and process for selecting the statutory auditor; **(ii)** The methodology used by the company to communicate with the statutory auditor; **(iii)** Supervisory procedures designed to ensure the independence of the statutory auditor; **(iv)** Audit services that cannot be provided by the statutory auditor.	Adopted	Part 1, sections 34, 37, 38 and 42-47
VII.2.2. The supervisory body should be the main interface between the statutory auditor and the company and the first recipient of its reports, being responsible, in particular, for proposing the statutory auditor's remuneration and ensuring that the company has the appropriate conditions in place to enable it to provide its services	Adopted	Part 1, sections 37 and 38
VII.2.3. The supervisory body shall annually assess the work carried out by the statutory auditor, its independence and suitability to perform the required duties and propose its dismissal or the termination of the corresponding service provision agreement to the relevant body on justifiable grounds	Adopted	Part 1, sections 37 and 38
VII.2.4. As part of its competences, the statutory auditor shall verify the implementation of the remuneration policies and systems, the effectiveness and functioning of the internal control mechanisms and report any deficiencies to the company's supervisory body.	Adopted	Part 1, section 38
VII.2.5. The statutory auditor shall cooperate with the supervisory body and shall immediately provide it with information on any irregular situations relevant to the performance of the duties of the supervisory body that may have been detected and any difficulties which may have arisen in the performance of its duties	Adopted	Part 1, sections 37 and 38

Recommendation I.5.1

The management body shall set forth, based on a prior and binding opinion of the supervisory body, the type, scope and minimum individual or combined value of deals with related parties that: (i) require the prior approval of the management body (ii) and those that, for involving higher sums, further require a favourable prior opinion of the supervisory body.

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

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

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

Its opinion is, obviously, binding.

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

Therefore, the Company has considered that it has hitherto not been necessary to adopt a formal policy that establishes materiality criteria, given that all potential transactions are subject to close scrutiny as set forth by law.

We should also note that the Company provides the Supervisory Board with all the necessary information at least every three months; in this context, there has never been a transaction that could compromise the precision and transparency that governs the performance of the Company that wasn't subject to the prior opinion of the Supervisory Board.

Accordingly, in compliance with the aforementioned legal obligation (Article 397 of the CSC), and taking into account, above all, the legal requirement set forth in said provision that these situations be disclosed in the annual report of the board of directors, with which ALTRI would always ensure full compliance, the company believes that all the legal requirements, as well as all the duties of disclosure of information to the shareholders and to the market in a comprehensive and transparent manner are fully met.

Recommendation II.3.

The company shall implement adequate means to allow exercising the right to vote by correspondence, including by electronic means

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

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

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

Recommendation II.4.

The company shall implement adequate means to allow shareholders to attend meetings by telematic means.

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

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

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

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

Recommendation II.5

Articles of association that establish limits for the number of votes that may be held or exercised by a single shareholder, individually or together with other shareholders, must also establish that, at least every five years, the amendment or maintenance of this statutory provision is deliberated upon at a general meeting - without aggravated quorum requirements vis-à-vis the legally required quorum - and that, in said resolution, all votes cast are counted without said limitation.

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

Recommendation III.1

Without prejudice to the legal duties of the president of the board of directors, if he/she is not independent, the independent directors must choose a lead independent director among them, who should (i) act as interface with the chairman the board of directors and the other directors; (ii) ensure that they have all the necessary conditions and means to perform their duties; and (iii) coordinate them in the assessment of the management body's performance provided for in recommendation V.1.1.

Considering the size and structure of the Company, and, in particular, the concentration of its capital structure and the total number of members of its Board of Directors, which is only 7, and also taking into account the performance of the chairman of the Board of Directors who is currently in office, which has been perfectly appropriate and in line with the interests of the Company and its shareholders, ALTRI believes that appointing a Lead Independent Director for the sole purpose of meeting a purely formal criterion would not add any relevant value.

Recommendation III.3

Taking into account the personal profile, career and professional experience of the members of ALTRI's Board of Directors, it is considered that the number of non-executive directors, relative to the total number of members of the board, is adequate and balanced given the nature and size of the Company. In this context, ALTRI considers that there are enough non-executive directors to guarantee an effective follow-up, as well as an actual supervision and surveillance of the activity carried out by the executive directors, especially taking into account that the Company has developed mechanisms to enable executive directors to make independent and informed decisions, as detailed in section 18 of this Report.

Recommendation III.4

At least one third (and always more than one) of the company's directors should be non-executive directors who meet independence criteria. For the purpose of this recommendation, independent means a person who is not associated with any specific interest group in the company or under circumstances that may affect his/her independence of analysis or decision, namely due to:

(i) Having performed duties in one of the company's governing bodies for more than twelve consecutive or non-consecutive years;

(ii) Having worked in the company or in a controlled, controlling or group company in the last three years;

(iii) Having provided services or established a significant commercial relationship with the company or with a controlled, controlling or group company in the last three years, either directly or as a partner, director, manager or head of a legal person;

(iv) Receiving a remuneration paid by the company or by a controlled, controlling or group company other than the remuneration derived from the performance of duties as a director;

(v) Being in a non-marital partnership or being the spouse, relative or related in line of descent until the third degree of a company director, a director of a legal person that is a qualified shareholder of the company or legal persons who are, directly or indirectly, qualified shareholders of the company;

(vi) Being a qualified shareholder or the representative of a qualified shareholder

The Board of Directors has a member who meets the independence criteria provided for both in Section 18.1 of the Annex to CMVM Regulation number 4/2013, and in Recommendation III.4 of the Corporate Governance Code of the IPCG - non-executive director Laurentina da Silva Martins - as, despite the fact that she used to work for the subsidiary Caima - Indústria de Celulose, S.A., she has left her position more than three years ago. We should note that she receives a retirement pension paid by the pension fund in force for that subsidiary's employees. However, this pension, because it is an acquired right unrelated to the fact that she holds a managerial position at ALTRI and which she will continue to receive after the termination of her service, whatever the reason for such termination, does not affect her independence.

On the other hand, she hasn't performed duties in any of the company's governing bodies for more than 12 consecutive or non-consecutive years.

Therefore, ALTRI considers that the independence criteria set out in section 18.1 of the Annex to CMVM Regulation number 4/2013 are fully met, meaning that she is an independent director.

The company does not meet the requirement of having at least one third of independent directors, but believes that its Management structure is in line with the best practices, considering that it has established mechanisms to enable non-executive directors to make independent and informed decisions, such as:

- Sending the calls for meetings to all the members of the Board of Directors in advance and in a timely manner, including the corresponding meeting agenda, even if provisional, together with all the other relevant information and documentation;
- Ensuring that the executive directors are available to provide non-executive directors with all the additional information deemed relevant or necessary, as well as to carry out further studies and analyses concerning all matters that are deliberated upon, or otherwise analysed, by the Company;
- Ensuring that all minutes books, records, documents and other information about the background of the operations carried out by the Company or its subsidiaries are available for examination purposes, and that a direct channel for obtaining information is created and promoted among the directors and operational and financial officers of the various companies that are part of the Group, without the need for executive directors to take part in that process.

The Company has considered and reflected on these circumstances taking into account, on the one hand, the corporate model that has been adopted and, on the other hand, the composition and functioning of its governing bodies as a whole (namely the Board of Directors as a collective body, the Supervisory Board and the Statutory Auditor, with their inherent independence) and concluded that the appointment of independent directors for purely formal reasons would not add any significant value to the Company's performance or to a (possibly) better functioning of the model that has been adopted, considering that both have proved to be positive, relevant, adequate and efficient.

We should add that the management report includes, in the chapter "Activity carried out by the non-executive members of the Board of Directors," a description of the activity carried out by the non-executive directors in FY 2018.

The provisions of *paragraph (i) of recommendation III.4 shall not preclude the qualification of a new director as independent if, between the termination of his/her duties in any corporate body and his/her new appointment, a period of at least three years has elapsed (cooling-off period)*

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

Recommendation III.7.

The general and supervisory board should, within the framework of its legal and statutory powers, collaborate with the executive board of directors in outlining the strategy, main policies, corporate structure and decisions that should be considered strategic for the company, due to their amount or risk, as well as in assessing compliance with these

The governance model adopted, pursuant to Article 278(1) of the CSC, does not cover the General and Supervisory Board.

Recommendation IV.1.

The management body shall approve, by means of internal regulations or similar instruments, the rules governing the performance of the directors and the exercise of executive duties in entities outside the group

ALTRI, considering its organisational structure and the small size of its Board of Directors, which is composed of seven members, finds it unnecessary to formally appoint an Executive Committee within the Board of Directors.

However, and as mentioned in section 28 of this Report, 4 of the 7 members of the Board of Directors perform executive duties - with a more practical or operational nature - and, therefore, the Company believes that the necessary conditions are in place for decisions on matters of structural importance to be, as they are, taken by the Board of Directors as a collective body including all its members, executive and non-executive, in the normal performance of their duties, in an informed manner, totally focused on creating value for the shareholders.

Recommendation IV.3.

The management body should set risk-taking goals and make efforts to ensure they are achieved

The Board of Directors is responsible for approving the Company's main policies, namely the risk policy.

Recommendation V.1.1

The management body shall assess its performance, as well as the performance of its committees and managing directors every year, taking into account compliance with the company's strategic plan and budget, risk management, internal operation and the contribution of each member for this purpose, as well as the relationship between the various governing bodies and committees

The assessment of the Board of Directors' performance is submitted to the General Meeting for consideration in accordance with the law, regarding compliance with the Company's strategic plan and budget, risk management, internal functioning and relationships with other governing bodies. The Board of Directors does not choose a specific moment to formally carry out a documented self-assessment; this self-assessment is carried out regularly by a body which meets at least 12 times a year and which monitors the company's activity as closely and regularly as possible, reflecting the fairness and adequacy of the body's performance.

In addition, and as provided for in the CSC (Article 376), the General Meeting carries out an annual general assessment of the Company's management.

Recommendation V.2.3.

The statement on the remuneration policy applicable to administrative and supervisory bodies referred to in Article 2 of Law no. 28/2009, of 19 June, shall additionally contain:

(i) The total remuneration broken down by components, the relative proportion of the fixed and the variable remuneration, an explanation of how the total remuneration complies with the remuneration policy in force, including how it contributes to the performance of the company in the long run, and details on how the performance criteria were applied;

(ii) Remunerations from companies belonging to the same group;

(iii) The number of shares and stock options granted or offered, and the main conditions for exercising the corresponding rights, including the price and the date of that exercise and any changes in those conditions;

(iv) Information on the possibility of requesting the return of variable remuneration;

(v) Information on any deviations from the application of the remuneration policy that has been approved, including an explanation of the exceptional circumstances in question and a reference to the specific elements subject to derogation;

(vi) Information on whether or not directors are entitled to compensation upon termination of their duties.

ALTRI's governing body remuneration and compensation policy, approved at the General Meeting held on May 4, 2018, includes all the elements set forth in the applicable legislation and the provisions of paragraph vi) of this Recommendation.

The information set forth in paragraphs (i) to (v) of this Recommendation is detailed in the Corporate Governance Report and in the Management Report for the year 2018, which are also submitted to the Company's shareholders for approval.

Recommendation V.2.4.

For each term of office, the remuneration committee shall also approve the pension scheme for directors, if the articles of association allow it, and the maximum amount of any compensation to be paid to members of any corporate body or committee upon terminating their service

The Company has no complementary pension or early retirement schemes for members of management and supervisory bodies. The remuneration policy that has been approved does not include a pension or compensation scheme.

Recommendation V.2.5.

In order to provide information or clarification to the shareholders, the chairman or, in his/her absence, another member of the remuneration committee shall attend the annual general meeting and any other meetings whose agenda includes matters concerning the remuneration of the members of governing bodies and committees or if his/her presence is requested by the shareholders

The Company believes that, from the point of view of protecting the interests of shareholders and investors, the mechanisms that have already been established and implemented allow achieving the goal arising from this Recommendation.

Recommendation V.3.2.

A significant portion of the variable component should be delivered over time, over a period of not less than three years, being associated with the confirmation of the sustainability of the company's performance, as set forth in the corresponding internal regulations

The Company's Remuneration Committee has not set forth any variable remuneration whose payment has been deferred over time.

Recommendation V.3.4.

When the variable remuneration includes options or other instruments directly or indirectly dependent on the value of the shares, the beginning of the exercise period shall be deferred for a period of no less than three years

The variable component of the remuneration does not include options or other instruments directly or indirectly dependent on the value of the shares.

Recommendation V.3.5.

The remuneration of non-executive directors shall not include any component whose value depends on the performance of the company or its value

The remuneration policy approved by the General Meeting upon proposal of the Remuneration Committee establishes that the individual remuneration of non-executive directors has an exclusively fixed nature.

Recommendation V.4.2.

Unless the size of the company does not justify it, there should be an appointment committee responsible for monitoring and supporting the appointment of senior managers

The Company does not have an appointment committee for the reasons listed in sections 27, 29 and 67 of Part I of this Report.

Recommendation V.4.3.

This committee includes a majority of independent non-executive members

The Company does not have an appointment committee for the reasons listed in sections 27, 29 and 67 of Part I of this Report.

Recommendation V.4.4.

The appointment committee shall make its terms of reference available and shall, to the extent of its powers, promote transparent selection procedures that include effective mechanisms for identifying potential candidates, ensuring that those who have the greatest merit and are most suited to the job requirements are chosen, while promoting, within the organisation, an adequate diversity (including gender diversity)

The Company does not have an appointment committee for the reasons listed in sections 27, 29 and 67 of Part I of this Report.

3. Other Information

In line with what is mentioned above, ALTRI would like to point out that, of the sixty recommendations contained in the 2018 Corporate Governance Code of the IPCG, nine are not applicable to it for the reasons set out above, and that the decision not to adopt five and partially adopt two of the recommendations is also comprehensively explained and justified above.

ALTRI therefore considers that, given its full compliance with forty-four of these fifty recommendations (excluding nine which are not applicable), the recommendations of the 2018 Corporate Governance Code have virtually all been adopted, reflecting a diligent and careful management, totally focused on creating value for the Company and, consequently, for the shareholders.

Legal matters

Own shares

Pursuant and for the purposes of Article 66 of the Portuguese Companies Act, Altri informs that on December 31, 2018, it did not hold any own shares and did not acquire or dispose of any own shares during the year.

Shares held by Altri's governing bodies

Pursuant and for the purposes of Article 447 of the Portuguese Companies Act, we hereby inform that, on December 31, 2018, Altri's directors held the following shares:

Paulo Jorge dos Santos Fernandes (a)	26,024,874
João Manuel Matos Borges de Oliveira (b)	30,000,000
Domingos José Vieira de Matos (c)	24,454,208
Ana Rebelo de Carvalho Menéres de Mendonça (d)	42,545,053
José Manuel de Almeida Archer	1,500

(a) The 26,024,874 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 30,000,000 shares correspond to the total of Altri, SGPS, S.A. shares held by the company CADERNO AZUL, S.A., of which director João Manuel Matos Borges de Oliveira is director and shareholder.
(c) The 24,454,208 shares correspond to the total of Altri, SGPS, S.A. shares held by the company LIVREFLUXO, S.A., of which director Domingos José Vieira de Matos is director and majority shareholder.
(d) The 42,545,053 shares correspond to the total of Altri, SGPS, S.A. shares held by the company PROMENDO INVESTIMENTOS, S.A., of which director Ana Rebelo de Carvalho Menéres de Mendonça is director and majority shareholder.

On December 31, 2018, the Statutory Auditor, the members of the Supervisory Board and the Board of the General Meeting did not hold Altri's shares.

Qualifying Holdings

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%, 20%, 33% and 50% of the voting rights, according to the notifications received at Altri's registered office reported on December 31, 2018 are as follows:

	No. of shares held on 31-Dec-2018	% Share capital with voting rights
Norges Bank		
Directly	4,149,572	2.02%
Total attributable	4,149,572	2.02%
1 Thing, Investments, S.A.		
Directly [(a)]	14,359,708	7.00%
Total attributable	14,359,708	7.00%
Domingos José Vieira de Matos		
Through Livrefluxo, S.A. (of which he is dominant shareholder and director)	24,454,208	11.92%
Total attributable	24,454,208	11.92%
Paulo Jorge dos Santos Fernandes		
Through Actium Capital, S.A. (of which he is dominant shareholder and director)	26,024,874	12.69%
Total attributable	26,024,874	12.69%
João Manuel Matos Borges de Oliveira		
Through Caderno Azul, S.A. (of which he is shareholder and director)	30,000,000	14.62%
Total attributable	30,000,000	14.62%
Promendo Investimentos, S.A.		
Directly [(b)]	42,545,053	20.740%
Through its director José Manuel de Almeida Archer	1,500	0.001%
Total attributable	42,546,553	20.741%

(A) The 14,359,708 shares represent Altri, SGPS, S.A. total shares held by 1 Thing, Investments, S.A. of which Pedro Miguel Matos Borges de Oliveira is a Board Member.
(B) The 42,545,053 shares represent Altri, SGPS, S.A. total shares held by Promendo Investimentos, S.A. that are considered equally attributable to Ana Rebelo de Carvalho Menéres de Mendonça, director and dominant shareholder of Promendo Investimentos, S.A. and director of Altri, SGPS, S.A.

Altri was not informed of any holdings exceeding 33% of the voting rights.

Diversity Policy - Article 245 A(1)(r) of the Portuguese Companies Act

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

We should note that Altri's Board of Directors, elected in April 2017 for the term of office corresponding to the 2017/2019 triennium (and therefore before the entry into force of Law 89/2017, of 28 July) is composed of seven members, five men and two women; these represent nearly 30% of that governing body. This composition was similar to that of the previous term of office, corresponding to the 2014/2017 triennium.

The Board of Directors, without losing sight of the guiding principle of meritocracy, promotes diversity policies at various levels, such as:

- Instructions to the human resources areas of the various operating companies so that:
  - career advancement policies, performance evaluation and salary reviews are established based on diversity promotion concerns;
  - in recruitment processes, they seek to promote such diversity by always presenting lists of potential employees that are sufficiently representative of both genders.
- Instructions to the operational areas so that the multidisciplinary teams formed as part of the various projects are always set up based on the concern of a balanced representation.

Altri believes that a healthy gender balance contributes decisively to the teams being more eclectic, self-challenging and proactive, so promoting this diversity is one of the Group's goals.

This matter is detailed in Section 15 of the Corporate Governance Report, as well as in the Sustainability Report, page 44 et seq.

Closing Remarks

We could not conclude without thanking the entities that work and cooperate with the Group for the trust they have placed in our organisation. Lastly, we would like to express our appreciation to all our employees for their dedication and commitment to the organisation.

Porto, 9 April 2019

The Board of Directors

Paulo Jorge dos Santos Fernandes

João Manuel Matos Borges de Oliveira

Domingos José Vieira de Matos

Laurentina da Silva Martins

Pedro Miguel Matos Borges de Oliveira

Ana Rebelo Carvalho Menéres de Mendonça

José Manuel de Almeida Archer

Appendix of management report

Statement pursuant to article 245(1) (c) of the securities 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 take responsibility for this information and ensure that the information contained therein is true and that there are no omissions known to them.

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

Appendix I

1. Board of Directors

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

Paulo Jorge dos Santos Fernandes

He was one of the founders of Cofina (company that led to the creation of Altri, by spin-off), and has been involved in the Group's management since its incorporation. He holds a degree in Electronic Engineering from the University of Porto and an MBA from the Nova University of Lisbon.

He is a shareholder of the Company since 2005, having been also appointed Director on the same date.

He develops his activities in the Media, Internet and paper pulp's industry. He is currently CEO of Cofina SGPS, S.A., CO-CEO at Altri, of which he is co-founder, shareholder, member of the Board of Directors and Chairman.

He is also a member of the Board of Directors of F. Ramada Investimentos, SGPS, S.A..

In addition to the Companies where he currently performs management functions, his professional experience includes:
- 1982/1984 – Assistant Production Director at CORTAL
- 1986/1989 – Managing Director at CORTAL
- 1989/1994 – Chairman of the Board of Directors of CORTAL
- 1995 – Director at CRISAL - CRISTAIS DE ALCOBAÇA, S.A.
- 1997 – Director at Grupo Vista Alegre, S.A
- 1997 – Chairman of the Board of Directors of ATLANTIS - Cristais de Alcobaça, S.A.
- 2000/2001 – Director at SIC

Throughout his career, also played roles in several associations:
- 1989/1994 – President of FEMB (Fédération Européenne de Mobilier de Bureau) for Portugal
- 1989/1990 – President of the General Meeting of Assoc. Industr. Águeda
- 1991/1993 – Member of the Advisory Board of Assoc. Ind. Portuense
- Since 2005 – Member of Senior Board of the MBA Alumni Association
- 2013/2016 – President of the Supervisory Board of BCSD
- Since 2006 – Member of the Advisory Board for Engineering and Management of IST
- Since 2016 – Member of the Board of CELPA – Associação da Indústria Papeleira

The other companies where he carries out management functions as of 31 December 2018 are as follows:
- A Nossa Aposta – Jogos e Apostas On-Line, S.A. (a)
- Actium Capital, S.A. (a)
- Altri Abastecimento de Madeira, S.A.
- Altri Participaciones Y Trading, S.L.
- Articulado – Actividades Imobiliárias, S.A. (a)
- Caima – Indústria de Celulose, S.A.
- Caima Energia – Emp. Gestão e Exploração de Energia, S.A.
- Celulose Beira Industrial (Celbi), S.A.
- Celtejo – Empresa de Celulose do Tejo, S.A.
- Cofihold, S.A. (a)
- Cofihold II, S.A. (a)
- Cofina, S.G.P.S, S.A. (a)
- Cofina Media, S.A. (a)
- Elege Valor, Lda. (a)
- F. Ramada II Imobiliária, S.A. (a)
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A. (a)
- Ramada Investimentos e Indústria, S.A. (a)
- Santos Fernandes & Vieira Matos, Lda. (a)
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A.

(a) – Companies that, as of December 31, 2018 cannot be considered to be part of the Altri, S.G.P.S., S.A. group.

João Manuel Matos Borges de Oliveira

He was one of the founders of Cofina (which gave rise to Altri) and has been involved in the Company's management since its incorporation. He holds a degree in Chemical Engineering from the University of Porto and completed an MBA at INSEAD. He develops his activity in the media and industrial operations areas, as well as in the strategic establishment of the Group. He has been a shareholder of the Company since 2005, having been also appointed Director on the same date.

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

- 1982/1983 – Assistant Production Director at Cortal
- 1984/1985 – Production Director at Cortal
- 1987/1989 – Marketing Director at Cortal
- 1989/1994 – Managing Director at Cortal
- 1989/1995 – Vice-chairman of the Board of Directors of Cortal
- 1989/1994 – Director at Seldex
- 1992/1994 – Vice-chairman of the General Meeting of Associação Industrial de Águeda
- 1995/2004 – Chairman of the Supervisory Board of Associação Industrial do Distrito de Aveiro
- 1996/2000 – Non-executive director at Atlantis, S.A.
- 1997/2000 – Non-executive director at Vista Alegre, S.A.
- 1998/1999 – Director at Efacec Capital, S.G.P.S., S.A.
- 2008/2015 – Chairman of the Supervisory Board of Porto Business School
- 2008/2011 – Non-executive director at Zon Multimédia, SGPS, S.A.
- 2011/2013 – Member of the ISCTE-IUL CFO Advisory Forum

The other companies where he carries out management functions as of 31 December 2018 are as follows:

- Altri Abastecimento de Madeira, S.A.
- Altri Participaciones Y Trading, S.L.
- Caderno Azul, S.A. (a)
- Caima – Indústria de Celulose, S.A.
- Caima Energia – Emp. Gestão e Exploração de Energia, S.A.
- Captaraíz – Unipessoal, Lda.
- Celulose Beira Industrial (Celbi), S.A.
- Celtejo – Empresa de Celulose do Tejo, S.A.
- Cofina, S.G.P.S., S.A. (a)
- Cofina Media, S.A. (a)
- Cofihold, S.A. (a)
- Cofihold II, S.A. (a)
- Elege Valor, Lda. (a)
- F. Ramada II Imobiliária, S.A. (a)
- Indaz, S.A. (a)
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A. (a)
- Ramada Investimentos e Indústria, S.A. (a)
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A.
- Universal – Afir, S.A. (a)

(a) Companies that, as of December 31, 2018 cannot be considered to be part of the Altri, S.G.P.S., S.A. group.

Domingos José Vieira de Matos

He was one of the founders of Cofina (company that led to the creation of Altri, by spin-off), and has been involved in the Group's management since its incorporation. He holds a degree in Economics from the Faculty of Economics of the University of Porto and began his career in management in 1978. He has been a shareholder of the Company since 2005, having been also appointed Director on the same date.

In addition to the Companies where he currently performs management functions, his professional experience includes:
- 1978/1994 – Director at Cortal, S.A.
- 1983 – Founding Partner of Promede – Produtos Médicos, S.A.
- 1998/2000 – Director at Electro Cerâmica, S.A.

The other companies where he carries out management functions as of 31 December 2018 are as follows:
- Altri Florestal, S.A.
- Caima – Indústria de Celulose, S.A.
- Celulose Beira Industrial (Celbi), S.A.
- Cofina, S.G.P.S., S.A. (a)
- Cofihold, S.A. (a)
- Cofihold II, S.A. (a)
- Elege Valor, Lda. (a)
- F. Ramada II Imobiliária, S.A. (a)
- Livrefluxo, S.A. (a)
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A. (a)
- Ramada Investimentos e Indústria, S.A. (a)
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A.
- Universal - Afir, S.A. (a)

(a) Companies that, as of December 31, 2018 cannot be considered to be part of the Altri, S.G.P.S., S.A. group.

Laurentina da Silva Martins

With a degree in Finance and Administration from Instituto Superior do Porto, she has been involved in the Altri group since its incorporation. She was appointed director of the Company in May 2009.

Her professional experience includes:
- 1965 – Assistant Financial Director at Companhia de Celulose do Caima, S.A.
- 1990 – Financial Director at Companhia de Celulose do Caima, S.A.
- 2001 – Director at Cofina Media, S.G.P.S., S.A.
- 2001 – Director at Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.
- 2004 – Director at Grafedisport – Impressão e Artes Gráficas, S.A.
- 2005 – Director at Silvicaima – Sociedade Silvícola do Caima, S.A. (now Altri Florestal, S.A.)
- 2006 – Director at EDP Produção – Bioeléctrica, S.A. (now Bioelétrica da Foz, S.A.)

The other companies where she carries out management functions as of 31 December 2018 are as follows:
- Bioelétrica da Foz, S.A.
- Ródão Power – Energia e Biomassa do Ródão, S.A.
- Sociedade Bioelétrica do Mondego, S.A.
- Bioródão, S.A.

Pedro Miguel Matos Borges de Oliveira

He holds a degree in Financial Management from Instituto Superior de Administração e Gestão do Porto.

In 2000, he completed the Executive MBA at Instituto Empresarial Portuense in partnership with ESADE-Business School of Barcelona, now Católica Porto Business School. In 2009, he completed the Business Valuation Course at EGE-Escola de Gestão Empresarial.
He was appointed director of the Company in April 2014.

In addition to the companies where he currently performs management functions, his professional experience includes:
- 1986/2000 – Assistant Manager at FERÁGUEDA, Lda.
- 1992 – Manager at Bemel, Lda.
- 1997/1999 – Assistant Director at GALAN, Lda.
- 1999/2000 – Assistant Director of the Saw and Tool Department at F. Ramada, Aços e Indústrias, S.A.
- 2000 – Director of the Saw and Tool Department at F. Ramada, Aços e Indústrias, S.A.
- 2006 – Director at Universal Afir, Aços Especiais e Ferramentas, S.A.
- 2009 – Director at F. Ramada - Investimentos, S.G.P.S., S.A.

The other companies where he carries out management functions as of 31 December 2018 are as follows:
- Altri Florestal, S.A.
- Celulose Beira Industrial (Celbi), S.A.
- Cofihold, S.A. (a)
- Cofihold II, S.A. (a)
- Cofina, S.G.P.S., S.A. (a)
- F. Ramada II Imobiliária, S.A. (a)
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A. (a)
- Ramada Investimentos e Indústria, S.A. (a)
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A.
- Universal - Afir, S.A. (a)
- Valor Autêntico, S.A. (a)
- 1 Thing, Investments, S.A. (a)

(a) Companies that, as of December 31, 2018 cannot be considered to be part of the Altri, S.G.P.S., S.A. group.

Ana Rebelo de Carvalho Menéres de Mendonça

She holds a degree in Economics from Universidade Católica Portuguesa in Lisbon. She was appointed director of the Company in April 2014.

In addition to the companies where she currently performs management functions, her professional experience includes:
- 1995 – Journalist in the economics area at Semanário Económico
- 1996 – Citibank Commercial Department
- 1996 – Director at Promendo, S.A.
- 2009 – Director at PROMENDO, S.G.P.S., S.A. (now Promendo Investimentos, S.A.)

The other companies where she carries out management functions as of 31 December 2018 are as follows:
- Cofina, S.G.P.S., S.A. (a)
- Cofihold, S.A. (a)
- Cofihold II, S.A. (a)
- F. Ramada II Imobiliária, S.A. (a)
- Promendo Investimentos, S.A. (a)
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A. (a)
- Ramada Investimentos e Indústria, S.A. (a)

(a) Companies that, as of December 31, 2018 cannot be considered to be part of the Altri, S.G.P.S., S.A. group.

José Manuel de Almeida Archer

He holds a degree in Law from the Faculty of Law of Universidade Católica Portuguesa (Lisbon) and has been a member of the Bar Association since 1984.

In addition to the companies where he currently performs management functions, his professional experience includes:
- (1985-1987) – Director at Phoenix Assurance, PLC, Branch in Portugal
- (1999-2001) – Chairman of the Board of Directors of Selecta – Sociedade Gestora do Fundo do Investimento Imobiliário Selecto II, S.A.
- (1998-2001) – Member of the Legal & Tax Committee (Nasdaq Europe)
- (2000-2014) – Director at Companhia das Quintas SGPS, SA.
- (2004-2013) – Director at Blues Group (UK)
- (2008-2009 / 1997-2001) – Member of the Executive Board of the FEE - Foundation for Environmental Education (Denmark)

The other companies where he carries out management functions as of 31 December 2018 are as follows:
- ABAE - Associação Bandeira Azul da Europa (a)
- Banco Finantia Sofinloc, SA., (Spain) (a)
- Correia Afonso Archer & Associados – Sociedade de Advogados, RL. (a)
- Promendo Investimentos, SA. (a)
- Vialegis AEIE (Madrid) (a)

Other Positions: Chairman of the Supervisory Board
- Banco Finantia, SA. (a)
- Ginásio Clube Português (a)

(a) Companies that, as of December 31, 2018 cannot be considered to be part of the Altri, S.G.P.S., S.A. group.

2. Supervisory Board

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

Pedro Nuno Fernandes de Sá Pessanha da Costa

Qualifications:
- Degree in Law from the Faculty of Law of the University of Coimbra, 1981
- Complementary training in Business Management and Economic Financial Analysis at the School of Law of Universidade Católica Portuguesa, Porto, 1982/1983.

Professional experience:
- Member of the Bar Association since 1983
- Chairman of the general and supervisory board of a publicly traded company between 1996 and 2010
- Chairman of the board of the general meeting of several listed and non-listed companies
- He has been practising law since 1983, with a special focus on commercial law and corporate law, mergers and acquisitions, foreign investment and international contracts
- Co-author of the chapter on Portugal in "Handbuch der Europäischen Aktien-Gesellschaft" – Societas Europaea – de Jannot / Frodermann, published by C.F. Müller Verlag

Other positions held:
- Chairman of the Supervisory Board of Banco Português de Investimento, S.A. (a)
- Chairman of the Supervisory Board of Cofina, S.G.P.S., S.A. (a)
- Chairman of the Supervisory Board of Ramada Investimentos e Indústria, S.A. (a)
- Chairman of the Supervisory Board of BPI Private Equity – Sociedade de Capital de Risco, S.A. (a)
- Member of the Remuneration Committee of Cofina, S.G.P.S., S.A. (a)
- Member of the Remuneration Committee of Ramada Investimentos e Indústria, S.A. (a)
- Chairman of the Board of the General Meeting of SOGRAPE, S.G.P.S., S.A. (a)
- Chairman of the Board of the General Meeting of SOGRAPE Vinhos, S.A. (a)
- Chairman of the Remuneration Committee of SOGRAPE S.G.P.S., S.A. (a)
- Chairman of the Board of the General Meeting of Adriano Ramos Pinto, S.A. (a)
- Chairman of the Board of the General Meeting of Aquitex – Acabamentos Químicos Têxteis, S.A. (a)
- Honorary Consul of Belgium in Porto (a)

(a) - Companies that, as of December 31, 2018 cannot be considered to be part of the Altri, S.G.P.S., S.A. group.

António Luís Isidro de Pinho

Qualifications:
- Degree in Economics from Instituto Superior de Ciências do Trabalho e da Empresa (I.S.C.T.E.), (1973 – 1978)
- Degree in Business Organisation and Management from Instituto Superior de Ciências do Trabalho e da Empresa (I.S.C.T.E.), (1986 – 1989)
- Statutory Auditor since 1987
- Member of the Portuguese Economic Association, the Institute of Chartered Accountants and the Portuguese Association of Tax Consultants.

Professional experience:
- His 35 years of professional experience have been focused on external and internal auditing and on the financial management of several Companies.
- He began his professional activity in 1976 at Lacticoop and then as a member of the financial department of Gremetal; he was involved in the construction of the Sines refinery, an activity he interrupted to serve his compulsory military service, which he completed in December 1981
- Between January 1982 and December 1986, he worked at Arthur Andersen & Co, where he held the position of Audit Manager.
- Between 1987 and 1991 he worked at the SOPORCEL group, where he held the positions of Internal Auditor, Financial Director of Emporsil and head of the Land Purchase Department.
- Between 1991 and 1996 he was a member of the Executive Management of SOCTIP, a leading offset printing company in its market segment that had around 200 employees, being responsible for the financial area of the company.
- Since 1996, he has been a full-time Statutory Auditor, and joined the staff of Moore Stephens as partner of A. Gonçalves Monteiro & Associados, SROC, between October 1997 and November 2008. That company gave rise to Veiga, Pinho & Silva - SROC, transformed into Kreston Associados in 2015.
- He holds the positions of Statutory Auditor, member of the Supervisory Board and External Auditor in several companies with a significant size and operating in different sectors of activity; he is currently Managing Partner at Kreston & Associados-SROC, Lda. being responsible for the legal review of accounts of several industrial, commercial and service companies
- In addition to his technical duties as Auditor, he is also responsible for the Quality Control of the company and controller-rapporteur of the quality control committee of the Institute of Statutory Auditors.

Other positions held:
- Member of the Supervisory Board of Cofina, SGPS, S.A. (a)
- Member of the Supervisory Board of Ramada Investimentos e Indústria, S.A. (a)

(a) - Companies that, as of December 31, 2018 cannot be considered to be part of the Altri, S.G.P.S., S.A. group.

Guilherme Paulo Aires da Mota Correia Monteiro

Qualifications:
- Degree in Economics from the Faculty of Economics of the University of Porto
- Master's Degree in General Business Management, IEDE

Professional experience:
- He began his professional career in 1991 at Deloitte in the Management Solutions area. In 1999, he was promoted to Manager of the Financial Services MS Porto Department.
- In 2007, he was promoted to Associate Partner of Deloitte's Corporate Finance Department.
- Between 2002 and 2013 he was responsible for the Corporate Finance Division in Porto, specialised in mergers and acquisitions, appraisals, debt advisory and project finance.
- Between 2014 and 2016 he joined Deloitte's Financial Advisory Services division in Lisbon, in the areas of M&A, Debt Advisory and Investment and Capital Projects.
- He has been pursuing his career in companies operating in different sectors of activity, namely in the tourism, real estate, private equity, banking, construction, health, automotive, metalworking, agri-food, textile, cork, furniture, chemical and TMT sectors.
- He has a solid experience in mergers and acquisitions, MBO, MBI, appraisals, strategic consultancy, feasibility studies, investment projects, business plans, corporate recovery, private placement, project finance and debt advisory.

Other positions held:
- Independent Consultant (a)
- Member of the Supervisory Board of Cofina, S.G.P.S., S.A. (a)
- Member of the Supervisory Board of Ramada Investimentos e Indústria, S.A. (a)

(a) - Companies that, as of December 31, 2018 cannot be considered to be part of the Altri, S.G.P.S., S.A. group.

André Seabra Ferreira Pinto

Qualifications:
- Degree in Economics from Universidade Portucalense
- Chartered Accountant (ROC no. 1,243)
- Executive MBA - Escola de Gestão do Porto – University of Porto Business School

Professional experience:
- Between September 1999 and May 2008, he worked in the Audit Department of Deloitte & Associados, SROC, S.A. (initially as staff member and since September 2004 as Manager)
- Between June 2008 and December 2010, he was Senior Manager of the Corporate Finance - Transaction Services department of Deloitte Consultores
- Between January 2011 and March 2013, he was the financial director of the companies of the WireCoWorldGroup in Portugal (a)
- Since April 2013, he was the Chief Financial Officer of the Mecwide Group (a)
- Director at MWIDE, SGPS, S.A., as well as of all the other companies of the Mecwide Group (a)
- Manager of the companies Together We Change Investments, LDA., Virtusai, LDA. and Apparently Relevant, Lda. (a)

Other positions held:
- Member of the Remuneration Committee of Cofina, S.G.P.S., S.A. (a)
- Member of the Remuneration Committee of Ramada Investimentos e Indústria, S.A. (a)
- Alternate of the Supervisory Board of Cofina, S.G.P.S., S.A. (a)
- Alternate of the Supervisory Board of Ramada Investimentos e Indústria, S.A. (a)

(a) - Companies that, as of December 31, 2018 cannot be considered to be part of the Altri, S.G.P.S., S.A. group.

3. Remuneration Committee

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

João da Silva Natária

Qualifications:
- Degree in Law from the University of Lisbon

Professional experience:
- 1979 – Managing Director of the Luanda/Viana branch of F. Ramada, by joint appointment of the Board of Directors and the Ministry of Industry of Angola
- 1983 – Director of the Polyester and Buttons Department of F. Ramada, Aços e Indústrias, S.A.
- 1984/2000 – Director of Human Resources of F. Ramada, Aços e Indústrias, S.A.
- 1993/1995 – Director at Universal – Aços, Máquinas e Ferramentas, S.A.
- 2000/2018 – Lawyer with an independent practice specialised in Labour Law and Family Law

Other positions held:
- Chairman of the Supervisory Board of Celulose Beira Industrial (CELBI), S.A.
- Chairman of the Remuneration Committee of Cofina, S.G.P.S., S.A. (a)
- Chairman of the Remuneration Committee of Ramada Investimentos e Indústria, S.A. (a)

(a) - Companies that, as of December 31, 2018 cannot be considered to be part of the Altri, S.G.P.S., S.A. group.

Pedro Nuno Fernandes de Sá Pessanha da Costa

Qualifications:
- Degree in Law from the Faculty of Law of the University of Coimbra, 1981
- Complementary training in Business Management and Economic Financial Analysis at the School of Law of Universidade Católica Portuguesa, Porto, 1982/1983.

Professional experience:
- Member of the Bar Association since 1983
- Chairman of the general and supervisory board of a publicly traded company between 1996 and 2010
- Chairman of the board of the general meeting of several listed and non-listed companies
- He has been practising law since 1983, with a special focus on commercial law and corporate law, mergers and acquisitions, foreign investment and international contracts
- Co-author of the chapter on Portugal in "Handbuch der Europäischen Aktien-Gesellschaft" – Societas Europaea – de Jannot / Frodermann, published by C.F. Müller Verlag

Other positions held:
- Chairman of the Supervisory Board of Banco Português de Investimento, S.A. (a)
- Chairman of the Supervisory Board of Cofina, S.G.P.S., S.A. (a)
- Chairman of the Supervisory Board of Ramada Investimentos e Indústria, S.A. (a)
- Chairman of the Supervisory Board of BPI Private Equity – Sociedade de Capital de Risco, S.A. (a)
- Member of the Remuneration Committee of Cofina, S.G.P.S., S.A. (a)
- Member of the Remuneration Committee of Ramada Investimentos e Indústria, S.A. (a)
- Chairman of the Board of the General Meeting of SOGRAPE, S.G.P.S., S.A. (a)
- Chairman of the Board of the General Meeting of SOGRAPE Vinhos, S.A. (a)
- Chairman of the Remuneration Committee of SOGRAPE S.G.P.S., S.A. (a)
- Chairman of the Board of the General Meeting of Adriano Ramos Pinto, S.A. (a)
- Chairman of the Board of the General Meeting of Aquitex – Acabamentos Químicos Têxteis, S.A. (a)
- Honorary Consul of Belgium in Porto (a)

(a) - Companies that, as of December 31, 2018 cannot be considered to be part of the Altri, S.G.P.S., S.A. group.

André Seabra Ferreira Pinto

Qualifications:
- Degree in Economics from Universidade Portucalense
- Chartered Accountant (ROC no. 1,243)
- Executive MBA - Escola de Gestão do Porto – University of Porto Business School

Professional experience:
- Between September 1999 and May 2008, he worked in the Audit Department of Deloitte & Associados, SROC, S.A. (initially as staff member and since September 2004 as Manager)
- Between June 2008 and December 2010, he was Senior Manager of the Corporate Finance - Transaction Services department of Deloitte Consultores
- Between January 2011 and March 2013, he was the financial director of the companies of the WireCoWorldGroup in Portugal (a)
- Since April 2013, he was the Chief Financial Officer of the Mecwide Group (a)
- Director at MWIDE, SGPS, S.A., as well as of all the other companies of the Mecwide Group (a)
- Manager of the companies Together We Change Investments, LDA., Virtusai, LDA. and Apparently Relevant, Lda. (a)

Other positions held:
- Member of the Remuneration Committee of Cofina, S.G.P.S., S.A. (a)
- Member of the Remuneration Committee of Ramada Investimentos e Indústria, S.A. (a)
- Alternate of the Supervisory Board of Cofina, S.G.P.S., S.A. (a)
- Alternate of the Supervisory Board of Ramada Investimentos e Indústria, S.A. (a)

(a) - Companies that, as of December 31, 2018 cannot be considered to be part of the Altri, S.G.P.S., S.A. group.

Article 447 of the Commercial Companies Code and Article 14/7) of the CMVM Regulation no. 5/2008

Disclosure of shares and other securities held by members of the Board of Directors and Senior Managers, as well as by persons closely related thereto, pursuant to Article 248 B of the Securities Code, and transactions involving these carried out during the financial year under analysis

Members of the Board of Directors	Shares held on 31-Dec-2017	Acquisitions	Disposals	Shares held on 31-Dec-2018
Paulo Jorge dos Santos Fernandes (imputation through Actium Capital, S.A.)	24,324,874	2,000,000	(300,000)	26,024,874
João Manuel Matos Borges de Oliveira (imputation through Caderno Azul, S.A.)	30,000,000	-	-	30,000,000
Domingos José Vieira de Matos (imputation through Livrefluxo, S.A.)	24,250,110	204,098	-	24,454,208
Ana Rebelo Carvalho Menéres de Mendonça (imputation through Promendo Investimentos, S.A.)	42,954,552	-	(409,499)	42,545,053
José Manuel de Almeida Archer	11,500	-	(10,000)	1,500

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

Date	Type	Volume	Price (€)	Place	No. of shares
31-dec-2017	-	-	-	-	24,324,874
27-sep-2018	Disposal	995	8.260000	Euronext Lisbon	24,323,879
27-sep-2018	Disposal	345	8.250000	Euronext Lisbon	24,323,534
27-sep-2018	Disposal	33	8.250000	Euronext Lisbon	24,323,501
27-sep-2018	Disposal	390	8.250000	Euronext Lisbon	24,323,111
27-sep-2018	Disposal	202	8.250000	Euronext Lisbon	24,322,909
27-sep-2018	Disposal	1,000	8.250000	Euronext Lisbon	24,321,909
27-sep-2018	Disposal	783	8.250000	Euronext Lisbon	24,321,126
27-sep-2018	Disposal	626	8.250000	Euronext Lisbon	24,320,500
27-sep-2018	Disposal	626	8.250000	Euronext Lisbon	24,319,874
27-sep-2018	Disposal	575	8.250000	Euronext Lisbon	24,319,299
27-sep-2018	Disposal	1,000	8.250000	Euronext Lisbon	24,318,299
27-sep-2018	Disposal	50	8.250000	Euronext Lisbon	24,318,249
27-sep-2018	Disposal	3,375	8.250000	Euronext Lisbon	24,314,874
27-sep-2018	Disposal	328	8.300000	Euronext Lisbon	24,314,546
27-sep-2018	Disposal	622	8.300000	Euronext Lisbon	24,313,924
27-sep-2018	Disposal	622	8.300000	Euronext Lisbon	24,313,302
27-sep-2018	Disposal	328	8.300000	Euronext Lisbon	24,312,974
27-sep-2018	Disposal	622	8.300000	Euronext Lisbon	24,312,352
27-sep-2018	Disposal	137	8.300000	Euronext Lisbon	24,312,215
27-sep-2018	Disposal	191	8.300000	Euronext Lisbon	24,312,024

Date	Type	Volume	Price (€)	Place	No. of shares
27-sep-2018	Disposal	651	8.300000	Euronext Lisbon	24,311,373
27-sep-2018	Disposal	299	8.300000	Euronext Lisbon	24,311,074
27-sep-2018	Disposal	66	8.300000	Euronext Lisbon	24,311,008
27-sep-2018	Disposal	884	8.300000	Euronext Lisbon	24,310,124
27-sep-2018	Disposal	165	8.300000	Euronext Lisbon	24,309,959
27-sep-2018	Disposal	102	8.300000	Euronext Lisbon	24,309,857
27-sep-2018	Disposal	1,000	8.280000	Euronext Lisbon	24,308,857
27-sep-2018	Disposal	38	8.280000	Euronext Lisbon	24,308,819
27-sep-2018	Disposal	51	8.280000	Euronext Lisbon	24,308,768
27-sep-2018	Disposal	1	8.280000	Euronext Lisbon	24,308,767
27-sep-2018	Disposal	948	8.270000	Euronext Lisbon	24,307,819
27-sep-2018	Disposal	347	8.270000	Euronext Lisbon	24,307,472
27-sep-2018	Disposal	710	8.270000	Euronext Lisbon	24,306,762
27-sep-2018	Disposal	220	8.270000	Euronext Lisbon	24,306,542
27-sep-2018	Disposal	698	8.270000	Euronext Lisbon	24,305,844
27-sep-2018	Disposal	77	8.270000	Euronext Lisbon	24,305,767
27-sep-2018	Disposal	2,910	8.260000	Euronext Lisbon	24,302,857
27-sep-2018	Disposal	342	8.250000	Euronext Lisbon	24,302,515
27-sep-2018	Disposal	488	8.250000	Euronext Lisbon	24,302,027
27-sep-2018	Disposal	516	8.250000	Euronext Lisbon	24,301,511
27-sep-2018	Disposal	654	8.250000	Euronext Lisbon	24,300,857
27-sep-2018	Disposal	1,000	8.270000	Euronext Lisbon	24,299,857
27-sep-2018	Disposal	620	8.280000	Euronext Lisbon	24,299,237
27-sep-2018	Disposal	1,268	8.280000	Euronext Lisbon	24,297,969
27-sep-2018	Disposal	112	8.280000	Euronext Lisbon	24,297,857
27-sep-2018	Disposal	500	8.300000	Euronext Lisbon	24,297,357
27-sep-2018	Disposal	183	8.300000	Euronext Lisbon	24,297,174
27-sep-2018	Disposal	288	8.300000	Euronext Lisbon	24,296,886
27-sep-2018	Disposal	500	8.300000	Euronext Lisbon	24,296,386
27-sep-2018	Disposal	162	8.300000	Euronext Lisbon	24,296,224
27-sep-2018	Disposal	339	8.280000	Euronext Lisbon	24,295,885
27-sep-2018	Disposal	663	8.280000	Euronext Lisbon	24,295,222
27-sep-2018	Disposal	800	8.280000	Euronext Lisbon	24,294,422
27-sep-2018	Disposal	198	8.280000	Euronext Lisbon	24,294,224
27-sep-2018	Disposal	489	8.300000	Euronext Lisbon	24,293,735
27-sep-2018	Disposal	461	8.300000	Euronext Lisbon	24,293,274
27-sep-2018	Disposal	950	8.300000	Euronext Lisbon	24,292,324
27-sep-2018	Disposal	105	8.300000	Euronext Lisbon	24,292,219
27-sep-2018	Disposal	758	8.300000	Euronext Lisbon	24,291,461
27-sep-2018	Disposal	87	8.300000	Euronext Lisbon	24,291,374
27-sep-2018	Disposal	758	8.300000	Euronext Lisbon	24,290,616
27-sep-2018	Disposal	87	8.300000	Euronext Lisbon	24,290,529
27-sep-2018	Disposal	863	8.300000	Euronext Lisbon	24,289,666
27-sep-2018	Disposal	1,378	8.300000	Euronext Lisbon	24,288,288
27-sep-2018	Disposal	950	8.300000	Euronext Lisbon	24,287,338

Date	Type	Volume	Price (€)	Place	No. of shares
27-sep-2018	Disposal	911	8.300000	Euronext Lisbon	24,286,427
27-sep-2018	Disposal	39	8.300000	Euronext Lisbon	24,286,388
27-sep-2018	Disposal	461	8.300000	Euronext Lisbon	24,285,927
27-sep-2018	Disposal	500	8.300000	Euronext Lisbon	24,285,427
27-sep-2018	Disposal	450	8.300000	Euronext Lisbon	24,284,977
27-sep-2018	Disposal	50	8.300000	Euronext Lisbon	24,284,927
27-sep-2018	Disposal	715	8.300000	Euronext Lisbon	24,284,212
27-sep-2018	Disposal	235	8.300000	Euronext Lisbon	24,283,977
27-sep-2018	Disposal	265	8.300000	Euronext Lisbon	24,283,712
27-sep-2018	Disposal	636	8.300000	Euronext Lisbon	24,283,076
27-sep-2018	Disposal	314	8.300000	Euronext Lisbon	24,282,762
27-sep-2018	Disposal	186	8.300000	Euronext Lisbon	24,282,576
27-sep-2018	Disposal	725	8.300000	Euronext Lisbon	24,281,851
27-sep-2018	Disposal	225	8.300000	Euronext Lisbon	24,281,626
27-sep-2018	Disposal	225	8.300000	Euronext Lisbon	24,281,401
27-sep-2018	Disposal	2,846	8.290000	Euronext Lisbon	24,278,555
27-sep-2018	Disposal	329	8.290000	Euronext Lisbon	24,278,226
27-sep-2018	Disposal	18	8.290000	Euronext Lisbon	24,278,208
27-sep-2018	Disposal	37	8.290000	Euronext Lisbon	24,278,171
27-sep-2018	Disposal	1,411	8.290000	Euronext Lisbon	24,276,760
27-sep-2018	Disposal	886	8.290000	Euronext Lisbon	24,275,874
27-sep-2018	Disposal	857	8.310000	Euronext Lisbon	24,275,017
27-sep-2018	Disposal	643	8.310000	Euronext Lisbon	24,274,374
27-sep-2018	Disposal	156	8.310000	Euronext Lisbon	24,274,218
27-sep-2018	Disposal	1,344	8.310000	Euronext Lisbon	24,272,874
27-sep-2018	Disposal	832	8.310000	Euronext Lisbon	24,272,042
27-sep-2018	Disposal	667	8.310000	Euronext Lisbon	24,271,375
27-sep-2018	Disposal	833	8.310000	Euronext Lisbon	24,270,542
27-sep-2018	Disposal	1,500	8.310000	Euronext Lisbon	24,269,042
27-sep-2018	Disposal	253	8.310000	Euronext Lisbon	24,268,789
27-sep-2018	Disposal	110	8.310000	Euronext Lisbon	24,268,679
27-sep-2018	Disposal	1,137	8.310000	Euronext Lisbon	24,267,542
27-sep-2018	Disposal	1,263	8.310000	Euronext Lisbon	24,266,279
27-sep-2018	Disposal	1,000	8.310000	Euronext Lisbon	24,265,279
27-sep-2018	Disposal	500	8.310000	Euronext Lisbon	24,264,779
27-sep-2018	Disposal	500	8.310000	Euronext Lisbon	24,264,279
27-sep-2018	Disposal	1,000	8.310000	Euronext Lisbon	24,263,279
27-sep-2018	Disposal	1,000	8.310000	Euronext Lisbon	24,262,279
27-sep-2018	Disposal	500	8.310000	Euronext Lisbon	24,261,779
27-sep-2018	Disposal	500	8.310000	Euronext Lisbon	24,261,279
27-sep-2018	Disposal	345	8.270000	Euronext Lisbon	24,260,934
27-sep-2018	Disposal	913	8.270000	Euronext Lisbon	24,260,021
27-sep-2018	Disposal	1,000	8.270000	Euronext Lisbon	24,259,021
27-sep-2018	Disposal	336	8.260000	Euronext Lisbon	24,258,685
27-sep-2018	Disposal	1,000	8.260000	Euronext Lisbon	24,257,685

Date	Type	Volume	Price (€)	Place	No. of shares
27-sep-2018	Disposal	237	8.260000	Euronext Lisbon	24,257,448
27-sep-2018	Disposal	509	8.260000	Euronext Lisbon	24,256,939
27-sep-2018	Disposal	991	8.260000	Euronext Lisbon	24,255,948
27-sep-2018	Disposal	74	8.260000	Euronext Lisbon	24,255,874
27-sep-2018	Disposal	1,000	8.300000	Euronext Lisbon	24,254,874
27-sep-2018	Disposal	639	8.300000	Euronext Lisbon	24,254,235
27-sep-2018	Disposal	861	8.300000	Euronext Lisbon	24,253,374
27-sep-2018	Disposal	1,019	8.300000	Euronext Lisbon	24,252,355
27-sep-2018	Disposal	1,481	8.300000	Euronext Lisbon	24,250,874
27-sep-2018	Disposal	1,787	8.300000	Euronext Lisbon	24,249,087
27-sep-2018	Disposal	713	8.300000	Euronext Lisbon	24,248,374
27-sep-2018	Disposal	287	8.300000	Euronext Lisbon	24,248,087
27-sep-2018	Disposal	2,500	8.300000	Euronext Lisbon	24,245,587
27-sep-2018	Disposal	1,000	8.300000	Euronext Lisbon	24,244,587
27-sep-2018	Disposal	1,000	8.300000	Euronext Lisbon	24,243,587
27-sep-2018	Disposal	500	8.300000	Euronext Lisbon	24,243,087
27-sep-2018	Disposal	411	8.300000	Euronext Lisbon	24,242,676
27-sep-2018	Disposal	804	8.300000	Euronext Lisbon	24,241,872
27-sep-2018	Disposal	157	8.300000	Euronext Lisbon	24,241,715
27-sep-2018	Disposal	1,539	8.300000	Euronext Lisbon	24,240,176
27-sep-2018	Disposal	761	8.300000	Euronext Lisbon	24,239,415
27-sep-2018	Disposal	938	8.300000	Euronext Lisbon	24,238,477
27-sep-2018	Disposal	801	8.300000	Euronext Lisbon	24,237,676
27-sep-2018	Disposal	938	8.300000	Euronext Lisbon	24,236,738
27-sep-2018	Disposal	648	8.300000	Euronext Lisbon	24,236,090
27-sep-2018	Disposal	1,024	8.300000	Euronext Lisbon	24,235,066
27-sep-2018	Disposal	659	8.300000	Euronext Lisbon	24,234,407
27-sep-2018	Disposal	33	8.300000	Euronext Lisbon	24,234,374
27-sep-2018	Disposal	136	8.300000	Euronext Lisbon	24,234,238
27-sep-2018	Disposal	464	8.300000	Euronext Lisbon	24,233,774
27-sep-2018	Disposal	50	8.300000	Euronext Lisbon	24,233,724
27-sep-2018	Disposal	1,860	8.300000	Euronext Lisbon	24,231,864
27-sep-2018	Disposal	375	8.300000	Euronext Lisbon	24,231,489
27-sep-2018	Disposal	215	8.300000	Euronext Lisbon	24,231,274
27-sep-2018	Disposal	400	8.300000	Euronext Lisbon	24,230,874
27-sep-2018	Disposal	54	8.300000	Euronext Lisbon	24,230,820
27-sep-2018	Disposal	1,000	8.300000	Euronext Lisbon	24,229,820
27-sep-2018	Disposal	326	8.300000	Euronext Lisbon	24,229,494
27-sep-2018	Disposal	35	8.300000	Euronext Lisbon	24,229,459
27-sep-2018	Disposal	2,444	8.300000	Euronext Lisbon	24,227,015
27-sep-2018	Disposal	563	8.300000	Euronext Lisbon	24,226,452
27-sep-2018	Disposal	7	8.300000	Euronext Lisbon	24,226,445
27-sep-2018	Disposal	34	8.300000	Euronext Lisbon	24,226,411
27-sep-2018	Disposal	1,222	8.300000	Euronext Lisbon	24,225,189

Date	Type	Volume	Price (€)	Place	No. of shares
27-sep-2018	Disposal	315	8.300000	Euronext Lisbon	24,224,874
27-sep-2018	Disposal	463	8.300000	Euronext Lisbon	24,224,411
27-sep-2018	Disposal	1,000	8.300000	Euronext Lisbon	24,223,411
27-sep-2018	Disposal	602	8.300000	Euronext Lisbon	24,222,809
27-sep-2018	Disposal	656	8.300000	Euronext Lisbon	24,222,153
27-sep-2018	Disposal	379	8.300000	Euronext Lisbon	24,221,774
27-sep-2018	Disposal	1,000	8.300000	Euronext Lisbon	24,220,774
27-sep-2018	Disposal	542	8.300000	Euronext Lisbon	24,220,232
27-sep-2018	Disposal	444	8.300000	Euronext Lisbon	24,219,788
27-sep-2018	Disposal	1,000	8.300000	Euronext Lisbon	24,218,788
27-sep-2018	Disposal	114	8.300000	Euronext Lisbon	24,218,674
27-sep-2018	Disposal	1,000	8.300000	Euronext Lisbon	24,217,674
27-sep-2018	Disposal	1,835	8.300000	Euronext Lisbon	24,215,839
27-sep-2018	Disposal	265	8.300000	Euronext Lisbon	24,215,574
27-sep-2018	Disposal	1,165	8.300000	Euronext Lisbon	24,214,409
27-sep-2018	Disposal	43	8.300000	Euronext Lisbon	24,214,366
27-sep-2018	Disposal	660	8.300000	Euronext Lisbon	24,213,706
27-sep-2018	Disposal	988	8.300000	Euronext Lisbon	24,212,718
27-sep-2018	Disposal	244	8.300000	Euronext Lisbon	24,212,474
27-sep-2018	Disposal	1,000	8.300000	Euronext Lisbon	24,211,474
27-sep-2018	Disposal	722	8.300000	Euronext Lisbon	24,210,752
27-sep-2018	Disposal	653	8.300000	Euronext Lisbon	24,210,099
27-sep-2018	Disposal	693	8.300000	Euronext Lisbon	24,209,406
27-sep-2018	Disposal	32	8.300000	Euronext Lisbon	24,209,374
27-sep-2018	Disposal	1,000	8.300000	Euronext Lisbon	24,208,374
27-sep-2018	Disposal	500	8.300000	Euronext Lisbon	24,207,874
27-sep-2018	Disposal	1,000	8.350000	Euronext Lisbon	24,206,874
27-sep-2018	Disposal	1,000	8.350000	Euronext Lisbon	24,205,874
27-sep-2018	Disposal	2,000	8.350000	Euronext Lisbon	24,203,874
27-sep-2018	Disposal	50	8.350000	Euronext Lisbon	24,203,824
27-sep-2018	Disposal	2,000	8.350000	Euronext Lisbon	24,201,824
27-sep-2018	Disposal	2,000	8.350000	Euronext Lisbon	24,199,824
27-sep-2018	Disposal	658	8.350000	Euronext Lisbon	24,199,166
27-sep-2018	Disposal	1,342	8.350000	Euronext Lisbon	24,197,824
27-sep-2018	Disposal	227	8.350000	Euronext Lisbon	24,197,597
27-sep-2018	Disposal	1,120	8.350000	Euronext Lisbon	24,196,477
27-sep-2018	Disposal	509	8.350000	Euronext Lisbon	24,195,968
27-sep-2018	Disposal	2	8.350000	Euronext Lisbon	24,195,966
27-sep-2018	Disposal	1	8.350000	Euronext Lisbon	24,195,965
27-sep-2018	Disposal	368	8.350000	Euronext Lisbon	24,195,597
27-sep-2018	Disposal	532	8.350000	Euronext Lisbon	24,195,065
27-sep-2018	Disposal	673	8.350000	Euronext Lisbon	24,194,392
27-sep-2018	Disposal	795	8.350000	Euronext Lisbon	24,193,597
27-sep-2018	Disposal	902	8.350000	Euronext Lisbon	24,192,695

Date	Type	Volume	Price (€)	Place	No. of shares
27-sep-2018	Disposal	640	8.350000	Euronext Lisbon	24,192,055
27-sep-2018	Disposal	216	8.350000	Euronext Lisbon	24,191,839
27-sep-2018	Disposal	242	8.350000	Euronext Lisbon	24,191,597
27-sep-2018	Disposal	242	8.350000	Euronext Lisbon	24,191,355
27-sep-2018	Disposal	809	8.350000	Euronext Lisbon	24,190,546
27-sep-2018	Disposal	2	8.350000	Euronext Lisbon	24,190,544
27-sep-2018	Disposal	1	8.350000	Euronext Lisbon	24,190,543
27-sep-2018	Disposal	588	8.350000	Euronext Lisbon	24,189,955
27-sep-2018	Disposal	358	8.350000	Euronext Lisbon	24,189,597
27-sep-2018	Disposal	52	8.350000	Euronext Lisbon	24,189,545
27-sep-2018	Disposal	543	8.350000	Euronext Lisbon	24,189,002
27-sep-2018	Disposal	36	8.350000	Euronext Lisbon	24,188,966
27-sep-2018	Disposal	1,000	8.350000	Euronext Lisbon	24,187,966
27-sep-2018	Disposal	369	8.350000	Euronext Lisbon	24,187,597
27-sep-2018	Disposal	78	8.350000	Euronext Lisbon	24,187,519
27-sep-2018	Disposal	254	8.350000	Euronext Lisbon	24,187,265
27-sep-2018	Disposal	247	8.350000	Euronext Lisbon	24,187,018
27-sep-2018	Disposal	2	8.350000	Euronext Lisbon	24,187,016
27-sep-2018	Disposal	772	8.350000	Euronext Lisbon	24,186,244
27-sep-2018	Disposal	94	8.350000	Euronext Lisbon	24,186,150
27-sep-2018	Disposal	553	8.350000	Euronext Lisbon	24,185,597
27-sep-2018	Disposal	28	8.350000	Euronext Lisbon	24,185,569
27-sep-2018	Disposal	1,972	8.350000	Euronext Lisbon	24,183,597
27-sep-2018	Disposal	1,537	8.350000	Euronext Lisbon	24,182,060
27-sep-2018	Disposal	467	8.350000	Euronext Lisbon	24,181,593
27-sep-2018	Disposal	1,000	8.350000	Euronext Lisbon	24,180,593
27-sep-2018	Disposal	533	8.350000	Euronext Lisbon	24,180,060
27-sep-2018	Disposal	467	8.350000	Euronext Lisbon	24,179,593
27-sep-2018	Disposal	24	8.350000	Euronext Lisbon	24,179,569
27-sep-2018	Disposal	1,182	8.350000	Euronext Lisbon	24,178,387
27-sep-2018	Disposal	794	8.350000	Euronext Lisbon	24,177,593
27-sep-2018	Disposal	206	8.350000	Euronext Lisbon	24,177,387
27-sep-2018	Disposal	768	8.350000	Euronext Lisbon	24,176,619
27-sep-2018	Disposal	142	8.350000	Euronext Lisbon	24,176,477
27-sep-2018	Disposal	1,090	8.350000	Euronext Lisbon	24,175,387
27-sep-2018	Disposal	2,415	8.350000	Euronext Lisbon	24,172,972
27-sep-2018	Disposal	714	8.350000	Euronext Lisbon	24,172,258
27-sep-2018	Disposal	89	8.350000	Euronext Lisbon	24,172,169
27-sep-2018	Disposal	1,000	8.350000	Euronext Lisbon	24,171,169
27-sep-2018	Disposal	197	8.350000	Euronext Lisbon	24,170,972
27-sep-2018	Disposal	38	8.350000	Euronext Lisbon	24,170,934
27-sep-2018	Disposal	197	8.350000	Euronext Lisbon	24,170,737
27-sep-2018	Disposal	346	8.350000	Euronext Lisbon	24,170,391
27-sep-2018	Disposal	185	8.350000	Euronext Lisbon	24,170,206

Date	Type	Volume	Price (€)	Place	No. of shares
27-sep-2018	Disposal	644	8.350000	Euronext Lisbon	24,169,562
27-sep-2018	Disposal	432	8.350000	Euronext Lisbon	24,169,130
27-sep-2018	Disposal	3	8.350000	Euronext Lisbon	24,169,127
27-sep-2018	Disposal	1	8.350000	Euronext Lisbon	24,169,126
27-sep-2018	Disposal	192	8.350000	Euronext Lisbon	24,168,934
27-sep-2018	Disposal	3,177	8.310000	Euronext Lisbon	24,165,757
27-sep-2018	Disposal	563	8.310000	Euronext Lisbon	24,165,194
27-sep-2018	Disposal	1,000	8.310000	Euronext Lisbon	24,164,194
27-sep-2018	Disposal	339	8.310000	Euronext Lisbon	24,163,855
27-sep-2018	Disposal	500	8.310000	Euronext Lisbon	24,163,355
27-sep-2018	Disposal	500	8.310000	Euronext Lisbon	24,162,855
27-sep-2018	Disposal	500	8.310000	Euronext Lisbon	24,162,355
27-sep-2018	Disposal	500	8.310000	Euronext Lisbon	24,161,855
27-sep-2018	Disposal	374	8.310000	Euronext Lisbon	24,161,481
27-sep-2018	Disposal	289	8.310000	Euronext Lisbon	24,161,192
27-sep-2018	Disposal	1,337	8.310000	Euronext Lisbon	24,159,855
27-sep-2018	Disposal	500	8.310000	Euronext Lisbon	24,159,355
27-sep-2018	Disposal	500	8.310000	Euronext Lisbon	24,158,855
27-sep-2018	Disposal	500	8.310000	Euronext Lisbon	24,158,355
27-sep-2018	Disposal	481	8.310000	Euronext Lisbon	24,157,874
27-sep-2018	Disposal	169	8.390000	Euronext Lisbon	24,157,705
27-sep-2018	Disposal	500	8.390000	Euronext Lisbon	24,157,205
27-sep-2018	Disposal	500	8.390000	Euronext Lisbon	24,156,705
27-sep-2018	Disposal	500	8.390000	Euronext Lisbon	24,156,205
27-sep-2018	Disposal	485	8.390000	Euronext Lisbon	24,155,720
27-sep-2018	Disposal	500	8.390000	Euronext Lisbon	24,155,220
27-sep-2018	Disposal	500	8.390000	Euronext Lisbon	24,154,720
27-sep-2018	Disposal	500	8.390000	Euronext Lisbon	24,154,220
27-sep-2018	Disposal	500	8.390000	Euronext Lisbon	24,153,720
27-sep-2018	Disposal	161	8.370000	Euronext Lisbon	24,153,559
27-sep-2018	Disposal	7	8.370000	Euronext Lisbon	24,153,552
27-sep-2018	Disposal	200	8.370000	Euronext Lisbon	24,153,352
27-sep-2018	Disposal	559	8.370000	Euronext Lisbon	24,152,793
27-sep-2018	Disposal	54	8.370000	Euronext Lisbon	24,152,739
27-sep-2018	Disposal	352	8.330000	Euronext Lisbon	24,152,387
27-sep-2018	Disposal	1,000	8.330000	Euronext Lisbon	24,151,387
27-sep-2018	Disposal	873	8.330000	Euronext Lisbon	24,150,514
27-sep-2018	Disposal	342	8.320000	Euronext Lisbon	24,150,172
27-sep-2018	Disposal	1,000	8.320000	Euronext Lisbon	24,149,172
27-sep-2018	Disposal	3,000	8.320000	Euronext Lisbon	24,146,172
27-sep-2018	Disposal	873	8.320000	Euronext Lisbon	24,145,299
27-sep-2018	Disposal	303	8.320000	Euronext Lisbon	24,144,996
27-sep-2018	Disposal	122	8.310000	Euronext Lisbon	24,144,874
28-sep-2018	Disposal	320	8.300000	Euronext Lisbon	24,144,554

Date	Type	Volume	Price (€)	Place	No. of shares
28-sep-2018	Disposal	1,680	8.300000	Euronext Lisbon	24,142,874
28-sep-2018	Disposal	2,550	8.300000	Euronext Lisbon	24,140,324
28-sep-2018	Disposal	2,000	8.300000	Euronext Lisbon	24,138,324
28-sep-2018	Disposal	1,767	8.300000	Euronext Lisbon	24,136,557
28-sep-2018	Disposal	2,000	8.300000	Euronext Lisbon	24,134,557
28-sep-2018	Disposal	3,287	8.300000	Euronext Lisbon	24,131,270
28-sep-2018	Disposal	2,000	8.300000	Euronext Lisbon	24,129,270
28-sep-2018	Disposal	905	8.300000	Euronext Lisbon	24,128,365
28-sep-2018	Disposal	1,062	8.300000	Euronext Lisbon	24,127,303
28-sep-2018	Disposal	287	8.300000	Euronext Lisbon	24,127,016
28-sep-2018	Disposal	651	8.300000	Euronext Lisbon	24,126,365
28-sep-2018	Disposal	1,349	8.300000	Euronext Lisbon	24,125,016
28-sep-2018	Disposal	142	8.300000	Euronext Lisbon	24,124,874
28-sep-2018	Disposal	1,000	8.360000	Euronext Lisbon	24,123,874
28-sep-2018	Disposal	282	8.360000	Euronext Lisbon	24,123,592
28-sep-2018	Disposal	15	8.360000	Euronext Lisbon	24,123,577
28-sep-2018	Disposal	340	8.330000	Euronext Lisbon	24,123,237
28-sep-2018	Disposal	1,885	8.330000	Euronext Lisbon	24,121,352
28-sep-2018	Disposal	700	8.330000	Euronext Lisbon	24,120,652
28-sep-2018	Disposal	209	8.330000	Euronext Lisbon	24,120,443
28-sep-2018	Disposal	600	8.320000	Euronext Lisbon	24,119,843
28-sep-2018	Disposal	340	8.320000	Euronext Lisbon	24,119,503
28-sep-2018	Disposal	1,000	8.320000	Euronext Lisbon	24,118,503
28-sep-2018	Disposal	271	8.320000	Euronext Lisbon	24,118,232
28-sep-2018	Disposal	12	8.320000	Euronext Lisbon	24,118,220
28-sep-2018	Disposal	500	8.320000	Euronext Lisbon	24,117,720
28-sep-2018	Disposal	750	8.320000	Euronext Lisbon	24,116,970
28-sep-2018	Disposal	347	8.320000	Euronext Lisbon	24,116,623
28-sep-2018	Disposal	340	8.310000	Euronext Lisbon	24,116,283
28-sep-2018	Disposal	840	8.310000	Euronext Lisbon	24,115,443
28-sep-2018	Disposal	340	8.300000	Euronext Lisbon	24,115,103
28-sep-2018	Disposal	340	8.300000	Euronext Lisbon	24,114,763
28-sep-2018	Disposal	5,000	8.300000	Euronext Lisbon	24,109,763
28-sep-2018	Disposal	2,000	8.300000	Euronext Lisbon	24,107,763
28-sep-2018	Disposal	792	8.300000	Euronext Lisbon	24,106,971
28-sep-2018	Disposal	1,575	8.300000	Euronext Lisbon	24,105,396
28-sep-2018	Disposal	250	8.300000	Euronext Lisbon	24,105,146
28-sep-2018	Disposal	2,683	8.300000	Euronext Lisbon	24,102,463
28-sep-2018	Disposal	473	8.300000	Euronext Lisbon	24,101,990
28-sep-2018	Disposal	1,025	8.300000	Euronext Lisbon	24,100,965
28-sep-2018	Disposal	1,202	8.300000	Euronext Lisbon	24,099,763
28-sep-2018	Disposal	1,090	8.300000	Euronext Lisbon	24,098,673
28-sep-2018	Disposal	400	8.300000	Euronext Lisbon	24,098,273
28-sep-2018	Disposal	490	8.300000	Euronext Lisbon	24,097,783

Date	Type	Volume	Price (€)	Place	No. of shares
28-sep-2018	Disposal	401	8.300000	Euronext Lisbon	24,097,382
28-sep-2018	Disposal	936	8.300000	Euronext Lisbon	24,096,446
28-sep-2018	Disposal	118	8.300000	Euronext Lisbon	24,096,328
28-sep-2018	Disposal	2,227	8.300000	Euronext Lisbon	24,094,101
28-sep-2018	Disposal	1,596	8.300000	Euronext Lisbon	24,092,505
28-sep-2018	Disposal	1,025	8.300000	Euronext Lisbon	24,091,480
28-sep-2018	Disposal	1,588	8.300000	Euronext Lisbon	24,089,892
28-sep-2018	Disposal	1,135	8.300000	Euronext Lisbon	24,088,757
28-sep-2018	Disposal	84	8.300000	Euronext Lisbon	24,088,673
28-sep-2018	Disposal	5,000	8.210000	Euronext Lisbon	24,083,673
28-sep-2018	Disposal	2,573	8.200000	Euronext Lisbon	24,081,100
28-sep-2018	Disposal	343	8.200000	Euronext Lisbon	24,080,757
28-sep-2018	Disposal	343	8.200000	Euronext Lisbon	24,080,414
28-sep-2018	Disposal	324	8.200000	Euronext Lisbon	24,080,090
28-sep-2018	Disposal	243	8.200000	Euronext Lisbon	24,079,847
28-sep-2018	Disposal	12	8.200000	Euronext Lisbon	24,079,835
28-sep-2018	Disposal	4,048	8.200000	Euronext Lisbon	24,075,787
28-sep-2018	Disposal	913	8.200000	Euronext Lisbon	24,074,874
28-sep-2018	Disposal	330	8.250000	Euronext Lisbon	24,074,544
28-sep-2018	Disposal	330	8.250000	Euronext Lisbon	24,074,214
28-sep-2018	Disposal	324	8.250000	Euronext Lisbon	24,073,890
28-sep-2018	Disposal	354	8.250000	Euronext Lisbon	24,073,536
28-sep-2018	Disposal	990	8.250000	Euronext Lisbon	24,072,546
28-sep-2018	Disposal	354	8.250000	Euronext Lisbon	24,072,192
28-sep-2018	Disposal	1,400	8.250000	Euronext Lisbon	24,070,792
28-sep-2018	Disposal	500	8.250000	Euronext Lisbon	24,070,292
28-sep-2018	Disposal	56	8.250000	Euronext Lisbon	24,070,236
28-sep-2018	Disposal	362	8.250000	Euronext Lisbon	24,069,874
28-sep-2018	Disposal	475	8.280000	Euronext Lisbon	24,069,399
28-sep-2018	Disposal	1,000	8.280000	Euronext Lisbon	24,068,399
28-sep-2018	Disposal	330	8.280000	Euronext Lisbon	24,068,069
28-sep-2018	Disposal	330	8.280000	Euronext Lisbon	24,067,739
28-sep-2018	Disposal	880	8.280000	Euronext Lisbon	24,066,859
28-sep-2018	Disposal	571	8.280000	Euronext Lisbon	24,066,288
28-sep-2018	Disposal	658	8.280000	Euronext Lisbon	24,065,630
28-sep-2018	Disposal	343	8.280000	Euronext Lisbon	24,065,287
28-sep-2018	Disposal	1,000	8.270000	Euronext Lisbon	24,064,287
28-sep-2018	Disposal	89	8.270000	Euronext Lisbon	24,064,198
28-sep-2018	Disposal	343	8.270000	Euronext Lisbon	24,063,855
28-sep-2018	Disposal	343	8.270000	Euronext Lisbon	24,063,512
28-sep-2018	Disposal	340	8.260000	Euronext Lisbon	24,063,172
28-sep-2018	Disposal	1,000	8.260000	Euronext Lisbon	24,062,172
28-sep-2018	Disposal	5,000	8.260000	Euronext Lisbon	24,057,172
28-sep-2018	Disposal	343	8.260000	Euronext Lisbon	24,056,829

Date	Type	Volume	Price (€)	Place	No. of shares
28-sep-2018	Disposal	223	8.260000	Euronext Lisbon	24,056,606
28-sep-2018	Disposal	1,000	8.260000	Euronext Lisbon	24,055,606
28-sep-2018	Disposal	3,499	8.260000	Euronext Lisbon	24,052,107
28-sep-2018	Disposal	1,001	8.260000	Euronext Lisbon	24,051,106
28-sep-2018	Disposal	777	8.260000	Euronext Lisbon	24,050,329
28-sep-2018	Disposal	1,957	8.260000	Euronext Lisbon	24,048,372
28-sep-2018	Disposal	899	8.260000	Euronext Lisbon	24,047,473
28-sep-2018	Disposal	280	8.260000	Euronext Lisbon	24,047,193
28-sep-2018	Disposal	286	8.260000	Euronext Lisbon	24,046,907
28-sep-2018	Disposal	1,243	8.260000	Euronext Lisbon	24,045,664
28-sep-2018	Disposal	777	8.260000	Euronext Lisbon	24,044,887
28-sep-2018	Disposal	58	8.260000	Euronext Lisbon	24,044,829
28-sep-2018	Disposal	349	8.260000	Euronext Lisbon	24,044,480
28-sep-2018	Disposal	337	8.260000	Euronext Lisbon	24,044,143
28-sep-2018	Disposal	392	8.260000	Euronext Lisbon	24,043,751
28-sep-2018	Disposal	500	8.260000	Euronext Lisbon	24,043,251
28-sep-2018	Disposal	1,655	8.260000	Euronext Lisbon	24,041,596
28-sep-2018	Disposal	2,616	8.260000	Euronext Lisbon	24,038,980
28-sep-2018	Disposal	18	8.290000	Euronext Lisbon	24,038,962
28-sep-2018	Disposal	327	8.270000	Euronext Lisbon	24,038,635
28-sep-2018	Disposal	1,894	8.270000	Euronext Lisbon	24,036,741
28-sep-2018	Disposal	338	8.270000	Euronext Lisbon	24,036,403
28-sep-2018	Disposal	1,456	8.270000	Euronext Lisbon	24,034,947
28-sep-2018	Disposal	322	8.270000	Euronext Lisbon	24,034,625
28-sep-2018	Disposal	25	8.270000	Euronext Lisbon	24,034,600
28-sep-2018	Disposal	9	8.270000	Euronext Lisbon	24,034,591
28-sep-2018	Disposal	723	8.270000	Euronext Lisbon	24,033,868
28-sep-2018	Disposal	1,634	8.270000	Euronext Lisbon	24,032,234
28-sep-2018	Disposal	722	8.270000	Euronext Lisbon	24,031,512
28-sep-2018	Disposal	13	8.270000	Euronext Lisbon	24,031,499
28-sep-2018	Disposal	356	8.270000	Euronext Lisbon	24,031,143
28-sep-2018	Disposal	864	8.270000	Euronext Lisbon	24,030,279
28-sep-2018	Disposal	65	8.270000	Euronext Lisbon	24,030,214
28-sep-2018	Disposal	2,577	8.270000	Euronext Lisbon	24,027,637
28-sep-2018	Disposal	1,976	8.270000	Euronext Lisbon	24,025,661
28-sep-2018	Disposal	787	8.270000	Euronext Lisbon	24,024,874
5-dec-2018	Acquisition	1,750,000	6.000000	Fora de Bolsa	25,774,874
5-dec-2018	Acquisition	750	6.110000	Euronext Lisbon	25,775,624
5-dec-2018	Acquisition	750	6.110000	Euronext Lisbon	25,776,374
5-dec-2018	Acquisition	474	6.110000	Euronext Lisbon	25,776,848
5-dec-2018	Acquisition	276	6.110000	Euronext Lisbon	25,777,124
5-dec-2018	Acquisition	276	6.110000	Euronext Lisbon	25,777,400
5-dec-2018	Acquisition	400	6.110000	Euronext Lisbon	25,777,800
5-dec-2018	Acquisition	74	6.110000	Euronext Lisbon	25,777,874

Date	Type	Volume	Price (€)	Place	No. of shares
5-dec-2018	Acquisition	425	6.110000	Euronext Lisbon	25,778,299
5-dec-2018	Acquisition	74	6.110000	Euronext Lisbon	25,778,373
5-dec-2018	Acquisition	676	6.110000	Euronext Lisbon	25,779,049
5-dec-2018	Acquisition	65	6.110000	Euronext Lisbon	25,779,114
5-dec-2018	Acquisition	676	6.110000	Euronext Lisbon	25,779,790
5-dec-2018	Acquisition	74	6.110000	Euronext Lisbon	25,779,864
5-dec-2018	Acquisition	5,010	6.110000	Euronext Lisbon	25,784,874
5-dec-2018	Acquisition	800	6.070000	Euronext Lisbon	25,785,674
5-dec-2018	Acquisition	200	6.070000	Euronext Lisbon	25,785,874
5-dec-2018	Acquisition	298	6.070000	Euronext Lisbon	25,786,172
5-dec-2018	Acquisition	702	6.070000	Euronext Lisbon	25,786,874
5-dec-2018	Acquisition	69	6.070000	Euronext Lisbon	25,786,943
5-dec-2018	Acquisition	800	6.070000	Euronext Lisbon	25,787,743
5-dec-2018	Acquisition	200	6.070000	Euronext Lisbon	25,787,943
5-dec-2018	Acquisition	322	6.070000	Euronext Lisbon	25,788,265
5-dec-2018	Acquisition	557	6.070000	Euronext Lisbon	25,788,822
5-dec-2018	Acquisition	121	6.070000	Euronext Lisbon	25,788,943
5-dec-2018	Acquisition	1,000	6.070000	Euronext Lisbon	25,789,943
5-dec-2018	Acquisition	1,000	6.070000	Euronext Lisbon	25,790,943
5-dec-2018	Acquisition	366	6.070000	Euronext Lisbon	25,791,309
5-dec-2018	Acquisition	634	6.070000	Euronext Lisbon	25,791,943
5-dec-2018	Acquisition	316	6.070000	Euronext Lisbon	25,792,259
5-dec-2018	Acquisition	684	6.070000	Euronext Lisbon	25,792,943
5-dec-2018	Acquisition	716	6.070000	Euronext Lisbon	25,793,659
5-dec-2018	Acquisition	284	6.070000	Euronext Lisbon	25,793,943
5-dec-2018	Acquisition	158	6.070000	Euronext Lisbon	25,794,101
5-dec-2018	Acquisition	773	6.070000	Euronext Lisbon	25,794,874
5-dec-2018	Acquisition	2,347	6.080000	Euronext Lisbon	25,797,221
5-dec-2018	Acquisition	473	6.080000	Euronext Lisbon	25,797,694
5-dec-2018	Acquisition	1,200	6.080000	Euronext Lisbon	25,798,894
5-dec-2018	Acquisition	1,200	6.080000	Euronext Lisbon	25,800,094
5-dec-2018	Acquisition	528	6.080000	Euronext Lisbon	25,800,622
5-dec-2018	Acquisition	672	6.080000	Euronext Lisbon	25,801,294
5-dec-2018	Acquisition	1,200	6.080000	Euronext Lisbon	25,802,494
5-dec-2018	Acquisition	1,200	6.080000	Euronext Lisbon	25,803,694
5-dec-2018	Acquisition	400	6.080000	Euronext Lisbon	25,804,094
5-dec-2018	Acquisition	1,200	6.080000	Euronext Lisbon	25,805,294
5-dec-2018	Acquisition	1,200	6.080000	Euronext Lisbon	25,806,494
5-dec-2018	Acquisition	204	6.080000	Euronext Lisbon	25,806,698
5-dec-2018	Acquisition	366	6.080000	Euronext Lisbon	25,807,064
5-dec-2018	Acquisition	630	6.080000	Euronext Lisbon	25,807,694
5-dec-2018	Acquisition	1,200	6.080000	Euronext Lisbon	25,808,894
5-dec-2018	Acquisition	400	6.080000	Euronext Lisbon	25,809,294
5-dec-2018	Acquisition	580	6.080000	Euronext Lisbon	25,809,874

Date	Type	Volume	Price (€)	Place	No. of shares
5-dec-2018	Acquisition	850	6.050000	Euronext Lisbon	25,810,724
5-dec-2018	Acquisition	850	6.050000	Euronext Lisbon	25,811,574
5-dec-2018	Acquisition	850	6.050000	Euronext Lisbon	25,812,424
5-dec-2018	Acquisition	42	6.050000	Euronext Lisbon	25,812,466
5-dec-2018	Acquisition	850	6.050000	Euronext Lisbon	25,813,316
5-dec-2018	Acquisition	7,652	6.050000	Euronext Lisbon	25,820,968
5-dec-2018	Acquisition	850	6.050000	Euronext Lisbon	25,821,818
5-dec-2018	Acquisition	3,056	6.050000	Euronext Lisbon	25,824,874
5-dec-2018	Acquisition	1,200	6.000000	Euronext Lisbon	25,826,074
5-dec-2018	Acquisition	61	6.000000	Euronext Lisbon	25,826,135
5-dec-2018	Acquisition	1,200	6.000000	Euronext Lisbon	25,827,335
5-dec-2018	Acquisition	7,539	6.000000	Euronext Lisbon	25,834,874
5-dec-2018	Acquisition	900	5.990000	Euronext Lisbon	25,835,774
5-dec-2018	Acquisition	900	5.990000	Euronext Lisbon	25,836,674
5-dec-2018	Acquisition	299	5.990000	Euronext Lisbon	25,836,973
5-dec-2018	Acquisition	601	5.990000	Euronext Lisbon	25,837,574
5-dec-2018	Acquisition	719	5.990000	Euronext Lisbon	25,838,293
5-dec-2018	Acquisition	181	5.990000	Euronext Lisbon	25,838,474
5-dec-2018	Acquisition	181	5.990000	Euronext Lisbon	25,838,655
5-dec-2018	Acquisition	181	5.990000	Euronext Lisbon	25,838,836
5-dec-2018	Acquisition	538	5.990000	Euronext Lisbon	25,839,374
5-dec-2018	Acquisition	900	5.990000	Euronext Lisbon	25,840,274
5-dec-2018	Acquisition	53	5.990000	Euronext Lisbon	25,840,327
5-dec-2018	Acquisition	498	5.990000	Euronext Lisbon	25,840,825
5-dec-2018	Acquisition	349	5.990000	Euronext Lisbon	25,841,174
5-dec-2018	Acquisition	256	5.990000	Euronext Lisbon	25,841,430
5-dec-2018	Acquisition	644	5.990000	Euronext Lisbon	25,842,074
5-dec-2018	Acquisition	163	5.990000	Euronext Lisbon	25,842,237
5-dec-2018	Acquisition	737	5.990000	Euronext Lisbon	25,842,974
5-dec-2018	Acquisition	79	5.990000	Euronext Lisbon	25,843,053
5-dec-2018	Acquisition	900	5.990000	Euronext Lisbon	25,843,953
5-dec-2018	Acquisition	500	5.990000	Euronext Lisbon	25,844,453
5-dec-2018	Acquisition	900	5.990000	Euronext Lisbon	25,845,353
5-dec-2018	Acquisition	882	5.990000	Euronext Lisbon	25,846,235
5-dec-2018	Acquisition	18	5.990000	Euronext Lisbon	25,846,253
5-dec-2018	Acquisition	970	5.990000	Euronext Lisbon	25,847,223
5-dec-2018	Acquisition	900	5.990000	Euronext Lisbon	25,848,123
5-dec-2018	Acquisition	500	5.990000	Euronext Lisbon	25,848,623
5-dec-2018	Acquisition	900	5.990000	Euronext Lisbon	25,849,523
5-dec-2018	Acquisition	900	5.990000	Euronext Lisbon	25,850,423
5-dec-2018	Acquisition	1,770	5.990000	Euronext Lisbon	25,852,193
5-dec-2018	Acquisition	409	5.990000	Euronext Lisbon	25,852,602
5-dec-2018	Acquisition	289	5.990000	Euronext Lisbon	25,852,891
5-dec-2018	Acquisition	202	5.990000	Euronext Lisbon	25,853,093

Date	Type	Volume	Price (€)	Place	No. of shares
5-dec-2018	Acquisition	638	5.990000	Euronext Lisbon	25,853,731
5-dec-2018	Acquisition	262	5.990000	Euronext Lisbon	25,853,993
5-dec-2018	Acquisition	900	5.990000	Euronext Lisbon	25,854,893
5-dec-2018	Acquisition	900	5.990000	Euronext Lisbon	25,855,793
5-dec-2018	Acquisition	671	5.990000	Euronext Lisbon	25,856,464
5-dec-2018	Acquisition	229	5.990000	Euronext Lisbon	25,856,693
5-dec-2018	Acquisition	900	5.990000	Euronext Lisbon	25,857,593
5-dec-2018	Acquisition	600	5.990000	Euronext Lisbon	25,858,193
5-dec-2018	Acquisition	900	5.990000	Euronext Lisbon	25,859,093
5-dec-2018	Acquisition	781	5.990000	Euronext Lisbon	25,859,874
5-dec-2018	Acquisition	235	5.990000	Euronext Lisbon	25,860,109
5-dec-2018	Acquisition	933	5.990000	Euronext Lisbon	25,861,042
5-dec-2018	Acquisition	32	5.990000	Euronext Lisbon	25,861,074
5-dec-2018	Acquisition	468	5.990000	Euronext Lisbon	25,861,542
5-dec-2018	Acquisition	465	5.990000	Euronext Lisbon	25,862,007
5-dec-2018	Acquisition	735	5.990000	Euronext Lisbon	25,862,742
5-dec-2018	Acquisition	762	5.990000	Euronext Lisbon	25,863,504
5-dec-2018	Acquisition	735	5.990000	Euronext Lisbon	25,864,239
5-dec-2018	Acquisition	465	5.990000	Euronext Lisbon	25,864,704
5-dec-2018	Acquisition	1,200	5.990000	Euronext Lisbon	25,865,904
5-dec-2018	Acquisition	1,238	5.990000	Euronext Lisbon	25,867,142
5-dec-2018	Acquisition	1,200	5.990000	Euronext Lisbon	25,868,342
5-dec-2018	Acquisition	535	5.990000	Euronext Lisbon	25,868,877
5-dec-2018	Acquisition	665	5.990000	Euronext Lisbon	25,869,542
5-dec-2018	Acquisition	183	5.990000	Euronext Lisbon	25,869,725
5-dec-2018	Acquisition	35	5.990000	Euronext Lisbon	25,869,760
5-dec-2018	Acquisition	1,165	5.990000	Euronext Lisbon	25,870,925
5-dec-2018	Acquisition	419	5.990000	Euronext Lisbon	25,871,344
5-dec-2018	Acquisition	781	5.990000	Euronext Lisbon	25,872,125
5-dec-2018	Acquisition	542	5.990000	Euronext Lisbon	25,872,667
5-dec-2018	Acquisition	1,563	6.170000	Euronext Lisbon	25,874,230
5-dec-2018	Acquisition	593	6.170000	Euronext Lisbon	25,874,823
5-dec-2018	Acquisition	51	6.170000	Euronext Lisbon	25,874,874
6-dec-2018	Acquisition	850	6.010000	Euronext Lisbon	25,875,724
6-dec-2018	Acquisition	57	6.010000	Euronext Lisbon	25,875,781
6-dec-2018	Acquisition	850	6.010000	Euronext Lisbon	25,876,631
6-dec-2018	Acquisition	850	6.010000	Euronext Lisbon	25,877,481
6-dec-2018	Acquisition	393	6.010000	Euronext Lisbon	25,877,874
6-dec-2018	Acquisition	457	6.010000	Euronext Lisbon	25,878,331
6-dec-2018	Acquisition	372	6.010000	Euronext Lisbon	25,878,703
6-dec-2018	Acquisition	478	6.010000	Euronext Lisbon	25,879,181
6-dec-2018	Acquisition	606	6.010000	Euronext Lisbon	25,879,787
6-dec-2018	Acquisition	87	6.010000	Euronext Lisbon	25,879,874
6-dec-2018	Acquisition	1,000	5.990000	Euronext Lisbon	25,880,874

Date	Type	Volume	Price (€)	Place	No. of shares
6-dec-2018	Acquisition	1,000	5.990000	Euronext Lisbon	25,881,874
6-dec-2018	Acquisition	812	5.990000	Euronext Lisbon	25,882,686
6-dec-2018	Acquisition	1,100	6.000000	Euronext Lisbon	25,883,786
6-dec-2018	Acquisition	1,100	6.000000	Euronext Lisbon	25,884,886
6-dec-2018	Acquisition	694	6.000000	Euronext Lisbon	25,885,580
6-dec-2018	Acquisition	406	6.000000	Euronext Lisbon	25,885,986
6-dec-2018	Acquisition	406	6.000000	Euronext Lisbon	25,886,392
6-dec-2018	Acquisition	694	6.000000	Euronext Lisbon	25,887,086
6-dec-2018	Acquisition	406	6.000000	Euronext Lisbon	25,887,492
6-dec-2018	Acquisition	194	6.000000	Euronext Lisbon	25,887,686
6-dec-2018	Acquisition	1,000	5.990000	Euronext Lisbon	25,888,686
6-dec-2018	Acquisition	591	5.990000	Euronext Lisbon	25,889,277
6-dec-2018	Acquisition	409	5.990000	Euronext Lisbon	25,889,686
6-dec-2018	Acquisition	370	5.990000	Euronext Lisbon	25,890,056
6-dec-2018	Acquisition	1,000	6.000000	Euronext Lisbon	25,891,056
6-dec-2018	Acquisition	909	6.000000	Euronext Lisbon	25,891,965
6-dec-2018	Acquisition	91	6.000000	Euronext Lisbon	25,892,056
6-dec-2018	Acquisition	577	6.000000	Euronext Lisbon	25,892,633
6-dec-2018	Acquisition	346	6.000000	Euronext Lisbon	25,892,979
6-dec-2018	Acquisition	654	6.010000	Euronext Lisbon	25,893,633
6-dec-2018	Acquisition	361	6.010000	Euronext Lisbon	25,893,994
6-dec-2018	Acquisition	639	6.010000	Euronext Lisbon	25,894,633
6-dec-2018	Acquisition	423	6.010000	Euronext Lisbon	25,895,056
6-dec-2018	Acquisition	2,000	6.000000	Euronext Lisbon	25,897,056
6-dec-2018	Acquisition	362	6.000000	Euronext Lisbon	25,897,418
6-dec-2018	Acquisition	1,638	6.000000	Euronext Lisbon	25,899,056
6-dec-2018	Acquisition	2,000	6.000000	Euronext Lisbon	25,901,056
6-dec-2018	Acquisition	860	6.000000	Euronext Lisbon	25,901,916
6-dec-2018	Acquisition	200	6.000000	Euronext Lisbon	25,902,116
6-dec-2018	Acquisition	599	6.000000	Euronext Lisbon	25,902,715
6-dec-2018	Acquisition	1,266	6.010000	Euronext Lisbon	25,903,981
6-dec-2018	Acquisition	1,671	6.010000	Euronext Lisbon	25,905,652
6-dec-2018	Acquisition	547	6.010000	Euronext Lisbon	25,906,199
6-dec-2018	Acquisition	1,334	6.010000	Euronext Lisbon	25,907,533
6-dec-2018	Acquisition	547	6.010000	Euronext Lisbon	25,908,080
6-dec-2018	Acquisition	940	6.010000	Euronext Lisbon	25,909,020
6-dec-2018	Acquisition	854	6.010000	Euronext Lisbon	25,909,874
6-dec-2018	Acquisition	692	5.990000	Euronext Lisbon	25,910,566
6-dec-2018	Acquisition	674	5.990000	Euronext Lisbon	25,911,240
6-dec-2018	Acquisition	39	5.990000	Euronext Lisbon	25,911,279
6-dec-2018	Acquisition	1,095	5.990000	Euronext Lisbon	25,912,374
6-dec-2018	Acquisition	1,095	5.990000	Euronext Lisbon	25,913,469
6-dec-2018	Acquisition	709	5.990000	Euronext Lisbon	25,914,178
6-dec-2018	Acquisition	282	5.990000	Euronext Lisbon	25,914,460

Date	Type	Volume	Price (€)	Place	No. of shares
6-dec-2018	Acquisition	156	6.010000	Euronext Lisbon	25,914,616
6-dec-2018	Acquisition	1,560	6.010000	Euronext Lisbon	25,916,176
6-dec-2018	Acquisition	1,038	6.010000	Euronext Lisbon	25,917,214
6-dec-2018	Acquisition	751	6.010000	Euronext Lisbon	25,917,965
6-dec-2018	Acquisition	2,245	6.010000	Euronext Lisbon	25,920,210
6-dec-2018	Acquisition	414	6.010000	Euronext Lisbon	25,920,624
6-dec-2018	Acquisition	22	6.010000	Euronext Lisbon	25,920,646
6-dec-2018	Acquisition	2,500	6.010000	Euronext Lisbon	25,923,146
6-dec-2018	Acquisition	6,728	6.010000	Euronext Lisbon	25,929,874
6-dec-2018	Acquisition	562	6.000000	Euronext Lisbon	25,930,436
6-dec-2018	Acquisition	34	6.000000	Euronext Lisbon	25,930,470
6-dec-2018	Acquisition	904	6.000000	Euronext Lisbon	25,931,374
6-dec-2018	Acquisition	203	6.000000	Euronext Lisbon	25,931,577
6-dec-2018	Acquisition	355	6.000000	Euronext Lisbon	25,931,932
6-dec-2018	Acquisition	942	6.000000	Euronext Lisbon	25,932,874
6-dec-2018	Acquisition	175	6.000000	Euronext Lisbon	25,933,049
6-dec-2018	Acquisition	875	6.000000	Euronext Lisbon	25,933,924
6-dec-2018	Acquisition	64	6.000000	Euronext Lisbon	25,933,988
6-dec-2018	Acquisition	386	6.000000	Euronext Lisbon	25,934,374
6-dec-2018	Acquisition	64	6.000000	Euronext Lisbon	25,934,438
6-dec-2018	Acquisition	1,500	6.000000	Euronext Lisbon	25,935,938
6-dec-2018	Acquisition	1,500	6.000000	Euronext Lisbon	25,937,438
6-dec-2018	Acquisition	1,500	6.000000	Euronext Lisbon	25,938,938
6-dec-2018	Acquisition	437	6.000000	Euronext Lisbon	25,939,375
6-dec-2018	Acquisition	499	6.000000	Euronext Lisbon	25,939,874
6-dec-2018	Acquisition	1,387	5.990000	Euronext Lisbon	25,941,261
6-dec-2018	Acquisition	1,113	5.990000	Euronext Lisbon	25,942,374
6-dec-2018	Acquisition	37	5.990000	Euronext Lisbon	25,942,411
6-dec-2018	Acquisition	726	5.990000	Euronext Lisbon	25,943,137
6-dec-2018	Acquisition	725	5.990000	Euronext Lisbon	25,943,862
6-dec-2018	Acquisition	1,012	5.990000	Euronext Lisbon	25,944,874
6-dec-2018	Acquisition	2,500	5.990000	Euronext Lisbon	25,947,374
6-dec-2018	Acquisition	894	5.990000	Euronext Lisbon	25,948,268
6-dec-2018	Acquisition	1,606	5.990000	Euronext Lisbon	25,949,874
6-dec-2018	Acquisition	1,881	5.990000	Euronext Lisbon	25,951,755
6-dec-2018	Acquisition	619	5.990000	Euronext Lisbon	25,952,374
6-dec-2018	Acquisition	77	5.990000	Euronext Lisbon	25,952,451
6-dec-2018	Acquisition	933	5.990000	Euronext Lisbon	25,953,384
6-dec-2018	Acquisition	619	5.990000	Euronext Lisbon	25,954,003
6-dec-2018	Acquisition	948	5.990000	Euronext Lisbon	25,954,951
6-dec-2018	Acquisition	135	5.990000	Euronext Lisbon	25,955,086
6-dec-2018	Acquisition	41	5.990000	Euronext Lisbon	25,955,127
6-dec-2018	Acquisition	1,502	5.990000	Euronext Lisbon	25,956,629
6-dec-2018	Acquisition	957	5.990000	Euronext Lisbon	25,957,586

Date	Type	Volume	Price (€)	Place	No. of shares
6-dec-2018	Acquisition	151	5.990000	Euronext Lisbon	25,957,737
6-dec-2018	Acquisition	1,399	5.990000	Euronext Lisbon	25,959,136
7-dec-2018	Acquisition	200	5.930000	Euronext Lisbon	25,959,336
7-dec-2018	Acquisition	1,000	5.930000	Euronext Lisbon	25,960,336
7-dec-2018	Acquisition	1,200	5.930000	Euronext Lisbon	25,961,536
7-dec-2018	Acquisition	1,200	5.930000	Euronext Lisbon	25,962,736
7-dec-2018	Acquisition	1,200	5.930000	Euronext Lisbon	25,963,936
7-dec-2018	Acquisition	933	5.930000	Euronext Lisbon	25,964,869
7-dec-2018	Acquisition	267	5.930000	Euronext Lisbon	25,965,136
7-dec-2018	Acquisition	1,200	5.930000	Euronext Lisbon	25,966,336
7-dec-2018	Acquisition	1,104	5.930000	Euronext Lisbon	25,967,440
7-dec-2018	Acquisition	96	5.930000	Euronext Lisbon	25,967,536
7-dec-2018	Acquisition	512	5.930000	Euronext Lisbon	25,968,048
7-dec-2018	Acquisition	2	5.930000	Euronext Lisbon	25,968,050
7-dec-2018	Acquisition	1,198	5.930000	Euronext Lisbon	25,969,248
7-dec-2018	Acquisition	500	5.930000	Euronext Lisbon	25,969,748
7-dec-2018	Acquisition	19	5.930000	Euronext Lisbon	25,969,767
7-dec-2018	Acquisition	681	5.930000	Euronext Lisbon	25,970,448
7-dec-2018	Acquisition	19	5.930000	Euronext Lisbon	25,970,467
7-dec-2018	Acquisition	681	5.930000	Euronext Lisbon	25,971,148
7-dec-2018	Acquisition	519	5.930000	Euronext Lisbon	25,971,667
7-dec-2018	Acquisition	700	5.930000	Euronext Lisbon	25,972,367
7-dec-2018	Acquisition	500	5.930000	Euronext Lisbon	25,972,867
7-dec-2018	Acquisition	500	5.930000	Euronext Lisbon	25,973,367
7-dec-2018	Acquisition	661	5.930000	Euronext Lisbon	25,974,028
7-dec-2018	Acquisition	427	5.950000	Euronext Lisbon	25,974,455
7-dec-2018	Acquisition	1,019	5.950000	Euronext Lisbon	25,975,474
7-dec-2018	Acquisition	34	5.950000	Euronext Lisbon	25,975,508
7-dec-2018	Acquisition	582	5.950000	Euronext Lisbon	25,976,090
7-dec-2018	Acquisition	763	5.950000	Euronext Lisbon	25,976,853
7-dec-2018	Acquisition	39	5.950000	Euronext Lisbon	25,976,892
7-dec-2018	Acquisition	1,200	5.950000	Euronext Lisbon	25,978,092
7-dec-2018	Acquisition	1,200	5.950000	Euronext Lisbon	25,979,292
7-dec-2018	Acquisition	1,200	5.950000	Euronext Lisbon	25,980,492
7-dec-2018	Acquisition	1,200	5.950000	Euronext Lisbon	25,981,692
7-dec-2018	Acquisition	1,200	5.950000	Euronext Lisbon	25,982,892
7-dec-2018	Acquisition	1,200	5.950000	Euronext Lisbon	25,984,092
7-dec-2018	Acquisition	33	5.950000	Euronext Lisbon	25,984,125
7-dec-2018	Acquisition	1,167	5.950000	Euronext Lisbon	25,985,292
7-dec-2018	Acquisition	1,200	5.950000	Euronext Lisbon	25,986,492
7-dec-2018	Acquisition	553	5.930000	Euronext Lisbon	25,987,045
7-dec-2018	Acquisition	647	5.930000	Euronext Lisbon	25,987,692
7-dec-2018	Acquisition	66	5.930000	Euronext Lisbon	25,987,758
7-dec-2018	Acquisition	1,134	5.930000	Euronext Lisbon	25,988,892

Date	Type	Volume	Price (€)	Place	No. of shares
7-dec-2018	Acquisition	1,200	5.930000	Euronext Lisbon	25,990,092
7-dec-2018	Acquisition	666	5.930000	Euronext Lisbon	25,990,758
7-dec-2018	Acquisition	388	5.930000	Euronext Lisbon	25,991,146
7-dec-2018	Acquisition	812	5.930000	Euronext Lisbon	25,991,958
7-dec-2018	Acquisition	1	5.930000	Euronext Lisbon	25,991,959
7-dec-2018	Acquisition	370	5.940000	Euronext Lisbon	25,992,329
7-dec-2018	Acquisition	163	5.940000	Euronext Lisbon	25,992,492
7-dec-2018	Acquisition	773	5.940000	Euronext Lisbon	25,993,265
7-dec-2018	Acquisition	814	5.940000	Euronext Lisbon	25,994,079
7-dec-2018	Acquisition	1,605	5.940000	Euronext Lisbon	25,995,684
7-dec-2018	Acquisition	1,000	5.940000	Euronext Lisbon	25,996,684
7-dec-2018	Acquisition	436	5.940000	Euronext Lisbon	25,997,120
7-dec-2018	Acquisition	531	5.940000	Euronext Lisbon	25,997,651
7-dec-2018	Acquisition	668	5.940000	Euronext Lisbon	25,998,319
7-dec-2018	Acquisition	1,200	5.940000	Euronext Lisbon	25,999,519
7-dec-2018	Acquisition	1,200	5.940000	Euronext Lisbon	26,000,719
7-dec-2018	Acquisition	158	5.940000	Euronext Lisbon	26,000,877
7-dec-2018	Acquisition	1,042	5.940000	Euronext Lisbon	26,001,919
7-dec-2018	Acquisition	158	5.940000	Euronext Lisbon	26,002,077
7-dec-2018	Acquisition	970	5.940000	Euronext Lisbon	26,003,047
7-dec-2018	Acquisition	230	5.940000	Euronext Lisbon	26,003,277
7-dec-2018	Acquisition	124	5.940000	Euronext Lisbon	26,003,401
7-dec-2018	Acquisition	1,076	5.940000	Euronext Lisbon	26,004,477
7-dec-2018	Acquisition	724	5.940000	Euronext Lisbon	26,005,201
7-dec-2018	Acquisition	1,200	5.940000	Euronext Lisbon	26,006,401
7-dec-2018	Acquisition	648	5.940000	Euronext Lisbon	26,007,049
7-dec-2018	Acquisition	400	5.940000	Euronext Lisbon	26,007,449
7-dec-2018	Acquisition	79	5.940000	Euronext Lisbon	26,007,528
7-dec-2018	Acquisition	113	5.940000	Euronext Lisbon	26,007,641
7-dec-2018	Acquisition	85	5.940000	Euronext Lisbon	26,007,726
7-dec-2018	Acquisition	453	5.950000	Euronext Lisbon	26,008,179
7-dec-2018	Acquisition	814	5.950000	Euronext Lisbon	26,008,993
7-dec-2018	Acquisition	700	5.950000	Euronext Lisbon	26,009,693
7-dec-2018	Acquisition	801	5.950000	Euronext Lisbon	26,010,494
7-dec-2018	Acquisition	884	5.950000	Euronext Lisbon	26,011,378
7-dec-2018	Acquisition	19	5.950000	Euronext Lisbon	26,011,397
7-dec-2018	Acquisition	2,987	5.950000	Euronext Lisbon	26,014,384
7-dec-2018	Acquisition	278	5.950000	Euronext Lisbon	26,014,662
7-dec-2018	Acquisition	444	5.950000	Euronext Lisbon	26,015,106
7-dec-2018	Acquisition	111	5.950000	Euronext Lisbon	26,015,217
7-dec-2018	Acquisition	73	5.950000	Euronext Lisbon	26,015,290
7-dec-2018	Acquisition	346	5.950000	Euronext Lisbon	26,015,636
7-dec-2018	Acquisition	1,200	5.950000	Euronext Lisbon	26,016,836
7-dec-2018	Acquisition	359	5.950000	Euronext Lisbon	26,017,195

Date	Type	Volume	Price (€)	Place	No. of shares
7-dec-2018	Acquisition	31	5.950000	Euronext Lisbon	26,017,226
7-dec-2018	Acquisition	1,169	5.950000	Euronext Lisbon	26,018,395
7-dec-2018	Acquisition	31	5.950000	Euronext Lisbon	26,018,426
7-dec-2018	Acquisition	144	5.950000	Euronext Lisbon	26,018,570
7-dec-2018	Acquisition	1,056	5.950000	Euronext Lisbon	26,019,626
7-dec-2018	Acquisition	144	5.950000	Euronext Lisbon	26,019,770
7-dec-2018	Acquisition	944	5.950000	Euronext Lisbon	26,020,714
7-dec-2018	Acquisition	256	5.950000	Euronext Lisbon	26,020,970
7-dec-2018	Acquisition	1,200	5.950000	Euronext Lisbon	26,022,170
7-dec-2018	Acquisition	59	5.950000	Euronext Lisbon	26,022,229
7-dec-2018	Acquisition	511	5.950000	Euronext Lisbon	26,022,740
7-dec-2018	Acquisition	478	5.950000	Euronext Lisbon	26,023,218
7-dec-2018	Acquisition	211	5.950000	Euronext Lisbon	26,023,429
7-dec-2018	Acquisition	1,200	5.950000	Euronext Lisbon	26,024,629
7-dec-2018	Acquisition	245	5.950000	Euronext Lisbon	26,024,874
31-dec-2018	-	-	-	-	26,024,874

Domingo José Vieira de Matos (imputation through LIVREFLUXO, S.A.)

Date	Type	Volume	Price (€)	Place	No. of shares
31-dec-2017	-	-	-	-	24,250,110
28-dec-2018	Acquisition	1,000	5.620000	Euronext Lisbon	24,251,110
28-dec-2018	Acquisition	1	5.620000	Euronext Lisbon	24,251,111
28-dec-2018	Acquisition	145	5.620000	Euronext Lisbon	24,251,256
28-dec-2018	Acquisition	270	5.630000	Euronext Lisbon	24,251,526
28-dec-2018	Acquisition	480	5.630000	Euronext Lisbon	24,252,006
28-dec-2018	Acquisition	493	5.640000	Euronext Lisbon	24,252,499
28-dec-2018	Acquisition	1,000	5.640000	Euronext Lisbon	24,253,499
28-dec-2018	Acquisition	470	5.640000	Euronext Lisbon	24,253,969
28-dec-2018	Acquisition	37	5.640000	Euronext Lisbon	24,254,006
28-dec-2018	Acquisition	311	5.640000	Euronext Lisbon	24,254,317
28-dec-2018	Acquisition	461	5.640000	Euronext Lisbon	24,254,778
28-dec-2018	Acquisition	928	5.640000	Euronext Lisbon	24,255,706
28-dec-2018	Acquisition	474	5.640000	Euronext Lisbon	24,256,180
28-dec-2018	Acquisition	4,352	5.650000	Euronext Lisbon	24,260,532
28-dec-2018	Acquisition	1,200	5.650000	Euronext Lisbon	24,261,732
28-dec-2018	Acquisition	479	5.650000	Euronext Lisbon	24,262,211
28-dec-2018	Acquisition	2,000	5.650000	Euronext Lisbon	24,264,211
28-dec-2018	Acquisition	1,000	5.650000	Euronext Lisbon	24,265,211
28-dec-2018	Acquisition	493	5.650000	Euronext Lisbon	24,265,704
28-dec-2018	Acquisition	2	5.650000	Euronext Lisbon	24,265,706
28-dec-2018	Acquisition	1,424	5.660000	Euronext Lisbon	24,267,130
28-dec-2018	Acquisition	547	5.660000	Euronext Lisbon	24,267,677
28-dec-2018	Acquisition	488	5.660000	Euronext Lisbon	24,268,165
28-dec-2018	Acquisition	1,000	5.660000	Euronext Lisbon	24,269,165

Date	Type	Volume	Price (€)	Place	No. of shares
28-dec-2018	Acquisition	5,000	5.670000	Euronext Lisbon	24,274,165
28-dec-2018	Acquisition	479	5.670000	Euronext Lisbon	24,274,644
28-dec-2018	Acquisition	1,000	5.670000	Euronext Lisbon	24,275,644
28-dec-2018	Acquisition	282	5.670000	Euronext Lisbon	24,275,926
28-dec-2018	Acquisition	456	5.680000	Euronext Lisbon	24,276,382
28-dec-2018	Acquisition	474	5.680000	Euronext Lisbon	24,276,856
28-dec-2018	Acquisition	500	5.680000	Euronext Lisbon	24,277,356
28-dec-2018	Acquisition	500	5.680000	Euronext Lisbon	24,277,856
28-dec-2018	Acquisition	3,353	5.680000	Euronext Lisbon	24,281,209
28-dec-2018	Acquisition	144	5.690000	Euronext Lisbon	24,281,353
28-dec-2018	Acquisition	2,384	5.690000	Euronext Lisbon	24,283,737
28-dec-2018	Acquisition	461	5.690000	Euronext Lisbon	24,284,198
28-dec-2018	Acquisition	2,847	5.690000	Euronext Lisbon	24,287,045
28-dec-2018	Acquisition	7,873	5.690000	Euronext Lisbon	24,294,918
28-dec-2018	Acquisition	5,000	5.700000	Euronext Lisbon	24,299,918
28-dec-2018	Acquisition	1,000	5.700000	Euronext Lisbon	24,300,918
28-dec-2018	Acquisition	10,156	5.700000	Euronext Lisbon	24,311,074
28-dec-2018	Acquisition	19,632	5.700000	Euronext Lisbon	24,330,706
28-dec-2018	Acquisition	751	5.650000	Euronext Lisbon	24,331,457
28-dec-2018	Acquisition	493	5.650000	Euronext Lisbon	24,331,950
28-dec-2018	Acquisition	258	5.650000	Euronext Lisbon	24,332,208
28-dec-2018	Acquisition	986	5.650000	Euronext Lisbon	24,333,194
28-dec-2018	Acquisition	751	5.650000	Euronext Lisbon	24,333,945
28-dec-2018	Acquisition	493	5.650000	Euronext Lisbon	24,334,438
28-dec-2018	Acquisition	751	5.650000	Euronext Lisbon	24,335,189
28-dec-2018	Acquisition	493	5.650000	Euronext Lisbon	24,335,682
28-dec-2018	Acquisition	751	5.650000	Euronext Lisbon	24,336,433
28-dec-2018	Acquisition	751	5.650000	Euronext Lisbon	24,337,184
28-dec-2018	Acquisition	751	5.650000	Euronext Lisbon	24,337,935
28-dec-2018	Acquisition	751	5.650000	Euronext Lisbon	24,338,686
28-dec-2018	Acquisition	751	5.650000	Euronext Lisbon	24,339,437
28-dec-2018	Acquisition	369	5.650000	Euronext Lisbon	24,339,806
28-dec-2018	Acquisition	751	5.650000	Euronext Lisbon	24,340,557
28-dec-2018	Acquisition	149	5.650000	Euronext Lisbon	24,340,706
28-dec-2018	Acquisition	500	5.620000	Euronext Lisbon	24,341,206
28-dec-2018	Acquisition	3,354	5.620000	Euronext Lisbon	24,344,560
28-dec-2018	Acquisition	754	5.620000	Euronext Lisbon	24,345,314
28-dec-2018	Acquisition	724	5.620000	Euronext Lisbon	24,346,038
28-dec-2018	Acquisition	895	5.620000	Euronext Lisbon	24,346,933
28-dec-2018	Acquisition	2,627	5.620000	Euronext Lisbon	24,349,560
28-dec-2018	Acquisition	4,000	5.620000	Euronext Lisbon	24,353,560
28-dec-2018	Acquisition	1,000	5.620000	Euronext Lisbon	24,354,560
28-dec-2018	Acquisition	700	5.620000	Euronext Lisbon	24,355,260
28-dec-2018	Acquisition	800	5.620000	Euronext Lisbon	24,356,060
28-dec-2018	Acquisition	3,500	5.620000	Euronext Lisbon	24,359,560

Date	Type	Volume	Price (€)	Place	No. of shares
28-dec-2018	Acquisition	471	5.620000	Euronext Lisbon	24,360,031
28-dec-2018	Acquisition	1,183	5.620000	Euronext Lisbon	24,361,214
28-dec-2018	Acquisition	3,346	5.620000	Euronext Lisbon	24,364,560
28-dec-2018	Acquisition	292	5.620000	Euronext Lisbon	24,364,852
28-dec-2018	Acquisition	700	5.620000	Euronext Lisbon	24,365,552
28-dec-2018	Acquisition	100	5.620000	Euronext Lisbon	24,365,652
28-dec-2018	Acquisition	3	5.620000	Euronext Lisbon	24,365,655
28-dec-2018	Acquisition	569	5.620000	Euronext Lisbon	24,366,224
28-dec-2018	Acquisition	499	5.620000	Euronext Lisbon	24,366,723
29-dec-2018	Acquisition	5,000	5.650000	Euronext Lisbon	24,371,723
29-dec-2018	Acquisition	1,064	5.650000	Euronext Lisbon	24,372,787
29-dec-2018	Acquisition	1,204	5.760000	Euronext Lisbon	24,373,991
29-dec-2018	Acquisition	741	5.760000	Euronext Lisbon	24,374,732
29-dec-2018	Acquisition	485	5.760000	Euronext Lisbon	24,375,217
29-dec-2018	Acquisition	500	5.770000	Euronext Lisbon	24,375,717
29-dec-2018	Acquisition	463	5.770000	Euronext Lisbon	24,376,180
29-dec-2018	Acquisition	5,000	5.770000	Euronext Lisbon	24,381,180
29-dec-2018	Acquisition	188	5.770000	Euronext Lisbon	24,381,368
29-dec-2018	Acquisition	176	5.770000	Euronext Lisbon	24,381,544
29-dec-2018	Acquisition	571	5.770000	Euronext Lisbon	24,382,115
29-dec-2018	Acquisition	489	5.780000	Euronext Lisbon	24,382,604
29-dec-2018	Acquisition	1,529	5.780000	Euronext Lisbon	24,384,133
29-dec-2018	Acquisition	1,049	5.780000	Euronext Lisbon	24,385,182
29-dec-2018	Acquisition	81	5.790000	Euronext Lisbon	24,385,263
29-dec-2018	Acquisition	500	5.790000	Euronext Lisbon	24,385,763
29-dec-2018	Acquisition	16,446	5.790000	Euronext Lisbon	24,402,209
29-dec-2018	Acquisition	7,961	5.790000	Euronext Lisbon	24,410,170
29-dec-2018	Acquisition	35	5.790000	Euronext Lisbon	24,410,205
29-dec-2018	Acquisition	500	5.790000	Euronext Lisbon	24,410,705
29-dec-2018	Acquisition	6,018	5.790000	Euronext Lisbon	24,416,723
29-dec-2018	Acquisition	5,000	5.770000	Euronext Lisbon	24,421,723
29-dec-2018	Acquisition	1,452	5.770000	Euronext Lisbon	24,423,175
29-dec-2018	Acquisition	2,100	5.770000	Euronext Lisbon	24,425,275
29-dec-2018	Acquisition	1,448	5.770000	Euronext Lisbon	24,426,723
29-dec-2018	Acquisition	1,775	5.770000	Euronext Lisbon	24,428,498
29-dec-2018	Acquisition	1,000	5.770000	Euronext Lisbon	24,429,498
29-dec-2018	Acquisition	2,225	5.770000	Euronext Lisbon	24,431,723
29-dec-2018	Acquisition	1,000	5.770000	Euronext Lisbon	24,432,723
29-dec-2018	Acquisition	3,701	5.770000	Euronext Lisbon	24,436,424
29-dec-2018	Acquisition	919	5.770000	Euronext Lisbon	24,437,343
29-dec-2018	Acquisition	9,533	5.790000	Euronext Lisbon	24,446,876
29-dec-2018	Acquisition	2,066	5.790000	Euronext Lisbon	24,448,942
29-dec-2018	Acquisition	1,760	5.790000	Euronext Lisbon	24,450,702

Date	Type	Volume	Price (€)	Place	No. of shares
29-dec-2018	Acquisition	380	5.770000	Euronext Lisbon	24,451,082
29-dec-2018	Acquisition	2,527	5.770000	Euronext Lisbon	24,453,609
29-dec-2018	Acquisition	599	5.770000	Euronext Lisbon	24,454,208
31-dec-2018	-	-	-	-	24,454,208

Ana Rebelo Carvalho Menéres de Mendonça (imputation through PROMENDO INVESTIMENTOS, S.A.)

Date	Type	Volume	Price (€)	Place	No. of shares
31-dec-2017	-	-	-	-	42,954,552
1-aug-2018	Disposal	25,000	8.800000	Euronext Lisbon	42,929,552
3-aug-2018	Disposal	30,000	8.700650	Euronext Lisbon	42,899,552
6-aug-2018	Disposal	30,000	8.881620	Euronext Lisbon	42,869,552
6-aug-2018	Disposal	30,000	8.852330	Euronext Lisbon	42,839,552
7-aug-2018	Disposal	40,000	8.876760	Euronext Lisbon	42,799,552
8-aug-2018	Disposal	45,000	8.906960	Euronext Lisbon	42,754,552
9-aug-2018	Disposal	60,000	8.942560	Euronext Lisbon	42,694,552
10-aug-2018	Disposal	45,000	8.997550	Euronext Lisbon	42,649,552
13-aug-2018	Disposal	54,984	8.716120	Euronext Lisbon	42,594,568
14-aug-2018	Disposal	32,770	8.602820	Euronext Lisbon	42,561,798
14-aug-2018	Disposal	14,230	8.577310	Euronext Lisbon	42,547,568
15-aug-2018	Disposal	2,515	8.515130	Euronext Lisbon	42,545,053
31-dec-2018	-	-	-	-	42,545,053

José Manuel de Almeida Archer

Date	Type	Volume	Price (€)	Place	No. of shares
31-dec-2017	-	-	-	-	11,500
21-aug-2018	Disposal	10,000	8.270000	Euronext Lisbon	1,500
31-dec-2018	-	-	-	-	11,500

2018 SUSTAINABILITY REPORT

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Altri in 2018

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Benchmark producer
in eucalyptus pulp

Leader in forest based
renewable energy sector

1,097 thousand tons
of pulp production

64 M€
in investments

37.3%
EBITDA/Sales

Renewable electric energy production
equivalent to the consumption of a city with

243 thousand inhabitants

3 industrial units

776 visitors to Altri mills

80 thousand hectares of FSC® and PEFC™ certified forest

95% of renewable raw materials

92% of assets, goods and services purchased from national suppliers

82% of waste recovery

More than 700 employees → **33%** Higher education

1. LICENCE CODE: FSC-C104460 (COC) AND LICENCE CODE: FSC-C004615 (FM)

2. LICENCE CODE: PEFC/13-32-025 (COC) AND LICENSE CODE PEFC/13-23-002 (FM)

01. About this report

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It is with great pleasure that Altri presents its fourth Sustainability Report, which alludes to all activities developed by the Group, in an integrated and transversal manner.

It is by way of this document that Altri Group presents, with simplicity and transparency implicit to its DNA, to all its employees', clients, suppliers, business partners, stakeholders and to the market as a whole, to what demeanour sustainability plays a role in its activities.

Altri believes that to achieve genuine environmental, economic and social development, the paramount criteria guiding decision-making within the Group must be those in line with a sustainability prospect.

Time frame subject to report

The reporting time frame regards Altri Group activities from January 1st, 2018 to December 31st, 2018. It should be noted, however, that mentions to information of previous years are provided, to facilitate a comparative outlook on the evolution of the preeminent indicators.

Scope

This report contains information on all enterprises that incorporate Altri Group´s consolidation perimeter. Exceptions are duly noted by said content, should this be necessary.

Decree-Law no. 89/2017 of July 28th and Global Reporting Initiative (GRI)

The report focuses on answering the requirements of decree no. 89/2017, which in turn transposes 2014/95/EU Directive, regarding disclosure of non-financial information and diversity information which is required of large corporations and Groups, applicable, therefore, to Altri Group.

In compliance with said legal documents, this report discloses data and information that not only allows an understanding of the evolution, performance, position and impacts of the activities developed by the Group on the environmental and social spheres but also regarding employees, gender equality, non-discrimination as well as human rights, fighting corruption and bribe attempts.(vide Compliance table regarding requirements from Decree no. 89/2017).

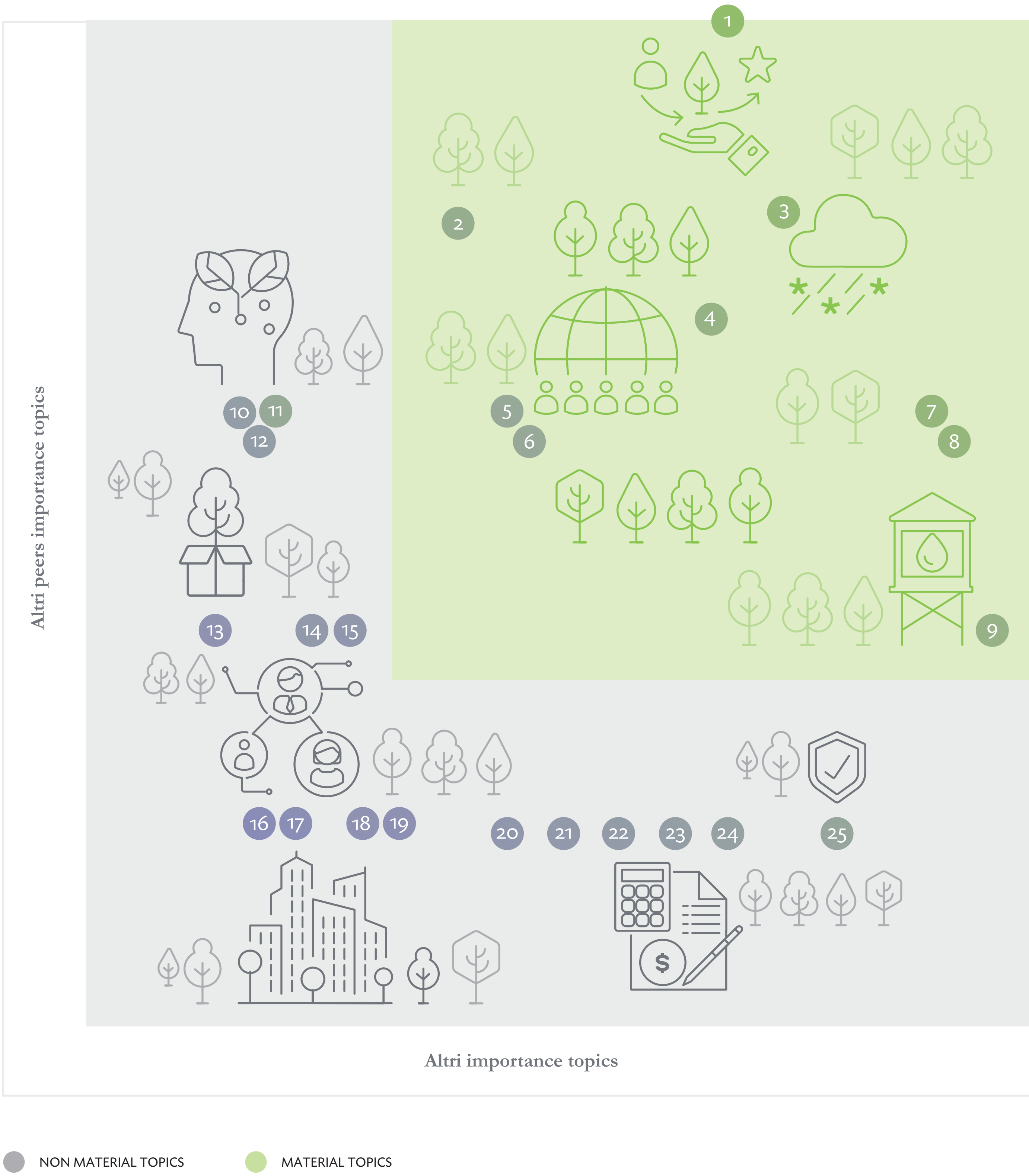
The present report was produced according to the GRI Standards “in compliance” Essential option. (vide GRI table for “in accordance” status – Essential).

Materiality

Considering the scope of this report, Altri undertook an internal assessment to ascertain the degree of materiality associated with each sustainability issue, ensuring that these are addressed with the level of detail that said materiality implies.

Altri therefore outlined the structure and content of the report according to their respective significance, as can be verified in the Materiality Matrix that follows.

Materiality Matrix



1. Sustainable management of the value chain
2. Local development and community support
3. Energy and climate change
4. Sustainable forest and biodiversity management
5. Human capital development and attraction and retention of talent
6. Stakeholder engagement
7. Environmental management
8. Health and Safety
9. Water management
10. Innovation and innovative products
11. Responsibility for the product
12. Ethics/transparency/anticorruption
13. Corporate strategy/Business expansion; market presence
14. Human rights and non-discrimination
15. Work relations
16. Employment creation
17. Social benefits
18. Corporate governance
19. Efficient management of materials
20. Waste management and circular economy
21. Certifications and voluntary commitments of the sector
22. Risk management
23. Efficient financial and operational management and value creation
24. Customer satisfaction
25. Legal compliance

Contacts

For further clarification on the information presented in this report, please consult the website or contact Altri Head Office:

Rua Manuel Pinto de Azevedo, n.º 818, 4100-320 Porto, Portugal
+351 22 8346502 | sede@altri.pt

02.
Statement from the Executive Board

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"Altri has long adopted sustainability as the decisive factor in its activity – moreover, Altri believes that to achieve genuine environmental, economic and social development, the paramount criteria guiding decision-making within the Group must be those in line with a sustainability prospect. "

2018 was a year best described by the strengthening of the Group's strategic position in all markets it operates in: Regarding the paper pulp market, as a European benchmark producer, Altri produced a record 1,097 thousand tons of pulp (54,000 tons more than the previous year), endorsing a sales turnover of 1,055 thousand tons of pulp.

In the forest based renewable energy market, with the acquisition of shares amounting to 50% of the share capital and voting rights of then known EDP Produção – Bioelétrica, S.A. (now Bioelétrica da Foz), Altri took exclusive control of this organization and its branches, which projected the Group to a position of prominent leadership in Portugal in said market.

Total revenues amounted to 784.8 million Euro, translating an overall growth of 18% compared to 2017.

It is based on this reference system that Altri evaluates the year of 2018, as a demanding, challenging, hardworking yet rewardingly successful year.

Altri has long adopted sustainability as the decisive factor in its activity – moreover, Altri believes that to achieve genuine environmental, economic and social development, the paramount criteria guiding decision-making within the Group must be those in line with a sustainability prospect.

Accordingly, in 2018, Altri initiated preparations for the first bond issuance aligned with the Green Bond Principles, published by the International Capital Market Association, which was released in 2019, being the first Green Bond Issuance admitted to negotiation in Portugal, at Euronext Access Lisbon.

2018 was also a year of consolidating structural reforms implemented by the Group, in order to align its practices with the recent and demanding regulations imposed by the new forest legal framework, approved in 2017 – a process that was carried out in a sustainable and articulate fashion with employees, clients, suppliers and business partners, ensuring coordination between all stakeholders.

In 2018, the Group proceeded with its commitment to develop its people personally and professionally, enhancing the existence of an integrating and motivating work environment, which promotes the reconciliatory nature that must exist between professional and personal life, in a healthy balance that contributes to high values of the Workplace Satisfaction Index.

Altri´s administration has long elected environmental criteria as the paramount criteria in the progression of the group´s activities, bolstering daily, its commitment to a thorough management methodology, based on development, innovation and continuous improvement. Strengthening its daily commitment to sound management based on development, innovation and continuous improvement, Altri's management has chosen sustainability criteria as essential criteria in the development of the Group's activity.

Paulo Fernandes
Altri President and CO-CEO

João Borges de Oliveira
Altri Vice-President and CO-CEO

03.
About Altri

Altri, SGPS, S.A. was established in March of 2005, with the corporate object of holding activities as an indirect exertion of economic activities. This corporation was, from the time of its constitution, the holding company of a group of enterprises that dedicate themselves to the production of cellulose pulp as well as forestry exploitation. Altri Group quickly achieved a position of recognition market wise as a European benchmark producer of eucalyptus paper pulp and, recently, of dissolving pulp.

When Altri diversified its business portfolio to include renewable energy, it became, likewise, a key player in the sector, namely in the production of electricity from forest biomass.

Brief history

2005

- Altri was established in 2005, result of a restructuring process of Cofina Group, SGPS, S. A
- The year 2005 was punctuated by the acquisition, from the Portuguese State, of 95% of the share capital and voting rights of Celtejo – Empresa de Celulose do Tejo, S. A. which represented an investment of 38 million Euro.

2006

- In January of 2006, Altri invested 7.5 million Euro in the acquisition of 50% of the share capital and voting rights of EDP Bioelétrica, which expressed a strategic investment and a commitment of considerable potential in the renewable energy sector (forest biomass).
- In August of 2006, Altri acquired 100% of the share capital and voting rights of Celulose Beira Industrial (CELBI), S.A. (Celbi) from Stora Enso, an operation that involved an investment of about 430 million Euro.
- Still in 2006, Altri acquired an additional 4,45% of the share capital and voting rights of Celtejo, thus increasing to 99.45% its share of the company.

2010

- In May of 2010, the C09 project was concluded at Celbi, accomplishing the objective of increasing the production capacity of that industrial unit from 300,000 to 500,000 tons.

2015

- In June of 2015, the C15 project was concluded at Celbi, which increased yet again the production capacity of the industrial unit to 760,000 tons.
- 2015 also marked the conclusion of the conversion project of Caima to specialized pulps, namely dissolving pulp (DWP), becoming the first industrial unit in the Altri Group producing this product.

2018

- In November of 2018, Altri acquired the totality of the share capital and voting rights of EDP Bioelétrica, of which, until said date, it held, in partnership with EDP – Energias de Portugal, S.A. 50%. This acquisition allowed Altri to proceed with its integration strategy between forest industry sites producing biomass and the generation of energy from this renewable resource.

Lines of business

102-2 102-4 102-6

Altri is a European benchmark producer of eucalyptus pulp whose activity is ensured by the three mills that integrate the group - **Celbi, Celtejo** and **Caima** – these three mills, all together, have a nominal annual production capacity of over 1 million tons of pulp.

Altri, through its subsidiary company, Bioelétrica da Foz, S.A. owns and manages four biomass power plants, having a fifth one in construction phase, demonstrating its commitment in the renewable energy sector, which also elevated its position to one of prominence in the Portuguese market in the sector. Still in regard to the energy sector, Altri also focuses on electricity production from renewable based industrial cogeneration (a process based on utilizing plant components with biofuel properties).

The production of paper pulp, energy through industrial cogeneration and energy through biomass based thermoelectric plants grant the Group a strong and efficient forest management. The Group manages in Portugal, through Altri Florestal, S.A. (Altri Florestal) around 80 thousand hectares of certified forest with a forest self-sufficiency of approximately 20%.

altri

100%

celbi

PAPER PULP BEKP

Celbi produces Bleached *Eucalyptus Kraft Pulp* (BEKP), with all production volume being marketed. Currently, **Celbi** has an annual production upwards of 700,000 tons. **Celbi's** main market is European papermaking units that produce from fine paper to *tissue*.

CELTEJO

PAPER PULP BEKP

Celtejo also produces BEKP, showing a production trajectory that surpasses 200 thousand tons per year. **Celtejo** is an enterprise with almost 50 years of knowledge and inherent experience in the prodution of paper pulp, asserting itself in the technological vanguard and being internationally renowned for its product quality. **Celtejo´s** strategy is built on economic sustainability, environmental protection and customer satisfaction.

caima

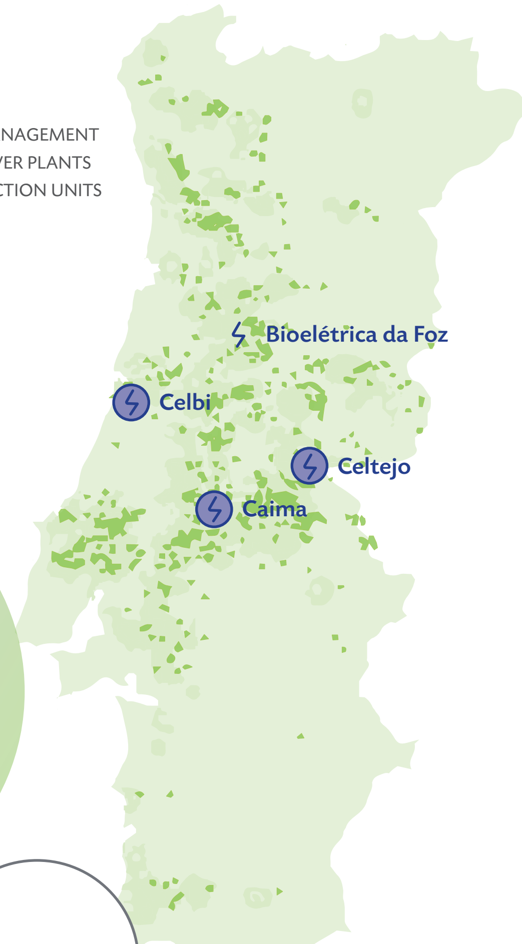
DISSOLVING PULP DWP

Caima currently produces upward of 115 thousand tons of eucalyptus dissolving pulp annually. It was the target of an ambitious investment project to transform its production to dissolving pulp, with the addition of an evaporation process line. Its main customers are rayon textile producers located in China.

Bioelétrica da Foz

BIOMASS POWER PRODUCTION

In November of 2018, the Group assumed total control over **Bioelétrica da Foz**, manifesting Altri´s presence in the renewable biomass power production sector. There are currently four biomass thermal power plants in production - Mortágua (8.6 MW of installed capacity); Ródão (located on Celtejo´s production site – with 12.8 MW of installed capacity); Figueira da Foz (located on Celbi´s production site – with an installed capacity of 28 MW) and Constância (located on Caima's production site – with an installed capacity of 12, 8 MW). Additionally, a fifth biomass thermoelectric plant is in construction phase at Celbi´s facilities, with a projected installed capacity of 34.5 MW.



Mission, Vision and Values

102-16

Mission

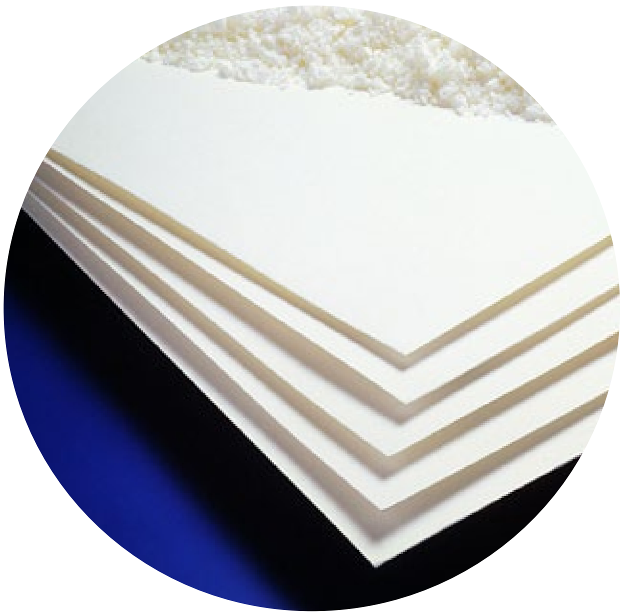
Supply eucalyptus pulp, which produces paper in an economically and environmentally sustainable fashion, satisfying the customers' expectations and requirements.

Vision

Altri strives to be a more efficient producer on a global scale while delivering paper pulp to the customers' door.

Values

- Result and Quality oriented
- Focus on the customers' needs and expectations
- Commitment to protect the environmental sphere
- Social Responsibility
- Open-mindedness in regard to new challenges and change
- Versatility and professional multifunctionality
- Ambition to improve, innovate and stay at the vanguard
- Descentralize and empower
- Informality in personal dealings



Product and Market

102-2 102-6

The Group's main activities are the production of paper pulp and renewable energy production. Since the production of paper pulp is the Group's core business and since forest management is inseparable from this, the combination of both allows and enhances the production of renewable energy, through cogeneration and biomass. Relying on a solid work and investigative culture and on informed innovative spirit, Altri has quickly attained a sizeable know-how in the energy sector, currently perceived as one of the main players in the Portuguese scene in this sector also.

Product

Pulp produced by Altri has multiple applications, namely paper production (mainly tissue, writing and printing paper) and dissolving pulp, which is mostly used in textile production. Celbi and Celtejo produce BEKP - Bleached Eucalyptus Kraft Pulp and Caima produces dissolving pulp (DP), being entirely market pulp.

Pulp produced has been approved by the Nordic Ecolabelling of Paper Products (Celbi and Celtejo) and by European Ecolabel (Celbi), so tha t they can be used in products that intend to carry this environmental label.

The Nordic Ecolabelling of Paper Products and the European Ecolabel constitute environmental labelling programs based on the product́s lifecycle.

Production of renewable energy

The production of paper pulp and the integrated forest management allow the usage of two renewable energy sources: black liquor and biomass.

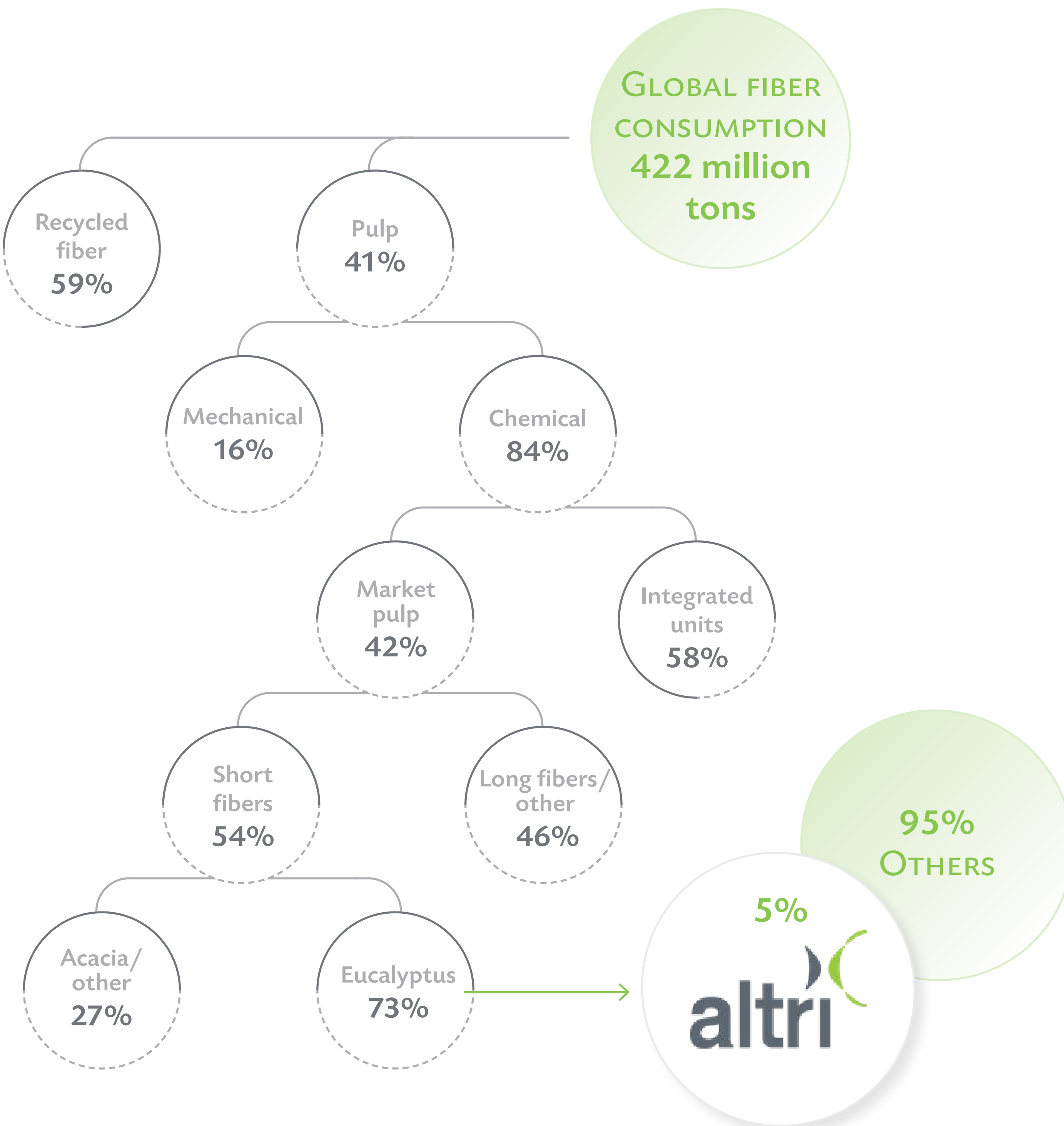
The energy production process through cogeneration consists in the production of vapour through the combustion of black liquor (lignin) which moves a turbine, activating a generator that in turn produces electricity. Paper pulp units reuse this plant component and recycle most of the chemicals used in the production process.

The forest biomass resulting from forest management originates from tree branches, leaves and bark. This biomass shredded and then combusted in a biomass boiler, producing vapour that activates a turbine and subsequently an electric generator. The electricity produced is, in its entirety, allocated to the national public grid.

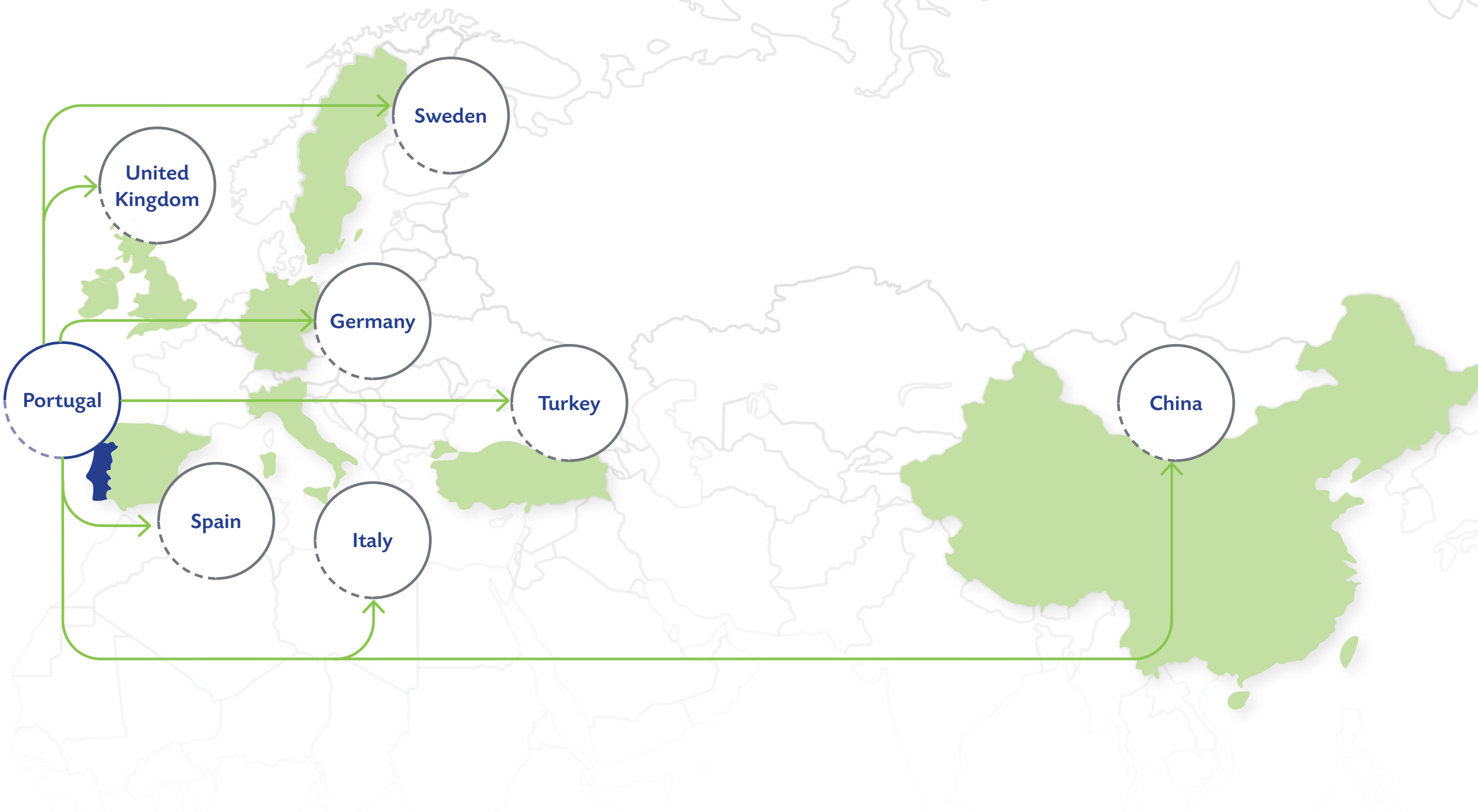
In 2018, Altri recorded, once again, a new record regarding production and sales of pulp: 1.1 million tons of pulp produced (5% more than the previous year), of which approximately 10% was dissolving pulp.

Market

Altri produces paper pulp mainly from eucalyptus wood. Altri represents approximately 5% of global output in this sector.

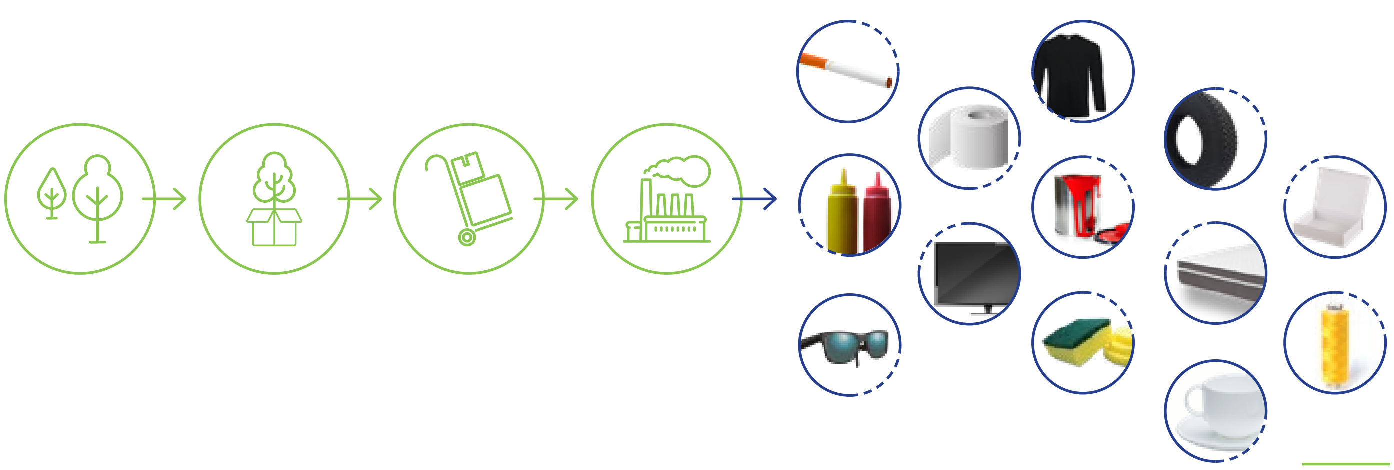


The diferent destinations of Altri's products

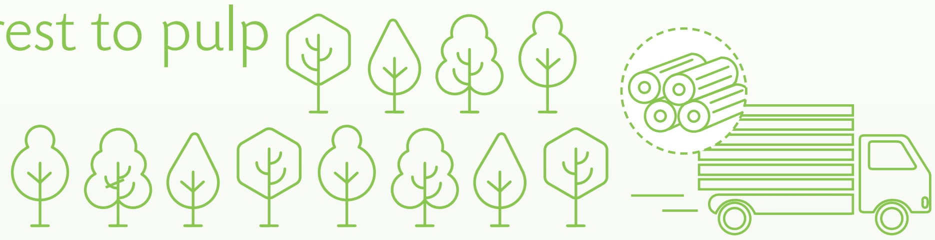


Altri Group is organized according to the B2B model (business to business), meaning that their main customers are manufacturing industries. These industries purchase the Group´s products (pulp) as raw materials for their own production process. The applications for paper pulp vary considerably, and the permanent discovery of new applications translates into an increasing market demand. It should be noted, within Altri Group´s sphere, that the pulp produced by Caima has an even wider range of applications, since it's a dissolving pulp.

As examples of end-products that include the Group´s products in their production process, the following can be highlighted: paper (writing, decorative and ornamental, tissue), textiles (fabric and cloths for various purposes including the making of clothing and other attires), eyewear, tires, mattresses, sponges, electronic devices such as LCD´s, food industry (dressings), inks, cigarettes and many other. It´s through this myriad of applications that the paper pulp industry adds value to society.

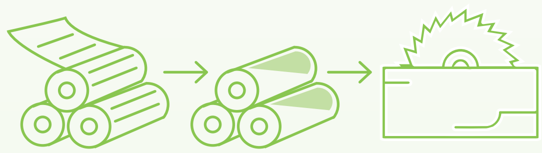


From forest to pulp



1 Wood

Altri's production units produce paper pulp using eucalyptus wood. The wood reaches the production units as logs, bark and chips.

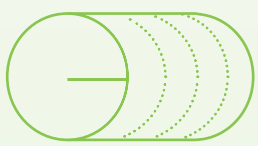


2 Debarking and Chipping

The logs with bark are peeled and paired with the barklessbark less logs, then shredded into chips that are stored in piles.

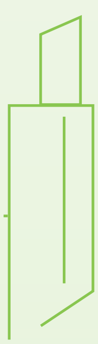
3 Cooking

In Celbi´s and Celtejo´s case, after a screening process, the chips are fed together with chemicals composed by caustic soda and sodium sulfide to a boiler. The chemicals dissolve the lignin which is responsible for the bonding of fibers. With the fibers released, the so called raw pulp is created. For said cases, the alkaline Kraft process is used. Caima uses magnesium sulphite.



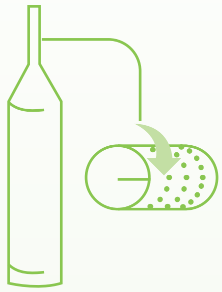
4 Washing

The raw pulp resulting from the digestion process is washed to remove residual byproducts, both organic and inorganic also resulting from the digestion process and submitted to a screening process to remove unprocessed particles and other impurities.



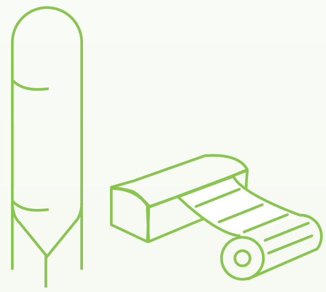
5 Chemical recovery and energy production

At Celbi and Celtejo, the raw pulp is submitted to a delignification process with oxygen resulting in a yellow pulp that is sent to the bleaching facility. At Caima the pulp is directly fed to the bleaching process. The chemical recovery process and energy production varies on the type of pulp produced which is why Celbi and Celtejo use a different process compared to Caima, that is described next.



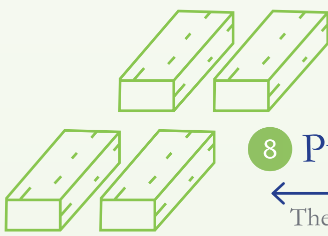
6 Pulp bleaching

Entering the bleaching facility, the pulp contains residual components which are mostly removed through chemical reactions, with bleaching chemicals until the pulp becomes a white thickened suspension.



7 Pulp drying

Subsequently, the pulp is pressed and dried in a compact drying system with hot air or vapor.

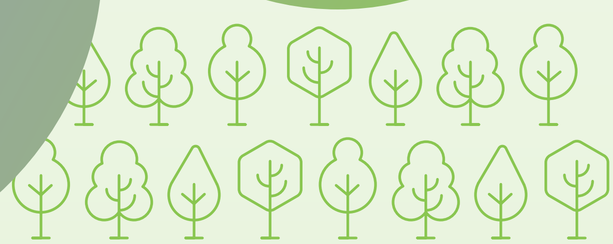


8 Pulp bales

The final sheet is cut into smaller pieces, which are then piled in bundles that proceed to storage.

Caima uses the sulphite process, the black liquor originated in the wash is condensed in an evaporation facility and a part of it is used to produce lignosulphunates. The remaining is combusted in a recovery boiler producing vapour and electricity.

Celbi and Celtejo use the Kraft process, the black liquor unloaded from the boiler is condensed until a thickened biofuel is obtained, which is then combusted in the recovery boiler. The inorganic chemical products of the black liquor form a substance that is then dissolved in water and originates green liquor composed of mainly sodium carbonate and sodium sulfide.



Suppliers

102-9 | 102-10 | 204-1 | 308-1 | 414-1 | 414-2

Altri believes it is of the utmost importance that its suppliers place sustainability at the core of their management policy, which is why it constantly updates the application of a set of measures that aim to ensure a solid alignment between the business partners and the Group's policies, so that they can too be driven by strict environmental and social criteria.

This transversal alignment, regarding the environment and society, between the Altri and all entities involved in the value chain is one of the Group's trademarks and a means to guarantee that this industry represents a genuine value generation to the people and society in general.

Hence the selection of suppliers being subject to a rigorous process that implies a careful and weighted management

Approximately **120** forest suppliers throughout the country, from Braga to Monchique.

100% of chemical products and additive suppliers are evaluated regarding Environment, Quality and Safety.

92% of the purchases of goods and services necessary to Altri´s production processes are conducted to national suppliers.

Supplier evaluation and qualification

At Altri, the supplier management process comprises all stages of the partnership's lifecycle, from the selection, via continuous assessment all the way to quality certification.

?

What it is

The supplier evaluation and qualification process is based on a set of studies and assessments systematically developed with the purpose of attributing "qualified supplier" status to the companies that apply to said status.

To whom it applies

This procedure is applicable to suppliers that provide a permanent service of resident or outsourcing nature. These suppliers should identify as essential in the supply of materials, chemical products and packaging components whose expenditure is considered volume costs, constituting fundamental supplementary materials for the process, as identified in each production unit.

How it proceeds

The supplier is requested the filling of an assessment inquiry regarding environmental performance. Thereafter, a selection inquiry is sent to each supplier, the answers of which, in case they comply with the supply specifications, are evaluated by an internal Commission purposely devised for the assignment. Special attention is paid to Quality, Environment, Energy Performance and Health and Safety, including respective impacts. If the supplier gathers the necessary conditions, it is given the "pre-qualified" status. After a product follow-up, which takes between six month and a year, an evaluation meeting is convened and depending on said meeting, the supplier can be given "qualified supplier" status.

How the evaluation is done

The suppliers are given a grade for each product supplied by production unit and a global grade regarding all products supplied to the Group. They are evaluated based on ISO 9001 certification, ISO 14001 certification, among others. Regarding material and service suppliers, the evaluation is based on technical execution, environmental behaviour, health and safety, among others. Suppliers with a negative grade in the criteria mentioned or in global are subjected to corrective measures.

The suppliers that advance through the Group's qualification and evaluation screening process are all those that provide supply of goods or services and that by doing so are in compliance with the Group's requirements, including proper handling of material and human capital, meeting deadlines and active spirit of cooperation.

Training of suppliers

Suppliers are a paramount business partner in the Group's value chain. For this reason, commitment to training suppliers is an essential component. In 2018, the following training is highlighted:

Safety and Forest Qualification

The Safety and Forest Qualification training consists of an ambulatory training room by the means of an adapted van that instead of requiring the physical presence of the Group's supplier's forest employees at the company's office facilities, brings the training to them which makes sense since the training is on site. The vehicle, which is equipped with sound and video system, simplifies the training's presentation. This innovative solution has demonstrated, on the one hand that the training contents are better perceived by the trainees and, on the other hand, has seized their attention further, promoting bigger attendance. This training model, innovated by Altri Florestal, has revealed itself as a successful case-study that deserved merits from the Authority for Work Conditions (ACT), as an example of best practices for training.

These training activities have allowed Altri to achieve a reduction of the paramount parameter of occupational accidents to levels lower than that of the national average in the forestry sector.

120 suppliers
370 trainees per year
70 training sessions in the van per year

Paper Pulp Industry Safety Card

Attending to the possibility of achieving synergies ensuing Health and Safety training, organized in a cooperative manner, and to the fact that guaranteeing service provider quality is a general interest, CELPA (paper industry association) decided to introduce the paper pulp industry safety card (CSIP).

CSIP tallies with a Health and Safety training program aimed at the employees of the companies that provide services to CELPA companies that protrudes the objectivity of a training program oriented specifically to the paper pulp industry as a key reference.

	No. of sessions conducted (CSIP)	No. of trainees
Altri production units	68	2,333

CSIP training program's main goal is the disclosure of hazards, risks, corporate aspects, behavioural topics, individual and collective protection measures aligned with the workplace of paper pulp production units. CSIP includes the presentation of practical aspects, guaranteeing the minimum Health and Safety knowledge, important in an industrial context (maintenance, projects, annual stoppages, industrial cleaning processes and other procedures that usually involve employees from service providers).

PQSE – Qualification portal for External Services

2018 observed the establishment and release of a supplier portal, PQSE, whose main goal is to expedite communications with service providers, taking on a particular importance in core area communication flow, speeding it up and making it more effective. This proved pivotal in supporting the Group's procurement system, optimizing and simplifying the supplier evaluation and qualification process by providing:

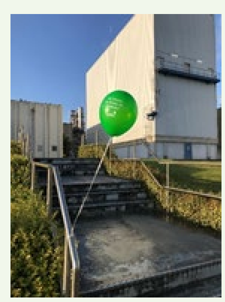
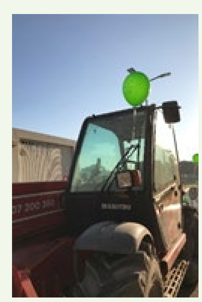
- Greater ease and availability in communication with suppliers;
- A supplier registry system with detailed, updated and validated information, expediting its certification;
- Simplification of administrative tasks associated to supplier's employee entry.
- Minimization of errors and costs.

Responsible behaviour program

Zero Accidents Goal
After the implementation of a Health and Safety Management System, one of the group's production units, Celbi, drew up a pilot project entitled "Responsible Behaviour". This project kicked off with a rigorous internal assessment regarding the main causes of accidents. The assessment demonstrated that 70% of accidents are due to unsafe internal and external employee behaviour (of service providing companies). It was within this context that Celbi, still regarding the scope of this pilot project, and with the support of an external partner, implemented a set of measures and activities to ensure employee awareness to endorsing of safe workplace behaviour.

As an example, one of the activities undertaken was placing, in key locations of the production unit, balloons with warning messages including risks to avoid as well as the message: "Take a Photo and Send a Message". This activity triggered employee interest and boosted conversation and dialogue between them and with pedestrians, enhancing awareness and consciousness towards risks inherent to irresponsible behaviour while performing tasks and subsequent consequences of said behaviour in a person's health and life.

The results of this pilot project revealed a significant reduction in the occurrence of work accidents, strongly validating the project´s objective. This initiative´s success determined that it should be replicated in the other industrial units of the Group.

04.
Strategy

102-15

Strategic priorities

Altri believes that the sustainability inherent to its activities will be strengthened by following strategic priorities anchored to continuous improvement objectives and innovation, in a market where wood derived products assume a determinant role.

OPERATIONAL ECO-EFFICIENCY

Increase the industrial units' operational efficiency

QUALITY

Continue to be a benchmark producer known for product quality

ENVIRONMENT

Continuously improve environmental performance, with special focus on optimizing specific water use and reducing carbon foot-print.

altri

FOREST

Increase productivity in the areas under management and promote a sustainable forest management to forest producers

TALENT

Insert youth in the work market with the promotion of internships and summer academies

SAFETY

Reduce accident rates, focusing on changing people's safety culture and combating unsafe behaviour

COMMUNITY

Strengthen the presence in the community and their involvement

Governance Model

102-17 | 102-18 | 405-1

Altri has adopted a unitary governance model, which includes an executive board, a supervisory board and a Statutory Auditor as the corporation's governance bodies.

Governance bodies, by age and gender*

2017							2018						
30-50 y.o			> 50 y.o				30-50 y.o			30-50 y.o			
Female	Male	Total	Female	Male	Total	Total	Female	Male	Total	Female	Male	Total	Total
1	0	1	1	5	6	7	1	0	1	1	5	6	7

*Governance bodies' members include members from the executive board, supervisory board and the Statutory Auditor.

Altri's executive board, elected in April of 2017 for the mandate corresponding to the three year period 2017/2019, is comprised by seven members, of which five men and two women, the last representing almost 30% of the composition of the board. Altri's commitment to gender diversity does not come from trends or legal impositions, since it was already in place in the previous mandate, 2014/2016, following the Group's meritocracy policy.

More information on diversity in governance bodies can be consulted in the bullet point "Legal Matters" of the Annual report 2018, published on the website www.altri.pt.

Responsibilities of the Governance Bodies

General Assembly	• Decide on statutory changes; • Assess the administration and supervision of the Corporation; • Debate the Annual Report; • Elect the social bodies and respective responsibilities; • Approve the declaration on payment policies of the social organs; • Decide on all topics submitted to them by the Executive board.
Executive Board	• Perform all management tasks in the pursuit of the corporate objective – respecting the guidelines warranted by the shareholders in general assembly – operating, at all times, on what it considers to be the best interest of the corporation, shareholders and employees.
Supervisory Board	• Supervise the corporation as well as propose to the general assembly the appointment of a Statutory Auditor or a Society of Statutory Auditors; • Receive irregularity complaints, from all sources, whether internal or external, that substantiate violations of ethical or legal nature, with significant impacts on accounting, fight against corruption and financial crime (*Whistleblowing*),
Statutory Auditor (or Society of Statutory Auditors)	• Examine the corporation's accounting.

Stakeholders

102-40 102-42 102-43 102-44 102-12 102-13

Altri is permanently alert to its stakeholders, available to receive their comments or suggestions and to answer any requests. Altri believes that it is through this continuous interaction that its stakeholders can assume an important role in the Group's performance improvement, to the extent that their comments and suggestions are taken into consideration when defining the execution priorities of the Group's strategy.

Shareholders	Customers	Employees	Academic community
• Annual general assembly; • Annual Report, Corporate Governance Report and Sustainability report, written by the administrative organ and presented to the shareholders; • AltriNews – composes a communication tool that reports the company's activities developed by the Group every trimester. • Altri's website http://www.altri.pt.	• Visitations; • Customer inquiries; • Evaluation of the customers external perception; • Strategic partnerships; • AltriNews – composes a communication tool that reports the company's activities developed by the Group every trimester; • Annual Report, Corporate Governance Report and Sustainability Report. • Altri's website http://www.altri.pt.	• Daily and weekly meetings; • Intranet; • Management meetings to discuss and disclose company goals; • Training activities; • Meetings with union committees; • Environmental, health and safety and hygiene committees; • Participation programs. • AltriNews – composes a communication tool that reports the company's activities developed by the Group every trimester; • MyCeltejoChannel. • Altri's website http://www.altri.pt.	• Cooperation protocols with universities; • Curricular and post-curricular Internships in cooperation with training centers, schools and universities; • Professional internships in cooperation with the Employment and Professional training Institute; • Visits to the production units; • AltriNews – composes a communication tool that reports the company's activities developed by the Group every trimester. • Altri's website http://www.altri.pt.

Altri's stakeholders

The identification of Altri's main *stakeholders* was based on importance, relevance and influence criteria of all people and entities that affect and/or can be affected by the activities and products.

Main means of communication with stakeholders

In the execution of its activities, Altri establishes relations with stakeholders, promoting connection and ample dialogue with all of them. In this sense, the Group utilizes varied means of communication, namely:

Communities/NGO's	Official Entities	Suppliers
• Financial donations; • Cooperation in supporting social solidarity institutions; • Volunteering activities; • Joint organization with fire brigades on drills and emergency situations; • Yielding of the training camps to fire brigades; • Yielding of IT equipment; • Support of varied school initiatives; • Program: Summer Academy; • AltriNews – composes a communication tool that reports the company's activities developed by the Group every trimester; • Sustainability Report. • Altri's website http://www.altri.pt.	• Regular sending of statistics and reports of various natures (fiscal, work related, environmental, health and safety, professional training, etc.); • AltriNews – composes a communication tool that reports the company's activities developed by the Group every trimester; • Sustainability Report. • Altri's website http://www.altri.pt.	• Evaluation and qualification of raw material and service suppliers; • Training activities to services providers including environmental and safety contents; • Partnerships with CELPA; • Information sessions regarding environment and safety, directed at service provider company managers; • Participation of safety technicians of external company's; • Paper pulp Industry Safety Card; • Responsible behaviour Program; • On site forest training; • AltriNews – composes a communication tool that reports the company's activities developed by the Group every trimester; • Sustainability Report. • Altri's website http://www.altri.pt.

Main affiliations and participation in other organizations

- Member of the Corporate Council for sustainable development (BCSD Portugal)
- Founding Member of the Forestry Competitiveness Association (AIFF)
- Member of the Corporate Innovation Association (COTEC Portugal)
- Member of the Paper Industry Association (CELPA)
- Member of Tecnicelpa, participation in management organ
- Member of the Confederation of European paper Industries (CEPI), participation in group tasks
- Member of Business & Biodiversity Iniciative
- Member of FSC® Portugal
- Member of AFOCELCA (Corporate group for vigilance and combating forest fires)
- Member of IUFRO – International Union of Forest Research Organizations
- Member of IEFC- European institute of cultivated forest
- Member of the Pinus Centre
- Member of ANEFA (via Viveiros do Furadouro)
- Member of Núcleo Empresarial de Santarém (NER-SANT), participation in management organs
- Member of Associação empresarial da Beira Baixa (AEBB), participation in management organs.
- Member of PEFC Portugal
- Member of IberLinx – *Associação para a Conservação do Lince-Ibérico*

Principles endorsed by Altri

Altri endorses, through its Code of Conduct, the United Nations Universal Human Rights Declaration.

Policies

102-11 102-16 102-17 308-1 414-2

Code of Ethics and Conduct	• The code of Ethics and Conduct reflects the principles and rules that should guide internal and external relations in all companies in the Group and with stakeholders and has the prime goal of orienting personal and professional conduct of all employees, regardless of job title or function, rooted on common ethical principles. • The Code's dispositions apply to all employees of the Group, including social organs of all companies, as well as customers and suppliers (with the implicit adaptations). • The Code was fully disclosed so its terms and content are explicitly known by all employees that are, regardless of their performing tasks, aware of the obligation to fully comply while performing their duties. • The executive board is the body responsible for guaranteeing the implementation of the Code and also enlighten any questions regarding the document. • The Code explains, confirms and establishes procedures regarding the Supervisory board's duty as the appropriate body to receive irregularity reports sent by shareholders, employees and others.
Irregularity Reporting Mechanism	• Altri has at its disposal an irregularity reporting mechanism that substantiates legal or ethical violations with a significant impact on accounting, fighting against corruption and financial crime (Whistleblowing). • The Supervisory Board is the body to which all irregularities are to be reported to, sent by any employee, business partner, supplier or any other stakeholder. • Data treatment inherent to the exercise of this mention was reported to the National Committee on Data Protection. During the year 2018, no report was registered.
Supply Policy	Altri's wood supply responsibility chains are certified through international norms of forestry management (FSC®– Forest Stewardship Council® and PEFCTM Programme for the Endorsement of Forest Certification Schemes), which demonstrates the established commitment to Altri's Supply Policy, controlling the source of wood along the supply chain.
Internship Policies	Through its industrial units, the Group has active policies in Internship openings, both professional and curricular, that allow students and graduates the possibility to come in contact with the corporate reality, in a sector that is dynamic and export oriented.
Partnership Rights' Policy	Partnership and collective negotiation right are a paramount principle for the Group.

Remuneration Policy	Social organs' compensation and remuneration policy (approved in general assembly on May 4th 2018), complies with the following principles: • Executive Board: The following are taken into consideration when establishing executive's individual salary: – Duties performed in the corporation and the different subsidiaries; – Responsibility and added value by individual performance; – The knowledge and experience accumulated in the performance of duty; – The Group's economic situation; – The salary value of companies in the same sector and other corporations listed on Euronext Lisboa • Supervisory Board: The supervisory board members' remuneration is based on established annual values, adequate to similar duties. • General Assembly: The General Assembly's remuneration will be exclusively established and will follow market practices. • Statutory Auditor: The Statutory Auditor's remuneration will be established in accordance to the duties to perform and according to market practices, under the Supervisory Board's supervision.
Diversity Policies	The executive board promotes diversity policies, while keeping in mind the meritocracy principle, on various levels: • Instructing human resources of the various operational corporations that: career progression policies, performance evaluations and wage revisions are to be defined based on diversity promotion concerns; in recruitment processes, they seek to promote the aforementioned diversity, presenting lists of potential employees that represent both genders equally. • Instructing operational sectors that the multidisciplinary teams formed for each project are to be composed taking into consideration representability balance.

Certifications

The focus on quality, continuous improvement of global performance and customer satisfaction and meeting their expectations has made all Group companies committed to implement and certify quality management systems (ISO 9001), considering these measures to enhance business sustainability.

All Altri's industrial units have their management systems certified in compliance to the requirements imposed by ISO 14001 (Environmental Management Systems) and by OHSAS 18001 (Health and Safety Management Systems). Identically, all units have their support labs approved by ISO/ IEC 17025 norm.
Celbi and Celtejo have Energy Management Systems implemented, certified by ISO 50001.
Celbi and Caima are also registered on EMAS – Eco-Management and Audit Scheme.
Celtejo has their Investigation, Development and Innovation System certified by NP 4457 norm.

Its wood supply responsibility chains are also certified according to international forestry management norms (FSC® – Forest Stewardship Council® and PEFC™ – Programme for the Endorsement of Forest Certification Schemes), which shows the commitment to Supply policies in controlling wood sources along the supply chain.

ISO 9001	✓
ISO 14001	✓
OHSAS 18001	✓
ISO/IEC 17025	✓
ISO 50001	✓
EMAS	✓
NP 4457	✓
Forest Stewardship Council® - FSC®	✓
PEFC™ - Programme for the Endorsement of Forest Certification Schemes	✓

05.
Managing the forest in a sustainable manner

102-7

Altri Florestal is responsible for the management of the 80 thousand hectares nationwide, applying best practices regarding forestry sector and investing on continuously improving forestry management.

Forest management

8,4 **Million** plants produced in 2018

Biodiversity protection

Prevention and Combat of forest fires

Forest productivity

Forest work accident drills

Development of local economy

Furadouro Nurseries

PROTECTED AREA

- Area preservation value **Assessment**;
- **Establishing** an opportunity and priority identification plan for protection and preservation;
- Plan **Implementation**;
- **Monitoring** of the conservation model adopted and assessing the evolution of habitats and species

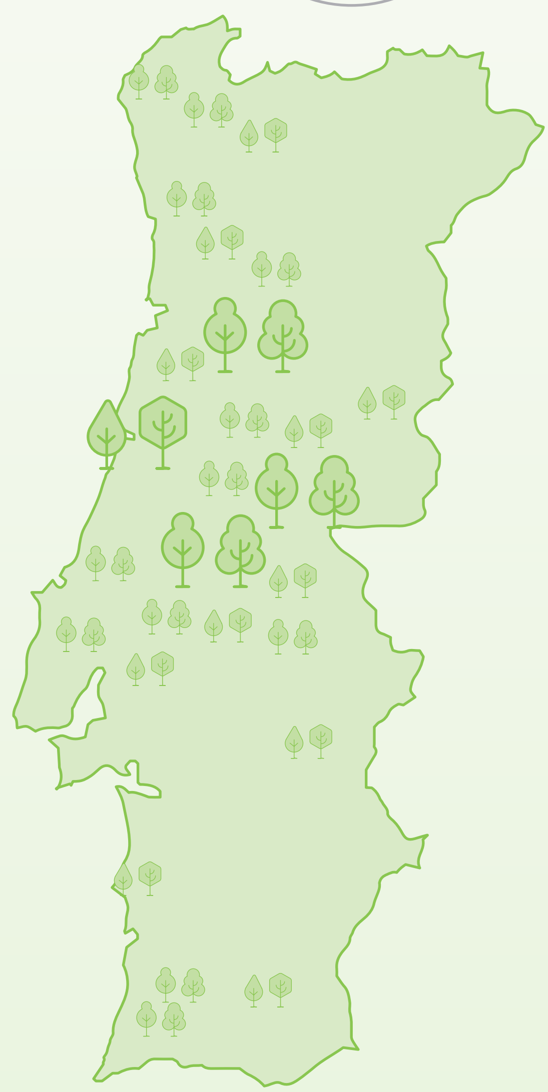
PROTECTED HABITATS

23% Thermo-Mediterranean and pre-desert scrub

45% Quercus spp. Evergreen forests

15% European dry heaths

17% Others



ENDANGERED SPECIES

13 vulnerable species

9 endangered

4 critically endangered

80.000 ha
of forest

100% of Altri Florestal forest is FSC® and PEFC™ certified

57% of wood acquired by Altri is FSC® and PEFC™ certified™

Forest certification is a priority for Altri, justifying the voluntary joining to two international forestry certification and responsibility chain systems, FSC® and PEFC™. Apart from forestry certification, the company also has quality management certified by ISO 9001 and implemented a "Forestry practice code", that sums up best practices to be observed during performance of duties, applicable to both employees and all entities hired by the company.

Altri Florestal's forest is managed in order to guarantee sustainability in the economic, ecologic and social spheres, as far as its activity is mainly directed towards quality and financially competitive wood production, based on utilizing appropriate technological means for preparing, maintaining and exploring its forests.

Altri Florestal promotes forestry certification to its partners and raw material suppliers, providing the necessary technical support for the constitution and operation of producer groups, later acquiring certified wood.

In 2018 Altri Abastecimento de Madeira acquired, for the three industrial units of the Group, 57% of FSC® and PEFC™ certified wood, increasing approximately 3% compared to 2017, demonstrating its commitment to continuous improvement.

Forest management Strategy

The Forest management strategy followed by Altri Florestal is based on optimizing the forests production capacity through the:

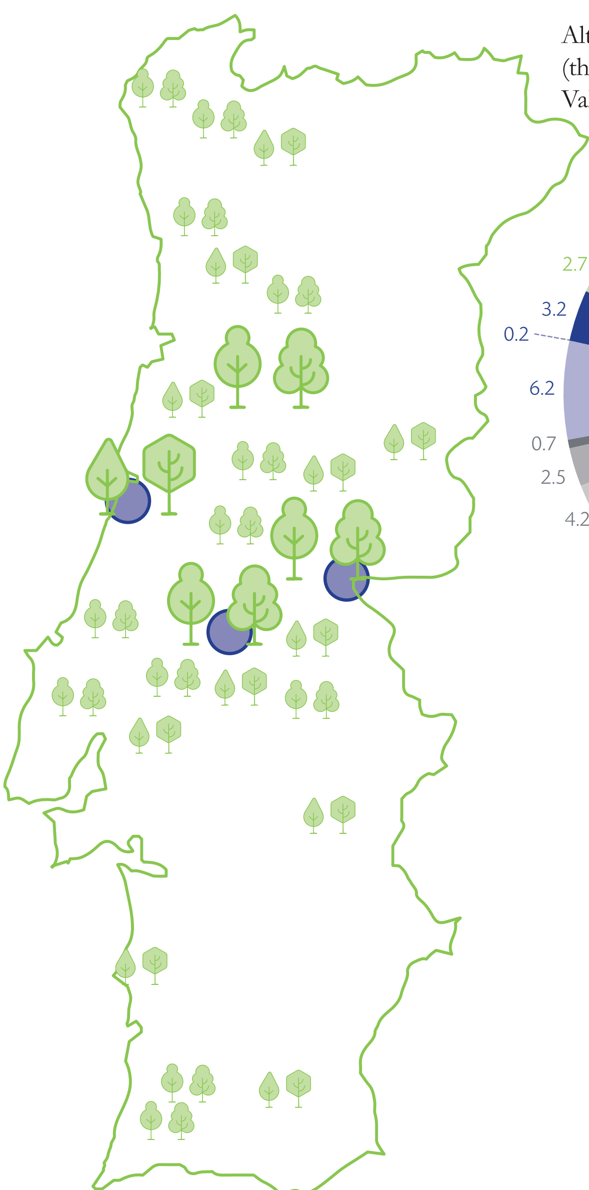
- Implementation of a long term forest model, capable of guaranteeing an adequate profitability rate, sustainably managed and based on the application of forestry best practices. Simultaneously, the development and production of plant materials, with high productive efficiency, allow for a gradual replacement of low productivity cultures for more productive ones.

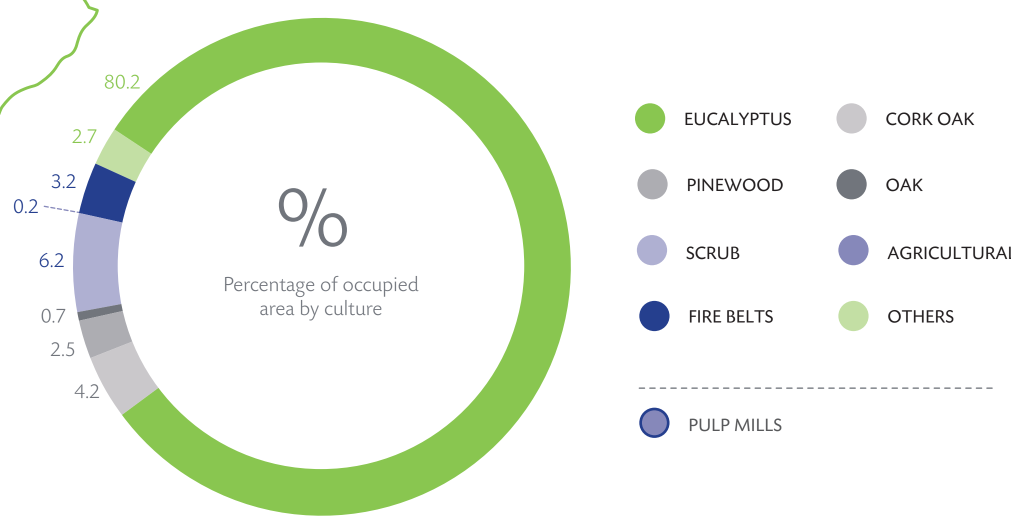
- Biodiversity preservation, especially in areas with an ecologic value considered relevant. In this sense, areas with low aptitude for eucalyptus production are frequently subject of reconversion projects that aim to restore native plant species.

The forest activities developed by Altri Florestal also constitute a catalyst for the sustainable development of local and regional economies. The company commits to the hiring of local services and manpower, fomenting economic and social development.

At Altri Florestal, each reforestation operation is planned, designed, executed and monitored in compliance with certified procedures, completely embedded in the company's routine in perfect harmony with nature's respect and preservation. Forestry is the main land use in the districts where most of Altri Florestal's estate are located, with agriculture also being relevant in some.

Although distributed all over continental territory and composed mainly by eucalyptus (that occupies 80% of the 80 thousand hectares), Altri's forest is concentrated in the Tagus Valley region.





Forest fire prevention and combat

In 2018, Altri Florestal obtained its best result yet regarding burnt areas, which was residual in the eucalyptus area (4 hectares). The burnt area was primarily due to the Monchique fire, during which two biodiversity preservation facilities burnt down, with no eucalyptus occupation, in a total of 100 hectares. These properties are going to be subject to a recovery project, in partnership with local entities and whose objective is to promote Medronho fields, protect the rhododendrons hub (*Rhododendron ponticum*) and plant the local oak tree typical of the Monchique sierra, the Monchique Oak tree (*Quercus canariensis*), whose plants we intend to produce, with harvested acorns.

Altri has planned the following future investments, regarding forest fire prevention.

Reduction of inflammables, a total of 14 thousand hectares, cleaning of 1,100 hectares of fire belts and the maintenance of 2,500 kilometres of forest roads.	After the first experience in 2018, the controlled fire project will be continued in 2019 as a means to clear the flammables in adult eucalyptus and pine fields as well as leftovers from production. The objective is to gauge the operational and economic viability of this method, as well as the impact of fires in cultures and soil quality.	
Firefighting and detection through Afocelca.	Afocelca will implement, in 2019, a project of extension of activity scope, predicting the completion of forestry operations, all of them related with biotic and abiotic protection, plague control, invasive species control and controlled fire.	1.1 million euro Investment

Forest work accident drills

Drills stage a real emergency situation in different circumstances, for example, fires, accidents, earthquakes, floods, among others. They allow testing on operability, define strategy, correct vulnerabilities and train parties involved, promoting behavioural routines before an emergency situation, contributing to minimizing panic reactions in real life situations.

Forestry work has particularities, not only due to the machinery and equipment used but also due to the geographic spread, isolation and lack of accessibility to on site workplace locations. Safety and Emergency in forestry work is an important topic for Altri Florestal, who values the promotion and disclosure of best practices and safety procedure implementation. Beyond the awareness activities and certification training (DGERT - *Direção-Geral do Emprego e das Relações de Trabalho*) regarding health and safety in forestry work, in 2018 it also initiated the Drill Plan for Work Accidents in forestry operations: forestry exploration, maintenance or forestation, with the goal of conducting four drills, one for each forest region.

In 2018, two forest work accident drills were performed, in the Middle Tagus and West regions. A safety procedure was tested on snagged trees in pre-harvest exploration, as well as an emergency procedure regarding communication and rallying point location, identified on maps distributed to forestry service suppliers with geographical coordinates.

The drills concluded with basic life support training to various accident situations in forestry operations.

The drills relied on the support of Altri Florestal's adapted training room van, Firemen and municipal civil protection services, as well as the presence of the forest service provider's employees , the Authority on Work Conditions, National guard and regional forest producer associations.

Two more drills are planned for 2019, in the Northern and Interior Forest regions.

Viveiros do Furadouro

The *Viveiros do Furadouro* began their activity in 1992 and since guarantee Altri Florestal's plant supply used in forestations. Because of its clear genetic value, all eucalyptus plants that *Viveiros do Furadouro* supplies to Altri Florestal are included in the "tested" category, the highest grade in forest material classification (Law Decree no. 205/2003).

The seed and forest plants production and marketing activities are licensed, so all the forest plants of this company are subject to rigorous quality control, complying with and exceeding the requirements defined by the Law Decree no. 205/2003, regarding the marketing of forest materials.

The production materials and processes used in *Viveiros do Furadouro* for the production of the various species allow for the high grade quality.

8.4 Million
plants produced in 2018

85% of plants sold are genetically enhanced eucalyptus, classified as tested by the Law Decree no. 205/2003.

Beyond eucalyptus, other plants have been produced, such as pine, cork oak and other oak trees as well as *Medronho*, river bank species Buçaco cedar and casuarinas.

Biodiversity preservation

304-1 304-2 304-3 304-4

Altri Florestal, because of its deep know-how in the forestry management sector, is conscious of the existence of spaces where, because of its physical and/or biological characteristics, natural animal and plant communities exist or can soon exist that are important to preserve or where it is necessary to set corridors and lanes to avoid habitat fragmentation and has created an identification, preservation and restoration strategy for areas classified as preservation areas, so that the Group can guarantee a management execution based on sustainability criteria.

The biodiversity management strategy arises as a plan that intends to reflect the Group's attitude towards appreciation and protection of natural spaces present in forest areas.

The biodiversity management strategy

The strategy is based on four principles that aim to guarantee the protection and appreciation of the natural spaces and their framing in the forest areas under management of Altri Florestal:

1. Assessment of the conservation value of the areas of each property, based on criteria such as size, connectivity, habitat or species rarity and landscaping, in order to identify protection and intervention priorities;
2. Based on this assessment, a plan is articulated with forest operations planning that identifies opportunities and priorities for protecting and enhancing conservation values;
3. Implementation of this plan through conservation models and appropriate forest operations through passive or active measures to improve or restore habitats;
4. Monitoring of the conservation model adopted and evaluation of the evolution of the presence of habitats and species.

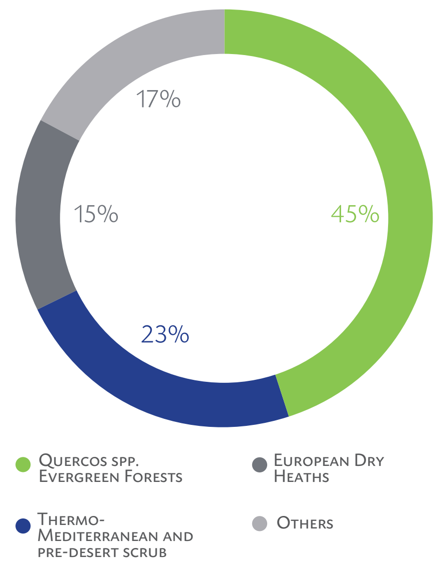
Protected areas

	Área (ha)
Tejo Internacional Natural Park	1,943
Serra de São Mamede Natural Park	1,071
Serra de Montejunto Protected Landscape	342
Serras de Aire e Candeeiros Natural Park	109
Serra da Estrela Natural Park	7

Recovered or Protected Habitats

Altri Florestal records the natural values (habitats and species) in a geographically organized database, which is intended to be available for observation by all employees, consultants and external volunteers.

Altri Florestal, with the help of specialized technicians, collects information on the proven or probable presence of endangered species that are in its patrimony. With this information, it has been compiling the data obtained and making them available internally within the Group, as well as to various organizations and institutions external to its organization, public or private.



Endangered species of fauna identified in the forest under Altri management

Birds	Birds	Mammals	Fish	Amphibians and Reptiles
Red-necked nightingale *Caprimulgus ruficollis*	Nabal owl *Asio flammeus*	Fringe bat *Myotis nattereri*	River lamprey *Lampetra fluviatilis*	Salamander lusitanica *Chioglossa lusitanica*
Black-eared wheatear *Oenanthe hispanica*	European nightinglae *Caprimulgus europaeus*	Iberian wolf *Canis lupus*	European eel *Anguilla anguilla*	Mediterranean Pond Turtle *Emys orbicularis*
Black vulture *Aegypius monachus*	Montague's harrier *Circus pygargus*		Ray-finned fish *Iberohondrostoma lemmingii*	Palmate newt *Triturus helveticus*
Royal Eagle *Aquila chrysaetos*	Peregrine Falcon *Falco peregrinus*		Boga-portuguesa *Iberochondrostoma lusitanicum*	
Black Stork *Ciconia nigra*	Ógea *Falco subbuteo*		Bordalo *Squalius alburnoides*	
Egyptian Vulture *Neophron percnopterus*	Spoonbill *Platalea leucorodia*		Escalo do Sul *Squalius pyrenaicus*	
Goshawk *Accipiter gentilis*	Imperial Eagle *Aquila adalberti*			
Stone Curlew *Burhinus oedicnemus*				

Altri Florestal proceeds to the identification, mapping and characterization of natural values present in the assets under its management. By 2018 it had registered some species on the IUCN Red List and in the national list of species conservation:

13 Vulnerable Species

4 Critically endangered species

9 Endangered

Biodiversity Center

Knowledge of conservation values present in forest areas and interaction with forest management activities is of crucial importance for the sustainability of the forest ecosystem.

In this sense, Altri Florestal, in partnership with the scientific community, established a network of permanent monitoring and evaluation stations for biodiversity to assess species richness and the influence of forest management on biodiversity.

The selection of the main groups of fauna and flora as bio indicators and their monitoring will allow a better knowledge about the presence and distribution of the species and their sensitivity to the forestry practices.

Among the main groups of fauna selected in the monitoring network are birds, fish, reptiles and amphibians and insects (Day and Night Butterflies and Dragonflies).

The concept of a Biodiversity Station (EBIO) was developed by the Tagis Association (Center for the Conservation of Portuguese Butterflies). These are short pedestrian paths (maximum 3 kilometres), marked on the ground by 9 information panels on the biological diversity that visitors can observe. Each EBIO is located in a site of high specific and scenic richness, representative of the habitat's characteristics of the region. The panels function as a field guide and refer to emblematic and common species. Particular emphasis is placed on insects and plants, which are the basis for the conservation of terrestrial ecosystems.

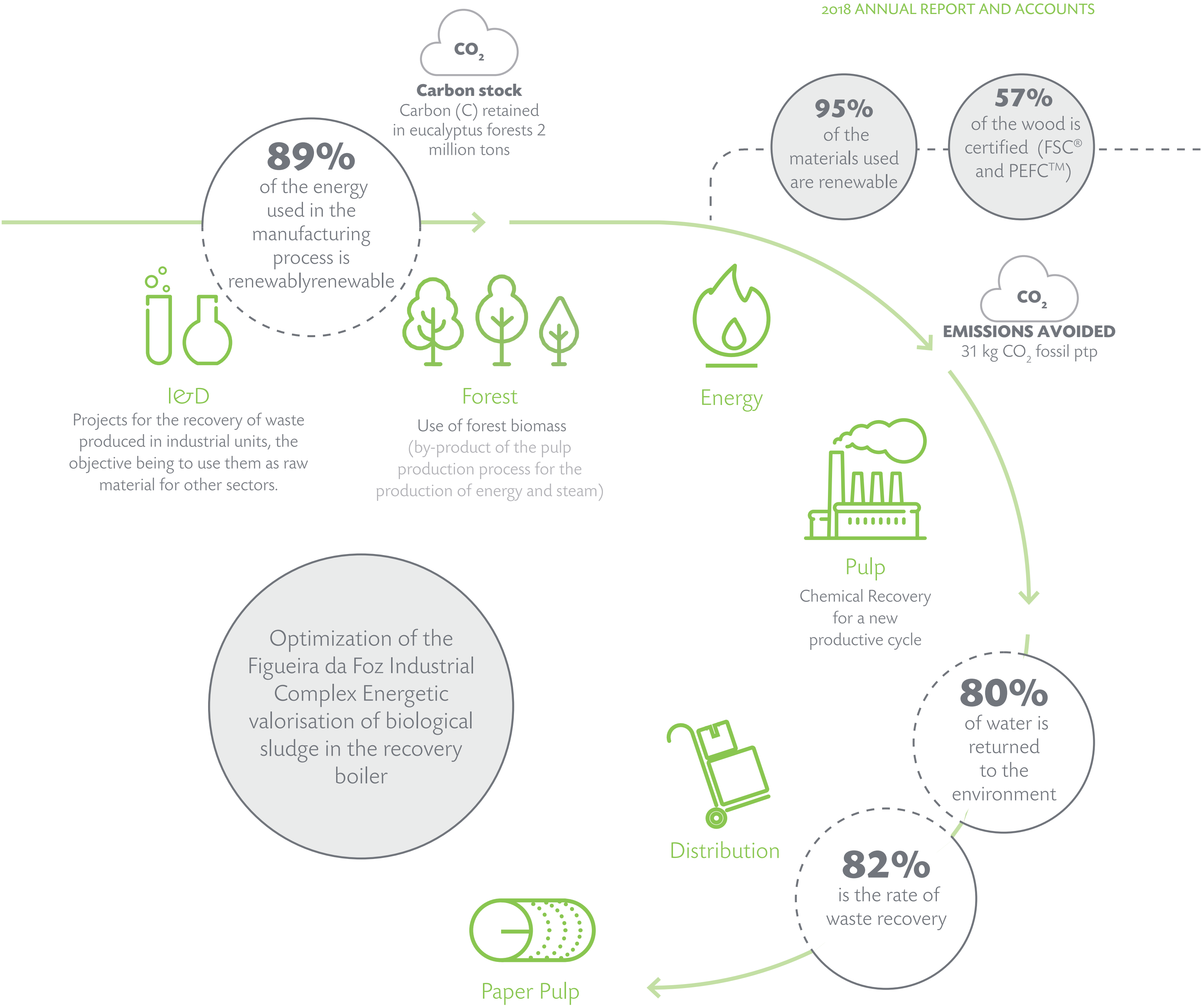
Altri Florestal at an early stage of adherence to this concept of monitoring, selected two reference sites where the company has invested consistently in the improvement and restoration of habitats and conservation values. The Biodiversity Station of Ribeira da Foz and the Biodiversity Station of Quinta do Furadouro were created. During the next few years more EBIO are planned, with the highlight being the Cabeço Santo Biodiversity Station.

The concept of EBIO was integrated as a tool for communication and engagement with stakeholders due to the way it intends to promote visitation and enjoyment by local communities and, in a second phase, to disseminate these sites as "living laboratories" for the development of protocols for evaluation and monitoring with the scientific community.

06.
Reducing environmental impacts

102-7

At Altri, an effort has been made over the years to minimize the consumption of raw materials, fossil fuels and water. The intention is to continue on this path, in order to optimize environmental performance, reducing costs and increasing competitiveness. On the other hand, we have been working on reducing the environmental impact caused by the activities of the Altri production units, with the development of actions leading to a reduction in net emissions, atmospheric emissions and waste produced.

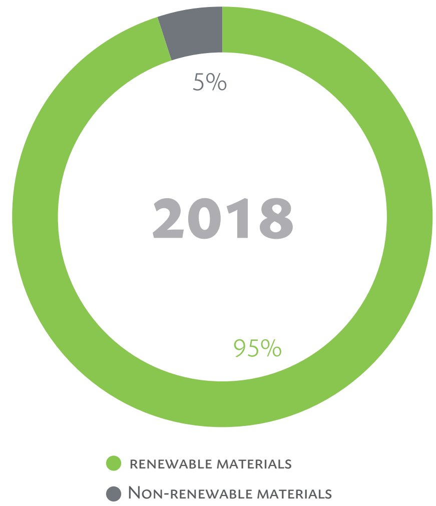


All Altri industrial units have Environmental Management Systems implemented and certified in accordance with international standards of reference. In this context, all the environmental aspects are identified and the associated impacts and risks are assessed for all the activities carried out, as well as the control and mitigation measures associated, in the scope of those that are considered more meaningful.

Raw material consumption

301-1 301-2

The Group's base for the production of pulp is wood, a renewable raw material, which accounts for about 95% of the materials used in the manufacturing process and comes from large areas of certified and managed forests in a sustainable manner.



In addition to wood, Altri uses several chemicals, which account for only about 5% of the material used in the process, the most relevant being caustic soda, hydrogen peroxide, oxygen, sulphuric acid and sodium chlorate.

Energy consumption

302-1 302-3 302-4

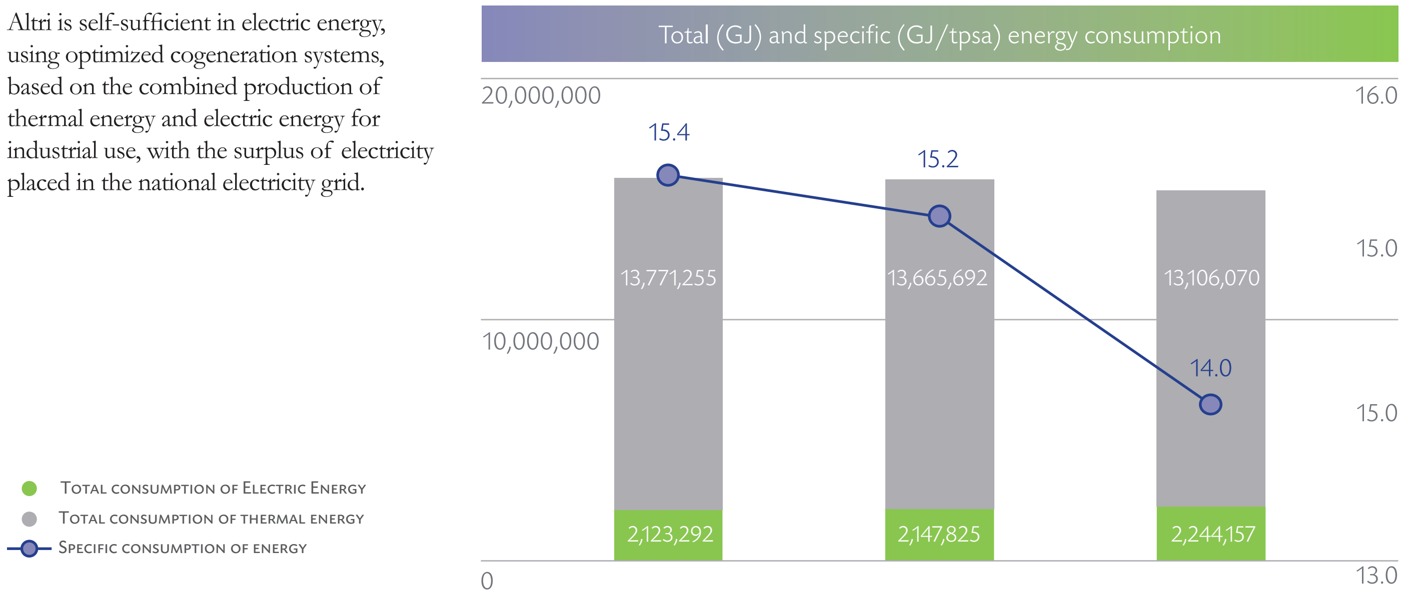
The pulp production process is energy-intensive, but in Altri's production units the energy requirements are met through wood derivatives, namely black liquor, sawdust and bark, whose carbon content is considered to be environmentally neutral.

The focus on reducing production costs and increasing energy efficiency has led Celbi and Celtejo to implement and certify Energy Management Systems in accordance with the requirements of ISO 50001, which determine the definition and frequent implementation of specific improvement programs such as replacement of incandescent and fluorescent lamps with LEDs or actions to reduce energy consumption for motors above 200kW, which up to now have saved around 250 thousand Euro /year.

As a consequence of the various initiatives implemented over the last few years, it can be seen that, although the energy consumed remained substantially constant, in specific terms there was a positive variation in the decrease in electricity purchased abroad, due to the energy production of the industrial units.

Investing in new technologies and committing to the best practices of energy efficiency, allows the energy produced from the burning of biofuels to become increasingly representative, since 90% of the energy sources used in the manufacturing process are non-fossil.

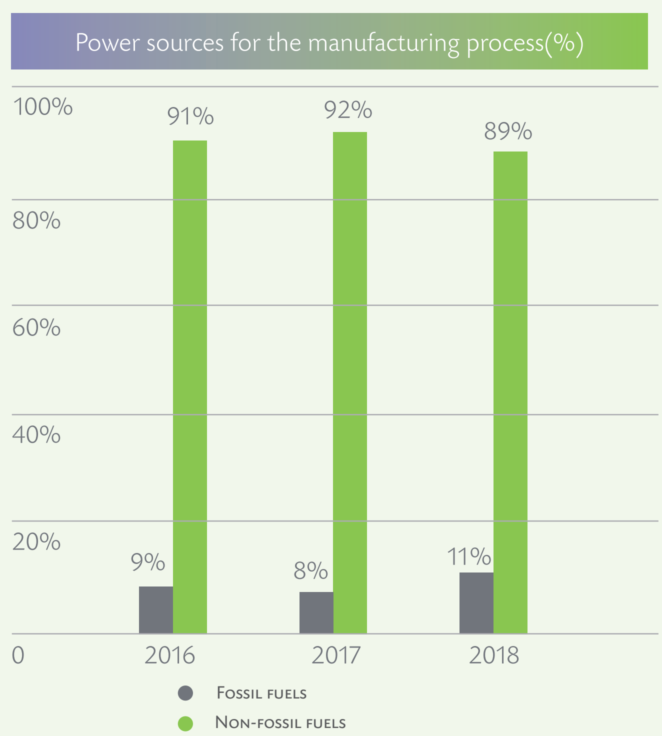
Altri is self-sufficient in electric energy, using optimized cogeneration systems, based on the combined production of thermal energy and electric energy for industrial use, with the surplus of electricity placed in the national electricity grid.



Biomass is an organic material that exists in trees, crops and other plants. Biomass consists of carbohydrates - organic compounds that form in plants - and can be defined as stored solar energy in organic form.

As plants and trees grow, photosynthesis uses solar energy to transform carbon dioxide into carbohydrates (sugars and cellulose).

The use of biomass as an energy source does not produce a net increase in the emissions of carbon dioxide because as the plants develop carbon dioxide it is withdrawn from the atmosphere by photosynthesis. The use of biomass for energy production is thus a way of using forest residues which could otherwise create environmental risks, in particular, forest fires.



Air emissions management

At Altri, the atmospheric emissions associated with the production process are scrupulously monitored, according to the conditions established in the environmental licenses of each production unit.

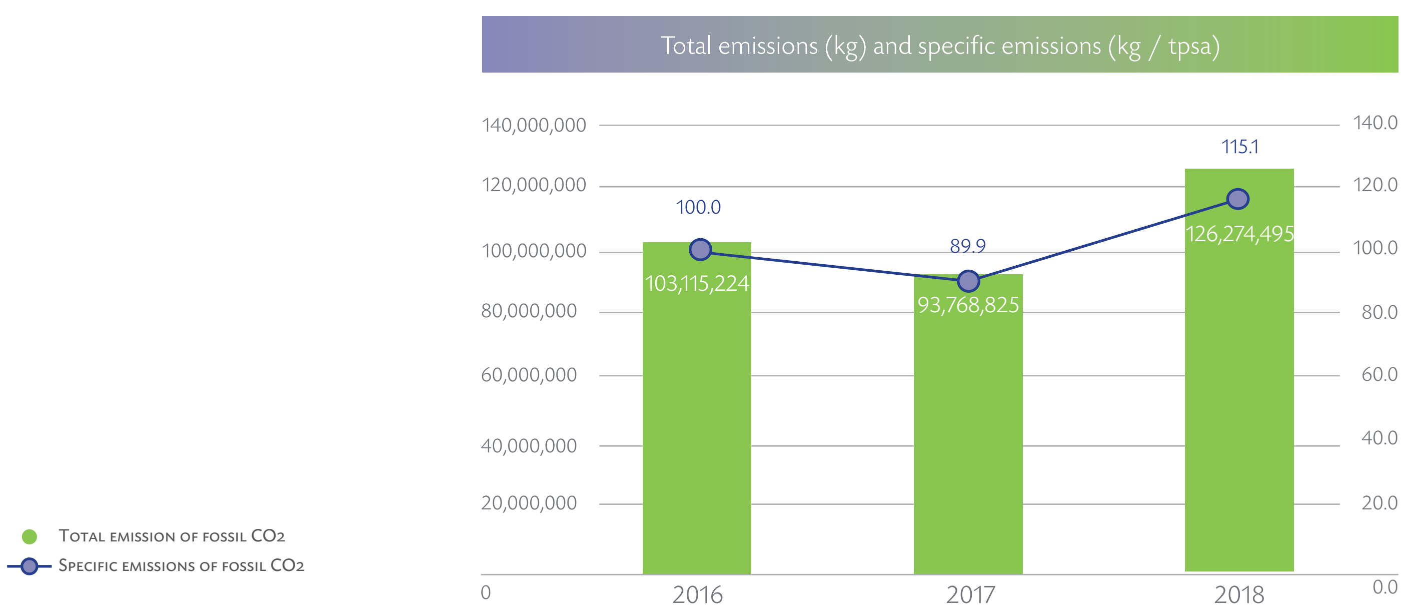
Fossil CO2 Emissions

305-1 305-2 305-3 305-5 305-7

In 2018, Altri emitted a total of 126,274,495 kg of fossil CO_2.

Total GHG emissions increased by 22% in 2018 compared to 2016. This increase is due to the increase in Celtejo's emissions from the start-up of the new boiler (2016 - 39,140 tCO_2eq; 2017 - 28,316 tCO_2eq; 2018 - 59,180 tCO_2eq).

In 2018, specific emissions also increased by 15% compared to 2016, from 100 kg fossil CO_2 / tpsa to 115 kg fossil CO_2 / tpsa.



Carbon footprint

In 2018, Altri carried out an intensive study aimed at quantifying the Group's Carbon Footprint 2018, in specific terms. In total, Altri issued 430 kg CO_2 / tpsa, distributed in the three areas considered: Scope 1 (27% of total emissions), Scope 2 (13% of total emissions), and Scope 3 (60%).

The avoided emissions (energy produced internally and supplied to the national grid) totalled, in 2018, 31 kg CO2 / tpsa

	The ten elements of Altri's carbon footprint in 2018	Emissions or sequestration (negative emissions) in kg fossil CO_2 tpsa			Total:
		Scope 1	Scope 2	Scope 3	
1	CO_2 sequestrated in the forest	-	-	-	
2	Biogenic carbon retained in the product when it leaves the factory for the customer	-1630	-	-	
3	GHG emissions associated with the pulp production process	117	-	-	
4	GHG emissions associated with the production process of eucalyptus wood	-	-	31	
5	GHG emissions associated with the production of other raw materials	-	-	120	
6	GHG emissions associated with the purchase of electricity	-	85	-	
7	GHG emissions associated with transport	-	-	108	
8	GHG emissions associated with the use of the product (e.g. paper production)	-	-	-	
9	GHG emissions associated with end of product life	-	-	-	
	Total emissions of fossil CO_2	117	54	259	430
10	GHG emissions avoided		-31		

For more information on the Carbon Footprint, see the Methodological Notes.

Other atmospheric emissions

The following tables show the evolution recorded in the main parameters monitored in addition to CO_2.

Total emissions (t)	2016	2017	2018
NOx	917	1,009	970
SO2	127	195	126
Particles	330	339	95
TRS	28	30	22
Specific emissions (kg/tpsa)	**2016**	**2017**	**2018**
NOx	0.89	0.97	0.88
SO2	0.12	0.19	0.11
Particles	0.32	0.33	0.09
TRS	0.03	0.03	0.02

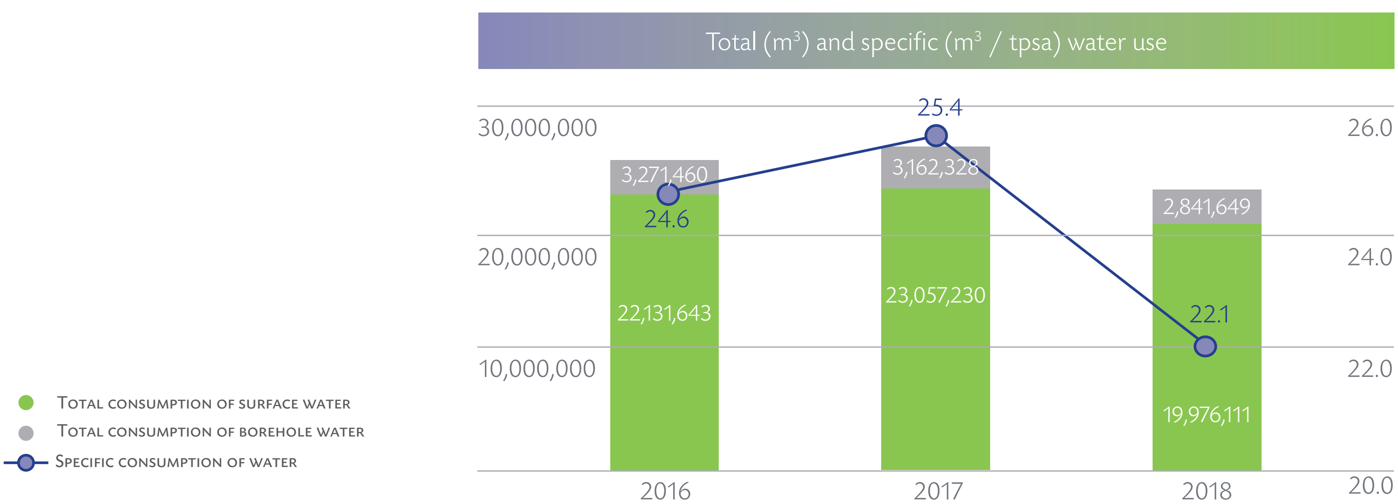
Water use

303-1 303-3

Altri is aware of the importance of efficient water use management and subscribes – completely - to the message from the Portuguese Environmental Agency: "Drought or not, use water in moderation."

Over the years, several improvement actions have been implemented in order to reduce the total and specific use of this natural resource, recycling and reusing it as much as possible.

Between 2016 and 2018, there was a reduction of about 10% in the specific use of water, while the three industrial units continued to be optimized for this resource.



Waste production and effluents

306-2

Altri strives to carry out projects of internal valorisation of waste and reduction of production of the same.

In 2018, of the total waste produced, 82% was sent to recovery processes, which represented an increase of 6%, compared to 2017.

Waste production (kg)	2016	2017	2018
Total	87,424	89,115	73,922
Landfill	18,139	21,367	13,391
Recovery rate	79%	76%	82%

At Altri only non-hazardous industrial wastes of procedural origin that do not have other suitable destinations are deposited in controlled landfills. In the case of Celbi and Celtejo, these landfills are integrated in the plants. At Celbi, the organic waste resulting from the preparation of wood, together with the sludge from the effluent treatment, is processed at the Waste Composting Station.

Waste that does not result from its productive activity (paper, plastic, glass, waste oils, waste contaminated with oils, etc.) is collected through an extensive network of selective collection containers and sent to duly licensed external waste management operators for this purpose, for the purpose of treating, disposing or recovering it.

VALAMAS program

Celbi has gradually increased its pulp production and, in addition to this increase in production, there has also been an increase in the production of biological sludge in the secondary effluent treatment.

These high values of biological sludge production require technically and economically viable alternatives for their recovery, both inside and outside Celbi's facilities, but which are environmentally appropriate.
For this reason, a few years ago, priority was given to the use of biological sludge in the preparation of a compound for agricultural and forestry applications.

Due to the fact that the composting process causes odours associated with the biological sludge fermentation process, one of the Group's plants, Celbi, is developing a process whose objective is to energetically valorise biological sludge in the Recovery Boiler, technology used by the Nordic companies for several years and that has been an excellent valuation solution.

At Altri all plants are equipped with Industrial Waste Water Treatment Plants (IWWTPs) and proceed to the periodic monitoring of the quality of the liquid emissions.

Effluents

306-1

Throughout the year 2018, the industrial units of the Altri Group were guided by their compliance with the emission limits contained in their respective environmental licenses. In these units, all liquid effluents from the plants are subjected to primary treatment processes to remove suspended solids and are then treated in biological treatment units in which the organic matter is decomposed by microorganisms.

In 2018, the reductions in the total and specific effluent flow are due to the completion of projects to install new equipment and reconversions, which contribute to greater stability in the operation of the plants.

Effluent flow	2016	2017	2018
Effluent flow (x1000 m^3)	22,514	22,080	18,348
Effluent flow (m^3/tpsa)	22	21	17

New Celtejo WWTP

After a global investment of 12 million Euro, Celitejo's new Waste water Treatment Plant (WWTP), was tailor made by General Electric for Celtejo, to comply with the requirements of its environmental license. This equipment, state of the art technology, has become a case study in international conferences of suppliers of this type of equipment.

The new WWTP was designed to meet the specifications of BREF PP 2015 for effluents, placing Celtejo in the group of companies with the best practices in this field.

After sedimentation of primary sludge, the effluent to be treated is neutralized with CO_2 and fed to three biological reactors in parallel with an individual volume of 12 thousand m^3. The next step includes the use of ultrafiltration membranes, with a mean pore size of less than 0.04 µm, which retain suspended material with the size of bacteria and viruses. Given the quality of the treated effluent, it is possible to reuse some of this water in the manufacturing process.

The excess sludge produced by the WWTP goes through two settlers and is centrifuged before being dispatched to composting operations at waste operators.

07.
Promoting human capital

102-7

At Altri, we prioritize the skills and talent of our human capital as a factor of sustainable competitive advantage. In order to respond to these challenges, we have focused our work on a Human Resources Strategy based on the following guidelines:

The Group's commitment to the health and safety of its employees is evidenced by certification in occupational safety and health management systems under the OHSAS 18001 standard of all manufacturing units, as this certification is part of a risk management strategy, providing a more comprehensive and effective management of operational risks and contributing to the protection of employees and better performance.

+ more than 700 Employees

57 New hirings
83 Trainees

Attract and retain the best professionals to ensure the excellence of the organization and consolidate its image of reference

27,687
Hours of training

Prepare an adequate and efficient organization capable of facing future challenges, equipping it with the necessary management tools, including the necessary people and skills

0.45
Severity index of accidents:
(Days lost per thousand hours worked)

To develop the skills of its employees by providing them with greater versatility, thus preparing them for succession plans and future challenges

Create in the organization a performance culture capable of mobilizing its employees for excellent behaviors and guiding them towards the pursuit of challenging goals

Altri employees

102-8 102-41 401-1 405-1

At Altri, although the predominance of men is notorious (86% of employees), gender diversity is a theme that the Group recognizes as current and relevant. Although the Group's areas of activity - eminently industrial - are areas historically more prone to male dominance, the fact is that the Group has been defining and implementing measures that have materialized in a greater gender parity for several years.

As an example of the fact that the measures implemented materialize in a greater gender parity, we have the cases of Celbi, Celtejo and Caima, who admitted, in 2017 and 2018, 14 women, with university education for their operational area of production, where traditionally only men are hired. After contact with the base of the operation, the teams and shift work are completing a specific training program for the conduct of different procedural facilities.
Resulting from Altri's workforce renovation, 17% of the company's employees are now under 30 years of age and 33% have higher education qualifications, contrasting with the year 2010 when this number was only 24%.

Employees by age group and gender (31 Dec)	2017										2018									
	< 30 y.o			30-50 y.o			> 50 y.o			Total	< 30 y.o			30-50 y.o			> 50 y.o			Total
	Women	Men	Total	Women	Men	Total	Women	Men	Total		Women	Men	Total	Women	Men	Total	Women	Men	Total	
Employees (no.)	27	99	126	45	320	365	29	209	238	729	29	91	120	40	331	371	31	204	235	726

Employees with higher education (31 Dec)	2017			2018		
	Women	Men	Total	Women	Men	Total
Employees with higher education (%)	62%	24%	30%	66%	28%	33%

Most of Altri's employees are full-time employees (in 2018, there was only 1 part-time employee). Similarly, 88% of employees have a permanent employment contract.

Employees by type of contract and employment (31 Dec)	2017		Total	2018		Total
Permanent employees (no.)	74	549	623	79	564	643
Non-permanent employees (no.)	25	77	102	21	61	82
Part-Time Employees (no.)	2	2	4	0	1	1

Following the commitment to reinforce critical skills and ensure succession in the job posts, there was an important flow of new hirings, with great potential, which have contributed to the rejuvenation of the Group's staff. The following were highlighted in this scope: the reinforcement of professionals in the areas of Production, Maintenance, IT and Research and Development.

In addition to representing a significant and decisive contribution by the Group to the fight against unemployment and the promotion of durable and highly skilled employment, the hiring number is justified by the high number of termination of employment contracts because of the age of retirement. Truthfully, the fact that there is a high number of employees reaching retirement age is the best evidence that the Group pursues a highly sustainable human resource policy, capable of retaining talent and promoting and rewarding experience and the know-how that only age can achieve.

Hiring and Rotation rate of employees, by age group and gender (31 Dec)	2017									Total	2018									Total
	< 30 y.o			30-50 y.o			> 50 y.o				< 30 y.o			30-50 y.o			> 50 y.o			
			Total			Total			Total				Total			Total			Total	
New hirings (no.)	17	21	38	4	11	15	0	2	2	55	10	16	26	6	24	30	0	1	1	57
New hiring rate (%)	16.8%	3.3%	5.2%	4%	1.8%	2.1%	0.0%	0.3%	0.3%	7.5%	10%	2.6%	3.6%	6%	3.8%	4.1%	0.0%	0.2%	0.1%	7.9%
Employment termination (no.)	1	5	6	2	5	7	0	12	12	25	8	5	13	5	14	19	1	20	21	53
Rotation rate (%)	1%	0.8%	0.8%	2.%	0.8%	1.0%	0.0%	1.9%	1.6%	3.4%	8%	0.8%	1.8%	5%	2.2%	2.6%	1%	3.2%	2.9%	7.3%

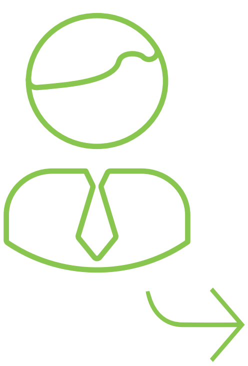
The right to association/partnership and collective bargaining is a relevant principle for the Group. The percentage of unionized employees is 38% in 2018, an increase of 4.4 percentage points compared to 2017.

Unionized employees by gender (31 Dec)			Total
Unionized employees by gender (%)	7.4%	43.2%	38.4%

Attracting and retaining of talent

401-2

Altri strives not only to attract, but above all, to retain talent for the various areas of the Group's companies. It attracts young people with high potential and promotes their professional development, through highly qualified training actions and the assignment of functions that are challenging to their competencies, allowing a professional growth based on excellence. In the same way, it sensitizes its employees and implements measures that allow them to achieve a healthy balance between their personal and professional responsibilities.



"A company is not distinguished by the size of its staff, but by being able to attract and retain high-level employees. Similarly, a worker does not count for being available to work, but for the skills that he is able to offer."

António Jorge Pedrosa, Human Resources department manager at Celbi

Internships

Altri, through its industrial units, has strong policies for granting internships, both professional and complementary to school curriculum, which allow young people the possibility of having contact with business reality, in a very active, dynamic and export oriented sector.

In 2018, there were 83 trainees in the companies of the Altri Group, 16% of which were integrated after completing the internship.

"Summer Academy" Program

This program is an initiative that has taken place in Celbi, without interruption, for more than 30 years and normally takes place in August, in several areas of the company.

Every year the company is invaded by the irreverence of about three dozen young people between the ages of 17 and 22 from high schools and higher education establishments. The young are employees' children and students with school merit.

One of Celbi's objectives in organizing this program is to enable young people to have a first contact with the world of work, to improve their knowledge about the sector, the activities that the company develops within its social and environmental responsibility and to contribute to their personal development.

Happy employees are Altri's trademark image.

Altri offers its employees various social benefits, such as health insurance and the pension fund. These are benefits that contribute to the well-being and satisfaction of employees and, as a result, motivate them to be truly productive, in a reciprocal logic. Employees feel supported by the Group at two crucial moments in their personal lives - in promoting health and disease and retirement support.

1. Celbi Club and Celtejo Sports Group

The Celbi Club and the Celtejo Sports Group have as their mission to provide their associates, who are employees of these companies, and family, activities and initiatives of a cultural, sports and recreational nature that reinforce the relationship of people, thus contributing to the promotion of the company's social environment.

2. Celtejo Olympics

The Celetejo Olympics, held since 2015, promote the practice of sports and the strengthening of ties between employees.
The practice of these activities takes place throughout the year, with 10 teams consisting of people from the factory and from different areas competing in card games, darts, ping-pong, table football, futsal, running and archery.
In December, at the Christmas party, the prizes are awarded to the Olympic champions.

3. Partnership with IPCB's Health School

Celtejo has a partnership with the School of Health of the IPCB (Polytechnic Institute of Castelo Branco), which allows for a physical therapist to go to Celtejo every week to provide massages, usually a teacher and a student, an initiative highly valued by employees, for its positive impact on their well-being.

4. Summer Camp

The Celbi Summer Camp takes place during the month of August of each year and has the duration of 15 days. It is intended for the children of the employees of the company between the ages of 7 and 12 years. In the past, this activity took place in the forest areas of the company itself, but since 1998 the initiative has taken place at *Campo Aventura* in Óbidos, near *Quinta do Furadouro.*

Skill development

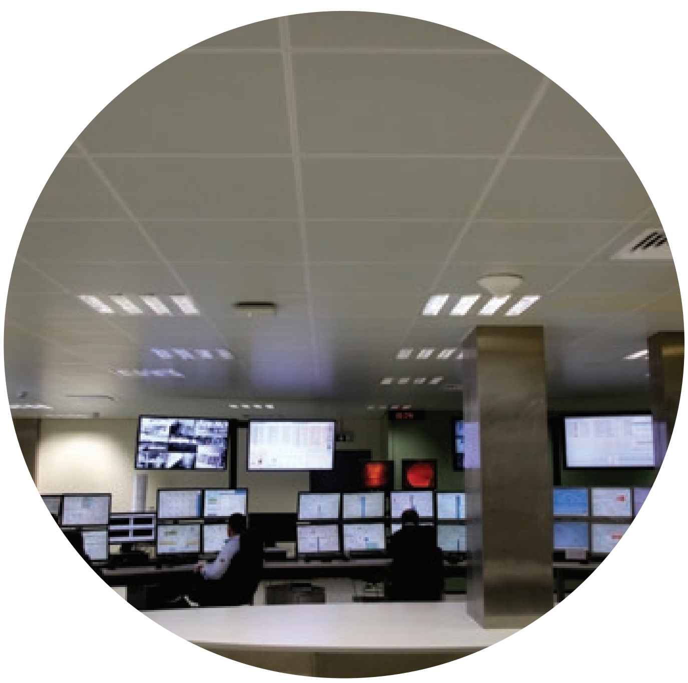
404-1 404-2

Altri believes that the integral development of its employees is as positive for them as for the Group. For this reason, it makes a great investment in their training.

In 2018, Altri provided 27,687 hours of training to its employees, organizing actions in the most diversified areas, always adjusted to the needs of business and employees. The hours of training illustrate the Group's commitment to continuous professional development of its human capital.

Hours of training and hours of training per employee by gender	Women	Men	Total
Training hours (no.)	4,474	23,213	27,687
Hours of training per employee (average)	44.7	37.1	38.1

Training by topic	Hours	%
Process	13,330	48.1%
Maintenance	5,133	18.5%
Management	5,001	18.1%
Safety and Environment	3,795	13.7%



The Group's continuous improvement and positioning objectives are closely related to the skills of all employees, irrespective of the area or level of responsibility.
In order to boost their performance as a significant competitive upper hand, it is envisaged to develop the skills of employees as a strategic challenge, promoting and facilitating their study to acquire knowledge and improve their aforementioned performance:

Introductory Training

With the objective of facilitating the process of adaptation and integration into the Group, starting the process of organizational socialization, on the first day, all newly admitted and trainees participate in a welcoming program:

- Presentation of the company and the Group, its history and culture, mission and values.
- During a guided tour of the premises, other employees are presented and a general description of the manufacturing processes is transmitted to them. The new employees are also included in the Code of Ethics and Conduct, their rights and obligations.
- Topics covered include industrial safety, use of personal protective equipment, emergency plan and fire protection, combining basic concepts of Environmental, Quality and Energy Management Systems.

Altri Leadership Academy

In 2013, Altri decided to establish the "Altri Leadership Academy" with the ambition of creating an aligned, comprehensive and time-based training model capable of opening the way for the development of appropriate skills for all companies in the group, reinforcing culture and goals of the group.
The first training program developed at the academy called "Breakthrough Program for Altri Future Leaders" was developed in partnership with Porto Business School (PBS) and carried out between 2013 and 2015, involving 90 senior managers from the various functional areas of the companies of the Altri group.
The program was structured in order to align the business strategy, integrate the values, the organizational culture of the Group and develop new skills for future leaders in an increasingly global and increasingly competitive market.
In the second half of 2018, a new course began, also in partnership with PBS, designated as "Growth Program for Altri High Potentials", which covered 45 young employees.

With the objective of betting on the younger staff of the various areas of the group companies that today have challenges that deserve a particular attention, this course was a valuable contribution to endow the participants with updated skills and seek to retain talent, with potential to perform qualified duties in the future.
In 2018, other courses in Management, Negotiation and Leadership were also developed, in partnership with other management schools such as the Catholic University of Lisbon, oriented specifically to specific competences integrating different professional and personal development tools such as assessments, seminars, coaching and mentoring.

Back to school

There are several cases of employees who have decided to return to school or university, either by their own initiative or by accepting the challenge promoted by the Group. The Group supports travel expenses, tuition fees and facilitates study hours at the time of exams.
In the last 16 years, 30 employees (still in active employment) returned to studying, 25 of them to higher education.

Kaizen project

Since human capital is one of the main assets of the Altri Group, it is vitally important that everyone feels part of the whole entity, thus contributing to the improvement of the team where they work, so with the implementation of the Kaizen tool in the 3 industrial units, it is one more methodology of teamwork that reinforces the search for the continuous improvement in connection between the several levels of the hierarchy.

Health and safety

403-2

Altri, aware that in the context of the pulp industry, safety risks are among the most significant operational risks, promotes and encourages a safety culture in which all employees are responsible for making everyday work, healthier and safer for themselves and for those around them.

Health and safety management

With the ambitious aim of achieving the goal of "zero accidents" in its companies, Altri relies on employee involvement that begins with top management and spreads across hierarchical levels. Although Altri's safety management system complies with all applicable health and safety legislation and is based on international standards such as OHSAS 18001, the process implemented goes beyond the mandatory requirements, aiming to provide safe and healthy work environments, and thus guaranteeing the individual's right to protection, health and integrity.

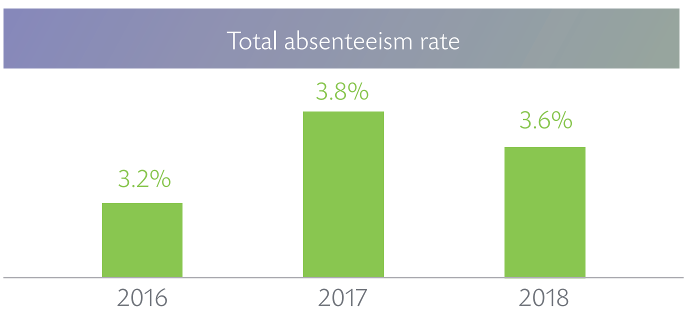
The Occupational Health and Safety Management Systems implemented, present in Altri's three industrial units, are based on the following pillars:

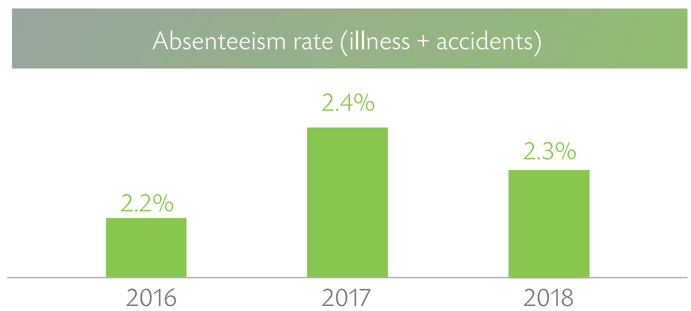
Certification in compliance with OHSAS 18001	Medical Office with a work doctor and a properly functioning nursing service equipped with modern diagnostic and treatment equipment	Proper security installations, with the availability of materials and equipment for individual and collective protection and for monitoring the execution of daily functions	Technical and human resources used in emergencies, particularly in the case of individual accidents, fire and other incidents of an industrial nature

Monitoring of health and safety data

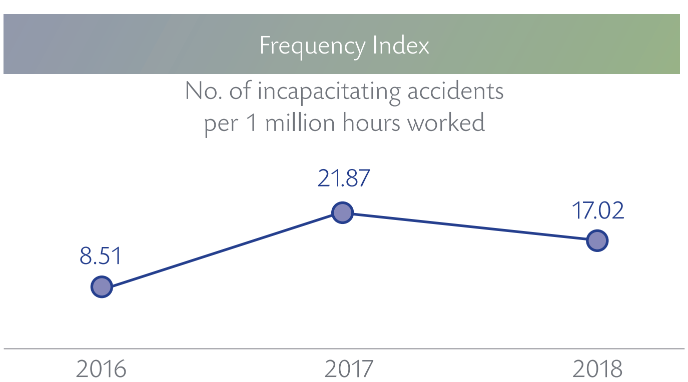
Altri is committed to monitoring all indicators related to employee health and safety. The indicators established in 2017 show significant increases compared to 2016, due to an exepcional 2016 in terms of health and safe indicators. However, although above the values of 2016, 2018 registered a decrease of the main indicators of health and safety:

- The total absenteeism rate decreased by 0.2 percentage points compared to 2017. The main cause of absenteeism was absence due to illness, with more than 54% of the total hours. The second cause, about 19% of total absences, is absences under the new parenting law, which is revealing of the process of rejuvenation that has been witnessed in the staff of the group companies.

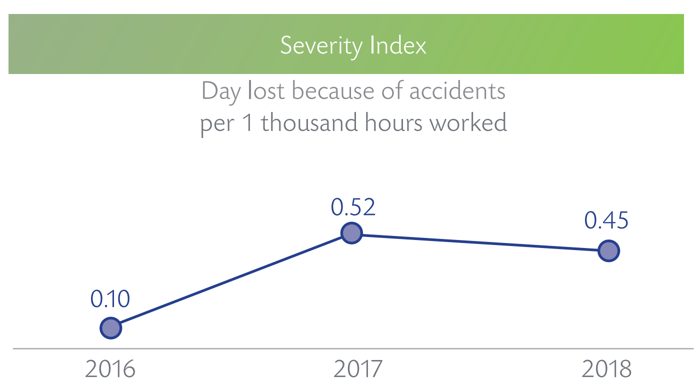




In the analysis of occupational accidents, Altri uses statistical indices, so that, regarding numerical values, it can identify its priorities of action, favouring those who are worse off in relation to work accidents.The 2 Indexes used are:



EVALUATION OF THE FREQUENCY INDEX, ACCORDING TO ILO:
<20 GOOD; 20 - 50 ACCEPTABLE; 50 - 80 INSUFFICIENT; >80 BAD



EVALUATION OF THE SEVERITY INDEX, ACCORDING TO ILO:
<0, 5 GOOD; 0, 5 – 1 ACCEPTABLE; 1 – 2 INSUFFICIENT; >2 BAD

In 2018, the Frequency Index stood at 17.02 (“Good” according to the International Labour Organization - ILO) and the Severity Index stood at 0.45 in the same year (“Good” according to the ILO).

Occupational Medical Services

Being the health and well-being of employees a clear concern for Altri, the Group's policy in this area is even more demanding and careful than the legal documents require. Instead of requiring employees to perform medical examinations every two years for employees under 50, Altri, through its own health post and the occupational physician and its nursing team, promotes the performance of annual exams for all employees. The group offers its employees one of the most advanced and best equipped medical centres within industrial units in the country, which they resort to, according to their health and wellness needs.

Also, the costs of carrying out clinical analyses, whenever requested in the scope of Occupational Medicine and performed by the contracted service providers, are fully borne by the companies of the Altri Group.

Similarly, medical examinations at work are not the only source of information regarding fitness for work. The occupational physician performs a real assessment of the worker's abilities, taking into account the specific functions that are assigned to him or her, and makes close, careful and rigorous follow-up.

This policy has created a service of medical excellence, one of the most developed and competent in the country in industrial contexts, based on two main axis: i) prevent potential (professional) risks and (ii) promote the health of those who work.

Occupational Medical Services recommend

Safety training

Safety training is also one of the fundamental pillars of the Group's safety culture.

1. Certified Training

Certified training allows qualification and recognition in the job market of forestry operators' skills, as corroborated by the Work Conditions Authority and the General - Directory for Employment and Work Relations.

The purpose of these training courses is to draw attention to the procedures, rules and hygiene and safety precautions.

2. Code of Forest Practices (CFP)

Altri Florestal describes in its CFP all the procedures deemed necessary to ensure the correct execution of the services, to avoid or minimize the identified environmental and social impacts, and to reduce the exposure of employees to the risks associated with forestry work.

The CFP stipulates all procedures and equipment deemed necessary to safeguard the health and safety of persons involved in forestry activities, whether they are employees of Altri Florestal or of companies that provide forestry services.

3. First Aid Workshop

In 2018, Altri Florestal provided first aid training to its employees with precise indications of how to act in case of an accident, both in the first aid provided on the spot and in the way in which they should communicate to the paramedics the exact position of the accident and to ensure that aid arrives as soon as possible and that assistance is delivered promptly and efficiently.

Promoting health and well-being

Healthy + Businesses

Celtejo participated in the program developed by QuintilesIMS in partnership with Take The Wind and Stanton Chase International, which aims to motivate companies to raise the standards of health promoters of their collaborators: Healthy + Businesses. The program elects the organizations with the best levels of health to operate in Portugal, by measuring the cardiovascular and psychosocial health of its employees.

The mission of the Healthy + Businesses initiative is to increase awareness of cardiovascular prevention of the adult population in the workplace by implementing good health practices and promoting healthy lifestyles by reducing blood glucose, cholesterol, arterial blood pressure and BMI, while reducing the levels of stress, anxiety and mental fatigue.

Celtejo participated in this initiative in 2018, introducing it to all the factory population and had the adhesion of 150 employees who were initially accompanied through a medical consultation face-to-face, later complemented with a nutrition consult and advice on physical exercise appropriate to each case. Then, for four months, the professionals were accompanied by telephone or in person, regarding the exercise and nutrition plans that were to follow.

08.
Involving communities

102-7

Altri is committed to creating lasting and relevant relationships with surrounding communities through partnerships, media development, and support to a range of initiatives and activities from a wide range of institutions and areas impacting society.

CAUSES AND LOCAL ENTITIES

Support to the Volunteer Firefighters of Constância

Promotion of "Ser Leirosa, Ser +"

Support to IPST (Portuguese Institute of Blood and Transplantation)

Organization of the Volunteer's Day and Support to Volunteer Firefighters of Vila Velha de Ródão

Support to CRPL (Clube Recreativo da Praia da Leirosa)

178,000

Euro donated in 2018

ENVIRONMENTAL INITIATIVES

Factory improvements:

- Reduction of Energy Consumption
- Construction of a new WWTP
- Energy recovery of biological sludge

Promotion of the greatest beach cleaning in the country

SCHOOL AND ACADEMIC PARTNERSHIPS

Partnerships with Universities and proximity to schools

Protocol with EPIS (Entrepreneurs for Social Inclusion)

Supporting local communities

413-1 413-2

Altri, conscious of its highly innovative and dynamic activity in the paper pulp sector, has permanently present in its performance, its social and environmental responsibility. Thus, in 2018, and similarly to previous years, it supported local causes and entities, reinforced school and academic partnerships, and developed environmental initiatives with an impact on surrounding communities.

Support to local entities

Support to the Volunteer Firefighters of Constância

Caima supports the Volunteer Firefighters of Constância through a protocol of cooperation aimed at carrying out joint activities such as drills and training of operators in the use of means to combat fires.

In addition, the company sponsors some of the Volunteer Firefighter's needs.

Organization of the Volunteer Day and support to the Volunteer Firefighters of Vila Velha de Ródão

Celtejo organizes annual Volunteer Day, which consists of the recovery of important spaces for the local population by a group of employees. This activity is carried out during working hours, and Celtejo supplies all the necessary materials to carry out the activity successfully and safely. All initiatives were carried out in the region of Vila Velha de Ródão, in particular by cleaning the banks of the Rio Tejo, recovering monuments and regional historical areas, recovering the VVR School Group playground, and the rehabilitation of the Infantile Playground of the Kindergarten of Vila Velha de Ródão and the recovery of the gardens of the Day Centre of Vila Velha de Ródão.

1. Promotion of "Ser Leirosa, Ser +"

Celbi promoted the initiative "Ser Leirosa, Ser +", which is a project included in the Mais InterAções E6G program, which supports children and families in Leirosa to develop children's skills in school and in occupational activities. The initiative is to support around 50 children in a variety of areas ranging from support in the study room to holiday workshops and other initiatives to improve family and community links with a view to better integration and equal opportunities for children and young people living in disadvantaged economic environments.

Of the activities carried out, the School of Parents stands out, which consists of sessions of vocational guidance, accompanied by psychologists, and in some cases adult literacy.

2. Collaboration with IPST (Portuguese Institute of Blood and Transplantation)

Celtejo supports IPST by conducting biannual blood collection at its facilities, involving all its employees and local entities, as well as the population of the municipality of Vila Velha de Ródão. In the total of the four collections already completed, 224 donors registered for the Celtejo Collection, and 198 donations were made by the donors.

3. Support to CRPL (*Clube Recreativo da Praia da Leirosa*)

The CRLP has 110 athletes practicing federated and non-federated football, and in September 2017 inaugurated its new synthetic grass field, supported by Celbi, which donated 155 thousand Euro out of the 500 thousand Euro needed to value the new space. This support was not limited to support in the new field of synthetic turf, assuming the payment of the total expenditure of water, both for synthetic turf watering and for bathing, allowing the saving of these expenses to be used by the club in improving the conditions of the athletes.

In 2018 Celbi also contributed to the purchase of equipment for four training age groups

> "This initiative reveals the social responsibility that guides Celbi's performance, not only in terms of Sport, but also in areas such as Education. The commitment of the company to the parish where it is based is remarkable and is based on supports like these, which made possible the accomplishment of a project long sought by the community of Leirosa"
>
> João Ataíde, Figueira da Foz City Council

School and academic partnerships

Partnerships with Universities and proximity to schools

Altri maintains several protocols, promotes initiatives in partnership with academic institutions and supports logistically and financially some of the Schools' and Universities' projects.

- Celtejo equipped the laboratory of Physics and Chemistry of the Association of Schools of Vila Velha de Ródão, with a new counter to carry out tests and Celbi proceeded to a donation to the Grouping of Schools Figueira Mar, which made possible the acquisition of a technical counter for the Electronic, Automation and Command Course at the Dr. Bernardino Machado Secondary School.
- Celtejo also supported the remodelling of one of the laboratories of the University of Beira Interior.

Protocol with EPIS (Entrepreneurs for Social Inclusion)

In 2018, Celbi renewed the protocol with Figueira da Foz City Hall and EPIS - Entrepreneurs for Social Inclusion. This protocol had the objective of implementing a network of professional mediators of training for the school success in the municipality of Figueira da Foz, together with the students of the 3rd cycle of basic education. The protocol was renewed at the end of 2018 for another 3 years, thus allowing this methodology to be extended to more students.

Caima started in 2018 the awarding of EPIS Scholarships for "Academic Merit" to students of the Municipality of Constância who finished 12th year in the Constância School Grouping. Aware that corporate social responsibility goes far beyond job creation, Caima helps these young people to realize their goals and pursue their studies, helping to create conditions so that they can one day make a difference in their community.

Environmental Initiatives

1. Factory and village improvements

Celtejo made an investment of 85 million Euro (the largest private investment made within country borders in 2018) in factory improvement projects, with consequent benefits for the surrounding community in Vila Velha de Ródão. Among these improvements:

- Start-up of a new state-of-the-art industrial wastewater treatment plant (IWWTP), encompassed by the modernization project called Tejo Project 2018. The station is able to treat, in addition to the Celtejo discharges, wastewater from dairies located in the industrial area of Vila Velha de Ródão, assisting other companies to fulfill their environmental obligations.

2. Promotion of the country's largest voluntary beach cleaning

In June 2018, and for the fourth consecutive year, more than two hundred participants, children and adults, took action in the cleaning of the beach of Leirosa, an initiative promoted by Celbi, in partnership with the Center for Public Recreation of Marinha das Ondas - Leirosa Beach (CRPMO), the Scout Group of Marinha de Ondas, the Marinha das Ondas Parish Council, the Recreational and Sporting Cultural Association (ACRDM), Caritas Coimbra and the MAREFOZ Laboratory.

After the success of the first two editions of the initiative, parents, children, friends, employees of Celbi, residents of the parish of Marinha das Ondas, Leirosa beach and other surrounding communities joined for a cause - cleaning the beaches, collecting the equivalent of an industrial waste container, mostly plastics.

Methodological Notes

Greenhouse gas emissions (GHG)

Total GHG emissions were calculated under the Emissions Trading System (ETS). The ETS is a flexible mechanism envisaged in the context of the Kyoto Protocol, being the first intra-EU market instrument for regulating GHG emissions.

In Portugal, the application of European Union legislation is done through the National Emission Allowance Plan (PNALE), with application in the period 2013-2020.

The Altri Group companies hold GHG emission certificates for the referred period.

The reported CO2 emissions were verified and validated by an accredited external entity.

Carbon footprint
In 2018, Altri carried out an intensive study that aimed to quantify the Company's Carbon Footprint 2018 in specific terms.

To this end, 3 scopes were considered:
- Scope 1: Emissions from sources belonging to or controlled by Altri (i) Fixed sources: Recovery Boiler, Auxiliary Boiler and Lime Furnace, Process Emissions: Limestone and Sodium Carbonate (ii) Mobile combustion: internal circulation vehicles).
- Scope 2: Indirect emissions from the production of electricity acquired from the national electricity grid and consumed by the company.
- Scope 3: Other indirect emissions.

As such, 10 elements were considered:

1. **CO_2 forest sequestration**
   When managed sustainably, forests function as carbon reservoirs, causing the amount of carbon retained in forests to remain stable or even increase over time. In addition to their importance in combating climate change, they generate other environmental and social benefits.
   Altri through its responsibility chain process (certified by FSC®- Forest Stewardship Council® and PEFC™ Program for the Endorsement of Forest Certification Schemes) promotes sustainable forest management with its suppliers.
   This element, at the moment, is not included in the scope of Altri's carbon footprint.

2. **CO_2 retained in the paper pulp while it is in use**
   The paper pulp contains carbon in its composition. This element indicates the amount of CO_2 that is kept out of the atmosphere while the product is in use.

3. **GHG emissions associated with the pulp production process**
   It includes emissions from fixed sources (Recovery Boiler, Lime Oven, Auxiliary Boiler), process emissions (from the use of calcium carbonate and sodium carbonate as replacement chemicals), and emissions from internal combustion engines of the circulation vehicles (light-rail vehicles and those used in the transport of wood that circulate inside the factory)

4. **GHG emissions associated with the production process of eucalyptus wood**
   Includes emissions resulting from operations associated with forest management (preparation of the land, installation and management of forest stands, logging and establishment of the road and divisional network). It also includes the pre-combustion of diesel and gasoline in said operations.

5. **GHG emissions associated with the production of other raw materials**
   It includes the emissions associated with the production of chemicals used in the process, as well as the fuels consumed.

6. **GHG emissions associated with the purchase of electricity**
   Includes emissions associated with the production of electricity purchased from the national grid. EDP supplier emission factor for 2012.

7. **GHG emissions associated with transport**
   Includes transport of wood and chemicals to the factory. It also includes the transport of pulp from the factory to the customer, only when this transportation is the responsibility of Altri. There are cases where the responsibility of transporting the pulp is the customer's. It also includes the transport of waste.

8. **GHG emissions associated with the use of the product (e.g. paper production)**
   This element is not included in the scope of Altri's carbon footprint.

9. **GHG emissions associated with end of product life**
   This element is not included in the scope of Altri's carbon footprint.

10. **GHG emissions avoided**
    It counts the emissions associated with the production of the electric energy that is supplied to the national electricity grid.

I.
GRI table for “in accordance” status – Essential

Disclosures		Location/Omission	Verification	SDG
ORGANIZATIONAL PROFILE				
102-1	Name of the organization	1. About this report	No Ver.	
102-2	Activities, brands, products, and services	3. About Altri – Lines of Business 3. About Altri – Product and Market	No Ver.	
102-3	Location of headquarters	1. About this report	No Ver.	
102-4	Location of operations	3. About Altri – Lines of Business	No Ver.	
102-5	Ownership and legal form	http://www.altri.pt/pt/about/overview	No Ver.	
102-6	Markets served	3. About Altri – Lines of Business 3. About Altri – Product and Market	No Ver.	
102-7	Scale of the organization	A Altri in 2018 5. Managing the forest in a sustainable manner (Initial page) 6. Reducing environmental impacts (Initial page) 7. Promoting human capital (Initial page) 8. Involving communities (Initial page)	No Ver.	
102-8	Information on employees and other workers	7. Promoting human capital – Altri employees	No Ver.	8
102-9	Supply chain	3. About Altri - Suppliers	No Ver.	
102-10	Significant changes to the organization and its supply chain	3. About Altri - Suppliers	No Ver.	
102-11	Precautionary Principle or approach	4. Strategy – Policies	No Ver.	
102-12	External initiatives	4. Strategy - Stakeholders	No Ver.	
102-13	Membership of associations	4. Strategy - Stakeholders	No Ver.	
STRATEGY				
102-14	Statement from senior decision-maker	2. Statement from the Executive Board	No Ver.	
102-15	Key impacts, risks, and opportunities	2. Statement from the Executive Board 4. Strategy - Strategic priorities	No Ver.	
ETHICS AND INTEGRITY				
102-16	Values, principles, standards, and norms of behaviour	3. About Altri – Mission, Vision and Values 4. Strategy – Policies	No Ver.	16
102-17	Mechanisms for advice and concerns about ethics	4. Strategy – Governance Model 4. Strategy - Policies	No Ver.	

Disclosures		Location/Omission	Verification	SDG
GOVERNANCE				
102-18	Governance structure	4. Strategy – Governance Model	No Ver.	
STAKEHOLDER ENGAGEMENT				
102-40	List of stakeholder groups	4. Strategy - Stakeholders	No Ver.	
102-41	Collective bargaining agreements	7. Promoting human capital – Altri employees	No Ver.	8
102-42	Identifying and selecting stakeholders	4. Strategy - Stakeholders	No Ver.	
102-43	Approach to stakeholder engagement	4. Strategy - Stakeholders	No Ver.	
102-44	Key topics and concerns raised	4. Strategy - Stakeholders	No Ver.	
REPORTING PRACTICE				
102-45	Entities included in the consolidated financial statements	Annual Report 2018	No Ver.	
102-46	Defining report content and topic Boundaries	1. About this report	No Ver.	
102-47	List of material topics	1. About this report	No Ver.	
102-48	Restatements of information	1. About this report	No Ver.	
102-49	Changes in reporting	1. About this report	No Ver.	
102-50	Reporting period	1. About this report	No Ver.	
102-51	Date of most recent report	2017	No Ver.	
102-52	Reporting cycle	Annual.	No Ver.	
102-53	Contact point for questions regarding the report	1. About this report	No Ver.	
102-54	Claims of reporting in accordance with the GRI Standards	1. About this report	No Ver.	
102-55	GRI content index	Present table	No Ver.	
102-56	External assurance	1. About this report	No Ver.	

Disclosures			Location/Omission	Verification	SDG
GRI 200 – ECONOMIC					
GRI 204 – PROCUREMENT PRACTICES					
204-1		Proportion of spending on local suppliers	3. About Altri - Suppliers	No Ver.	12
GRI 300 - ENVIRONMENTAL					
GRI 301 - MATERIALS					
301-1		Materials used by weight or volume	6. Reducing environmental impacts - Raw material consumption	No Ver.	8 12
301-2		Recycled input materials used	6. Reducing environmental impacts - Raw material consumption	No Ver.	8 12
GRI 302 - ENERGY					
Management approach	103-1	Explanation of the material topic and its boundary	The material themes of Altri were based on the cross-referencing of the results of the material themes of the Company's peers with Altri's internal perspective. With direct relation to Energy, the theme "Energy and climate change" was considered a subject of very high materiality (vide Materiality Matrix).	No Ver.	
Management approach	103-2	The management approach and its components	Altri has promoted several initiatives related to Energy (vide chapter 6. Reducing environmental impacts - Raw material consumption).	No Ver.	
Management approach	103-2	Evaluation of the management approach	Altri performs the measurement and monitoring of indicators associated with this aspect and reports them in this Report (vide chapter 6. Reducing environmental impacts - Raw material consumption).	No Ver.	

Disclosures			Location/Omission	Verification	SDG
302-1		Energy consumption within the organization	6. Reducing environmental impacts – Energy consumption	No Ver.	7 8 12 13
302-3		Energy intensity	6. Reducing environmental impacts – Energy consumption	No Ver.	7 8 12 13
302-4		Reduction of energy consumption	6. Reducing environmental impacts – Energy consumption	No Ver.	7 8 12 13
GRI 303 – WATER AND EFFLUENTS					
Management approach	103-1	Explanation of the material topic and its boundary	The material themes of Altri were based on the cross-referencing of the results of the material themes of the Company's peers with Altri's internal perspective. With direct relation to Water, the theme "Water management" was considered a subject of very high materiality (vide Materiality Matrix).	No Ver.	
	103-2	The management approach and its components	Altri has promoted several Water related initiatives(vide chapter 6. Reducing environmental impacts - Water use).		
	103-3	Evaluation of the management approach	Altri performs the measurement and monitoring of indicators associated with this aspect and reports them in this Report (vide chapter 6. Reducing environmental impacts - Water use).		
303-1		Water withdrawal by source	6. Reducing environmental impacts - Water use	No Ver.	6
GRI 304 - BIODIVERSITY					
Management approach	103-1	Explanation of the material topic and its boundary	The material themes of Altri were based on the cross-referencing of the results of the material themes of the Company's peers with Altri's internal perspective. With direct relation with Biodiversity, the theme "Sustainable forest management and biodiversity" was considered a subject of very high materiality (vide Materiality Matrix).	No Ver.	
	103-2	The management approach and its components	Altri has promoted several initiatives related to Biodiversity (vide chapter 5. Managing the forest in a sustainable manner).		
	103-3	Evaluation of the management approach	Altri performs the measurement and monitoring of indicators associated with this aspect and reports them in this Report (vide chapter 5. Managing the forest in a sustainable manner).		
304-1		Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	5. Managing the forest in a sustainable manner - Biodiversity Preservation	No Ver.	6 14 15
304-2		Significant impacts of activities, products, and services on biodiversity	5. Managing the forest in a sustainable manner - Biodiversity Preservation	No Ver.	6 14 15
304-3		Habitats protected or restored	5. Managing the forest in a sustainable manner - Biodiversity Preservation	No Ver.	6 14 15
304-4		IUCN Red List species and national conservation list species with habitats in areas affected by operations	5. Managing the forest in a sustainable manner - Biodiversity Preservation	No Ver.	6 14 15

Disclosures			Location/Omission	Verification	SDG
GRI 305 - EMISSIONS					
Management approach	103-1	Explanation of the material topic and its boundary	The material themes of Altri were based on the cross-referencing of the results of the material themes of the Company's peers with Altri's internal perspective. With direct relation to the Emissions, the theme "Energy and climate change" was considered a subject of very high materiality (vide Materiality Matrix).	No Ver.	
	103-2	The management approach and its components	Altri has promoted several initiatives related to Emissions (vide chapter 6. Reducing environmental impacts – Air emissions management).		
	103-3	Evaluation of the management approach	Altri performs the measurement and monitoring of indicators associated with this aspect and reports them in this Report (vide chapter 6. Reducing environmental impacts – Air emissions management).		
305-1		Direct (Scope 1) GHG emissions	6. Reducing environmental impacts – Air emissions management	No Ver.	3 12 13 14 15
305-2		Energy indirect (Scope 2) GHG emissions	6. Reducing environmental impacts – Air emissions management	No Ver.	3 12 13 14 15
305-3		Other indirect (Scope 3) GHG emissions	6. Reducing environmental impacts – Air emissions management	No Ver.	3 12 13 14 15
305-4		GHG emissions intensity	6. Reducing environmental impacts – Air emissions management	No Ver.	13 14 15
305-5		Reduction of GHG emissions	6. Reducing environmental impacts – Air emissions management	No Ver.	13 14 15
305-6		Emissions of ozone-depleting substances (ODS)	| | 2016 | 2017 | 2018 | Fluorinated Gases (kg CO_2eq): 193.790 (2016); 214.737 (2017); 175.790 (2018)	No Ver.	3 12 13
305-7		Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	6. Reducing environmental impacts – Air emissions management	No. Ver.	3 12 14 15
GRI 306 – EFFLUENTS AND WASTE					
306-1		Water discharge by quality and destination	6. Reducing environmental impacts – Air emissions management	No Ver.	3 6 12 14

Disclosures			Location/Omission	Verification	SDG
306-2		Waste by type and disposal method	6. Reducing environmental impacts – Air emissions management	No Ver.	3 6 12
GRI 307 – ENVIRONMENTAL COMPLIANCE					
307-1		Non-compliance with environmental laws and regulations	Celtejo was involved, in January 2018, in pollution events detected in Abrantes, which were unrelated to its activity, but resulted in a notification from the Portuguese Environmental Agency (APA), imposing restrictions on the emission values of the discharge parameters of wastewater. In May 2018 it was issued by APA the new title of Water Resources Use, with a discharge of wastewater treated equal to that contemplated in the previous.	No Ver.	16
GRI 308 – SUPPLIER ENVIRONMENTAL ASSESSMENT					
Management approach	103-1	Explanation of the material topic and its boundary	The material themes of Altri were based on the cross-referencing of the results of the material themes of the Company's peers with Altri's internal perspective. Directly related to the Environmental Evaluation of Suppliers, the theme "Sustainable chain management" was considered a very high materiality theme (vide Materiality Matrix).	No Ver.	
	103-2	The management approach and its components	Altri has promoted a number of initiatives related to Supplier Environmental Assessment (see chapter 3. About Altri - Suppliers).		
	103-2	Evaluation of the management approach	Altri performs the measurement and monitoring of indicators associated with this aspect and reports them in this Report (vide chapter 3. About Altri - Suppliers).		
308-1		New suppliers that were screened using environmental criteria	3. About Altri - Suppliers	No Ver.	
308-2		Negative environmental impacts in the supply chain and actions taken	3. About Altri - Suppliers 4. Strategy – Policies	No Ver.	
GRI 400 - SOCIAL					
GRI 401 - EMPLOYMENT					
401-1		New employee hires and employee turnover	7. Promoting human capital – Altri employees	No Ver.	5 8
401-2		Benefits provided to full-time employees that are not provided to temporary or part-time employees	7. Promoting human capital – Attracting and retaining of talent	No Ver.	8
GRI 403 – OCCUPATIONAL HEALTH AND SAFETY					
Management approach	103-1	Explanation of the material topic and its boundary	The material themes of Altri were based on the cross-referencing of the results of the material themes of the Company's peers with Altri's internal perspective. With direct relation to Occupational Health and Safety, the theme "Occupational health and safety" was considered a subject of very high materiality (vide Materiality Matrix).	No Ver.	
	103-2	The management approach and its components	Altri has promoted several initiatives related to Occupational Health and Safety (vide chapter 7. Promoting human capital - Health and safety).		
	103-2	Evaluation of the management approach	Altri performs the measurement and monitoring of indicators associated with this aspect and reports them in this Report (vide chapter 7. Promoting human capital - Health and safety).		
403-1		Workers representation in formal joint management–worker health and safety committees	The industrial companies of the Altri group (Caima, Celbi and Celtejo) have representatives of the employees elected in their Health, Hygiene and Safety committees, published in the Labour and Employment Bulletin.	No Ver.	3 8
403-2		Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	7. Promoting human capital - Health and safety	No Ver.	3 8
GRI 404 – TRAINING AND EDUCATION					
Management approach	103-1	Explanation of the material topic and its boundary	The material themes of Altri were based on the cross-referencing of the results of the material themes of the Company's peers with Altri's internal perspective. Directly related to Training and Education, the theme "Development of human capital and attraction and retention of talent" was considered a very high materiality theme (vide Materiality Matrix).	No Ver.	
	103-2	The management approach and its components	Altri has promoted several initiatives related to Training and Education (vide chapter 7. Promoting human capital – Skill Development).		
	103-2	Evaluation of the management approach	Altri performs the measurement and monitoring of indicators associated with this aspect and reports them in this Report (vide chapter 7. Promoting human capital – Skill Development).		

Disclosures			Location/Omission	Verification	SDG
404-1		Average hours of training per year per employee	7. Promoting human capital – Skill Development	No Ver.	4 5 8
404-2		Programs for upgrading employee skills and transition assistance programs	7. Promoting human capital – Skill Development	No Ver.	8
GRI 405 – DIVERSITY AND EQUAL OPPORTUNITY					
405-1		Diversity of governance bodies and employees	4. Strategy – Governance Model 7. Promoting human capital – Altri employees	No Ver.	5 8
GRI 413 – LOCAL COMMUNITIES					
Management approach	103-1	Explanation of the material topic and its boundary	The material themes of Altri were based on the cross-referencing of the results of the material themes of the Company's peers with Altri's internal perspective. With direct relation to Local Communities, the theme "Local development and community support" was considered a very high materiality theme (vide Materiality Matrix).	No Ver.	
Management approach	103-2	The management approach and its components	Altri has promoted various initiatives related to Local Communities (vide chapter 8. Involving communities).	No Ver.	
Management approach	103-2	Evaluation of the management approach	Altri performs the measurement and monitoring of indicators associated with this aspect and reports them in this Report (vide chapter 8. Involving communities.	No Ver.	
413-1		Operations with local community engagement, impact assessments, and development programs	8. Involving communities	No Ver.	
413-2		Operations with significant actual and potential negative impacts on local communities	8. Involving communities	No Ver.	1 2
GRI 414 – SUPPLIER SOCIAL ASSESSMENT					
Management approach	103-1	Explanation of the material topic and its boundary	The material themes of Altri were based on the cross-referencing of the results of the material themes of the Company's peers with Altri's internal perspective. With direct relation to the Social Evaluation of Suppliers, the theme "Sustainable management of the value chain" was considered a subject of very high materiality (vide Materiality Matrix).	No Ver.	
Management approach	103-2	The management approach and its components	Altri has promoted several initiatives related to Social Supplier Evaluation (vide chapter 3. About Altri - Suppliers).	No Ver.	
Management approach	103-2	Evaluation of the management approach	Altri performs the measurement and monitoring of indicators associated with this aspect and reports them in this Report (vide chapter 3. About Altri - Suppliers).	No Ver.	
414-1		New suppliers that were screened using social criteria	3. About Altri - Suppliers	No Ver.	
414-2		Negative social impacts in the supply chain and actions taken	3. About Altri - Suppliers 4. Strategy – Policies	No Ver.	5 8 16
GRI 417 - MARKETING AND LABELING					
417-1		Requirements for product and service information and labelling	3. About Altri – Product and Market	No Ver.	12 16

NO VER.– NO VERIFICATION
SDG – SUSTAINABLE DEVELOPMENT GOALS

II.
Compliance table regarding requirements from Decree-law no. 89/2017

Decree-law no. 89/2017	
Requirement	Answer
Business Model	
Decree-law no. 89/2017 - Article no. 3 (Refers to no. 2 of Article no. 508- G of CSC) - Directive 2014/95/EU- Art. 19a (1)(a)	
A brief description of the company's business model	3. About Altri
	4. Strategy - Strategic priorities
	4. Strategy – Governance Model
Diversity in government bodies	
Decree-law no. 89/2017 - Article no. 4 (Refers to no. 2 of Article no. 245-no. 1 r and no. 2 of CVM) - Directive 2014/95/EU- Art. 21(1)(g)	
Diversity policy applied by the company in respect to its administrative and supervisory bodies	4. Strategy – Governance Model
	4. Strategy – Policies
Environmental issues	
Decree-Law no. 89/2017 – no. 2 of Article no. 3 (Refers to no. °2 of Article no. 508 of CSC) - Directive 2014/95/EU - Art. 19a (1)(a-e)	
Specific policies related to environmental issues	4. Strategy – Policies
	4. Strategy - Certifications
Results of policy implementation	5. Managing the forest in a sustainable manner
	6. Reducing environmental impacts
Main associated risks and how these risks are managed	5. Managing the forest in a sustainable manner
Key Performance Indicators	5. Managing the forest in a sustainable manner- Tables and Graphs regarding performance
	6. Reducing environmental impacts- Tables and Graphs regarding performance
Social and employee related issues	
Decree-Law no. 89/2017 – no. 2 of Article no. 3 (Refers to no. 2 of Article no. 508 of CSC) - Directive 2014/95/EU - Art. 19a (1)(a-e)	
Specific policies related to social and employee issues	4. Strategy – Policies
Results of policy implementation	7. Promoting human capital
	4. Strategy – Policies
Main associated risks and how these risks are managed	4. Strategy – Policies
	7. Promoting human capital – Health and safety
Key Performance Indicators	7. Promoting human capital – Altri employees
	4. Strategy – Policies

<table>
<tr><th colspan="2">Decree-law no. 89/2017</th></tr>
<tr><th>Requirement</th><th>Answer</th></tr>
<tr><td colspan="2">Gender equality and non-discrimination</td></tr>
<tr><td colspan="2">Decree-Law no. 89/2017 – no. 2 of Article no. 3 (Refers to no. 2 of Article no. 508 of CSC) - Directive 2014/95/EU - Art. 19a (1)(a-e)</td></tr>
<tr><td rowspan="3">Specific policies relating to gender equality issues and non-discrimination</td><td>7. Promoting human capital – Altri employees</td></tr>
<tr><td>4. Strategy – Policies</td></tr>
<tr><td>"Altri Group's practices and working procedures repudiate discrimination and any differentiated treatment based on race, gender, ethnic or social origin, sexual orientation, political or trade union membership or religious conviction" in Code of Conduct.</td></tr>
<tr><td rowspan="3">Results of policy implementation</td><td>4. Strategy – Governance Model</td></tr>
<tr><td>7. Promoting human capital – Altri employees</td></tr>
<tr><td>4. Strategy – Policies</td></tr>
<tr><td>Main associated risks and how these risks are managed</td><td>Environmental, market, occupational health and safety risks, supply and forest production are managed within the framework of their management systems.</td></tr>
<tr><td rowspan="2">Key Performance Indicators</td><td>4. Strategy – Governance Model</td></tr>
<tr><td>7. Promoting human capital – Altri employees</td></tr>
<tr><td colspan="2">Respect for Human Rights</td></tr>
<tr><td colspan="2">Decree-Law no. 89/2017 – no. 2 of Article no. 3 (Refers to no. 2 of Article no. 508 of CSC) - Directive 2014/95/EU - Art. 19a (1)(a-e)</td></tr>
<tr><td>Specific policies related to respect for Human Rights</td><td rowspan="3">4. Strategy – Policies

Respect for human dignity and the strict observance, without any reservations, of all applicable legislation in this area (including, but not limited to, the Universal Declaration of Human Rights and the European Convention on Human Rights) are values that cannot be ignored of being a design criteria of any company, so for the Altri Group they are a superior value, unquestionable and inalienable.

National legislation and, in general, legislation in the European area, are inherent in safeguarding fundamental rights. The performance of the Altri Group, in any field, but in particular in this area, is guided by the safeguard of the legislation.

The Altri Group respects and promotes Human Rights, as enshrined in the Universal Declaration of Human Rights of the United Nations and guides its action in respect for equal opportunities. For Altri, constitutionally consecrated personal rights are fundamental.

In this sense, Altri in respect for the personality rights of its employees proactively promotes equal opportunities and non-discrimination on the basis of sex, ethnic origin, religion and political, ideological or union beliefs.

Altri repudiates in any way any use of forced or child labour. These principles are part of the group's DNA. They are disseminated across the organization, and are included in the Code of Ethics and Conduct, and are transmitted to all employees.</td></tr>
<tr><td>Results of policy implementation</td></tr>
<tr><td>Main associated risks and how these risks are managed</td></tr>
<tr><td colspan="2">Fighting corruption and bribery attempts</td></tr>
<tr><td colspan="2">Decree-Law no. 89/2017 – no. 2 of Article no. 3 (Refers to no. 2 of Article no. 508 of CSC) - Directive 2014/95/EU - Art. 19a (1)(a-e)</td></tr>
<tr><td>Specific policies related to anti-corruption and bribery attempts</td><td rowspan="3">4. Strategy – Policies

Corruption and bribery are a risk inherent in any economic activity.

The main tool for guiding employees in this area is the Code of Ethics and Conduct. According to Altri's Code of Ethics and Conduct, any kind of corruption is prohibited in the exercise of its activity, and the Group and its employees must act in an open and transparent manner, free of corruption, not paying bribes and not influencing decisions of business partners illegally.

Altri's employees must refuse any offers that exceed mere courtesy or that have a relevant commercial value and whose acceptance may create, in the source, an expectation of favouring in their relations with the Group.

Altri's employees should not intervene in decision-making processes that involve, directly or indirectly, organizations with which they collaborate or have collaborated or that involve persons / entities to which they are or have been linked by ties of kinship or by affinity relationships.

Altri has implemented a demanding internal policy in the areas of unfair competition, antitrust, or monopoly practices, which has proven to be perfectly effective and adequate.

It should be noted that none of the companies in the group is involved in any administrative or judicial procedure related to these areas.</td></tr>
<tr><td>Results of policy implementation</td></tr>
<tr><td>Main associated risks and how these risks are managed</td></tr>
</table>

Consolidated financial statements and notes

Consolidated statements of financial position as of 31 December 2018 and 2017

(Translation of financial statements originally issued in Portuguese - Note 45) (Amounts expressed in Euro)

Assets	Notes	31/12/2018	31/12/2017
Non-current assets			
Biological assets	10	98,473,925	94,848,275
Property, plant and equipment	7	555,509,551	396,515,699
Investment properties		113,310	113,310
Goodwill	8	265,531,404	265,531,404
Intangible assets	9	55,284,353	1,019,232
Investments in associated companies and joint ventures	4.2	696,660	17,456,932
Investments available for sale	4.3	-	8,692,628
Other financial investments	4.3	822,913	-
Other non-current assets	18	3,210,260	3,210,260
Derivatives	27	733,653	1,796,781
Deferred tax assets	11	36,183,398	37,776,892
Total non-current assets		**1,016,559,427**	**826,961,413**
Current assets			
Inventories	10	70,096,250	50,728,047
Biological assets	10	-	628,172
Trade receivables	12	120,825,225	113,284,683
Contract assets	14	8,018,340	-
Other financial assets	13	25,079,689	15,442,487
Income tax receivable	15	3,702,509	2,298,073
Other assets	16	7,043,093	2,242,035
Derivatives	27	98,873	4,903,860
Cash and banks	17	240,765,868	193,599,737
Total current assets		**475,629,847**	**383,127,094**
Total assets		**1,492,189,274**	**1,210,088,507**
Equity and liabilities		**31/12/2018**	**31/12/2017**
Equity			
Share capital	19	25,641,459	25,641,459
Legal reserve	19	5,128,292	5,128,292
Other reserves	19	296,330,045	267,729,157
Consolidated net profit / (loss)		194,497,353	96,068,168
Total equity attributable to the equity holders of the parent		521,597,149	394,567,076
Non-controlling interests		-	-
Total equity		**521,597,149**	**394,567,076**
Liabilities:			
Non-current liabilities:			
Bank loans	20	33,500,000	39,500,000
Other loans	20	506,035,710	442,483,927
Reimbursable government grants	20	6,581,251	14,565,750
Other non current liabilities	22	16,411,963	14,627,018

Deferred tax liabilities	11	41,427,492	23,003,709
Pension liabilities	29	3,774,864	2,771,471
Provisions	21	14,390,330	5,025,260
Total non-current liabilities		**622,121,610**	**541,977,135**
Current liabilities			
Bank loans	20	6,536,505	6,216,583
Other loans	20	128,811,525	94,830,698
Reimbursable government grants	20	5,511,090	3,121,502
Trade payables	23	123,710,486	95,373,275
Contract liabilities	25	5,670,445	-
Other financial liabilities	24	29,391,301	24,056,514
Income tax payable	15	25,228,590	7,740,745
Other liabilities	26	20,677,215	40,398,914
Derivatives	27	2,933,358	1,806,065
Total current liabilities		**348,470,515**	**273,544,296**
Total shareholders' funds and liabilities		**1,492,189,274**	**1,210,088,507**

The accompanying notes from an integral part of consolidated financial statements.

The official chatered accountant The Board of Directors

Consolidated statements of profit or loss for the years ended 31 December 2018 and 2017

(Translation of financial statements originally issued in Portuguese - Note 45) (Amounts expressed in Euro)

	Notes	31/12/2018	31/12/2017
Sales	38	768,369,799	646,661,984
Services rendered	38	9,241,002	9,393,176
Other income	33	7,220,151	9,723,962
Cost of sales	10	(255,518,399)	(257,011,270)
External supplies and services	40	(187,071,077)	(166,657,700)
Payroll expenses	39	(39,527,507)	(33,953,133)
Amortisation and depreciation	36	(60,204,233)	(53,692,173)
Fair value changes in biological assets	10	3,269,040	(8,934,306)
Provisions and impairment losses	21	(655,445)	166,829
Other costs	34	(12,645,400)	(8,291,278)
Gains / (losses) in investments	4.2 and 5	30,808,977	2,528,831
Financial expenses	35	(20,710,368)	(26,328,552)
Financial income	35	8,063,227	4,982,170
Profit before income tax		**250,639,767**	**118,588,540**
Income tax	11	(56,142,414)	(22,520,372)
Consolidated net profit		**194,497,353**	**96,068,168**
Attributable to:			
Equity holders of the parent	37	194,497,353	96,068,168
Non-controlling interests		-	-
		194,497,353	**96,068,168**
Earnings per share			
Basic	37	0.95	0.47
Diluted	37	0.95	0.47

The accompanying notes from an integral part of consolidated financial statements.

The official chatered accountant The Board of Directors

Consolidated statements of profit or loss and other comprehensive income for the years ended 31 December 2018 and 2017

(Translation of financial statements originally issued in Portuguese - Note 45) (Amounts expressed in Euro)

	Notes	31/12/2018	31/12/2017
Consolidated net profit for the period		194,497,353	96,068,168
Other comprehensive income:			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Changes in pension funds responsibilities - gross amount	29	(908,578)	(242,593)
Changes in pension funds responsibilities - deferred taxation	11	210,266	54,284
		(698,312)	(188,309)
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Change in fair value of cash flow hedging derivatives - gross amount	27	(6,881,736)	8,414,799
Change in fair value of cash flow hedging derivatives - deferred taxation	11	1,763,306	(2,051,253)
Changes in currency translation reserves		25,697	(67,832)
		(5,092,733)	6,295,714
Other comprehensive income		(5,791,045)	6,107,405
Total comprehensive income for the period		**188,706,308**	**102,175,573**
Attributable to:			
Equity holders of the parent		188,706,308	102,175,573
Non-controlling interests		-	-

The accompanying notes from an integral part of consolidated financial statements.

The official chatered accountant The Board of Directors

Consolidated statements of changes in equity for the years ended 31 December 2018 and 2017

(Translation of financial statements originally issued in Portuguese - Note 45) (Amounts expressed in Euro)

		Attributable to the equity holders of the parent							
	Notes	Share capital	Legal reserve	Fair value reserves	Other reserves	Net profit	Total equality atribuitable to the equity holders of the parent	Non-controling interests	Total
Balance as of 1 January 2017	19	25,641,459	5,128,292	(3,747,420)	239,642,039	76,977,826	343,642,196	-	343,642,196
Appropriation of the consolidated net profit of 2016	42	-	-	-	76,977,826	(76,977,826)	-	-	-
Dividends distribution	42	-	-	-	(51,282,918)	-	(51,282,918)	-	(51,282,918)
Others		-	-	-	32,225	-	32,225	-	32,225
Total comprehensive income for the year		-	-	6,363,546	(256,141)	96,068,168	102,175,573	-	102,175,573
Balance as of 31 December 2017	**19**	**25,641,459**	**5,128,292**	**2,616,126**	**265,113,031**	**96,068,168**	**394,567,076**	**-**	**394,567,076**
Balance as of 1 January 2018	19	25,641,459	5,128,292	2,616,126	265,113,031	96,068,168	394,567,076	-	394,567,076
Appropriation of the consolidated net profit of 2017	42	-	-	-	96,068,168	(96,068,168)	-	-	-
Dividends distribution	42	-	-	-	(61,539,503)	-	(61,539,503)	-	(61,539,503)
Others		-	-	-	(136,732)	-	(136,732)	-	(136,732)
Total comprehensive income for the year		-	-	(5,118,430)	(672,615)	194,497,353	188,706,308	-	188,706,308
Balance as of 31 December 2018	**19**	**25,641,459**	**5,128,292**	**(2,502,304)**	**298,832,349**	**194,497,353**	**521,597,149**	**-**	**521,597,149**

The accompanying notes from an integral part of consolidated financial statements.

The official chatered accountant The Board of Directors

Consolidated cash-flow statements for the years ended 31 December 2018 and 2017

(Translation of financial statements originally issued in Portuguese - Note 45) (Amounts expressed in Euro)

	Notes		2018		2017
Operating activities:					
Proceeds from customers		808,599,468		655,429,847	
Payments to suppliers		(501,664,053)		(411,123,283)	
Payments to personnel		(34,713,713)		(29,925,709)	
Other collections/payments relating to operating activities		(6,279,745)		(4,772,785)	
Income tax		(30,883,336)	235,058,621	(2,101,471)	207,506,599
Cash flow from operating activities (1)			235,058,621		207,506,599
Investment activities					
Proceeds relating to:					
Investments	17	220,500		192,000	
Tangible fixed assets		425,429		202,445	
Investment subsidies		2,912,703		2,869,187	
Interest and similar income		2,188,342		1,070,273	
Dividends		-	5,746,974	55,000	4,388,905
Payments relating to:					
Investments	17	(137,098,631)		-	
Tangible fixed assets		(64,778,282)		(84,431,695)	
Intangible assets		(145,761)		(540,295)	
Other financial assets		(8,407,507)			
Investment subsidies		(877,048)	(211,307,229)	(3,115,183)	(88,087,173)
Cash flow used in investment activities (2)			(205,560,255)		(83,698,268)
Financing activities:					
Proceeds relating to:					
Loans obtained	20	147,711,161		106,441,451	
Other financial operations		-	147,711,161	-	106,441,451
Payments relating to:					
Interests and similar costs		(16,654,216)		(17,831,722)	
Distributed dividends		(61,539,503)		(51,282,918)	
Loans obtained	20	(57,438,710)		(267,613,484)	
Other financial operations		-	(135,632,429)	-	(336,728,124)
Cash flow used in financing activities (3)			12,078,732		(230,286,673)
Cash and cash equivalents at the beginning of the year	17		193,599,737		300,094,255
Change in the consolidation perimeter	5		5,305,645		-
Efect of the exchange rate			(6,402)		(16,175)
Change of cash and cash equivalents: (1)+(2)+(3)			41,577,098		(106,478,343)
Cash and cash equivalents at the end of the year	17		240,476,078		193,599,737

The accompanying notes from an integral part of consolidated financial statements.

The official chatered accountant

The Board of Directors

1. Introductory note

Altri, SGPS, S.A. ("Altri" or "Company") is a public company incorporated in the as of March 1, 2005, as a result of the restructuration process of Cofina, SGPS, S.A. Its headquarters are located at Rua General Norton de Matos, 68, r/c – Porto, Portugal. It is currently in the process of headquarters relocation to Rua Manuel Pinto de Azevedo, 818, Porto, Portugal, and its shares are listed in the Euronext Lisbon Stock Exchange. Its main activity is the management of investments.

Altri is the parent company of a group of companies – as specified in Note 4 – known as Altri Group. The Group's current business activity focuses on the production of bleached eucalyptus pulp in the three following mills: Celbi in Figueira da Foz, Caima in Constância do Ribatejo and Celtejo in Vila Velha de Ródão.

Given the Group's reality, the Board of Directors believes that there is only one business segment (production and commercialization of bleached pulp from eucalyptus). Additionally, management information is also analysed on the assumption that there is a unique business segment. Accordingly, the segment information presented in Note 38 is limited by this assessment.

The consolidated financial statements of Altri Group are presented in Euro rounded off to the unit, which is the currency used by the Group in its operations and considered as the functional currency. The operations of foreign companies whose functional currency is other than Euro are included in the consolidated financial statements in accordance with the policy set out in Note 2.2.b).

The accompanying consolidated financial statements have been prepared for appreciation and approval by the General Shareholders Meeting. The Group's Board of Directors, who approved the consolidated financial statements on April 9, 2019, believes that they will be approved in the General Shareholders Meeting without any changes.

2. Main accounting policies

The main accounting policies adopted in the preparation of the accompanying consolidated financial statements are as follows:

2.1. Basis of preparation

The accompanying consolidated financial statements have been prepared on a going concern basis from the books and accounting records of the companies included on the consolidation, which were prepared accordingly with the International Financial Reporting Standards ("IFRS") as adopted by the European Union on a historical cost basis, except for the biological assets and some financial instruments which are stated at fair value. These standards include International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB"), International Accounting Standards ("IAS") issued by International Accounting Standards Committee ("IASC") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") or by the previous Standing Interpretations Committee ("SIC"), as adopted by the European Union for the financial statements of periods starting on or after 1 January 2018. Standards and interpretations above mentioned will be generally presented as "IFRS".

The Board of Directors evaluated the Company, its subsidiaries, joint ventures and associated companies' ability to operate on a going concern basis, considering all the available facts, circumstances and information (financial, operational, commercial and others), as well as subsequent events after the statement of financial position date. The Boarder of Directors concluded that proper resources are available for the Group to continue with its operations in the future and there is no intention of ceasing the Group's activities in the future. Thus, the preparation of the financial statement on a going concern basis is adequate.

The interim financial statements were presented quarterly, in accordance with IAS 34 – "Interim Financial Reporting".

The consolidated financial statements have been prepared under a historical cost convention, except for part of property, plant and equipment, biological assets and those financial instruments which are carried at a revalued amount or at fair value as detailed in the main accounting policies section below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When estimating the fair value of an asset or liability, the Group takes into consideration the information that would be used by market participants at the measurement date.

Fair value is determined on the basis described above except in what concerns leases which are measured according to the prescriptions of IAS 17 and except to those measurement which are close to fair value, such as the net realisable value or the value in use, as described in IAS 2 and IAS 36, respectively.

Assets measured at fair value after initial recognition are grouped into three levels, according to the degree to which the fair value is observable:
- Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(i) Adoption of new revised or amended standards and interpretations

The following standards, interpretations, amendments and revisions endorsed by European Union with mandatory application in the financial years beginning on January 1, 2018:

Standard	Applicable in the European Union in the financial years starting on or after	
IFRS 9 – Financial instruments	1-jan-18	This standard is part of the revision of IAS 39 and establishes the new requirements for the classification and measurement of financial assets and liabilities to the methodology for the calculation of impairment and for the application of hedge accounting rules.
IFRS 15 – Revenue from contracts with customers	1-jan-18	IFRS 15 replaces all existing revenue requirements in IFRS (IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services).
Amendments to IFRS 15 – Revenue from contracts with customers	1-jan-18	These amendments introduce several clarifications in the standard in order to eliminate the possibility of divergent interpretations of several topics
Amendments to IFRS 4: application of IFRS 9, Financial instruments, with IFRS 4, Insurance contracts	1-jan-18	The amendments address concerns arising from implementing the new financial instruments standard, IFRS 9, before implementing IFRS 17 Insurance Contracts, which replaces IFRS 4.
Amendments to IFRS 2 – Share-based payments	1-jan-18	The IASB issued amendments to IFRS 2 Share-based Payment in relation to the classification and measurement of share-based payment transactions. The amendments address three main areas: (i) The effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, (ii) The classification of a share-based payment transaction with net settlement features for withholding tax obligations), (iii) The accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity settled.
Improvements to international financial reporting standards (cycle 2014-2016)	1-jan-18 except for changes to IFRS 12, which were applicable starting on 1-jan-17	These improvements include the clarification of some aspects related to: IFRS 1 – First time adoption of International Financial Reporting Standards: elimination of some short-term exemptions; IFRS 12 – Disclosure of interests in other entities: clarification of the scope of the standard for its application to interests classified as held for sale or held for distribution under IFRS 5; IAS 28 – Investments in associated and joint ventures: introduction of several clarifications about the measurement at fair value of results from investments in associates or joint ventures held by venture capital companies or investment funds.
IFRIC 22 – Foreign currency transactions and advance consideration	1-jan-18	The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a nonmonetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.
Amendments to IAS 40 – Investment properties	1-jan-18	The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.
Amendments to IAS 12 – Income Taxes	1-jan-17	The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.
Amendments to IAS 7 - Disclosures	1-jan-17	The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

IFRS 9 – Financial instruments

IFRS 9 was endorsed through the European Commission ordinance number 2067/2016 from 22 November 2016 with initial application for periods beginning on 1 January 2018 – early adoption is permitted.
Except in what concerns hedge accounting, the retrospective application is mandatory, although restatement of comparative information is not mandatory. In what concerns hedge accounting, the requirements are usually applied prospectively, with some exceptions.

IFRS 9 brought changes in the classification and measurement of financial instruments, in the financial assets' impairment and in the designation of hedging relationships.

Altri adopted this standard on the date of initial application and did not restate the comparative information, which is an option foreseen in the standard.

IFRS 9 prescribed a new approach to the classification and measuring of financial assets which reflects the business model used in its management and the characteristics of the contractual cash flows. Therefore, IFRS 9 thus established three new categories of classification of financial assets:
(i) measured at amortised cost;
(ii) at fair value through other comprehensive income; and
(iii) at fair value through profit or loss

and eliminated the categories of: (i) loans and accounts receivable; (ii) held to maturity; and (iii) available for sale prescribed in IAS 39.

The Group has assessed the changes resulting from the adoption of IFRS 9 in its financial assets and liabilities in order to identify not only the quantitative but also the qualitative impacts of the adoption of the standard.

As of 31 December 2017, the financial assets recognized by the Group could be broken-down in the following categories:
(i) Trade receivables and other receivables;
(ii) Investments available for sale; and
(iii) Derivatives.

From the analysis carried out, the Group concluded that the financial assets included in the category of loans and accounts receivable (headings of customers and other debtors) and those related to financial assets held to maturity should be allocated to the category "hold to collect" and that they should be recorded at amortised cost. From this reclassification, no impact arises to the Group's equity.

Regarding the financial assets available for sale, those started to be recorded at fair value and allocated to the category of "at fair value through profit or loss". From this reclassification, no impact arises to the Group's equity.

Regarding the remaining financial assets and liabilities, except for the derivative financial instruments, they remained measured at amortised cost.

Regarding the impairment calculation (and the change from the incurred loss model to the expected loss model), the Group opted by the usage of a uncollectible historical matrix (simplified model) for the determination of the new impairment over its accounts receivable (including the ones arising from the adoption of IFRS 15), recognising the estimated impairment losses for the whole life of the credits.

Therefore, the expected impairment losses were determined based on the historical losses occurred throughout a period deemed to be relevant for statistical purposes, having also been estimated loss rates by company and by type of customers.

There was no impact on the Group's equity as a result of the adoption of IFRS 9.

In the adoption process of IFRS 9, the Group decided to use the transitional rules established on that standard, i.e., the retrospective application with the initial accumulated effect recognised in retained earnings as of 1 January 2018.

The impacts resulting from the adoption of IFRS 9 on the date of initial application (1 January 2018) were the following:

	31/12/2017	Reclassifications	1/1/2018
Biological assets	94,848,275	-	94,848,275
Property, plant and equipment	396,515,699	-	396,515,699
Investment properties	113,310	-	113,310
Goodwill	265,531,404	-	265,531,404
Intangible assets	1,019,232	-	1,019,232
Investments in associated companies and joint ventures	17,456,932	-	17,456,932
Investments available for sale	8,692,628	(8,692,628)	8,692,628
Other financial investments	-	8,692,628	-
Other non-current assets	3,210,260	-	3,210,260
Derivatives	1,796,781	-	1,796,781
Deferred tax assets	37,776,892	-	37,776,892
Total non-current assets	**826,961,413**	**-**	**826,961,413**
Total assets	**1,210,088,507**	**-**	**1,210,088,507**
Total equity	**394,567,076**	**-**	**394,567,076**
Total shareholders' funds and liabilities	**1,210,088,507**	**-**	**1,210,088,507**

IFRS 15 – Revenue from contracts with customers

IFRS 15 superHeadquarterss IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group adopted IFRS 15 using the full retrospective method of adoption. The effect of the transition on the current period has not been disclosed as the standard provides an optional practical expedient. The Group did not apply any of the other available optional practical expedients. The Group opted for the application of the standard to the contracts that were not concluded as of 1 January 2018.

From the analysis carried out by the Group, no quantitative impacts were identified from the adoption of IFRS 15 since the recognition criterion of the Group's revenue streams is the same as that foreseen in IAS 18.

The reclassifications resulting from the adoption of IFRS 15 on the date of initial application (1 January 2018) can be seen in the Statement of Financial Position under the captions "Contract assets" and "Contract liabilities".

	31/12/2017	Reclassifications	1/1/2018
Total assets	**1,210,088,507**	**-**	**1,210,088,507**
Total equity	**394,567,076**	**-**	**394,567,076**
Liabilities:			
Non-current liabilities:			
Total non-current liabilities	**541,977,135**	**-**	**541,977,135**
Current liabilities:			
Bank loans	6,216,583	-	6,216,583
Other loans	94,830,698	-	94,830,698
Reimbursable government grants	3,121,502	-	3,121,502
Trade payables	95,373,275	-	95,373,275
Contract liabilities	-	5,024,383	-
Other financial liabilities	24,056,514	-	24,056,514
Income tax payable	7,740,745	-	7,740,745
Other liabilities	40,398,914	(5,024,383)	40,398,914
Derivatives	1,806,065	-	1,806,065
Total current liabilities	**273,544,296**	**-**	**273,544,296**
Total shareholders' funds and liabilities	**1,210,088,507**	**-**	**1,210,088,507**

(ii) Standards, interpretations, amendments and revisions that will take effect in future financial years

The following standards, interpretations, amendments and revisions, with mandatory application to future financial years, were, until the approval date of the accompanying financial statements, endorsed by the European Union:

Standard	Applicable in the European Union in the financial years starting on or after	
IFRS 16 – Leases	1-jan-19	IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).
Amendments to IFRS 9: Prepayment features with negative compensation	1-jan-19	Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.
IFRIC 23 – Uncertainty over income tax treatments	1-jan-19	This interpretation provides guidance on how an entity should measure various tax amounts depending on whether it is probable or not that the taxation authority will accept an uncertain tax treatment and how it should consider changes in facts and circumstances in respect of uncertain tax treatments.

Although these standards have been endorsed by the European Union, they were not adopted by the Group in the year ended as of 31 December 2018, as their application in the year was not mandatory. Except for IFRS 16 – Leasing, no significant impacts are expected to arise in the financial statements due to the adoption of these standards.

IFRS 16 – Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model like the accounting for finance leases under IAS 17.
The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16, which is effective for annual periods beginning on or after 1 January 2019, requires lessees and lessors to make more extensive disclosures than under IAS 17.

Transition to IFRS 16

The Group opted for the modified retrospective model foreseen in paragraphs C3(a), C7 and C8 of IFRS 16. Consequently, it determined the discount rate based on the incremental borrowing rate using the currency, maturity and cash flows inherent to the lease and to the credit risk of the Group.

The Group elected to use the exemption proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application.

Consequently, the estimated impacts of the application of IFRS 16 on 1 January 2019 are an increase in the total assets of approximately 68 million Euro related to the "Right of use", an increase of total liabilities of approximately 78 million Euro regarding the "Lease Liability" and a decrease in total equity of approximately 10 million Euro. In what concerns the profit or loss statement of 2019, the Group expects a decrease of approximately 11 million Euro under "External services and supplies" and an increase of 2 million Euro and 8 million Euro under "Financial Expenses" and "Amortisation and depreciation", respectively.

The impacts disclosed above are an estimate which is subject to change from the final assessment of the initial application of the standard as well as from additional clarifications from the IFRS Interpretations Committee ("IFRS-IC"), particularly in what concerns clarifications required from the European Securities and Markets Authority ("ESMA").

(iii) New standards and interpretations, amended or revised not yet endorsed by the European Union

The following standards, interpretations, amendments and revisions, with mandatory application to future financial years have not been endorsed by the European Union until the approval date of the accompanying financial statements:

Standard	Applicable in the European Union in the financial years starting on or after	
IFRS 17 – Insurance contracts	1-jan-21	This standard sets the recognition, measurement, presentation and disclosure principles for insurance contracts, replacing IFRS 4 – Insurance contracts.
Improvements to international financial reporting standards (cycle 2015-2017)	1-jan-19	These improvements clarify some aspects related to: IFRS 3 – business combinations: requires the re-measurement of previously held interests when an entity gains control over an affiliate with whom had joint control; IFRS 11 – Joint arrangements: clarifies that previously held interests should not be re-measured when an entity obtains joint control over a joint operation; IAS 12 – Income taxes: ensures that every fiscal consequence arisen from dividends must be recorded in the profit or loss account, irrespective of how the tax has surged; IAS 23 – Borrowing costs: Ensures that the part of the loan allocated to the construction/ purchase of an asset, owed upon the same has become ready for its desired use, is (for the purpose of calculating the rate of capitalization) considered an integral part of the entity's general funding.
Amendments to IAS 19 – Plan amendment, curtailment or settlement	1-jan-19	The proposed amendments specify the accounting treatment in case of existence of amendments, curtailments or settlements to a given plan.
Amendments to IFRS conceptual framework	1-jan-20	This amendment reviews the concepts defined in the IFRS conceptual framework. (IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22 e SIC 32)

Standard	Applicable in the European Union in the financial years starting on or after	
Amendments to IAS 28: Long-term interests in associates and joint ventures	1-jan-19	The amendments clarify that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests).
Amendments to IFRS 3 – Definition of a business	1-jan-20	The amendments clarify the minimum requirements for a business, remove the assessment of whether market participants can replace any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.

These standards have not been endorsed by the European Union, and as such, were not adopted by the Group in the year ended as of 31 December 2018. No significant impacts are expected to arise in the financial statements because of the adoption of these standards.

The accounting policies and measurement criteria adopted by the Group as of 31 December 2018 are consistent with those used in the preparation of the consolidated financial statements as of 31 December 2017, except for Notes 2.1. (i) mentioned above.

In the preparation of the consolidated financial statements, in accordance with the IFRS, the Board of Directors adopted certain assumptions and estimates that affect the reported assets and liabilities, as well as the income and expenses in relation to the reported periods. All the estimates and assumptions made by the Board of Directors were made based on its better existing knowledge, regarding the date of approval of the financial statements, of the events and transactions in progress (Note 2.4).

2.2. Basis of consolidation

The basis of consolidation used by the Group in the preparation of the consolidated financial statements were as follows:

a) Investments in subsidiaries

Investments in companies in which the Group owns, directly or indirectly, more than 50% of the voting rights and is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (definition of control normally used by the Group), are included in the consolidated financial statements by the full consolidation method. Equity and net profit attributable to minority shareholders are shown separately, under the caption "Non-controlling interests", in the consolidated balance sheet and in the consolidated statement of profit or loss. Companies included in the consolidated financial statements are listed in Note 4.1.

The total comprehensive income is attributed to the owners of the mother-company and to the non-controlling members even if by doing that, the company acquires a deficit balance at the level of non-controlling interests.

The results of subsidiaries acquired or disposed during the period are included in the consolidated statement of profit or loss from the effective date of acquisition or up to the effective date of disposal, respectively.

Adjustments to the financial statements of Group companies are performed, whenever necessary, in order to adapt its accounting policies to those used by the Group. All intercompany transactions, balances and distributed dividends are eliminated during the consolidation process.

b) Translation of foreign subsidiaries' financial statements to local currency

Assets and liabilities in the financial statements of foreign entities are translated to Euro using the exchange rates in force at the balance sheet date. Profit or loss and cash flows are converted to Euro using the average exchange rate for the period. The exchange rate differences originated are recorded in the equity caption "Conversion reserves".

Goodwill and adjustments to the fair value arising from the acquisition of foreign subsidiaries are recorded as assets and liabilities of those companies and translated to Euro at the balance sheet date exchange rate.

Whenever a foreign company is sold, the accumulated exchange rate differences are recorded in the statement of profit or loss as a gain or loss associated with the sale, if there is a loss of control, or transferred to non-controlling interests in case there is no loss of control.

Exchange rates used on translation of affiliate accounts in foreign currency were as follows:

	31-12-2018		31-12-2017	
	Year end	Average	Year end	Average
Swiss Franc	1.1269	1.154958	1.1702	1.1116741

2.3. Main accounting policies

The main accounting policies used in the preparation of the consolidated financial statements are as follows:

a) Intangible assets

Intangible fixed assets are recorded at cost, net of depreciation and accumulated impairment losses. Intangible assets are only recognised if it is likely that future economic benefits will flow to the Group, are controlled by the Group and if its cost can be reliably measured.

Development costs are recognised as an intangible asset if the Group has proven technical feasibility and ability to finish the development and to sell/use such assets and it is likely that those assets will generate future economic benefits. Development costs which do not fulfil these conditions are recorded as an expense in the period in which they are incurred.

Internal costs related with software maintenance and development are recorded as expenses in the statement of profit or loss for the period in which they are incurred, except when these costs are directly attributable to projects for which the existence of future economic benefits is probable. If this is the case, they are capitalized as intangible assets.

Amortisation is calculated on a straight-line basis, as from the date the asset is in the necessary condition for use, over its expected useful life (usually 3 to 5 years). In the case of intangible assets related with the exploration licenses of Bioelétrica da Foz, S.A. (and its subsidiaries), the useful life is the same as the licensing period.

b) Property, plant and equipment

Property, plant and equipment acquired until 1 January 2004 (IFRS transition date) are recorded at deemed cost, which corresponds to its acquisition cost, or its acquisition cost re-valued in accordance with generally accepted accounting principles in Portugal until that date, net of accumulated amortisation and accumulated impairment losses.

Property, plant and equipment acquired after that date, are recorded at acquisition cost, net of depreciation and accumulated impairment losses.

Depreciation is calculated on a straight-line basis, as from the date the asset is in the necessary condition for use, over the expected useful life for each group of assets.

The depreciation rates used correspond to the following estimated useful lives:

	Years
Land	20 to 50
Buildings	10 to 50
Machinery	2 to 15
Vehicles and other transport equipment	2 to 10
Office equipment	2 to 10
Other tangible assets	3 to 10

In the case of Bioelétrica da Foz and its subsidiaries Property, plant and equipment, the useful live period corresponds to the exploration license period.

Plant	End of concession
Mortágua	2024
Vila Velha de Ródão	2031
Constância	2034
Figueira da Foz (operating)	2034
Figueira da Foz (in construction)	2044

Impairment losses identified in the recoverable amount of tangible assets are recorded in the year in which they arise, by a corresponding charge against the caption "Provisions and impairment losses" in the profit or loss statement.

Maintenance and repair costs related to tangible assets which do not increase the useful life or result in significant benefits or improvements in tangible fixed assets are recorded as expenses in the period they are incurred.

Property, plant and equipment in progress correspond to fixed assets still in construction and are stated at acquisition cost, net of impairment losses. These assets are depreciated from the date they are concluded or ready to be used under the conditions and for the use established by the management.

Gains or losses arising from the sale or disposal of tangible assets are calculated as the difference between the selling price and the asset's net book value as at the date of its sale/disposal, and are recorded in the statement of profit or loss under the captions "Other income" or "Other expenses".

c) Investment properties

Investment properties correspond to the properties (land or building or part of a building or both) that are not used in the Group's activities: production or supply of goods or services, administrative purposes or held for sale in the ordinary course of business.

Investment properties are recognised at acquisition cost (including transaction costs) and, subsequently, are measured at acquisition or production cost, net of eventual impairment losses.

Depreciation is calculated on a straight-line basis, as from the date the asset is in the necessary condition for use, over the expected useful life for each asset.

d) Investments in associated companies and joint ventures

Investments in associated companies and in joint ventures (companies where the Group has significant influence but has no control over the financial and operating decisions - usually corresponding to holdings between 20% and 50% in a company's share capital) are accounted for in accordance with the equity method.

According to the equity method, the investments in joint companies are initially recorded at acquisition cost, which is adjusted proportionally to the Group's corresponding share capital, as at the acquisition date or as at the date of the first adoption of the equity method. On a yearly basis, investments are adjusted in accordance with the Group's participation in the associated company's net income. Additionally, the dividends of these companies are recorded as a reduction in the investment's book value and the Group's proportion in the changes occurred in the associated company's equity are recorded as a change in the Group's equity

Any excess of the cost of acquisition over the Group's share in the fair value of the identifiable net assets acquired is recognised as goodwill, which is included in the caption "Investments in associated companies and joint ventures". If that difference is negative it is recorded as a gain in the caption "Gains and losses in associated companies and joint companies" after reassessment of the fair value of the identifiable assets and liabilities acquired.

An evaluation of investments held in associated companies and joint ventures is performed whenever there are signs of impairment in those investments. Impairment losses are recorded in the statement of profit or loss for the period. When those losses recorded in previous periods vanish, they are reverted in the statement of profit or losses for the period.

When the Group's share of losses of the associated company or joint venture exceeds the investment's book value, the investment is recorded at nil value, except to the extent of the Group's commitments to the associate or joint venture. In such case, the Group records a provision to cover those commitments.

Unrealised gains arising from transactions with associated companies and joint companies are eliminated to the extent of the Group's interest in the joint against the investment held. Unrealised losses are eliminated but only to the extent that there is no evidence of impairment of the asset transferred.

Investments in associated companies and joint ventures are listed in Note 4.2.

e) Business combinations and Goodwill

The differences between the price of investments in subsidiaries companies added the value of non-controlling interests, and the amount attributed to the fair value of the identifiable assets and liabilities at the time of their acquisition, when positive, are recorded under the caption 'Goodwill', and, when negative, after a re-appreciation of its calculation, are recorded directly in the profit or loss statement. The differences between the price of investments in associated companies and in joint ventures and the amount attributed to the fair value of the identifiable assets and liabilities at the time of their acquisition, when positive, are recorded under the caption 'Investments in associated companies', and, when negative, after a re-appreciation of its calculation, are recorded directly in the profit or loss statement.

The excess of the cost of acquisition of investments in foreign companies over the fair value of their identifiable assets and liabilities as at the date of acquisition is calculated using the local currency of each of those companies. Translation to the Group's currency (Euro) is made using the exchange rate as at the balance sheet date. Exchange rate differences arising from this translation are recorded under the equity caption "Conversion reserves", include in the caption "Other reserves".

The Group opts, on a case-by-case basis for each business combination, to measure noncontrolling interests either at their proportionate interest on the fair value of the assets and liabilities acquired, or at the fair value of the non-controlling interests themselves. Until 1 January 2010, noncontrolling interests were always measured at their proportionate interest on the fair value of the acquired assets and liabilities.
Contingent consideration is recognized as a liability, at the acquisition-date, according to its fair value, and any changes to its value are recorded as a change in the 'Goodwill', but only if they occur during the 'measurement period' (until 12 months after the acquisition-date) and as long as they relate to facts and circumstances that existed at the acquisition date, otherwise these changes must be ecognized in profit or loss.

Transactions regarding the acquisition of additional interests in a subsidiary after control is obtained, or the partial disposal of an investment in a subsidiary while control is retained, are accounted for as equity transactions impacting the equity captions, and without giving rise to any additional 'Goodwill' and without any gain or loss recognized.

When a business combination is achieved in stages, the acquirer measures its previously held equity interest in the acquired at its acquisition date fair value and recognize the resulting gain or loss, if any, in profit or loss.

The moment a sales transaction to generate a loss of control, should be derecognized assets and
liabilities of the entity and any interest retained in the entity sold should be premeasured at fair value and any gain or loss calculated on the sale is recorded in results.

On an annual basis, the Group tests goodwill for impairment. The recoverable amount of the cash-generating units is computed based on their estimated value of use. This computation implies the use of assumptions based on estimates of future events which may occur differently from management's expectations at a given date. Goodwill impairment losses are not reversed.

f) Lease contracts

A lease is classified at the inception date as a finance lease or an operating lease. The inception of the lease is the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease. A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period. The lease term is the non-cancellable period for which the lessee has contracted to lease the asset together with any further terms for which the lessee has the option to continue to lease the asset, with or without further payment, when at the inception of the lease it is reasonably certain that the lessee will exercise the option.

Classifying a lease as financial or as operational depends on the substance of the transaction rather than the form of the contract.

Lease contracts are classified as (i) a finance lease if the risks and rewards incidental to ownership lie with the lessee and (ii) as an operating lease if the risks and rewards incidental to ownership do not lie with the lessee.

The analysis of transfers of risks and rewards of ownership of the asset considers several factors, including whether is contractually conditioned to assume ownership of the asset, the value of minimum future payments over the contract, the nature of the leased asset and the duration of the contract taking into consideration the possibility of renewal.

Property, plant and equipment acquired under financial lease contracts and the corresponding liabilities are recorded in accordance with the financial method. Under this method, the cost of the fixed assets and the corresponding liability are reflected in the balance sheet. In addition, interests included in the lease instalments and depreciation of the fixed assets, calculated as explained in Note 2.3.b), are recorded in the statement of profit or loss of the period to which they apply. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The operational lease instalments on assets acquired under long-term rental contracts are recognized in full as expenses in the period to which they refer to.

g) Government grants

Government grants related with personnel training programmes or production support are recorded in the statement of profit or loss caption "Other income" when attributed, if the cost has already been incurred, independently of when they are received.

Government grants related to fixed assets are recorded as "Other non-current liabilities" and "Other current liabilities" taking into consideration the expected timing of recognition in the profit or loss statement. These government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Unconditional government grants related to biological assets are recognised in profit or loss when the government grant becomes receivable. Conditional government grants related to biological assets are recognized in profit or loss when the conditions attaching to the government Grant are met.

Government grants received in the form of loans are booked under the caption "Reimbursable government grants" as current or non-current liabilities according to the expected instalment dates.

h) Impairment of assets, except for goodwill

Assets are assessed for impairment at each balance sheet date and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the statement of profit or loss under the caption "Provisions and impairment losses".

The recoverable amount is the higher of an asset's net selling price and its value of use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of the disposal. The value of use is the present value of estimated future cash flows expected to arise from the continued use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if not possible, for the cash-generating unit to which the asset belongs.

Reversal of impairment losses recognized in prior years is recorded when the Group concludes that the impairment losses previously recognized for the asset no longer exist or has decreased. The reversal is recorded in the statement of profit or loss as "Other income". However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation and amortization) had no impairment loss been recognized for that asset in prior years.

i) Borrowing costs

Borrowing costs are recognised as expense in the statement of profit or loss for the period in which they are incurred, in an accrual basis.

When the Company contracts loans to specifically finance capital assets, the corresponding interests are capitalized, being part of the cost of the asset. The capitalization of these interests starts after the beginning of the preparation of the activities of construction and ceases when the asset is ready for use or in case the project is suspended.

j) Inventories

Raw, subsidiary and consumable materials are stated at acquisition average cost, deducted from quantity discounts granted by suppliers, which is lower than its market value.

Finished and intermediate goods, sub-products and work in progress are stated at production cost, which includes the cost of raw materials, direct labour and production overheads, which is lower than market value. Therefore, harvested wood owned by the Group is valued at production cost, which includes the costs incurred with the cutting, gathering and transport of harvested wood, as well as the accumulated cost of plantations, maintenance and administrative expenses in proportion to the harvested area.

When necessary, the Group records impairment losses to reduce inventories to its net realisable or market value.

k) Biological assets

Part of Altri's activity consists in in the cultivation of several species of forestry, especially eucalyptus, which are basically used as raw material for pulp's production. At the end of the year, the plantations owned by the Group are classified in the caption "Biological assets". The forest lands owned by the Group are valued in accordance with accounting policy described in Note 2.3 b) and are classified in the caption "Property, plant and equipment" of the consolidated financial statements.

In 2017 the Group decided to subsequently measure its biological assets at fair value. The fair value was computed by an external and independent third party using a discounted cash flow method. This assessment was based on several assumptions related to the forest's productivity, the timber's sale price subtracted by the inherent chop costs, and plantation and maintenance costs, discounted at an estimated discount rate.

The effect of any change to the assumptions in the fair value computation is recognized as profit or loss.

The Group assesses biological assets as falling under level 2.

The cost of wood is transferred to production cost when the wood is harvested. The cost of wood harvested is determined based on the specific cost of each plantation attributed to each harvesting, which also includes the costs incurred on each plantation since the last harvesting.

l) Provisions

Provisions are recognised when, and only when, the Group has an obligation (legal or constructive) arising from a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of that obligation. Provisions are reviewed and adjusted at each balance sheet date to reflect the best estimate as of that date.

Restructuring provisions are recorded by the Group whenever a formal and detailed restructuring plan exists and has been communicated to the involved parties.

Dismantling and decommissioning provisions

The Group recognises dismantling and decommissioning provisions when a legal or contractual obligation is settled to dismantling and decommissioning those assets at the end of their useful life. Consequently, the Group has booked provisions related with renewables assets, for the expected cost of restoring sites and land to its original condition. The provisions correspond to the present value of the expenditure expected to be required to settle the obligation and are recognised as part of the initial cost or an adjustment to the cost of the respective asset, being depreciated on a straight-line basis over the asset's useful life.

Decommissioning and dismantling provisions are remeasured on an annual basis based on the best estimate of the settlement amount. The unwinding of the discount at each balance sheet date is charged to the income statement.

Environmental related disbursements are recognized as a loss when incurred unless they meet the definition of an asset in accordance with IFRS.

m) Post-employment benefit plans

Some Group companies have assumed commitments to provide pension complements to employees retiring due to age or disability. To cover these liabilities there have been created autonomous pension funds, which annual charges, computed in accordance with actuarial analysis, are recorded in the statement of profit or loss in accordance with IAS 19 – "Employee benefits".

The impact of the measurement of the net responsibilities for defined benefit plans, including actuarial gains and losses and the return of the plan assets (where applicable) net of interest, is recognized immediately in the statement of comprehensive income (in equity, in the caption "Retained earnings"), with no impact on the income statement. This measurement impact is not reclassified to the income statement in subsequent years.

The net interest is recognized in the income statement, as well as the cost of any past services is recognized in the income statement in the periods they are incurred.

Any insufficiency of coverage by the autonomous pension funds that happened in order of rendered services is recorded as a liability in the financial statements of the Group.

When the financial situation of autonomous pension funds is superior to past services' responsibilities, Altri records an asset in its financial statements because this difference corresponds to less appropriations' necessities for pension funds in the future.

These liabilities were calculated under the "Projected unit credit method" under the actuarial and financial assumptions deemed to be the most adequate (Note 29).

From May 2014, the Group companies started to grant these pension supplements through defined contribution plans (except for Celtejo, Caima Indústria and Altri Florestal in which both situations subsist). The Company's contribution is recognized in the profit or loss statement.

n) Financial instruments

The Group has adopted IFRS 9 and did not restate the comparative information regarding the year ended 31 December 2017, which remains prepared in accordance with IAS 39.

Accounting policy adopted in 2018 regarding financial assets and financial liabilities (IFRS 9)

Financial assets and liabilities

Financial assets and liabilities are recognised in the consolidated statement of the financial position of the Group when it becomes a contracting party of the financial instrument.

Financial assets and liabilities are initially recorded at their fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and liabilities (except for financial assets and liabilities measured at fair value through the income statement) are added or deducted to the fair value of the financial asset or liability, as the case may be, in the initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or liabilities recognised at fair value through the income statement are immediately recorded in the consolidated income statement.

Financial assets

All purchases and sales of financial assets are recognised on the date the respective purchase and sale agreements are signed, regardless of the financial settlement date. All financial assets recognised are subsequently measured at amortised cost, or at fair value, depending on the business model adopted by the Group and the characteristics of its contractual cash flows.

Classification of financial assets

(i) Debt instruments and accounts receivable

The fixed income debt instruments and the accounts receivable that meet the following requirements are subsequently measured at amortised cost:
- the financial asset is held taking in consideration a business model whose purpose is to keep the asset in order to receive its contractual cash flows; and
- the contract terms of the financial asset give rise, on specific dates, to cash flows which are just payments of capital and interest over the outstanding principal amount.

The effective interest rate method is a method for calculating the amortised cost of a financial instrument and to allocate the respective interest during its term.

For financial assets which were not acquired or originated with impairment (i.e., impaired assets in the initial recognition), the effective interest rate is the rate which discounts exactly the estimated future cash flows (including fees and commissions paid or received that constitute an integral part of the effective interest rate, transaction costs and other premiums or discounts) during the expected life of the instrument in its gross carrying amount on the date of its initial recognition.

The amortised cost of a financial asset is the amount by which it is measured in the initial recognition minus the repayments of capital, plus the accumulated amortisation, using the effective interest rate method, of any difference between that initial amount and the amount of its repayment, adjusted by potential impairment losses.

The revenue associated with interest is recorded in the consolidated income statement under the caption "Financial income", through the effective interest rate method, for financial assets subsequently recorded at amortised cost or at fair value through income statement. The interest revenue is calculated by applying the effective interest rate to the gross carrying amount of the financial asset.

The debt instruments and the accounts receivable which meet the following requirements are subsequently measured at fair value through other comprehensive income:

- the financial asset is held taking in consideration a business model whose purpose allows both the receipt of its contractual cash flows and its disposal; and
- the contract terms of the financial asset give rise, on specific dates, to cash flows which are just payments of capital and interest over the outstanding principal amount.

(ii) Equity instruments designated at fair value through other comprehensive income

In the initial recognition, the Group may irrevocably choose (financial instrument to financial instrument) to designate certain investments in equity instruments (shares) at fair value through other comprehensive income when they satisfy the definition of equity predicted within IAS 32 Financial Instruments: Presentation and are not held for trading. Classification is determined financial instrument to financial instrument.

The designation at fair value through other comprehensive income is not allowed if the investment is held for trading purposes or if it results from a contingent consideration recognised within the scope of a business combination.

An equity instrument is held for trading if:

- it is acquired essentially for purposes of short-term disposal;
- in the initial recognition, is part of a portfolio of identified financial instruments that the Group jointly manages and in which there is evidence of a recent real pattern of short-term profit generation; and
- if it is a derivative financial instrument (unless it is assigned to a hedging operation).

The investments in equity instruments recorded at fair value through other comprehensive income are initially measured at their fair value plus transaction costs. Subsequently, they are measured at fair value with the gains and losses resulting from its change recognised in other comprehensive income. At the moment of their disposal, the accumulated gain or loss generated by these financial instruments is not reclassified to the consolidated income statement but instead it is transferred to the heading of "Other reserves".

The dividends associated with investments in equity instruments are recorded in the consolidated income statement in the moment they are attributed / declared, unless they clearly represent a recovery of part of the investment cost. The dividends are recorded in the consolidated income statement under the heading "Financial income".

In the first application of IFRS 9, the Group designated the investments in equity instruments which were not kept for trading purposes as recorded at fair value through other comprehensive income.

(iii) Financial assets at fair value through profit or loss

Financial assets which do not meet the criteria for being measured at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss. These assets include financial assets held for trading, financial assets designated at initial recognition to be measured at fair value through profit or loss or financial assets which are required to be measured at fair value.

Financial assets recorded at fair value through income statement are measured at fair value determined at the end of each reporting period, being the respective gains or losses recognised in the consolidated income statement, unless they are assigned to a hedging relationship.

Impairment of financial assets

The Group recognizes expected impairment losses for debt instruments measured at amortised cost or at fair value through other comprehensive income, as well as, for accounts receivable from customers, from other debtors and for contract assets.

The amount of expected impairment losses for the financial assets referred to above is updated on each reporting date in order to reflect the changes in the credit risk occurred since the initial recognition of the respective financial assets.
The expected impairment losses for credit guaranteed (accounts receivable from customers and other debtors and contract assets) are estimated using an uncollectible matrix based on the credit history of the Group's debtors over the last years as well as by the forecasted macroeconomic conditions for the future.

The impairment loss is recorded considering the "expected credit losses" of those financial assets. The amount of expected impairment losses for the financial assets above referred is updated on each reporting date in order to reflect the changes in the credit risk occurred since the initial recognition of the respective financial assets. The impairment losses are recognised in profit or loss as incurred.

Following the simplified approach, the Group recognizes expected impairment losses bases on lifetime expected credit losses at each reporting date. Expected impairment losses are estimated using an impairment matrix based on historical information and on prospective information related with the debtors' credit risk, the macroeconomic conditions' expected evolution and on the assessment of the current and prospective applicable circumstances.

Expected credit losses measurement and recognition

The measurement of impairment losses reflects the estimated probability of default and the amount of the loss if that default occurs, as well as the Group's real exposure to that default. As prescribed by IFRS 9, the Group considers a financial asset in default when contractual payments are 60 days past due.

The assessment of the default and loss probabilities is based on historical information available, adjusted for forward-looking factors specific to the debtors and the economic environment.

Regarding exposure to default for financial assets, the same is represented by the gross book value of the assets at each reporting date. For financial assets, the expected impairment loss is estimated based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The Group records a gain or loss in the profit or loss statement related to financial instruments impairments, with the respective adjustments being booked under accumulated impairment losses in the statement of financial position.

Due to the strict credit control policy in place the uncollectible debts have been nearly nil.

Until 31 December 2017 the Group assessed its receivables' impairments based on incurred losses (IAS 39). Starting January 2018, the Group prospectively assesses the expected impairment losses following IFRS 9 prescriptions.

The model used to determine the impairment on accounts receivable is the following:

- Separation of the clients taking into consideration the revenue stream;
- Historical analysis of uncollectible balances and defaults;
- Segregation of open balances depending on the existence of credit insurance and documentary credits;
- For balances not covered by credit insurance, assessment of the historical uncollectible balances for the past 2 years;
- Adjusting the resulting rates with a forward-looking component based on expected market evolution projections;
- Applying those impairment rates to the trade receivables balances as of the reporting date.

From the analysis carried out, the Group concluded that the adoption of IFRS 9 does not have a significant impact on the consolidated financial statements as of 31 December 2018.

Additionally, the Group recorded impairment losses as a result of past events and based on a case by case analysis.

The amounts presented in the statement of financial position are net of impairment losses, which means they are booked at fair value.

For other financial assets, the Group assesses at each reporting date if there has been a significant increase in credit risk since the initial recognition of the asset. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). The credit risk assessment is carried out in accordance with the criteria disclosed in the risk management policies disclosed.

Derecognition of financial assets

The Group only derecognises a financial asset when the contractual rights to the asset's cash flows expire or when it transfers the financial asset together with all substantial risks and rewards associated with the respective ownership to other entity. If the Group neither transfer, neither retain, substantially all the risks and rewards associated with the ownership of a financial asset but still carries on controlling that asset, the Group recognises its interest in the asset retained and a liability equivalent to the amount that it must return. If the Group substantially retains all risks and rewards associated with the ownership of a financial asset transferred, it continues to recognise it and recognises in addition a loan for the amount received.

In the derecognition of a financial asset measured at amortised cost the difference between it carrying amount and the sum of the consideration received or receivable is recognised in the consolidated income statement.

On the other hand, in the derecognition of a financial asset represented by an equity instrument recorded at fair value through other comprehensive income, the gain or loss accumulated in the revaluation reserve is reclassified to the consolidated income statement.

However, in the derecognition of a financial asset represented by an equity instrument irrevocably designated in the initial recognition as recorded at fair value through other comprehensive income, the gain or loss accumulated in the revaluation reserve is not reclassified to the consolidated income statement being instead transferred to the caption of "Other reserves".

(iv) Financial liabilities and equity instruments

Classification as financial liability or equity instrument

Financial liabilities and equity instruments are classified as liability or as equity instrument according to the contractual substance of the transaction.

Equity

The Group defines equity instruments as those where the underlying contract of the transaction evidences that the Group holds a residual interest in a set of assets after deduction of a set of liabilities.

The equity instruments issued by the Group are recognised by the amount received, net of the costs directly attributable to its issue.

The repurchase of equity instruments issued by the Group (own shares) is recorded at its acquisition cost as a deduction of equity. Gains or losses arising from the disposal of own shares are recorded under the heading "Other reserves and retained earnings".

Financial liabilities

Following the initial recognition, all financial liabilities are subsequently measured at amortised cost, using the effective interest rate method, or at fair value through income statement.
Financial liabilities are recorded at fair value through profit or loss statement when
- the financial liability results from a contingent consideration arising from a business combination;
- when the liability is held for trading; or
- when the liability is designated for being recorded at fair value through profit or loss.

A financial liability is classified as being held for trading if:
- it is acquired mainly for purposes of short-term disposal; or
- on the initial recognition, it is part of a portfolio of identified financial instruments that the Group jointly manages and in which there is evidence of a recent real pattern of short-term profit generation; or
- if it is a derivative financial instrument (unless it is designated as a hedging operation).

Financial liabilities recorded at fair value through the consolidated income statement are measured at fair value with the respective gains or losses resulting from its change being recognised in the consolidated income statement, unless they are assigned to hedging operations.

Financial liabilities subsequently measured at amortised cost

Financial liabilities which are not designated to be recorded at fair value through income statement are subsequently measured at amortised cost, using the effective interest rate method.

The effective interest rate method is a method for calculating the amortised cost of a financial instrument and to allocate the respective interest during its term.

The effective interest rate is the rate which discounts exactly the estimated future cash flows (including fees and commissions paid or received that constitute an integral part of the effective interest rate, transaction costs and other premiums or discounts) during the expected life of the financial instrument in its carrying amount at the date of its initial recognition.

Types of financial liabilities

Commercial paper issues are classified as non-current liabilities when they are guaranteed to be placed for more than a year, and the Group's Board of Directors intends to use that financing source also for more than a year.

Other financial liabilities refer essentially to factoring and financial leasing operations, which are initially recorded at fair value. These financial liabilities are, after their initial recognition, measured at the amortised cost using the effective interest rate method.

Discounted bills and accounts receivable transferred to factoring companies

Only when the assets' cash flows contractual right has expired or when the risks and benefits inherent to those assets are transferred to a third entity the Group derecognises the financial assets of its financial statements. If the Group retains substantially the risks and benefits inherent to the property of such assets, the Group continues to recognize them in its financial statements, by recording in the caption "Other loans" the monetary counterparty for the transferred assets.

In consequence, the costumers' balances formed by non-outstanding discounted bills and accounts receivable transferred to factoring companies as of the balance sheet date, with exception of the non-appealing factoring operations are recognized in the Group's financial statements until the moment of their collection. At 31 December 2018, there were no non-appealing factoring operations.

Derecognition of financial liabilities

The Group derecognises financial liabilities solely when its obligations are settled, cancelled or expired.

The difference between the carrying amount of the derecognised financial liability and the consideration paid or payable is recognised in the consolidated income statement.

When the Group exchanges with a given creditor a debt instrument by another with substantially different terms that exchange is recorded as an extinguishment of the original financial liability and the recognition of a new financial liability.
Similarly, the Group records the substantial changes to the terms of an existing liability, or part thereof, as an extinguishment of the original financial liability and the recognition of a new financial liability.

If the change is not substantial, the difference between: (i) the carrying amount of the liability prior to the change; and (ii) the present value of the future cash flows following the change is recognised in the consolidated income statement as a gain or loss of the change.

Derivative financial instruments

The Group uses a set of derivative financial instruments (forwards, swaps and options) to manage its exposure to the interest rate risk and to the exchange rate risk but never uses derivative financial instruments for trading purposes.

Derivatives classified as cash flow hedge instruments are used by the Group mainly to hedge interest rate fluctuation, exchange rate and to fix pulp price. The index, the computation conventions, the interest rate hedging instruments are like the ones established for the underlying loans or other estimated cash flows and, therefore, are qualified as perfect hedging. The derivatives most used by the Group are the price indexations of pulp using future contracts.

Before 1 January 2018, the Group designated all the forward contracts as hedging instrument. Any gains or losses arising from changes in the fair value of derivatives were taken directly to profit or loss, except for the effective portion of cash flow hedges, which were recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss.

From 1 January 2018, the Group designates only the spot element of forward contracts as hedging instrument. The forward element is recognised in other changes in equity and accumulated as a separate component of equity.

Derivatives contracted with the objective of hedging risk can be booked as hedging instruments if they meet the following criteria:
(i) At inception, the hedging relationship is clearly identified and formally documented, including the identification of the hedged item, the hedging instrument and the hedging effectiveness assessment;
(ii) It is expected that the hedging relationship is highly effective at inception date and will be highly effective throughout its life;
(iii) The hedging effectiveness can be reliably measured;
(iv) For cash flow hedge instruments, the forecast transaction is highly probable.

Whenever Management deems necessary, taking into consideration the expected volatility of interest or exchange rates, the Group contracts hedging financial derivatives such as interest rate swaps (IRS), interest or exchange rate collars or exchange rate forwards.

When deciding on which hedging instruments to use, Management considers their characteristics taking into consideration the risks they aim to hedge. The implications of the inclusion of each additional instrument in the existing derivatives portfolio are also considered, in particular the effects in terms of volatility in the profit of loss.

The cash flow hedge instruments are recorded at its fair value. Changes in the fair value of these instruments are recorded in assets or liabilities, against the corresponding entry under the equity caption "Hedging reserves" and transferred to the statement of profit or loss when the operation subjected to hedging affects the net profit for the period.

The determination of the fair value of these financial instruments is made with informatics systems of derivative instruments valuation and had, on its basis the actualization, for the balance sheet date, of the future fix and variable leg cash flows of the derivative instrument.

Hedge accounting of derivative instruments is discontinued when the instrument matures or is sold. Whenever a derivative instrument can no longer be qualified as a hedging instrument, the fair value differences recorded and deferred in equity under the caption "Hedging reserves" are transferred to profit or loss of the period or to the carrying amount of the asset that resulted from the hedged forecast transaction. Subsequent changes in fair value are recorded in the income statement.

When embedded derivatives exist, they are accounted for as separate derivatives when the risks and the characteristics are not closely related to economic risks and characteristics of the host contract and when these are not stated at fair value with gains and losses not realisable are recorded in the profit or loss statement.

When derivative instruments, although specifically contracted to hedge financial risks, do not fulfil the requirements listed above to be classified and accounted as hedge instruments, the changes in fair value are directly recorded as financial results in the profit or loss statement.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in Other comprehensive income must remain in accumulated Other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated Other comprehensive income must be accounted for depending on the nature of the underlying transaction as described above.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policy adopted in 2017 regarding financial assets and financial liabilities (IAS 39)

i) Investments

Investments held by the Group are divided into the following categories:

- Investments held to maturity, are classified as non-current assets unless they mature within 12 months of the balance sheet date. The investments classified as held to maturity are non-derivative assets with defined or determinable payment dates, have defined maturity and the Group has the intention and ability to maintain them until the maturity date.
- Investments measured at fair value through profit or loss are classified as current assets. The purpose of these investments is to obtain short term profits.
- Investments available for sale are all the other investments that are not classified as held to maturity or measured at fair value through profit or loss, being classified as non-current assets.

Investments are initially measured at cost, which is the fair value of the price paid, including transaction costs if related with held to maturity and available for sale investments.

Investments available for sale and investments measured at fair value through profit or loss are subsequently measured at fair value by reference to the market value at the balance sheet date without any deduction for transaction costs which may be incurred until its sale. Investments in equity instruments which are not listed on a stock exchange market and whose fair value cannot be reliably measured are stated at cost net of impairment losses. Investments held to maturity are recorded at amortised cost, using the effective interest method.

Gains or losses arising from a change in the fair value of available for sale investments are recognised under the equity caption "Fair value reserve" included in caption "Other reserves", until the investment is sold or disposed, or until it is determined to be impaired, at which time the cumulative loss previously recognised in equity is transferred to profit or loss account for the period.

All purchases and sales of investments are recorded on its trade date, independently of the liquidation date.

Equity instruments classified as available for sale are impaired if there is a significant or prolonged decline in its fair value bellow its acquisition cost.

Held to maturity investments are carried at amortized cost using the effective interest rate, net of capital reimbursements and interest income received.

ii) Accounts receivable

Trade receivables and other accounts receivable are stated at nominal value less impairment losses so that those receivables reflect its net realisable value. The current accounts receivable not include interests because discount's impact is not considered immaterial.

Impairment is recognised if there is objective and measurable evidence that, as a result of one or more events that occurred, the balance will not be fully received. Therefore, each group company takes into consideration market information which shows the client default in their responsibilities', as well as historic information on outstanding debts not received.

Recognized Impairment losses equals to the difference between the nominal value of the receivable balance and the correspondent present value of future estimated discounted cash-flows at the initial effective interest rate; when the payment is expected to occur in a period less than a year, the rate is considered null.

iii) Loans and other accounts payable

Loans and non-current payable accounts are recorded in liabilities by amortised cost, using the effective interest rate method. Financial expenses are calculated based on the effective interest rate and are recorded in the statement of profit or loss on an accrual basis. The portion of the effective interest charge relating to up-front fees and commissions, if not paid in the period, is added to the book value of the loan.

Assets and liabilities are compensated and presented for its net amount as long as there is the right for compulsory fulfilment of compensation and the Board of Directors intends to realise them on a net basis or realise the asset and simultaneously settle the liability.

iv) Accounts payable

Accounts payable are stated at their nominal value because they do not bear interests and the discount effect is immaterial.

The Group uses confirming facilities from some financial institutions, which are like reverse factoring agreements. The Group does not use these agreements to manage its liquidity needs because the invoices payment is done at maturity; at that date, the Group settles the amounts advanced by the financial institutions.

Consequently, and considering these agreements do not give rise to any financial expenses for the Group, the invoices which were paid in advance by the financial institutions remain booked under "Trade payables".
The liability is derecognized only when the underlying responsibilities are extinguished by settlements, are cancelled or expired.

v) Derivatives

Altri Group uses hedge derivatives for the management and hedging of its financial risks. The Group does not use derivatives for the purpose of trading.

Derivatives classified as cash flow hedge instruments are used by the Group mainly to hedge interest rate fluctuation, exchange rate and to fix pulp price. The index, the computation conventions, the interest rate hedging instruments are like the ones established for the underlying loans or other estimated cash flows and, therefore, are qualified as perfect hedging. The derivatives most used by the Group are the price indexations of pulp using future contracts.

The criteria used by the Group to classify the Derivative instruments as cash flow hedging instruments are the following:

- the hedge is expected to be highly effective at its inception;
- the hedging effectiveness can be reliably measured;
- there is appropriate documentation regarding the transaction to be hedged at the inception of the hedge; and
- the forecast transaction is highly probable.

The cash flow hedge instruments are recorded at its fair value. Changes in the fair value of these instruments are recorded in assets or liabilities, against the corresponding entry under the equity caption "Hedging reserves" and transferred to the statement of profit or loss when the operation subjected to hedging affects the net profit for the period.

The determination of the fair value of these financial instruments is made with informatics systems of derivative instruments valuation and had, on its basis the actualization, for the balance sheet date, of the future fix and variable leg cash flows of the derivative instrument.

Hedge accounting of derivative instruments is discontinued when the instrument matures or is sold. Whenever a derivative instrument can no longer be qualified as a hedging instrument, the fair value differences recorded and deferred in equity under the caption "Hedging reserves" are transferred to profit or loss of the period or to the carrying amount of the asset that resulted from the hedged forecast transaction. Subsequent changes in fair value are recorded in the income statement.

When embedded derivatives exist, they are accounted for as separate derivatives when the risks and the characteristics are not closely related to economic risks and characteristics of the host contract and when these are not stated at fair value with gains and losses not realisable are recorded in the profit or loss statement.

When derivative instruments, although specifically contracted to hedge financial risks, do not fulfil the requirements listed above to be classified and accounted as hedge instruments, the changes in fair value are directly recorded as financial results in the profit or loss statement.

vi) Financial liabilities and Equity instruments

Financial liabilities and equity instruments are classified and accounted for based upon its contractual substance. Equity instruments are those that represent a residual interest upon the Group's net assets and are recorded by the amount received, net of costs incurred with its issuance.

vii) Treasury shares

Treasury shares are recorded at acquisition cost as a deduction to equity captions. Gains or losses on its sale are recorded in the equity caption “Other reserves” not affecting the profit or loss statement for the period.

viii) Discounted bills and accounts receivable transferred to factoring companies

Only when the assets’ cash flows contractual right has expired or when the risks and benefits inherent to those assets are transferred to a third entity the Group derecognises the financial assets of its financial statements. If the Group retains substantially the risks and benefits inherent to the property of such assets, the Group continues to recognize them in its financial statements, by recording in the caption “Other loans” the monetary counterparty for the transferred assets.

In consequence, the costumers’ balances formed by non-outstanding discounted bills and accounts receivable transferred to factoring companies as of the balance sheet date, with exception of the non-appealing factoring operations are recognized in the Group’s financial statements until the moment of their collection. At 31 December 2018, there were no non-appealing factoring operations

ix) Cash and banks

Cash and banks include cash on hand, cash at banks on demand and term deposits and other treasury applications which reach maturity within less than three months and that may be drawn without significant risk of change in value.

For purposes of the consolidated statement of cash flows, “Cash and banks” caption also includes bank overdrafts, which are included in the balance sheet caption “Bank loans”.

o) Cash and banks

Cash and banks include cash on hand, cash at banks on demand and term deposits and other treasury applications which reach maturity within less than three months and that may be drawn without significant risk of change in value.

For purposes of the consolidated statement of cash flows, “Cash and banks” caption also includes bank overdrafts, which are included in the balance sheet caption “Bank loans”.

p) Contingent assets and liabilities

Contingent assets are possible assets arising from past events and whose existence will be confirmed, or not, by uncertain future events not controlled by the Company.

Contingent assets are not recorded in the consolidated financial statements but only disclosed when the existence of future economic benefits is likely.

Contingent liabilities are defined by the Company as (i) possible obligations that arise from past events and which existence will be confirmed, or not, by one or more occurrences of uncertain future events not controlled by the Company, or (ii) present obligations that arise from past events but that are not recorded because it is unlikely that an outflow of resources occurs to settle the obligation or the obligation amount cannot be reliably measured.

Contingent liabilities are not recorded in the consolidated financial statements, being disclosed, unless the probability of a cash outflow is remote, in which case no disclosure is made.

q) Income tax

Income tax for the period is determined based on the taxable results of the companies included in the consolidation and takes into consideration deferred taxation.

Current income tax is determined based on the taxable results of the companies included in the consolidation, in accordance with tax regulations in force at the location of the head office of each Group company, considering the annual estimated income tax rate.

For some of the companies included in the consolidation of Altri Group by the full consolidation method, the income tax is determined in accordance with article 69 of the Corporate Income Tax Code ("Código do Imposto sobre o Rendimento das Pessoas Colectivas"), under the special regime of taxation of groups of companies.

The Group recognizes the gain from investment tax incentives under the form of discounts to the collection in accordance to the criteria established in "IAS 12 - Income Tax" for recognition of gains with tax credits. Accordingly, the gain is recognized when the right to use the credit is obtained and a "deferred tax asset" is recognized if it is not possible to use all of those tax credits in the year and it is expected that, in the future, the company will generate sufficient results to allow its use.

Deferred taxes are computed using the balance sheet liability method and reflect the timing differences between the amount of assets and liabilities for accounting purposes and the correspondent amounts for tax purposes. Deferred taxes are computed using the tax rate that is expected to be in force at the time these temporary differences are reversed.

Deferred tax assets and liabilities are measured:

- According to the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date; and
- Reflecting the tax impacts which follow, and the Company expects, as at the date of the balance sheet, to recover or settle the carrying amount for its assets and liabilities.

Deferred tax assets are only recorded when there is reasonable expectation that enough taxable profits will arise in the future to allow such deferred tax assets to be used. At the end of each period the company reviews its recorded and unrecorded deferred tax assets which are reduced whenever its realization ceases to be likely or recorded if it is likely that taxable profits will be generated in the future to enable its recovery.

Deferred taxes for temporary differences associated with investments in associates and interests in joint ventures are not recognised, as it is considered that the following conditions are simultaneously fulfilled:

- The Group can control the timing of the reversal of the temporary difference; and
- It is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred tax assets and liabilities are recorded in the statement of profit or loss, except if they relate to items directly recorded in equity. In these cases, the corresponding deferred tax is recorded in the same equity captions.

r) Revenue

The Group adopted IFRS 15 in 2018. The comparative information was not restated, it is in accordance with IAS 18.

The revenue in 2018 started being measured according to the specific consideration established in the contracts entered with the customers and excludes any amount received on behalf of third parties. Thus, the Group started to recognise revenue when it transfers to the customer the control of a given good or service.

In the comparative period, revenue was measured at fair value of the consideration received or receivable and was recognized namely when the significant risks and rewards associated with the ownership of the assets sold were transferred to the purchaser.

The main business areas/ sources of revenue of the Group in the years of 2017 and 2018 can be detailed as follows:
(i) Pulp – sales of pulp produced in one of the 3 plants of the Group;
(ii) Energy – electricity sale to the public electricity network.

Nature, performance obligations and timing of revenue recognition

(i) Pulp – the Group has agreements with several entities to deliver pulp according to predetermined characteristics (in particular the bleaching level); these agreements result in a single performance obligation which is fully met with the delivery of the pulp taking into consideration the agreed upon incoterms.

(ii) Energy – the Group injects power from its cogeneration plants into the national power grid. This also corresponds to a single performance obligation.

The Group recognizes revenue in accordance with IFRS 15. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The five steps are the following:
1. Identify the contracts with customers;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to performance obligations; and
5. Recognise revenue when (or as) performance obligations are satisfied.

Revenue is recognised net of discounts and taxes (such as commercial rebates and other quantity discounts) and reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer and in line with the main sources of revenue identified above.

Contracts with customers pertain to the sale of goods and, to a limited extension, to their transport whenever applicable. Revenue is recognised in the basis of the performance obligation satisfied.

The Group's contracts with customers do not include uncertain consideration nor significant financing components. Additionally, there is no history of contract modification or combination.

Contracts with customers in place do not include additional warranties. Generally, costs to obtain contracts with customers are internal as they are obtained by the commercial team of Altri Group.

The transaction price is fixed and dependent only on the quantities sold.
The transference of control occurs when the associate risks are transferred, considering the contractual conditions agreed upon. The control over goods is generally transferred when the goods are delivered in the customer's premises.

The Group considers the facts and circumstances when analysing the terms of each contract with customers, applying the requirements that determine the recognition and measurement of the revenue in a harmonised manner, when dealing with contracts with similar characteristics and under similar circumstances.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer.
If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

s) Accrual basis

All other income and expenses are recognized in the period to which they relate, independently of when the amounts are received or paid. Differences between the amounts received and paid and the corresponding income and expenses are recorded in the captions "Other assets", "Other liabilities", "Other non-current assets" and "Other non-current liabilities".

t) Balances and transactions expressed in foreign currencies

All assets and liabilities expressed in foreign currencies were translated to Euro using the exchange rates in force on the balance sheet date.

Favourable and unfavourable exchange differences arising from changes in the exchange rates between those prevailing on the dates of the transactions and those in force on the dates of payment, collection or as of the balance sheet date are recorded in the consolidated statement of profit or loss, except the ones related to non-monetary values which fair value variation be directly recorded in equity.

u) Subsequent events

Subsequent events that provide additional information about conditions that existed at the balance sheet date ("adjusting events") are reflected in the consolidated financial statements. Subsequent events that provide information about conditions that have only arisen after the balance sheet date are considered "non-adjusting events" and are disclosed in the notes to the financial statements, if material.

v) Segment information

In each period, the Company identifies the most adequate segment division taking into consideration the business areas in which the Group is present.

At the moment, Altri Group has only one business segment (production and commercialization of bleached pulp from eucalyptus) for which the internal report of segmental information is analysed under this assumption.

w) Assets classified as held for sale or in discontinuation

The assets and liabilities are classified as held for sale or in discontinuation when their disposal is made not by its use but by its sale. The assets classified as held for sale or in discontinuation are valued at the lower of its accounting value at the date of the sale decision and its fair value deducted of their selling costs.

The Group classifies assets and liabilities in this caption when exists a high probability of its sale becomes effective and the assets and liabilities are available for immediate sale. The Board of Directors is committed in the sale of the assets and liabilities recorded in this caption, and it is their understanding that this sale will be completed in the next twelve months.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position. A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:
(i) Represents a separate major line of business or geographical area of operations;
(ii) It is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
(iii) It is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

2.4. Judgments and estimates

In preparing the consolidated financial statements in accordance with IAS / IFRS, the Group's Board of Directors has adopted certain assumptions and estimates that affect the reported assets and liabilities and income and expenses incurred for the periods reported. All estimates and assumptions made by the Board were made based on your best knowledge existing at the date of approval of the financial statements, events and transactions in progress.

The most significant accounting estimates reflected in the consolidated income statements include:

a) Useful lives of the tangible and intangible fixed assets

The Group reviews the useful lives of its Property, plant and equipment and of its Intangible assets at each balance sheet date. The useful lives depend on several factors related with their use, the strategic decisions of the Group and with the economic environment of the subsidiary companies.

b) Impairment tests of goodwill, tangible and intangible assets, as well as financial investments

Impairment tests require the determination of the fair value and/ or the value in use of the underlying assets or cash generating units. These tests involve significant judgement, particularly in what concerns the future cash flows estimation and the computation of an appropriate discount rate for the calculation of the net present value.

The Group deemed appropriate the requirement to use the maximum quantity of directly or indirectly observable inputs that are significant for the computation of fair value. The Group has also defined monitoring procedures to assess the reasonableness of the assumptions used and of their coherence and consistence under similar circumstances.

c) Recognition of impairment on assets, namely inventory and accounts receivable

Impairment losses in accounts receivable are calculated as disclosed in Note 2.3. n). The case by case analysis involves the Group's judgement in the assessment of the economic and financial status of the third parties, as well in the determination of the guarantee value estimate, which impacts the future expected cash flows. On the other hand, the expected credit losses are computed taking into consideration historical information and assumptions, which may not represent the debtors' future capacity to settle their debts.

d) Post-employment benefit plans responsibility computation

The liabilities related with post-employment benefit plans are estimated based on actuarial assessments performed by external experts whom are certified by the Insurance Supervisory Authority. Those computations are based on a set of financial and actuarial assumptions, namely the discount rate, mortality table, disability, pension and salary growth, amongst others. These assumptions are the Group's Management best estimate as of the balance sheet date.

e) Fair value of derivatives

The valuation of the derivatives for which there is no active market has been based on valuation models using the cash flow method or multiples from market transactions. The fair value of the Group's contracted derivatives is determined by the respective counterparts (financial institutions with whom such contracts were signed).
Management considers these experts to have the necessary expertise and objectivity.

f) Fair value of biological assets

In determining the fair value of biological assets, the Group used the net present value of estimated discounted future cash flows. These cash flows incorporate assumptions which underline the nature of the biological assets (Note 10).
Changes in the assumptions used could imply changes in the fair value of the biological assets.

g) Provisions (including dismantling and decommissioning provisions)

The Group considers there are legal, contractual or constructive obligations in that concerns the dismantling and decommissioning of the fixed assets used in power production. The Group books provisions considering the net present value of the estimated cash outflows needed to return the land to its previous conditions.
If different assumptions were made in the computation of the provisions, the results would have been different than those presented.

Estimates used are based on the best information available during the preparation of consolidated financial statements and are based on best knowledge of past and present events. Although future events are neither controlled by the Group nor foreseeable, some could occur and have impact on the estimates. Changes to the estimates used by the management that occur after the date of these consolidated financial statements, will be recognised in net income, in accordance with IAS 8 – Accounting policies, changes in accounting estimates and errors, using a prospective methodology.

2.5. Financial risk management

Altri's Group is exposed essentially to the: (i) market risk; (ii) liquidity risk and (iii) credit risk. The main objective of the Board of Directors, on what risk management concerns, is to reduce these risks to a level considered acceptable for the development of the Group activities. The guiding lines of the risk management policy are defined by Altri's Board of Directors, which determines the acceptable risk limits. The operational concretization of the risk management policy is made by the Board of Directors and by the management of each participated company.

a) Market risk

At this level of market risk, a particular importance is given to interest rate risk, exchange rate risk, variability of the commodities' price risk and forest management and production of eucalyptus risk.

When considered necessary, the Group uses derivative instruments on the management of their market risks which is exposed as a way of ensuring its hedging and does not use derivative instruments with the objective of negotiation or speculation.

i) Interest rate risk

The exposure of the Group to interest rate results of the long-term loans constituted, mainly, by debt indexed to Euribor.

The Group uses derivative instruments or similar transactions for hedging interest rate considered significant. Three principles are used in the selection and determination of the hedging instruments of interest rate:

- For each derivative or hedging instrument used to protect the risk associated with a funding, there is coincidence between the dates of the flow of interests paid on loans to be hedged and the dates of liquidation under the hedging instruments;
- Perfect equivalence between the following rates: the indexing used in derivative or hedging instrument should be the same as that applicable to the financing or transaction that is being hedged; and
- From the beginning of the transaction, the maximum cost of debt resulting from the hedging transaction undertaken, is known and limited, even in scenarios of extreme changes in interest rates market.

Considering the entire financial debt of Altri is indexed to floating rates, the Group uses interest rate swaps when it is deemed necessary as a mean of protection against changes in future cash flows associated with interest payments. The interest rate swaps agreed have the economic effect of converting the loans linked to variable rates to fixed rates. Under these contracts the Group agrees with other parties (banks) to exchange, in pre-determined periods of time, the difference between the amount of interest calculated at the fixed rate and variable rate contracted at that time, with reference to the respective amounts previously agreed.

The counterparts of the hedging instruments are limited to high credit quality financial institutions, since the Group policy priority is the hiring of these instruments with banks that are part of its financing operations. For purposes of determining the counterpart of specific operations, Altri requests proposals and indicative prices from a representative number of banks to ensure adequate competitiveness of these operations.

When determining the fair value of hedging transactions, the Group uses certain methods, such as valuation models of options and discounted future cash flows, as well as certain assumptions that are based on the interest rate market conditions prevailing at the date of the consolidated financial statement position. Quotes of comparative financial institutions, for specific instruments, are used as reference for evaluation.

The Board of Directors approves the terms and conditions of the relevant funding of the Group, analysing the structure of such debt, the risks and the different options available in the market, particularly regarding the type of interest rate (fixed / variable).

The Group's objective is to limit the cash-flows and results volatility according to its operational activity through the utilization of an adequate combination of fix and variable tax debt. The Group policy allows the use of interest rate derivatives in order to obtain a reduction of the exposure to Euribor variations and not to speculative purposes.

Most derivative instruments used by the Group in interest rate management are defined as cash-flow hedging instruments as these configure perfect hedging relations. The index, the computation conventions, the re-fixing dates of interest rates and the repayments plans of interest rate hedging instruments are similar to the ones established for the underlying loans. Nevertheless, there may be some derivative instruments which, although have been contracted with the hedging interest risk objective, do not match with the requirements above defined for the hedging instruments classification.

In the years ended 31 December 2018 and 2017, the Group sensitivity to the change of the interest rate index of more or less 1 p.p., measured as variation on net financial losses, not considering the hedging effects of the Derivatives (Note 27), may be detailed as follows:

	31/12/2018	31/12/2017
Interest paid (Note 35)	13,042,121	14,060,438
Interest rate decrease by 1 p.p.	(6,900,000)	(5,800,000)
Interest rate increase by 1 p.p.	6,900,000	5,800,000

The sensitivity analysis above was calculated based on the exposure to the interest rate existing as of the date of the statement of financial position. This analysis considered as a basic assumption that the structure of financing (remunerated assets and liabilities) has remained stable throughout the year, like that presented at the end of each financial year and keeping every other variable constant.

ii) Exchange rate risk

The Group is exposed to exchange rate risk in transactions related with the finished goods sales in international markets with different currency from Euro.

Whenever the Board of Directors considers necessary to reduce the volatility of their results to the variability of exchange rates the exposition is managed trough forwards programs or other exchange rates derivatives.

As of 31 December 2018 and 2017 the balances stated in a currency other than Euro are as follows:

	31/12/2018		31/12/2017	
	(USD)	(SEK and GBP)	(USD)	(SEK and GBP)
Accounts receivable	32,435,933	-	33,790,986	-
Accounts payable	(1,611,931)	121,876	393,195	164,914
Bank deposits (Note 17)	6,387,473	-	32,431,626	-
Factoring (Note 20)	(12,360,794)	-	(7,725,955)	-
	24,850,681	**121,876**	**58,889,853**	**164,914**

The Board of Directors considers that eventual changes in exchange rates do not have a significant effect in the consolidated financial statements, given the amount of assets and liabilities denominated in foreign currency, and their maturity.

iii) Variability risk on commodities price

By developing its activity in a commodity transactional industry (pulp from eucalyptus), the Group is particularly exposed to its price fluctuations, with the correspondent impacts in their results. However, in order to manage this risk, pulp price fluctuations hedging contracts were celebrated by the adequate amounts by the foreseen operations, reducing the volatility of its results.

The increase/decrease of 5% in the pulp price commercialized by the Group during 2018 would have implied an increase/decrease on operational results[2] of, approximately, 32.2 million euro, without considering the effects of the pulp's derivatives (Note 27) and holding everything else constant.

iv) Risks of forest management and eucalyptus production

Altri, through its subsidiary Altri Florestal, intervenes in a forest area of about 83,000 acres (81,000 in 2017) where 81% are eucalyptus. The forest is certified by FSC® (Forest Stewardship Council®[1]) and PEFC (Programme for the Endorsement of Forest Certification) entities that establish the principles and criteria for which is evaluated the sustainability of the forest's management in economic, environmental and social terms.

In this context, all forestry activity is directed towards the optimization of available resources while preserving the environmental stability and ecological values present in its assets and ensuring its development.

The risks associated with any forestry activity are also present in Altri Florestal management. Forest fires, pests and diseases that can occur in forests spread through the country are the biggest risks facing this sector. These threats, if they occur, depending on its intensity, affect the normal function of the forest's exploration and the production's efficiency.

To prevent and reduce the impact of forest fires, Altri Florestal participates, together with Navigator, in a company called Afocelca that has the goal of providing, coordinating and managing the resources available for firefighting. At the same time, are made large investments to clean forest areas in order to reduce the risk of spread of the fires as well as mitigate its losses.

Regarding pests and diseases, its emergence can significantly reduce the growth of the forest productivity causing irreversible damage. For combating these problems were established integrated fight procedures by releasing specific parasitoids from Australia or using phytopharmaceuticals products to control populations of insects and reduce the negative effects of its presence. On the other hand, in the areas more affected, Altri Florestal is using genetic material more suitable for new plantations which, by its characteristics, allow more resistance to these pests and diseases.

The increase/decrease of 5% in the wood price during 2018 would have implied an increase/decrease on operational results, approximately of 11.8 million euro, keeping everything else constant.

1. Fsc-c004615
2. Operational results = profit before income tax + financial costs - gains and losses in associated companies and joint ventures

b) Liquidity risk

The purpose of liquidity risk management is to ensure, always, that the Group has the financial capacity to fulfil its commitments as they become due and to carry on its business activities and strategy through an adequate management of financial liability maturities.

The Group follows an active refinancing policy distinguished by the maintenance of high free and immediate available resources to face short term necessities and the extension or sustenance of the debt maturity in accordance with the predicted cash flows and the Balance leverage capability.

The liquidity analysis' for financial instruments is disclosed next to the respective note to each financial liability class.

c) Credit risk

The Group is exposed to the credit risk in its current operational activity. This risk is controlled trough a collecting information system of financial and qualitative information provided by recognized entities that supply information of risks, which allow the assessment of the clients' viability in the fulfilment of their obligations in order to reduce the credit concession risk.

The evaluation of credit risk is made on a regular basis, taking into consideration the current conditions of economic conjuncture and the specific situation of credit rating of each debtor, adopting corrective measures whenever necessary.

The risk credit is limited by the risk concentration management and a strict selection of counterparts as well as the contracting of credit insurances' to specialized institutions which ensure a significant part of the conceded credit in result of the activity developed by the Group.

Almost all sales that are not covered by credit insurance, are covered by bank guarantees or by documentary credits.

3. Changes in accounting policies and errors

In what respects to changes in accounting policies arising from the new IFRS applicable from 1 January 2018, refer to Note 2.1.
No changes in accounting policies have taken place during the current period. Also, no errors have been identified related to previous years.

4. Investments

4.1 Investments in subsidiaries

The companies included in the consolidated financial statements by the full consolidation method, their headquarters, percentage of participation held and main activity as of 31 December 2018 and 2017, are as follows:

Company	Headquarters	Percentage held		Main activity
		2018	2017	
Mother-company:				
Altri, SGPS, S.A.	Porto			Investment management
Subsidiaries:				
Altri Abastecimento de Madeira, S.A.	Figueira da Foz	100%	100%	Timber commercialization
Altri Florestal, S.A.	Figueira da Foz	100%	100%	Forest management
Altri Sales, S.A.	Nyon, Switzerland	100%	100%	Group management support services
Altri, Participaciones Y Trading, S.L.	Pontevedra, Espanha	100%	100%	Production and commercialization of eucalyptus pulp
Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.	Constância	100%	100%	Energy production
Caima Indústria de Celulose, S.A.	Constância	100%	100%	Production and commercialization of eucalyptus pulp
Captaraíz Unipessoal, Lda.	Figueira da Foz	100%	100%	Real estate
Celtejo – Empresa de Celulose do Tejo, S.A.	Vila Velha de Ródão	100%	100%	Production and commercialization of eucalyptus pulp
Celulose Beira Industrial (Celbi), S.A.	Figueira da Foz	100%	100%	Production and commercialization of eucalyptus pulp
Inflora – Sociedade de Investimentos Florestais, S.A.	Figueira da Foz	100%	100%	Forest management
Pedro Frutícola, Sociedade Frutícola, S.A. (a)	Constância	---	100%	Agriculture production
Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A.	Porto	100%	100%	Real estate
Viveiros do Furadouro Unipessoal, Lda.	Óbidos	100%	100%	Production of plants in nurseries and services related with forests and landscapes
Bioelétrica da Foz, S.A. (b) (c)	Figueira da Foz	100%	50%	Production of plants in nurseries and services related with forests and landscapes
Bioródão, S.A. (b)	Figueira da Foz	100%	50%	Production of plants in nurseries and services related with forests and landscapes
Ródão Power - Energia e Biomassa do Ródão, S.A. (b)	Vila Velha de Ródão	100%	50%	Production of plants in nurseries and services related with forests and landscapes
Sociedade Bioelétrica do Mondego, S.A. (b)	Figueira da Foz	100%	50%	Production of plants in nurseries and services related with forests and landscapes

(a) - Company extinguished in the 1st semester 2018
(b) - Companies where the Group held 50% of the share capital as of December 31, 2017, having acquired the remaining 50% in the last quarter of 2018.
(c) - Company formerly named EDP Produção Bioelétrica, S.A.

All the above companies were included in the consolidated financial statements in accordance with the full consolidation method, as established in Note 2.2.a).

4.2. Investments in associated companies and joint ventures

The associated companies and joint ventures, percentage of capital held and main activity as of 31 December 2018 and 2017 are as follows:

Company	Headquarters Social	Financial statement position				Activity
		2018	2017	2018	2017	
Associated companies						
Operfoz – Operadores do Porto da Figueira da Foz, Lda.	Figueira da Foz	696,660	701,421	33.33%	33.33%	Harbor operations
Joint ventures						
EDP – Produção Bioeléctrica, S.A.	Lisboa	-	16,755,511	--	50%	Energy production
		696,660	17,456,932			

These companies were included in the consolidated financial statements in accordance with the equity method, as explained in Note 2.3. d).

The detail of the movements occurred in this caption for the years ended in 31 December 2018 and 2017 is as follows:

	Financial statement position			
	31 December 2018		31 December 2017	
	Operfoz	EDP Bioeléctrica (a)	Operfoz	EDP Bioeléctrica (a)
Opening balance	701,421	16,755,511	719,057	14,264,044
Dividend distribution	-	-	(55,000)	-
Acquisition of the remaining 50% of the capital (note 5)	-	(21,039,089)		
Equity method				
Effects on gains and losses in associated companies and joint ventures	(4,761)	4,283,578	37,364	2,491,467
Closing balance	**696,660**	**-**	**701,421**	**16,755,511**

(a) - Includes loans

The total amount of the statement of financial position, assets, equity and net profit for the years ended on 31 December 2018 and 2017 for the main associated companies and joint ventures were as follows:

	31-12-2018	31-12-2017	
	Operfoz	Operfoz	EDP Bioeléctrica (b)
Non-current assets	3,178,206	3,965,805	112,192,147
Current assets	2,722,071	1,967,155	22,439,361
Non-current liabilities	1,694,992	2,065,776	51,904,021
Current liabilities	2,115,303	1,762,919	44,940,951
Equity attributable to shareholders of the parent company	**2,089,982**	**2,104,265**	**37,786,536**
Turnover	5,190,429	5,459,831	39,820,917
Net profit	(14,283)	112,093	5,109,338
Total comprehensive income	**(14,283)**	**112,093**	**5,109,338**

(b) - EDP – Produção Bioeléctrica, S.A holds shares representing 100% of the share capital of Ródão Power – Energia e Biomassa do Ródão, S.A., and Sociedade Bioelétrica do Mondego S.A. These indicators relate to the separate accounts of EDP Bioelétrica.

(b) EDP – Produção Bioeléctrica, S.A holds shares representing 100% of the share capital of Ródão Power – Energia e Biomassa do Ródão, S.A., and Sociedade Bioelétrica do Mondego S.A. These indicators relate to the separate accounts of EDP Bioelétrica.

The accounting policies used by these companies do not differ significantly from those used by Altri Group, fact that led to no need of any accounting policies harmonization.

4.3. Other financial investments

Other financial investments (previously "Investments available for sale") included, as of 31 December 2017, an interest in Rigor Capital – Produção de Energia, Lda. During 2018 the Group sold its stake in Rigor, keeping only 0.02% of its share capital valued in 68,493 Euro. This sale had no significant impact in the consolidated financial statements.

In 2017 the only movement in this caption resulted from the recognition of an impairment loss on the interest held in Rigor Capital – Produção de Energia, Lda. (Note 35).

5. Changes in the consolidation perimeter

In the end of November 2018, following the approval by the non-compete authorities and the fulfilment of all other requirements, the Group acquired 50% of the share capital of Bioelétrica da Foz, S.A. (previously named EDP Produção Bioeléctrica, S.A., which was held by Altri Group and EDP Group, each holding an interest of 50%) from EDP Group.

This acquisition resulted in Altri Group obtaining control of this previous joint venture. As prescribed by IFRS 3 – Business combinations, Bioelétrica da Foz, S.A. (and its subsidiaries), have been consolidated from the acquisition date.

The companies acquired from EDP Group and their line of business is described in Note 4.1.

The impact of the acquisition in the consolidated financial statements of Altri Group can be detailed as follows:

	At acquisition date	Property, plant and equipment revaluation	Licenses fair value	Fair value of assets acquired
Net assets acquired:				
Property, plant and equipment	133,086,720	12,444,811	-	145,531,531
Intangible assets	-	-	54,506,433	54,506,433
Deferred tax assets	2,178,160	-	-	2,178,160
Inventories	1,663,996	-	-	1,663,996
Trade receivables	8,764,694	-	-	8,764,694
Other current assets	4,470,870	-	-	4,470,870
Cash and cash equivalents	5,305,645	-	-	5,305,645
Provisions	(9,336,763)	-	-	(9,336,763)
Deferred tax liabilities	-	(2,986,755)	(13,822,518)	(16,809,273)
Investment grants	(1,292,617)	-	-	(1,292,617)
Loans	(111,069,960)	-	-	(111,069,960)
Trade payables and other current liabilities	(10,452,664)	-	-	(10,452,664)
	23,318,081	**9,458,056**	**40,683,915**	**73,460,052**
Compensation:				
Payment				40,789,270
Net book value at acquisition date				6,237,589
Gain from the remeasurement of the interest previously held				26,433,193
				73,460,052

Share of profit of associates and joint ventures in 2018 pertains essentially to: (i) the equity method of EDP Bioelétrica da Foz (and its subsidiaries) until the acquisition date (Note 4.2); and (ii) the gain resulting from the remeasurement of the interest previously held.

The profit or loss statement of December 2018 of Bioelétrica da Foz and its subsidiaries has been included in the consolidation of Altri Group. The impact on the main consolidated figures is the following:

	31-12-2018
Sales and services rendering	4,421,648
EBITDA [1]	1,396,266
Operational results	697,360
	6,515,275

(1) - EARNINGS BEFORE INTERESTS, TAXES, DEPRECIATION AND AMORTIZATION

Resulting from the purchase price allocation, the Group identified an intangible asset related to the exploration licenses of the plants held by Bioelétrica da Foz and its subsidiaries, excluding those for which impairment losses on fixed assets have been booked. The intangible asset is being amortised during the exploration period. No Goodwill has been identified.

Taking into consideration the difference between the net book value and the fair value of the fixed assets of Ródão plant, an independent valuation of those assets was carried out by an external party, resulting in an increase of 12 million Euro.

The gain resulting from the remeasurement of the previously held interest in Bioelétrica da Foz considered a control premium underlying the business combination.

At the date of presentation of these financial statements and taking into consideration that the acquisition of control only occurred by the end of November 2018, the purchase price allocation is still considered subject to review, as prescribed by IFRS 3. The purchase price allocation will be completed by the end of the twelfth month from the acquisition date, as permitted by IFRS 3.

If these subsidiaries had been consolidated since 1 January 2018, the Group's sales and operational results would have been greater in 46 million Euro and 9 million Euro, respectively.

During 2017 no changes occurred in the consolidation perimeter.

6. Financial instruments by class

According to the policies described in Note 2.3.n), Financial instruments were classified as follows:

	Loans and receivables	Available for sale	Derivatives - fair value	Total
31 December 2018				
Non-current assets				
Other financial investments	-	822,913	-	822,913
Derivatives	-	-	733,653	733,653
	-	822,913	733,653	1,556,566
Current assets				
Trade receivables	120,825,225	-	-	120,825,225
Contract assets	8,018,340	-	-	8,018,340
Other financial assets	25,079,689	-	-	25,079,689
Derivatives	-	-	98,873	98,873
Cash and banks	240,765,868	-	-	240,765,868
	394,689,122	-	98,873	394,787,995
	394,689,122	822,913	832,526	396,344,561

	Loans and receivables	Available for sale	Derivatives - fair value	Total
31 December de 2017				
Non-current assets				
Investments available for sale	-	8,692,628	-	8,692,628
Derivatives	-	-	1,796,781	1,796,781
	-	8,692,628	1,796,781	10,489,409
Current assets				
Trade receivables	113,284,683	-	-	113,284,683
Other debtors	1,304,931	-	-	1,304,931
Derivatives	-	-	4,903,860	4,903,860
Cash and cash equivalents	193,599,737	-	-	193,599,737
	308,189,351	**-**	**4,903,860**	**313,093,211**
	308,189,351	**8,692,628**	**6,700,641**	**323,582,620**

	Financial liabilities - amortised cost	Derivatives - fair value	Total
Non-current liabilities			
Bank loans	33,500,000	-	33,500,000
Other loans	506,035,710	-	506,035,710
Reimbursable government grants	6,581,251	-	6,581,251
	546,116,961	**-**	**546,116,961**
Current liabilities			
Bank loans	6,536,505	-	6,536,505
Other loans - short-term	128,811,525	-	128,811,525
Reimbursable government grants	5,511,090	-	5,511,090
Trade payables	123,710,486	-	123,710,486
Contract liabilities	5,670,445		5,670,445
Other financial liabilities	29,391,301	-	29,391,301
Derivatives	-	2,933,358	2,933,358
	299,631,352	**2,933,358**	**302,564,710**
	845,748,313	**2,933,358**	**848,681,671**
31 December de 2017			
Non-current liabilities			
Bank loans	39,500,000	-	39,500,000
Other loans	442,483,927	-	442,483,927
Reimbursable government grants	14,565,750	-	14,565,750
	496,549,677	-	496,549,677
Current liabilities			
Bank loans	6,216,583	-	6,216,583
Other loans	94,830,698	-	94,830,698
Reimbursable government grants	3,121,502	-	3,121,502
Trade payables	95,373,275	-	95,373,275
Contract liabilities	21,489,230	-	21,489,230
Derivatives	-	1,806,065	1,806,065
	221,031,288	**1,806,065**	**222,837,353**
	717,580,965	**1,806,065**	**719,387,030**

Financial instruments measured at fair value

The following table details the financial instruments that are measured at fair value after initial recognition, grouped into three levels according to the degree to which the fair value is observable:

	31/12/2018			31/12/2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value:						
Derivatives (Note 27)	-	832,526	-	-	6,700,641	-
Financial liabilities measured at fair value:						
Derivatives (Note 27)	-	2,933,358	-	-	1,806,065	-

As of 31 December 2018 and 2017 there were no financial assets whose terms have been renegotiated and if they had not been renegotiated, they would be overdue or impaired.

7. Property, plant and equipment

During the years ended 31 December 2018 and 2017 the movement occurred in Property, plant and equipment and in the corresponding accumulated depreciation and impairment losses was as follows:

	2018								
	Asset gross value								
	Land	Property	Plant and machinery	Vehicles	Office equipment	Other tangible assets	Work in progress	Advance payments on fixed assets	Total
Opening balance	**29,401,618**	**96,545,045**	**1,038,771,301**	**4,148,139**	**10,262,517**	**10,804,815**	**78,739,001**	**484,982**	**1,269,157,418**
Consolidation perimeter change (Note 5)	-	275,213	188,192,943	156,158	8,192	1,653	52,669,655	169,484	241,473,298
Additions	2,115,869	7,437,416	3,671,888	460,295	347,603	192,164	64,354,765	-	78,580,000
Disposals	-	(1,965,378)	(61,050,315)	(337,433)	(709,915)	(254,485)	(66,170)	-	(64,383,696)
Transfers and writte-offs	845	-	94,429,061	-	6,526	10,233	(99,251,429)	-	(4,804,764)
Exchange rate differences	-	-	-	2,116	5,293	-	-	-	7,409
Closing balance	**31,518,332**	**102,292,296**	**1,264,014,878**	**4,429,275**	**9,920,216**	**10,754,380**	**96,445,822**	**654,466**	**1,520,029,665**
	Accumulated depreciation and impairment losses								
Opening balance	**8,164,315**	**84,442,413**	**756,563,052**	**3,035,578**	**10,068,396**	**10,367,964**			**872,641,718**
Consolidation perimeter change (Note 5)	-	152,872	95,622,958	156,158	8,170	1,609			95,941,767(i)
Additions	287,088	1,484,952	57,185,131	382,770	245,539	231,679			59,817,159
Disposals	-	(1,918,235)	(60,687,196)	(316,594)	(709,915)	(254,482)			(63,886,422)
Transfers and writte-offs	-	-	-	-	-	-			-
Exchange rate differences	-	-	-	1,937	3,955	-			5,892
Closing balance	**8,451,403**	**84,162,002**	**848,683,945**	**3,259,849**	**9,616,145**	**10,346,770**			**964,520,114**
	23,066,929	**18,130,294**	**415,330,933**	**1,169,426**	**304,071**	**407,610**	**96,445,822**	**654,466**	**555,509,551**

(i) In what concerns the assets acquired through the business combination, the Group opted to disclose the accumulated depreciations considered for tax purposes.

	2017								
	Asset gross value								
	Land	Property	Plant and machinery	Vehicles	Office equipment	Other tangible assets	Work in progress	Advance payments on fixed assets	Total
Opening balance	28,831,302	99,484,561	1,031,329,073	4,305,668	10,163,038	10,500,125	35,976,766	489,012	1,221,079,545
Additions	477,178	297,685	24,412,215	92,087	53,485	198,314	65,478,522	-	91,009,486
Disposals	(237,462)	(4,037,547)	(38,010,824)	(310,083)	(50,983)	(5,285)	-	-	(42,652,184)
Transfers and writte-offs	330,600	800,346	21,040,837	69,791	104,549	111,661	(22,716,287)	(4,030)	(262,533)
Exchange rate differences	-	-	-	(9,324)	(7,572)	-	-	-	(16,896)
Closing balance	**29,401,618**	**96,545,045**	**1,038,771,301**	**4,148,139**	**10,262,517**	**10,804,815**	**78,739,001**	**484,982**	**1,269,157,418**
	Accumulated depreciation and impairment losses								
Opening balance	7,935,344	87,111,106	743,333,514	3,014,083	9,929,406	10,117,269			861,440,723
Additions	276,481	1,340,149	50,998,838	334,793	202,046	255,980			53,408,287
Disposals	(47,510)	(4,008,842)	(37,769,300)	(310,083)	(50,983)	(5,285)			(42,192,003)
Transfers and writte-offs	-	-	-	-	-	-			-
Exchange rate differences	-	-	-	(3,215)	(12,073)	-			(15,288)
Closing balance	**8,164,315**	**84,442,413**	**756,563,052**	**3,035,578**	**10,068,396**	**10,367,964**			**872,641,719**
	21,237,303	**12,102,632**	**282,208,249**	**1,112,561**	**194,121**	**436,851**	**78,739,001**	**484,982**	**396,515,699**

During the years ended 31 December 2018 and 2017 depreciations amounted to 59,817,159 Euro and 53,408,287 Euro, respectively, and were recorded in the profit or loss statement in caption "Amortization and depreciation" (Note 36). The depreciations in 2018 include 4,210,557 Euro related to the extraordinary depreciation of Celtejo's equipment because they have been replaced under an investment project in place in that plant.

The 2018 additions were mainly made by the three industrial units and by the subsidiaries (acquired in 2018) and which produce energy through cogeneration process. In what concerns Celtejo – Empresa de Celulose do Tejo, S.A. the investment in progress is related to the increase of production capacity as well as the improvement in the production process. Sociedade Bioelétrica do Mondego, S.A. also has significant investment related mainly with the construction of the new biomass power plant Figueira da Foz.

The ongoing projects in both companies have been initiated in 2018 and will be completed during 2019.
The 2018 disposals relate to assets which were mostly fully depreciated.

The caption "Work in progress" as of 31 December 2018 and 2017 refers to the following projects:

	31/12/2018	31/12/2017
Biomass central	52,856,439	-
Production capacity increase	38,402,562	-
Industrial optimization	2,632,254	-
Recovery boiler	-	44,604,862
BSM	-	12,114,873
Wastewater treatment plant	-	11,210,711
New turbine	-	8,113,207
Anaerobic treatment expansion	-	825,477
Rehabilitation of pulp storage unit	-	556,508
Liquor storage and expedition site	-	552,903
Other projects	2,554,567	760,460
	96,445,822	**78,739,001**

8. Goodwill

During the years ended 31 December 2018 and 2017 there were no movements in goodwill:

Celbi	253,391,251
Others	12,140,153
	265,531,404

Goodwill is not amortized. Impairment tests are carried out on an annual basis and whenever an event or a change in circumstances that reveals that the amount for which the asset is recorded could not be recoverable. Whenever the amount by which the asset is recorded is higher than its recoverable amount an impairment loss is recognized. The recoverable amount is the highest between the net sale price and the value of use. During 2018 and 2017, there were no impairment losses.

During 2018, in order to assess the existence of impairment on the goodwill amount that resulted from the acquisition of Celulose Beira Industrial (Celbi), S.A. in 2006, amounting to 253,391,251 Euro, the Group evaluated this subsidiary and concluded no impairment loss should be booked. That evaluation was based on Celbi's historical performance and an estimate of discounted cash flows based on a 7-year business plan (since it is the Board's understanding that this is the most appropriate period given the cyclical nature of the operations of the Group) considering the long-term price of pulp, not affected by the short-term variations.

The main assumptions used in 2018 and 2017 in this calculation were:

	2018	2017
Inflation rate	1.00%	1.00%
Discount rate	7.15%	7.27%
Perpetual growth rate	2.00%	2.00%

The discount rate net of taxes (net of tax because the cash flow used in financial projections was also net of tax) used in 2018 was 7.15% (7,27% in 2017) and was calculated according to the WACC (Weighted Average Cost of Capital) method, considering the following assumptions:

	2018	2017
Risk-free interest rate	1.84%	3.04%
Equity risk premium	5.76%	5.08%
Debt risk premium	1.56%	1.85%

The Group carried out a sensitivity analysis of this evaluation to variations in key assumptions, having concluded that if a discount rate 1 p.p. higher had been used, together with a null perpetual growth rate, the conclusion of no impairment of the goodwill resulting from the acquisition of Celbi would remain valid. The Group also carried out a sensitivity analysis on the estimated market price of pulp in which it was reduced by 5 p.p., having concluded that even then no impairment should be recognized.

In order to assess the impairment of the remaining goodwill, amounting to 12,140,153 Euro, the Group compared the net cash flows generated annually by each company, as well as market multiples with their net contributions to the consolidated financial statements including goodwill and concluded that there no impairment loss should be accounted for.

9. Intangible assets

During 2018 and 2017, the movement in intangible assets, as well as in the corresponding accumulated depreciation and impairment losses, were as follows:

	2018					
	Gross asset value					
	Industrial property rights	Software	License	Other intangible assets	Intangible assets in progress	Total
Opening balance	1,320	9,435,112	-	25,600	-	9,462,032
Consolidation perimeter change (Note 5)	-	-	54,506,433	-	-	54,506,433
Additions	-	145,762	-	-	-	145,762
Write off	-	(738)	-	-	-	(738)
Closing balance	**1,320**	**9,580,136**	**54,506,433**	**25,600**	**-**	**64,113,489**
	Accumulated depreciation					
Opening balance	1,320	8,415,880	-	25,600		8,442,800
Consolidation perimeter change (Note 5)	-	-	-	-		-
Additions	-	387,074	-	-		387,074
Write off	-	(738)	-	-		(738)
Closing balance	**1,320**	**8,802,216**	**-**	**25,600**		**8,829,136**
	-	**777,920**	**54,506,433**	**-**		**55,284,353**

	2017				
	Gross asset value				
	Industrial property rights	*Software*	Other intangible assets	Intangible assets in progress	Total
Opening balance	1,320	8,146,012	25,600	629,336	8,802,268
Additions	-	397,230	-	-	397,230
Transfers	-	891,870	-	(629,336)	262,534
Closing balance	**1,320**	**9,435,112**	**25,600**	**-**	**9,462,032**
	Accumulated depreciation				
Opening balance	1,320	8,131,994	25,600		8,158,914
Additions	-	283,886	-		283,886
Transfers	-	-	-		-
Closing balance	**1,320**	**8,415,880**	**25,600**		**8,442,800**
	-	**1,019,232**	**-**		**1,019,232**

In 2018 and 2017 the depreciations amounted to 387,074 Euro and 283,886 Euro, respectively, and were recorded in the profit or loss statement caption "Amortization and depreciation" (Note 36).

Licenses refers to the fair value resulting from the acquisition of Bioelétrica da Foz, S.A. and its subsidiaries (Note 5).

10. Inventories and biological assets

In 2017, following the implementation of a new forest management software, Altri Group changed the subsequent measurement criteria for its biological assets from historical cost less accumulated impairment losses to fair value. These assets' fair value has been computed by an external and independent party.

As of 31 December 2018 and 2017, the amount recorded in the caption "Biological assets" relates to forest and to plantation charges incurred by the Group and can be detailed as follows:

	31/12/2018	31/12/2017
Opening balance	95,146,891	102,302,637
Change in fair value	3,269,040	(8,934,306)
Adjustments	(216,562)	1,778,560
Subtotal	**98,199,369**	**95,146,891**
Advance payments	274,556	329,556
Closing balance	**98,473,925**	**95,476,447**

As of 31 December 2018 and 2017, the amount recorded can be detailed as follows:

	31/12/2018	31/12/2017
Eucalyptus	92,774,806	89,782,373
Pine tree	2,534,302	2,483,155
Oak tree	2,890,261	2,881,363
Total	**98,199,369**	**95,146,891**

During 2018 the changes to eucalyptus, which is the Group's main biological asset, can be detailed as follows:

	31/12/2018
Opening balance	89,782,373
Harvest	(11,575,764)
Growth	12,189,155
New plots	2,379,042
Closing balance	**92,774,806**

The main operational considerations in the computation of the eucalyptus' fair value, which was performed on case by case basis (by property), were the following:

- Occupied area;
- Age of the plantations;
- Shelled wood production, based on the average yearly increase;
- Number of rotations.

The discount rate used for the computation regarding the fair value as at 31 December 2018 was 7.15%, which was calculated using the following assumptions:

	31/12/2018
Risk free interest rate	1.84%
Equity premium	5.76%
Debt premium	1.56%

Altri Group performed a sensitivity analysis of the evaluation to the key assumptions. The conclusion was that if a higher/ lower discount rate in 1.5 p.p. had been used, the fair value of the assets would decrease/ increase 14.2 million Euro and 11.7 million Euro respectively.

As of 31 December 2018 and 2017, the total area managed by Altri amounted to 83,000 hectares and 81,000 hectares, respectively. The eucalyptus' area had the following age distribution:

	31/12/2018	31/12/2017
0-5 years	25,567	24,965
6-10 years	25,179	25,597
> 10 years	13,181	12,308
	63,927	**62,870**

The remaining area pertains to others forest species with minor importance.

As of 31 December 2018 and 2017, the caption "Inventories" could be detailed as follows:

	31/12/2018	31/12/2017
Raw, subsidiary and consumable materials	44,845,083	40,917,165
Goods	150,842	-
Work in progress	406,860	597,793
Finished and intermediate goods	33,030,163	17,016,107
	78,432,948	58,531,065
Accumulated impairment losses (Note 21)	(8,336,698)	(7,803,018)
	70,096,250	**50,728,047**

The cost of sales for the year ended 31 December 2018 amounted to 255,518,399 Euro and was computed as follows:

	Raw, subsidiary and consumable materials	Goods	Finished and intermediate goods	Work in progress	Total
Opening balance	40,917,165	-	17,016,107	597,793	58,531,065
Consolidation perimeter change (Note 5)	1,663,996	-	-	-	1,663,996
Purchases	251,710,290	39,152	21,920,309	-	273,669,751
Stock regularisation	(41,866)	128,424	(23)	-	86,535
Closing balance	(44,845,083)	(150,842)	(33,030,163)	(406,860)	(78,432,948)
	249,404,502	**16,734**	**5,906,230**	**190,933**	**255,518,399**

The cost of sales for the year ended 31 December 2017 amounted to 257,011,270 Euro and was computed as follows:

	Raw, subsidiary and consumable materials	Finished and intermediate goods	Work in progress	Biological assets	Total
Opening balance	43,933,573	22,463,355	433,360	102,682,643	169,512,931
Purchases	229,104,933	27,109,894	-	47,326	256,262,152
Stock regularisation	-	10	-	(5,822,006)	(5,821,996)
Closing balance	(40,917,165)	(17,016,107)	(597,793)	(104,410,752)	(162,941,817)
	232,121,340	**32,557,152**	**(164,433)**	**(7,502,790)**	**257,011,270**

The amount booked under "Stock regularisation" in the year ended 31 December 2017 pertains essentially to the forest fires that occurred in that year.

11. Current and deferred taxes

In accordance with current legislation, tax returns are subject to review and correction by the tax authorities during a four-year period (five years for Social Security), except when there have been tax losses, tax benefits, or tax inspections or claims are in progress, in which cases the periods may be extended or suspended. Therefore, the tax returns of Altri and its subsidiaries and associated companies for the years 2015 are still 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 consolidated financial statements as of 31 December 2018.

As of 31 December 2018 and 2017, the detail of deferred tax assets and liabilities, in accordance with the timing differences that originated them, was as follows:

	31/12/2018		31/12/2017	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Provisions and unaccepted impairment losses for tax purposes	4,917,040	-	2,550,505	-
Fair value of derivatives	1,053,530	253,516	402,024	1,365,316
Pension funds	538,357	-	328,091	-
Harmonization of accounting principles	9,475,309	2,554,194	10,130,153	1,243,982
Reappraisal of fixed assets - DL 66/2016	17,666,104	-	21,642,646	-
Difference to the fixed assets fair value	-	2,986,754	-	-
Acquired licenses fair value	-	13,822,518	-	-
Fair value of biological assets	1,749,042	-	2,010,219	-
Fiscal amortization of goodwill (Spain)	-	21,280,189	-	19,820,107
Other	784,016	530,321	713,254	574,304
	36,183,398	**41,427,492**	**37,776,892**	**23,003,709**

The difference to fixed assets fair value results from the acquisition of EDP Bioelétrica subsidiary Rodão Power (as detailed in Note 5).

The movements occurred in deferred tax assets and liabilities in the years ended in 31 December 2018 and 2017 were as follows:

	2018	
	Deferred tax assets	Deferred tax liabilities
Opening balance as of 1 January 2018	37,776,892	23,003,709
Variation in perimeter	2,178,160	16,809,272
Effects on Income statement		
Increase (decrease) in not accepted provisions	188,375	-
Harmonization of depreciation rates	(654,844)	1,310,212
Fair value of biological assets	(261,177)	-
Reappraisal of fixed assets - DL 66/2016	(3,976,542)	-
Fiscal amortization of Goodwill (Spain)	-	1,460,082
Other effects	70,762	(43,983)
Total effect on income statement	**(4,633,426)**	**2,726,311**
Effects on shareholders funds		
Fair value of derivatives (Note 27)	651,506	(1,111,800)
Pension funds	210,266	-
Total effect on other comprehensive income	**861,772**	**(1,111,800)**
Closing balance as of 31 December 2018	**36,183,398**	**41,427,492**

	2017	
	Deferred tax assets	Deferred tax liabilities
Opening balance as of 1 January 2017	39,508,901	18,731,619
Effects on Income statement		
Increase (decrease) in not accepted provisions	(1,533,355)	-
Harmonization of depreciation rates	(374,951)	(33,114)
Tax rate change regarding Celbi deferred tax assets	4,059,794	-
Tax losses carried forward	5,014,435	
Fair value of biological assets	2,010,219	-
Fiscal amortization of Goodwill (Spain)	-	2,705,601
Other effects	(247,628)	234,287
Total effect on income statement	**(1,100,356)**	**2,906,774**
Effects on shareholders funds		
Fair value of derivatives (Note 27)	(685,937)	1,365,316
Pension funds	54,284	-
Total effect on other comprehensive income	**(631,653)**	**1,365,316**
Closing balance as of 31 December 2017	**37,776,892**	**23,003,709**

The subsidiary Celulose Beira Industrial (Celbi) applied, in 2016, the option to revaluate Property, plant and equipment and Investment properties, as foreseen in Law nº 66/2016 of 3rd November. Consequently, autonomous taxes of 14% over the value of the revaluation reserve are due, from which two thirds have already been paid in 2016 and 2017 and the rest to be paid in one additional instalment until 15 December 2018 (Note 15). Additionally, for tax purposes, the additional depreciations will be deducted from 2018 onwards in order to compute the taxable profit, and so a deferred tax asset of 21,600,000 Euro and 17,600,000 Euro have been booked in 2018 and 2017, respectively. The change in the amount booked is due to the different tax rate used in the computation of Celbi's deferred taxes, as mentioned below. This revaluation is only for tax purposes, there were no changes on the assets book value.

According to the legislation, the Group uses a deferred tax rate of 22.5% that results of the sum of the rate approved for 2018 and subsequent years which amounts to 21% plus the municipal surtax whose rate is 1.5%, except for deferred tax assets that result from tax losses carried forward, for which a rate of 21% is used and except in what concerns deferred taxes related to the subsidiary Celbi, which are computed using a 28% rate corresponding to the expected effective tax rate for this subsidiary (taking into account it is currently subject to a state surtax at a maximum rate of 9%).

Regarding the subsidiary Altri, SL based in Spain the rate used in the calculation of deferred tax assets and liabilities is 25% since it is the tax rate approved to be in force in that country.

According to the Portuguese legislation for the year ended on 31 December 2018 and 2017 the income tax rate was 21%.

Additionally, according to the legislation, during the year ended on 31 December 2018, state surtax corresponds to the use of an additional tax of 3% on the portion of taxable income between 1.5 and 7.5 million Euro, of 5% on the portion of taxable income between 7.5 and 35 million Euro, and 9% on the portion of taxable income exceeding 35 million Euro.

On 31 December 2018, the Group assessed the recognition of deferred taxes resulting from tax losses. In cases that originated deferred tax assets, these were only recorded to the extent that it is probable that taxable profits will arise in the future and they may be used to recover tax losses or deductible tax differences. On 31 December 2016, the deferred tax assets relating to tax losses are from Altri SL. Considering the changes in the Spanish income tax relating with goodwill depreciation for tax purposes, the deferred tax asset was totally reverted in the year ended 31 December 2017, taking into account the limitation of 10 years on the recovery period and the Group's expectation for this subsidiary future taxable profits.

It is the conviction of Altri's Board of Directors that the amount of deferred tax assets recorded on 31 December 2018 is fully recoverable.

In 2017 and 2018 no deferred tax assets arising from tax losses were recognised.

As of 31 December 2018, part of the tax losses carried forward were not recognised as deferred tax assets. The detail of that amount is the following:

	31 December 2017		
	Tax loss	Deferred tax assets	Limit of utilization date
Com Limit of utilization date			
Generated in 2006	3,177,427	794,357	2024
Generated in 2007	24,311,348	6,077,837	2025
Generated in 2008	16,666,932	4,166,733	2026
Generated in 2009	12,004,490	3,001,123	2027
Generated in 2010	5,095,252	1,273,813	2028
Generated in 2011	123,134	30,784	2029
Generated in 2016	177,243	44,311	no limit
	61,555,826	**15,388,958**	

	31 December 2018		
	Tax loss	Deferred tax assets	Limit of utilization date
Com Limit of utilization date			
Generated in 2006	3,177,427	794,357	2024
Generated in 2007	24,311,348	6,077,837	2025
Generated in 2008	16,666,932	4,166,733	2026
Generated in 2009	12,004,490	3,001,123	2027
Generated in 2010	5,095,252	1,273,813	2028
Generated in 2011	123,134	30,784	2029
Generated in 2016	177,243	44,311	no limit
	61,555,826	**15,388,958**	

Income taxes booked in the profit or loss statement for the years ended 31 December 2018 and 2017 can be detailed as follows:

	31/12/2018	31/12/2017
Current tax	(48,782,677)	(18,513,242)
Deferred tax	(7,359,737)	(4,007,130)
	(56,142,414)	**(22,520,372)**

The reconciliation of the profit before tax to the income tax is as follows:

	31/12/2018	31/12/2017
Profit before tax	250,639,767	118,588,540
Tax rate (including municipal surtax)	22.50%	22.50%
	(56,393,948)	**(26,682,422)**
Tax benefits	3,218,619	9,306,223
Deferred taxes	(7,359,737)	(3,405,255)
State surtax	(12,218,409)	(6,167,822)
Conslidation adjustment with no fisical effect	7,667,554	-
Prior year tax	1,872,943	-
Municipal surtax	2,724,960	1,726,067
Other effects	4,345,604	2,702,837
Income tax	**(56,142,414)**	**(22,520,372)**

Tax benefits arise from tax incentive contracts signed with Agência para o Investimento e Comércio Externo de Portugal E. P. E. (AICEP).

During 2014, Caima Indústria obtained a reimbursable government grant under the Decree-Law no. 287/2007 issued by the Agência para o Investimento e Comércio Externo de Portugal E.P.E. (AICEP), for a global investment of 35,161,000 Euro (Note 20). The Portuguese State allowed a tax incentive corresponding to a tax credit on corporate income tax in the amount of 15% of the relevant applications.

During 2016, Celbi signed a new contract for granting financial and tax incentives under Decree-Law no. 191/2014 with the Agência para o Investimento e Comércio Externo de Portugal E.P.E. (AICEP). The project presented by Celbi was considered by the Portuguese State of strategic interest and relevance to the national economy (Note 20). The Portuguese State allowed a tax incentive corresponding to a tax credit on corporate income tax in the amount of 15.75% of the relevant applications.

12. Trade receivables

As of 31 December 2018 and 2017 this caption can be detailed as follows:

	31/12/2018	31/12/2017
Clients, short-term receivables	120,979,157	113,438,615
Customers, doubtful debts	62,753	37,045
	121,041,910	**113,475,660**
Accumulated impairment losses (Note 21)	(216,685)	(190,977)
	120,825,225	**113,284,683**

The Group's exposure to credit risk is attributable mainly to the accounts receivable resulting from the Group's operating activity. The amounts recorded in the balance sheet are presented net of accumulated impairment losses for doubtful accounts that were estimated by the Group, in accordance with its experience and based on the economic environment evaluation. The Board of Directors believes that the recorded net amounts are close to their fair value; since these accounts' receivable do not pay interests and the discount effect is immaterial.

As of 31 December 2018 and 2017, the age of costumer's balances can be detailed as follows:

	31/12/2018	31/12/2017
Not due	95,131,287	83,088,870
Due, with no impairment losses recorded		
0 - 30 days	23,466,980	27,376,151
30 - 90 days	1,772,206	1,494,175
+ 90 days	454,752	1,325,487
	120,825,225	**113,284,683**

The Group contracted credit insurances to cover the recoverability risk from these accounts receivables as follows:

	31/12/2018	31/12/2017
With credit insurance	109,356,954	94,352,484
Without credit insurance	11,684,956	19,123,176
	121,041,910	**113,475,660**

The Group does not charge any interests as long as defined pay terms (in average 60 days) are met. Once that period ends, interests are charged in accordance with the contract and the applicable law to each particular situation, which only occurs in extreme situations.

The Board of Directors understands that the accounts receivable not overdue will be fully paid, considering the payment history and characteristics of the counterparties. Additionally, starting 1 January 2018, following IFRS 9, the group started to determine impairment losses for accounts receivable taking into consideration the criteria detailed in Note 2.3. n).

13. Other financial assets

As of 31 December 2018 and 2017 this caption can be detailed as follows:

	31/12/2018	31/12/2017
Advance payments to suppliers	389,839	810,017
Insurance claims	4,385,449	-
Account receivable by state and other public entities (Note 15)	11,993,437	14,137,556
Other	11,724,826	3,908,776
	28,493,551	**18,856,349**
Accumulated impairment losses (Note 21)	(3,413,862)	(3,413,862)
	25,079,689	**15,442,487**

In 2018 and 2017, "Other" includes accounts receivable related with guarantees for lease contracts and accounts receivable for which impairment losses were recorded. The "Insurance claims" in 2018 are related to accounts receivable from the insurance companies regarding fires in the premises of Celtejo and EDP Bioelétrica's plants in 2018 and 2017, respectively.

As of 31 December 2018 and 2017 the caption "Other" also includes accounts receivable related with guarantees for lease contracts and accounts receivable for which impairment losses were recorded.

The undue balances do not present any signs of impairment; the net book value of these assets is considered as being close to their fair value and their financial discount effect is not material

The Board of Directors understands that the accounts receivable not overdue will be fully paid, considering the payment history and characteristics of the counterparties. Additionally, starting 1 January 2018, following IFRS 9, the group started to determine impairment losses for accounts receivable taking into consideration the criteria detailed in Note 2.3. n).

14. Contract assets

The detail of "Contract assets" as of 31 December 2018 is the following:

	31/12/2018
Accrued income - energy sale	8,018,340

15. State and other public entities

As of 31 December 2018 and 2017, this caption can be detailed as follows:

	31/12/2018	31/12/2017
Assets:		
Income tax	3,702,509	2,298,073
Total income tax receivable	**3,702,509**	**2,298,073**
Tax withholding	-	2,282
Value-added tax	11,856,422	12,174,160
Other taxes	137,015	1,961,114
Total other taxes (Note 13)	**11,993,437**	**14,137,556**
Liabilities:		
Income tax	(21,253,776)	-
Autonomous taxation - assets revaluation (Note 11)	-	(3,765,931)
Other	(3,974,814)	(3,974,814)
Total income tax payable	**(25,228,590)**	**(7,740,745)**
Tax withholding	(2,351,744)	(1,643,902)
Social security contributions	(584,597)	(622,493)
Value-added tax	(2,250,459)	-
Other taxes	(305,461)	(300,889)
Total other taxes (Note 24)	**(5,492,261)**	**(2,567,284)**

As of 31 December 2018, the assets caption "Income tax" includes advanced payments on account of income tax made in Spain, net of the income tax due. On 31 December 2018, the assets caption "Income tax" includes advanced payments on account of income tax made in Portugal.

16. Other assets

As of 31 December 2018 and 2017 this caption can be detailed as follows:

	31/12/2018	31/12/2017
Accrued income:		
Interest	218,032	-
Other income	34,341	299,328
Deferred costs:		
Rents paid in advance	428,869	459,106
Insurances paid in advance	731,720	568,180
Other expenses paid in advance	5,630,131	915,421
	7,043,093	**2,242,035**

17. Cash and banks

As at December 31, 2018 and 2017 the caption "Cash and banks" can be detailed as follows:

	31/12/2018	31/12/2017
Cash	30,622	39,647
Bank deposits	240,735,246	193,560,090
	240,765,868	**193,599,737**
Overdrafts	(289,790)	-
Cash and cash equivalents	240,476,078	193,599,737

According to Note 2.5) a) ii), on 31 December 2018 and 2017, the cash and cash equivalents balances in a non-euro currency amounted to 6,387,473 Euro and 32,431,626 Euro, respectively. Since these amounts correspond to bank deposits on demand that are constantly moved, the exchange rate fluctuation effects on cash and cash equivalents held at the beginning and at the end of the years 2018 and 2017 for purposes of the statement of cash flows are immaterial.

During the years ended as of 31 December 2018 and 2017, the receipts relating with financial investments correspond to the partial payment of the sale value of Sócasca – Recolha e Comércio de Recicláveis, S.A. (disposed of in 2011).

During 2018, the payments relating to investments are due to the acquisition of Bioelétrica da Foz, S.A. and include the loans granted to that subsidiary in the period prior to the acquisition of control in which it was only held by Altri Group at 50% (Note 5).

18. Other non-current assets

In 2018 and 2017 the "value added tax" relates to the payment of an additional settlement of Value Added Tax to tax authorities of Germany, which is fully provisioned, as described in Note 21.

19. Share capital and reserves

Share capital

As of 31 December 2018 and 2017, the Company's fully subscribed and paid up capital consisted of 205,131,672 shares with a nominal value of 12.5 cents of a Euro each.

As of 31 December 2018 and 2017, there were no entities holding more than 33% of the subscribed share capital.

Legal reserves

The Portuguese commercial legislation provides that at least 5% of the annual net profit must be used to reinforce the "Legal reserve" until this caption represents at least 20% of the share capital.

As of 31 December 2018 and 2017, the Company presented Legal reserves of 5,128,292 Euro, which cannot be distributed to shareholders unless the Company closes, although these reserves can be used to absorb losses after all other reserves are over or incorporated in share capital.

Other reserves

	31/12/2018	31/12/2017
Hedging reserves	(2,502,304)	2,616,126
Other reserves and retained earnings	298,832,349	265,113,031
	296,330,045	**267,729,157**

The caption "Hedging reserves" reflects the fair value of the Derivatives classified as cash-flows hedging in the effective hedging component, net of the corresponding deferred tax effect (Note 27).

Under Portuguese legislation, the amount of distributable reserves is determined based on the non-consolidated financial statements of the Company, prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union. As of 31 December 2018, distributable reserves amount to 154,404,171 Euro.

Capital management

Altri Group equity structure, determined by the proportion of equity and net debt, is managed in a way that ensures the continuity and development of its operational activities, the maximization of the return to shareholders and the optimization of financing costs.

The Group periodically monitors its equity structure, identifying risks, opportunities and the necessary adjustments to meet the objectives described above.

In 2018 and 2017, Altri Group shows a gearing ratio of 117% and 97%, respectively.

Gearing = total equity / net debt, net debt corresponds to the sum of the following captions of the consolidated financial statements: other loans; bank loans; reimbursable government grants and cash and banks.

20. Bank loans, other loans and government grants

As of 31 December 2018 and 2017, the captions "Bank loans", "Other loans" and "Government grants" can be detailed as follows:

	31/12/2018					
	Nominal value			Book value (1)		
	Current	Non current	Total	Current	Non current	Total
Bank loans	6,000,000	33,500,000	39,500,000	6,246,715	33,500,000	39,746,715
Bank overdrafts	289,790	-	289,790	289,790	-	289,790
Bank loans	**6,289,790**	**33,500,000**	**39,789,790**	**6,536,505**	**33,500,000**	**40,036,505**
Commercial paper	42,000,000	61,500,000	103,500,000	42,127,037	61,490,259	103,617,296
Bond loans	40,000,000	465,000,000	505,000,000	42,855,915	444,353,451	487,209,366
Other loans	43,828,573	192,000	44,020,573	43,828,573	192,000	44,020,573
Other loans	**125,828,573**	**526,692,000**	**652,520,573**	**128,811,525**	**506,035,710**	**634,847,235**
Reimbursable government grants	5,511,090	6,581,251	12,092,341	5,511,090	6,581,251	12,092,341
	137,629,453	**566,773,251**	**704,402,704**	**140,859,120**	**546,116,961**	**686,976,081**

	31/12/2017					
	Nominal value			Book value (1)		
	Current	Non current	Total	Current	Non current	Total
Bank loans	6,000,000	39,500,000	45,500,000	6,216,583	39,500,000	45,716,583
Bank loans	**6,000,000**	**39,500,000**	**45,500,000**	**6,216,583**	**39,500,000**	**45,716,583**
Commercial paper	-	58,500,000	58,500,000	34,654	58,500,000	58,534,654
Bond loans	55,000,000	384,900,000	439,900,000	57,439,917	383,599,927	441,039,844
Other loans	37,356,127	384,000	37,740,127	37,356,127	384,000	37,740,127
Other loans	**92,356,127**	**443,784,000**	**536,140,127**	**94,830,698**	**442,483,927**	**537,314,625**
Reimbursable government grants	3,121,502	14,565,750	17,687,253	3,121,502	14,565,750	17,687,253
	101,477,629	**497,849,750**	**599,327,380**	**104,168,783**	**496,549,677**	**600,718,461**

(1) - INCLUDES ACCRUED INTEREST

20.1. Bank loans:

(i) Bank loans

During the year ended 31 December 2015, Celbi contracted a bank loan of 30 million Euro (at year-end total debt amounts 12,000,000 Euro), which bears interest at a rate equal to 6 months Euribor plus a spread. This loan is being repaid in 5 equal consecutive annual instalments, which started in January 2016. Therefore, the amount of 6 million Euro is classified as current debt and the remaining amount is classified as non-current debt.

During the year ended 31 December 2016, Celbi contracted a bank loan of 15 million Euro, which bears interest at a rate equal to 12 months Euribor plus a spread. This loan will be repaid in one instalment, at the end of the contract (September 2022). Therefore, the total amount of the loan is classified as non-current debt.

During the year ended 31 December 2016, Caima Indústria contracted a bank loan of 12.5 million Euro, which bears interest at a rate equal to 12 months Euribor plus a spread. This loan will be repaid in one instalment, at the end of the contract (August 2022). Therefore, the total amount of the loan is classified as non-current debt.

(ii) Pledged current accounts

As of December 2018 and 2017, the Group had pledged current accounts amounting to 3 million Euro and 28 million Euro, respectively, of which were not being used.

(iii) Bank overdrafts

As of 31 December 2018 and 2017, the Group had bank overdrafts amounting to 15 million Euro which were not used.

20.2. Other loans:

(i) Commercial paper

The Group has renewable commercial paper programs subscribed by several group companies in the maximum amount of 198,500,000 Euro as of 31 December 2018 (278,500,000 Euro as of 31 December 2017), with guaranteed placement, with interests' payable at a rate equal to Euribor for the issuing period (7 to 364 days) plus spread. As of 31 December 2018, the amount in use was 103,500,000 Euro (58,500,000 Euro as of 31 December 2017).

Those programs include 61,5 million Euro classified as a non-current liability due to the fact that these programs do not allow early termination and were negotiated on a firm commitment basis, according to the contracts. The Board of Directors classified the commercial paper loans as current or non-current based on the expected settlement date.

(ii) Bond loans

In November 2016, Celbi issued a bond loan amounting 65,000,000 Euro with maturity in February 2024, called "Celbi 2016/"024". In turn, Altri SGPS held, as of 31 December 2018, "Celbi 2016/2024" bonds in the amount of 8,500,000 Euro (14,000,000 Euro as of 31 December 2017), which means the Group's liabilities regarding this bond loan amounted to 56,500,5000 Euro (51,00,000 Euro in 31 December 2017).

In April 2014, Celbi issued a bond loan amounting 50,000,000 Euro with a maturity of 6 years. On 20 February 2015, Altri SGPS took over the contractual position held by its subsidiary Celbi, passing the bond to be called "ALTRI 2014/2020". In July 2017, Altri SGPS anticipated the settlement of this loan and issued, in the same day, a bond loan in the same amount for an 8 years period, called "ALTRI 2017/2025".

Also, during 2014, Altri SGPS issued a bond loan of 70,000,000 Euro ("ALTRI November/2018"), which was due in 2018. On 6 March 2017, Altri SGPS acquired 500 bonds from this loan with a nominal amount of 50,000,000 Euro, anticipating this part of the settlement. Hence, this loan is, as of 31 December 2017, represented by 200 bonds at a total nominal amount of 20,000,000 Euro. In the same day, Altri SGPS issued a new bond loan – "ALTRI 2017/2024" – amounting to 70,000,000 Euro for a period of 7 years.

During the year ended as of 31 December 2015, Celulose Beira Industrial (Celbi), S.A. issued three bond loans: one in the amount of 35 million Euro with a maturity of six years (in February); another in the amount of 35 million Euro with a maturity of 2.5 years (in August); and another in the amount of 40 million Euro with a term of four years (also in August), at a rate equal to Euribor 6 months plus a spread.

During the year ended as of 31 December 2016, Altri SGPS issued two bond loans: the first on 18 April 2016, amounting 40 million Euro, payable in two instalments, the first in April 2022 (20 million Euro) and the second in April 2024 (20 million Euro); the second on 28 November 2016 in the amount of 25 million Euro that matures on 28 March 2022, which bears interest at a rate equal to 6 months Euribor plus a spread.

During the year ended as of 31 December 2017, Celulose Beira Industrial (Celbi), S.A. issued two new bond loans, both on 14 July 2017: each amounting to 40,000,000 Euro but with different maturities – 8 and 10 years - bearing an interest of 6-month Euribor plus a spread. In turn, Altri SGPS, held "Celbi 2017/2027" bonds as of 31 December 2017 in the amount of 5,100,000 Euro (6,100,000 Euro as of 31 December 2017), which means the Group's liabilities regarding this bond loan amounted to 34,900,000 Euro (33,900,000 Euro as of 31 December 2017).

During the year ended as of 31 December 2018, Celulose Beira Industrial (Celbi), S.A. issued two new bond loans: on 20 April 2018 and 28 May 2018: each amounting to 50,000,000 Euro but with different maturities – 8 and 10 years – one at coupon rate of 2.98% and the other at a bearing an interest of 6 month Euribor plus a spread. In turn, Altri SGPS, held "Celbi 2018/2028" bonds as of 31 December 2018 in the amount of 5,000,000 Euro, which means the Group's liabilities regarding this bond loan amounted to 45,000,000 Euro.

The expenses incurred with the issuance of the loans are deducted to their nominal value and deferred and recognized as interest expenses during the period of the loan (Note 35).

(iii) Factoring

The Group subscribed factoring contracts with two banks with one year of initial duration, according to which it may transfer accounts receivable up to 60,000,000 Euro, which are automatically renewed for equal periods if not terminated by one of the entities with at least 60 contractual days in advance. On the discounted amounts the Group will pay an interest rate equal to 3 months Euribor plus spread or 12 months Euribor plus spread (for contracts in Euro) or equal to Libor 3 months plus a spread (for contracts in USD). As of 31 December 2018, this facility amount used totalled 43,636,573 Euro (37,164,127 Euro as of 31 December 2017).

The Group believes that the risks and benefits associated to the accounts receivable were not transferred to the factoring entity, so they just remove the accounts receivable transferred to the factoring when the original debtor pays, in accordance with the accounting policy described in Note 2.3 n) iii).

20.3. Reimbursable government grants:

In January 2014 Celbi signed a new contract for granting financial and fiscal incentives under Decree Law. 203/2003, of 10 September, with the Agency for Investment and Foreign Trade of Portugal, EPE (AICEP), and the project of modernization and expansion of the plant, was considered by the Portuguese State of strategic interest and relevance to the national economy. The investment project began on 19 August 2013 and ran until 30 June 2015 and the contract value amounted to 30,251 million Euro. The Portuguese State will grant a refundable financial incentive corresponding to 20% of the costs eligible if Celbi complies with the proposed objectives measured in the late 2016, 2017 and 2019 the Portuguese state still will grant an Achievement Award that corresponds to the non-repayment of up to 75% of the refundable incentive amount. The Portuguese Government granted a tax credit related to income tax up to 15% of the eligible costs. Taking into consideration that the requirements for the attribution of a non-reimbursable grant in the amount of 1,747,075 Euro have been met, the Group recorded that amount as "Other non-current liabilities" and "Other liabilities", net of the amount already recognised as income in the profit or loss statement, corresponding to the proportion of the depreciations of un underlying fixed assets. As of 31 December 2018, the liability related to this grant amounts to 2,836,455 Euro (5,314,303 Euro as of 31 December 2017), of which 1,841,482 Euro is booked as a current liability.

During 2014, Caima Indústria obtained a reimbursable incentive under the Decree-Law no. 287/2007 granted by the Agência para o Investimento e Comércio Externo de Portugal E.P.E. (AICEP), for a global investment of 35,161,000 Euro. The investment period of the project shall extend between 2013 and 2015. The maximum reimbursable government grant amounts to 10,511,580 Euro, 30% of the eligible expenses. The Company has already received 10,508,314 Euro. During 2018, the Company repaid 1,766,274 Euro (2017: 875,988 Euro). The amount still due as of 31 December 2018 is 5,848,457 Euro (2017: 9,623,327 Euro), of which 3,636,241 Euro (2017: 2,032,827 Euro) are classified as a current liability. If Caima meets the objectives set for the years 2016, 2017 and 2019, the Portuguese Government will additionally grant a non-reimbursable subsidy which will result in the conversion of up to 48% of the reimbursable grant in non-reimbursable grant. The Portuguese Government has also granted a fiscal incentive corresponding to a maximum of 15% of the eligible amounts. Until 31 December 2018, Caima received 2,017,596 Euro related to the reimbursable part of the grant.

Additionally, during 2011, Caima Indústria obtained a financial repayable benefit of 8,815,500 Euro, under Decree nr. 287/2007 granted by AICEP. The period of this investment was between 2010 and 2013. The granted benefit represents 45% of the eligible costs. The last portion of the benefit was received during 2014 and totalled 3,437,000 Euro. During 2017, Caima Indústria settled (1,729,914 Euro). And as of 2018 and 2017, the company had no outstanding debt.

During 2016, Celbi obtained a financial and tax incentive under the Decree-Law no. 191/2014 issued by the Agência para o Investimento e Comércio Externo de Portugal E.P.E. (AICEP), for a global investment of 40,040,000 Euro. The investment period of the project extended between January 2016 and December 2017. This project was considered relevant to the national economy by the Portuguese Sate, which will grant a financial reimbursable incentive amounting 10% of the eligible expenses. At 31 December 2018, the company has received 3,407,429 Euro, part of which is booked under current liabilities (33,367 Euro).

20.4. Debt and maturity

As of 31 December 2018, the reconciliation of the debt with the cash flows for the period is the following:

	2018
Opening balance	**600,718,461**
Granted loans payment	-57 438 710
Granted loans proceeds	147,711,161
Reimbursable grants	-5,594,912
Change in expenses incurred with the issuance of the loans	1,580,081
Debt change	**86,257,620**
Closing balance	**686,976,081**

The bank loans, other loans and reimbursable government grants reimbursement plan as well as the related interests are as follows:

	31/12/2018					
	2019	2020	2021	2022	>2022	Total (nominal value)
Bank overdrafts	289,790	-	-	-	-	289,790
Bank loans	6,000,000	6,000,000	-	27,500,000	-	39,500,000
Commercial paper	42,000,000	-	61,500,000	-	-	103,500,000
Bond issues	40,000,000	-	35,000,000	45,000,000	385,000,000	505,000,000
Other loans	43,828,573	192,000	-	-	-	44,020,573
Reimbursable government grants	5,511,090	4,301,328	653,837	653,837	**1,634,592**	12,754,684
	137,629,453	**10,493,328**	**97,153,837**	**73,153,837**	**386,634,592**	**705,065,047**

	31/12/2017						
	2018	2019	2020	2021	2022	>2022	Total (nominal value)
Bank loans	6,000,000	6,000,000	6,000,000	-	-	27,500,000	45,500,000
Commercial paper	-	22,000,000	-	36,500,000	36,500,000	-	58,500,000
Bond issues	55,000,000	40,000,000	-	35,000,000	35,000,000	309,900,000	439,900,000
Other loans	37,356,127	192,000	192,000	-	-	-	37,740,127
Reimbursable government grants	3,121,502	7,501,669	4,788,621	505,658	505,658	1,769,803	17,687,253
	101,477,629	**75,693,669**	**10,980,621**	**72,005,658**	**72,005,658**	**339,169,803**	**599,327,380**

21. Accumulated provisions and impairment losses

The movements occurred in provisions and impairment losses during the years ended 31 December 2018 and 2017 can be detailed as follows:

	31/12/2018			
	Provisions	Impairment losses on accounts receivable (Notes 13 and 14)	Impairment losses in inventories and biological assets (Note 11)	Total
Opening balance	5,025,260	3,604,839	7,803,018	16,433,117
Consolidation perimeter change	9,336,763	-	-	9,336,763
Increases	126,245	-	1,501,634	1,627,879
Transfers	(97,938)	30,188	-	(67,750)
Utilizations	-	-	-	-
Reversals	-	(4,480)	(967,954)	(972,434)
Closing balance	**14,390,330**	**3,630,547**	**8,336,698**	**26,357,575**

	31/12/2017			
	Provisions	Impairment losses on accounts receivable (Notes 13 and 14)	Impairment losses in inventories and biological assets (Note 11)	Total
Opening balance	5,064,402	3,717,961	8,319,880	17,102,243
Increases	52,562	-	1,110,000	1,162,562
Transfers	-	-	-	-
Utilizations	(12,204)	(110,086)	(380,007)	(502,297)
Reversals	(79,500)	(3,036)	(1,246,855)	(1,329,391)
Closing balance	**5,025,260**	**3,604,839**	**7,803,018**	**16,433,117**

During the year ended at 31 December 2013 the subsidiary Caima Indústria da Celulose, S.A., paid an additional settlement of Value Added Tax to tax authorities of Germany from previous years in the amount of 2,722,651 Euro which was recorded under the caption "Other non-current assets" because the company does not agree with the fundamentals of the settlement (Note 18). During the month of January of 2014 Caima proceeded to an additional payment of Value Added Tax of approximately of 700,000 Euro. To face the risk of such settlements becoming definitive, Altri recorded a liability, during 2013, under the caption "Provisions".

"Consolidation perimeter changes" relates to the acquisition of control on Bioelétrica da Foz, S.A. and its subsidiaries and their consolidation in Altri Group. That amount refers mostly to the dismantling and decommissioning provision for the cogeneration plants in use by those entities. In accordance with the terms of the environmental licenses, when a plant's activity ceases it must dismantle the equipment and requalify the land to its original state. Following the accounting policy disclosed in note 2.3.l) these provisions are calculated based on the net present value of the estimated cash outflow and booked against fixed assets, being depreciated over the useful life of the underlying assets. The unwinding of the discount at each balance sheet date is charged to the income statement.

The amount recorded under the caption "Provisions", at 31 December 2018 and 2017, is the best estimate of the Board of Directors in order to face all the losses that may be supported due to claims in force.

22. Other non-current liabilities

As on 31 December 2018 and 2017 this caption includes non-reimbursable government grants related to Property, plant and equipment, to be recognized as income in the medium and long term (Notes 20 and 26) which are detailed as follows:

	31/12/2018			31/12/2017		
	Total	Current (Note 25)	Non current	Total	Current (Note 25)	Non current
Celtejo						
POE	95,665	46,467	49,198	591,542	255,422	336,120
PRIME	415,166	368,530	46,636	787,138	1,043,938	(256,800)
	510,831	**414,997**	**95,834**	**1,378,680**	**1,299,360**	**79,320**
Celbi						
PIN	15,216,644	2,961,628	12,255,016	16,900,517	2,815,702	14,084,815
Other subsidies	10,666	333	10,333	10,999	1,476	9,523
	15,227,310	**2,961,961**	**12,265,349**	**16,911,516**	**2,817,178**	**14,094,338**
Caima Indústria						
SIME	-	-	-	133,374	133,374	-
QREN	3,274,760	490,370	2,784,390	313,565	62,713	250,852
	3,274,760	**490,370**	**2,784,390**	**446,939**	**196,087**	**250,852**
Altri Florestal						
Proder	7,344	1,176	6,168	7,344	-	7,344
	7,344	**1,176**	**6,168**	**7,344**	**-**	**7,344**
Bioelétrica da Foz						
IAPMEI	1,278,866	165,015	1,113,851	-	-	-
	1,278,866	**165,015**	**1,113,851**	**-**	**-**	**-**
Viveiros						
Proder	195,162	48,791	146,371	243,954	48,790	195,164
	195,162	48,791	146,371	243,954	48,790	195,164
	19,215,407	**4,082,310**	**16,411,963**	**18,988,433**	**4,361,415**	**14,627,018**

During 2006 Celtejo applied under the PRIME program within the scope of the pulp bleaching project on the mill. This investment had an estimated total amount of 72,000,000 Euro and was concluded in 2008. The total amount of the financial investment under the POE can be sum up as: (i) reimbursable incentive until 15,323,000 Euro; (ii) achievement premium corresponding to the non-repayment of an amount of 12,317,330 Euro, which will be deducted to reimbursable values of the referred incentive. The success fee was awarded according to the fulfilment degree of the contract, determined in measurements made at the end of the year 2010, 2011 and 2014. The total amount attributable to the company amounted to 15,396,663 Euro. During 2014, Celtejo estimated the ratios contractually required for the year 2014 and concluded that those ratios were met giving a bonus of, approximately, 3,053,059 Euro which was classified as "Other non-current liabilities" and "Other current liabilities" (Note 25) net of the amount recognized directly as income in the income statement (Note 33) in the proportion of the part of the tangible assets subsidized already depreciated according to the accounting policy described in Note 2.3 g). In 2014, the Company paid 4,283,812 Euro. In 2015, AICEP confirmed the amount of the success fee awarded.

In January 2007 Altri and Celbi signed a contract for granting financial and tax incentives under Decree-Law no. 203/2003 of 10 September, with AICEP (Agência para o Investimento e Comércio Externo de Portugal, E.P.E.) having the Portuguese Government considered of national interest PIN (Projecto de Interesse Nacional) this project to expand the production capacity of Celbi. On 31 December 2015, all the requirements for the award of success fee amounting to 41,315,930 Euro were met, having Celbi classified this amount as "Other non-current liabilities" and "Other current liabilities" (Note 22 and 26) net of the amount recognized directly as income in the income statement (Note 33) in proportion of the part of the tangible assets subsidized already depreciated according to the accounting policy described in Note 2.3 g).

In January 2014, Celbi signed a contract for granting financial and tax incentives under Decree-Law no. 203/2003 of 10 September, with AICEP (Agência para o Investimento e Comércio Externo de Portugal, E.P.E.) having the Portuguese Government considered of national interest PIN (Projecto de Interesse Nacional) this project to expand the production capacity of Celbi. If Celbi Indústria complies by the end of the years 2016, 2017 and 2019 with the goals set on the incentive arrangement, the company will be granted an achievement premium corresponding to the non-repayment of an amount up to 75% of the total reimbursable government grant. On 31 December 2018, the requirements for the award of success fee regardless the compliance of the set goals in 2016 amounting to 2,017,596 Euro were met, having Celbi classified this amount as "Other non-current liabilities" and "Other current liabilities" net of the amount recognized directly as income in the income statement (Note 33) in proportion of the part of the tangible assets subsidized already depreciated according to the accounting policy described in Note 2.3 g).

During 2016, Celbi obtained a financial and tax incentive under the Decree-Law no. 191/2014 issued by the Agência para o Investimento e Comércio Externo de Portugal E.P.E. (AICEP), having the Portuguese Government considered this project as of national interest. The investment was carried out from 1 January 2016 to 31 December 2017, with a global investment of 40,040,000 Euro, where the company will be granted with an achievement premium corresponding to the non-repayment of an amount up to 10% of the total reimbursable government grant. On 31 December 2018, the requirements for the award of success fee amounting to 3,407,429 Euro were met, having Celbi recorded as non-current liability.

During 2014, Caima Indústria obtained a financial and tax incentive under the Decree-Law no. 287/2007 issued by the Agência para o Investimento e Comércio Externo de Portugal E.P.E. (AICEP), for a global investment of 35,161,000 Euro. If Caima Indústria complies by the end of the years 2016, 2017 and 2019 with the goals set on the incentive arrangement, the company will be granted an achievement premium corresponding to the non-repayment of an amount up to 48% of the total reimbursable government grant. On 31 December 2018, the requirements for the award of success fee regardless the compliance of the set goals in 2016 amounting to 2,017,596 Euro were met, having Caima recorded the net of the amount recognized directly as income in the income statement (Note 33) in proportion of the tangible assets subsidized already depreciated according to the accounting policy described in Note 2.3 g).

During 2016, Celbi obtained a financial and tax incentive under the Decree-Law no. 191/2014 issued by the Agência para o Investimento e Comércio Externo de Portugal E.P.E. (AICEP), having the Portuguese Government considered this project as of national interest. The investment was carried out from 1 January 2016 to 31 December 2017, with a global investment of 85,300,000 Euro according to the agreement, which determines a reimbursable subsidy corresponding to 25,1% of the eligible expenses. If Celtejo complies by the end of the year 2019 with the goals set on the incentive arrangement, the company will be granted an achievement premium corresponding to the non-repayment of an amount up to 30% of the total reimbursable government grant. Since Celtejo had not yet obtained the approval from the European Commission, as of 18 July 2018, it has informed the Agência para o Investimento e Comércio Externo de Portugal E.P.E. (AICEP) of the possibility to replace the financial grant foreseen in the agreement by the renegotiation of the fiscal incentive. By deliberation of AICEP's Board of Directors, dated 25 September 2018, the cancelation of the financial incentive agreement has been agreed upon, as well as the renegotiation of the fiscal subsidy agreement, subject to the approval of the Deputy Minister and Minister for Economic Affairs, of the State Secretary for Competition ad Globalization and by the Council of Coordination of Tax Incentives on Investment and by the Council of Ministers. On 20 December 2018 the agreement for the cancelation of the financial grants was signed.

23. Trade payables

As of 31 December 2018 and 2017 this caption can be detailed as follows:

		Payable		
	31/12/2018	0-90 days	90-180 days	>180 days
Trade payables, short term	44,028,756	44,028,756	-	-
Trade payables, invoices pending	18,819,752	18,819,752	-	-
Trade payables, confirming	60,861,978	60,861,978	-	-
	123,710,486	**123,710,486**	**-**	**-**
	31/12/2017	0-90 days	90-180 days	>180 days
Trade payables, short term	27,580,191	27,580,191	-	-
Trade payables, invoices pending	20,341,789	20,341,788	-	-
Trade payables, confirming	47,451,295	47,451,295	-	-
	95,373,275	**95,373,274**	**-**	**-**

As of 31 December 2018 and 2017 the caption "Trade payables" refers to accounts payable from the normal activities of the Group.

The Board of Directors understands that the book value of these debts is close to their fair value.

As of 31 December 2018, the caption "Trade payables, confirming" is related to the amounts transferred under confirming operations, as described in Note 2.3 n.iv).

24. Other financial liabilities

As of 31 December 2018 and 2017, "Other financial liabilities" can be detailed as follows:

		Payable		
	31/12/2018	0-90 days	90-180 days	>180 days
Fixed asset suppliers	17,366,791	17,366,791	-	-
State and public entities debt (Nota 15)	5,492,261	5,492,261	-	-
Other	6,532,248	6,487,892	-	44,356
	29,391,301	**29,346,944**	**-**	**44,356**
	31/12/2017	0-90 days	90-180 days	>180 days
Fixed asset suppliers	15,819,880	15,819,880	-	-
State and public entities debt (Nota 15)	2,567,284	2,567,284	-	-
Other	5,669,350	5,624,994	-	44,356
	24,056,514	**24,012,158**	**-**	**44,356**

As of 31 December 2018 and 2017 the caption "Fixed asset suppliers" includes the amounts of 216,489 Euro and 205,112 Euro, respectively, relating to financial leases (Note 30).

25. Contract liabilities

Contract liabilities as of 31 December 2018 can be detailed as follows:

	31/12/2018
Discounts payable	5,312,081
Commissions payable	358,364
	5,670,445

As of 31 December 2017 the balances related to Contract liabilities were disclosed in Note 26.

26. Other liabilities

As of 31 December 2018 and 2017, the caption "Other liabilities" can be detailed as follows:

	31/12/2018	31/12/2017
Accrued expenses		
Discounts payable	-	5,024,383
Utility costs	4,244,301	4,547,695
Amounts owed to employees	3,813,161	3,781,943
Rents payable	1,117,464	7,366,594
Insurance payable	1,067,654	-
Fluid rates payable	465,118	403,864
Commissions payable	-	-
Interest payable	112,747	74,132
Other accrued expenses	5,774,460	14,829,160
Current deferred income		
Government grants (Notes 20 and 22)	4,082,310	4,361,415
Other	-	9,728
	20,677,215	**40,398,914**

The caption "Other accrued expenses" in 2018 and 2017 corresponds to costs incurred with operational activities not yet settled.

27. Derivatives

As of 31 December 2018 and 2017 the companies of the Group operated with contracts for derivatives related to hedge interest, exchange rate and pulp price variations. All these instruments are accounted for at fair value.

Altri Group's companies only use derivatives to hedge cash flows associated with operations created related with their activities.

As of 31 December 2018 and 2017, the fair value of the derivatives is detailed as follows:

	31/12/2018				31/12/2017			
	Asset		Liabilities		Asset		Liabilities	
	Current	Non current	Current	Non current	Current	Non current	Current	Non current
Derivatives interest rate	-	-	788,929	-	-	-	557,215	-
Derivatives exchange rate	-	733,653	870,615	-	4,048,407	1,796,781		
Derivatives pulp price	98,873	-	1,273,814	-	855,453	-	1,248,850	-
	98,873	**733,653**	**2,933,358**	**-**	**4,903,860**	**1,796,781**	**1,806,065**	**-**

(i) Interest rate derivatives

In order to reduce its exposure to interest rates volatility, the Group signed interest rates swap contracts. These contracts were evaluated by their fair value as of 31 December 2018 and 2017, and the correspondent amount has been recognized under the caption "Derivatives".

As of 31 December 2018 and 2017 there were several derivative contracts in place, whose fair values can be detailed as follows:

				Justo valor	
Type	Amount	Maturity	Rate	31/12/2018	31/12/2017
Interest rate swap	5,000,000	apr-20	Pays fixed interest rate and receives EURIBOR 6M	(78,498)	(89,455)
Interest rate swap	5,000,000	apr-20	Pays fixed interest rate and receives EURIBOR 6M	(77,528)	(89,392)
Interest rate swap	5,000,000	apr-20	Pays fixed interest rate and receives EURIBOR 6M	(74,063)	(84,766)
Interest rate swap	5,000,000	apr-20	Pays fixed interest rate and receives EURIBOR 6M	(80,031)	(92,734)
Interest rate swap	5,000,000	apr-20	Pays fixed interest rate and receives EURIBOR 6M	(63,978)	(70,194)
Interest rate swap	10,000,000	apr-20	Pays fixed interest rate and receives EURIBOR 6M	(69,713)	(88,934)
Interest rate swap	15,000,000	apr-20	Pays fixed interest rate and receives EURIBOR 6M	(49,969)	(41,740)
Interest rate swap	5,000,000	apr-25	Pays fixed interest rate and receives EURIBOR 6M	(75,329)	-
Interest rate swap	5,000,000	apr-25	Pays fixed interest rate and receives EURIBOR 6M	(72,631)	-
Interest rate swap	5,000,000	apr-25	Pays fixed interest rate and receives EURIBOR 6M	(75,665)	-
Interest rate swap	5,000,000	apr-25	Pays fixed interest rate and receives EURIBOR 6M	(71,524)	-
				(788,929)	**(557,215)**

In accordance with the accounting policies adopted, these derivatives fulfil every requirement to be accounted as interest rate hedging instruments (Note 2.3 n)).

The fair value of the Group's contracted derivatives is determined by the respective counterparts (financial institutions with whom such contracts were signed). The derivative evaluation model, used by the counterparts is based on the discounted cash flows method, i.e., using the swaps par rates, listed in the interbank market and available at Reuters and Bloomberg, for the applicable periods where the forward rates and the discount factors used to discount the fixed cash flows (fix leg) and the variable cash-flows (variable leg) are computed. The sum of these two components results on the Net Present Value of the future cash flows or on the fair value of the derivatives.

(ii) Exchange rate derivatives

Altri uses exchange rate derivatives, mainly to hedge future cash flows. Thus, Altri, in the years of 2018 and 2017, engaged some exchange rate forwards of U.S. dollars to manage the risk of exchange rate to which it is exposed.

The Group acquired Asian style put options of the US dollar.

As of 31 December 2018 and 2017 there were several derivative contracts in place, whose fair values can be detailed as follows:

National USD/month	Maturity	Fair Value	
		31/12/2018	31/12/2017
10,000,000	Cal2018	-	4,048,407
12,000,000	1H2019	(393,515)	352,259
16,000,000	2H2019	(254,216)	1,444,522
7,000,000	1H2020	187,505	-
3,000,000	2H2020	323,264	-
		(136,962)	**5,845,188**

(iii) Pulp price derivatives

In order to reduce the Group's exposure to the pulp price fluctuation, several hedging instruments contracts were signed. These contracts have been measured at their fair value as of 31 December 2018 and 2017 and booked under "Derivatives".

As of 31 December 2018 and 2017, the following pulp price hedging agreements were in place:

Hedged quantity	Beginning	Maturity	31/12/2018		31/12/2017
			Asset	Liability	Liability
4,800 ton/month	01-01-2018	31-12-2018	---	---	(1,248,850)
2,500 ton/month	01-01-2019	31-12-2019	98,873	(1,273,814)	
			98,873	**(1,273,814)**	**(1,248,850)**

The fair value of the Group's contracted derivatives is determined by the respective counterparts (financial institutions with whom such contracts were signed). The derivative evaluation model, used by the counterparts is based on the discounted cash flows method, i.e., a calculation of the net present value of the difference between the estimate of the market pulp price (PIX) and the fixed price agreed for each maturity date.

In accordance with the accounting policies adopted, these pulp price derivatives fulfil every requirement to be accounted as hedging instruments. Hence, their fair value is booked under "Hedging reserves".

The movement occurred in the fair value of the financial instruments during the years ended 31 December 2018 and 2017 can be detailed as follows:

2018	Derivatives pulp price	Interest rate derivatives	Exchange rate derivatives	Total
Opening balance	(393,397)	(557,215)	5,845,188	4,894,577
Market value variations				
Effects on shareholders funds	73,909	(176,675)	(4,807,712)	(4,910,478)
Effects on the profit and loss accounts (Note 35)	(8,184,205)	(279,235)	(133,192)	(8,596,632)
Effects on the statement of financial position	7,328,752	224,196	(1,041,246)	6,511,701
Closing balance	**(1,174,941)**	**(788,929)**	**(136,962)**	**(2,100,832)**

2017	Derivatives pulp price	Interest rate derivatives	Exchange rate derivatives	Total
Opening balance	-	(549,066)	(4,301,607)	(4,850,674)
Market value variations				
Effects on shareholders funds (note 19)	(1,248,850)	15,641	9,667,795	8,434,587
Effects on the profit and loss accounts (Note 35)	-	(23,790)	479,000	455,210
Effects on the statement of financial position	855,453	-	-	855,453
Closing balance	**(393,397)**	**(557,215)**	**5,845,188**	**4,894,577**

During 2018, the gains and losses related to the fair value variation, in the non-matured part (as described in IAS 39), of the hedging instruments, in the amount of 4,910,478 (8,434,586 Euro as of 31 December 2017), were directly recorded under equity's captions net of the respective deferred taxes, in the amount of (2,093,555) Euro ((2,550,040) Euro as of 31 December 2017).

The gains and losses for the year associated to the fair value variation, during 2018, of the hedging instruments in the matured part and of the instruments which although had been contracted with a hedging purpose, do not gather the requirements to be classified as so, and their ineffective part were recorded directly in the profit or loss statement for the year ended 31 December 2018 and 2017 (Note 35).

28. Contingent liabilities and guarantees

As of 31 December 2018 and 2017, the bank guarantees provided by Group companies can be detailed as follows:

	31/12/2018	31/12/2017
AICEP/API (Note 20)	3,955,654	4,515,453
Others	2,010,421	1,848,476
	5,966,075	**6,363,929**

29. Financial commitments not included in the consolidated statement of financial position

a) Pension funds

Some of the Group companies have assumed commitments related with retirement pensions not included in the consolidated statement of financial position, since these commitments are covered by autonomous pension funds as follows.

The Caima and Altri Florestal Pension Fund, managed by "BPI Pensões - Sociedade Gestora de Fundos de Pensões, S.A." was created by a public deed held 31 December 1987, and aims to provide the employees who (i) at their normal retirement age or (ii) at the end of their contract with the company have completed at least 10 years of continuous service and 57 years old, with a monthly pension complement based on their average gross salary for the two years preceding the date of their retirement, beginning in the usual year of retirement. Following a decision of Caima's Board of Directors and after obtaining approval from "Instituto de Seguros de Portugal" (the Portuguese insurance institute), the Caima and Altri Florestal Pension Fund was divided into two independent funds in December 1998. During the year ended 31 December 2010, Caima and Altri Florestal transferred their shares of the collective fund that they had in BPI Pensões to Celtejo's plan. The transfer was requested to the Instituto de Seguros de Portugal, on 23 September 2010 and approved on 3 March 2011. In April 2011, the pension fund of Altri Florestal and Caima was incorporated in Tejo pension fund, named Pension Plan C.

The Tejo Pension Fund was created by Celtejo on 28 February 2005, to finance the pension plan under the Company Agreements. After the agreement reached in 2007 with the trade union, it was created a new Pension Fund applicable to all employees admitted since 1 September 2007, and to all other employees that clearly state to choose this new plan. Since then, Tejo Pension Fund is financing the three defined benefits pension plans described in a Regulation published in Service Order on 2002, and the benefits defined in the new Pension Plan, called Pension Plan B, as defined in Company Agreement published in BTE, number 32, on 29 August 2007. Since 2009, the Pension Plan B, started to include all the active workers of Celtejo, and the remaining Pension Funds, started to guarantee the responsibilities related to all ex-Workers, which had the right to receive the pension, according to the terms of termination agreement.

In May 2014, a new defined contribution Pension Plan was created as part of Tejo Pension Fund, designated as Pension Plan CD, applicable to all active workers of Celtejo, Caima and Altri Florestal. A choice was given to all employees admitted until 30 April 2014 to change to the Pension Plan CD if they renounced to the defined benefit pension plan, on the following terms: (a) Celtejo's workers still active as of 30 April 2014 could choose to change or not to the new plan; (b) for Caima and Altri Florestal, only workers in the company for more than ten years and with 57 years old or older were given this choice. The Tejo Pension Fund started to finance the responsibilities of five Pension Plans, four under the defined benefits scheme and the other one under the defined contribution scheme, whose contributions change according to Group's results and are attributable to each employee taking into consideration their wages and service time.

In 2014 Celbi changed to a defined contribution scheme. Celbi contributes to the Pension Fund, which varies annually depending on the results of the Altri Group, assigning each worker's permanent staff a percentage of their pensionable salary depending on the number of years of service. The annual contribution to the Pension Fund changes in line with the Group's profits and is recorded as losses of the year and the company has not responsibilities on future benefits related to the Pension Fund.

With the new contribution scheme, Celbi records the contributions made as loss of the exercise, avoiding future responsibilities for eventual future benefits.

According with the latest actuarial valuation prepared by the funds' managers, the present value of the past service liabilities with retired and current employees as of 31 December 2018 and 2017 as well as the funds' patrimonial situation were as follows:

	2018	Total
	Caima/Celtejo/Altriflorestal	
Current responsibilities for past services	13,830,098	13,830,098
Assets of pension funds	10,055,234	10,055,234

	2017	Total
	Caima/Celtejo/Altriflorestal	
Current responsibilities for past services	13,569,167	13,569,167
Assets of pension funds	10,726,968	10,726,968

The movement in the present value of responsibilities for past services during the years ended 31 December 2018 and 2017 is as follows:

31 December de 2018	Plans				
	Ex - Adminis, (DA)	Plan A	Plan B	Plan C	Total
Responsibilities in the beginning of the year	**745,651**	**5,868,062**	**2,626,253**	**4,329,202**	**13,569,167**
Benefits paid by pension funds	(35,388)	(465,070)	(84,181)	(324,011)	(908,650)
Current services cost	-	-	11,914	19,159	31,073
Change of assumptions	104,589	391,771	150,102	262,056	908,518
Actuarial (gains)/losses	(26,030)	85,692	(209,997)	51,560	(98,775)
Responsibilities at the year end	**807,031**	**6,021,396**	**2,558,976**	**4,442,695**	**13,830,097**

31 December de 2017	Plans				
	Ex - Adminis, (DA)	Plan A	Plan B	Plan C	Total
Responsibilities in the beginning of the year	**756,395**	**6,160,463**	**2,636,697**	**4,428,426**	**13,981,980**
Benefits paid by pension funds	(34,544)	(468,105)	(71,071)	(321,011)	(894,731)
Current services cost	-	-	13,317	22,950	36,267
Interest expenses	18,479	148,204	65,386	107,402	339,471
Actuarial (gains)/losses	5,321	27,500	(18,076)	91,435	106,180
Responsibilities at the year end	**745,651**	**5,868,062**	**2,626,253**	**4,329,202**	**13,569,167**

The change verified on pension funds' patrimony during the years ended 31 December 2018 and 2017 is as follows:

31 December de 2018	Plans				
	Ex - Adminis, (DA)	Plan A	Plan B	Plan C	Total
Pension funds value in the beginning of the year	**569,051**	**4,576,923**	**2,250,659**	**3,330,335**	**10,726,968**
Transfer to defined contribution scheme	3,305	218,274	-	213,023	434,602
Pension paid	(35,388)	(465,070)	(84,181)	(324,011)	(908,650)
Pension fund's income	12,560	76,563	(289,199)	12,993	(187,083)
Other	(10,102)	(101,757)	175,969	(74,712)	(10,602)
Pension funds value at year end	**539,426**	**4,304,933**	**2,053,248**	**3,157,628**	**10,055,235**

31 December de 2017	Plans				
	Ex - Adminis. (DA)	Plan A	Plan B	Plan C	Total
Pension funds value in the beginning of the year	**593,381**	**4,960,885**	**2,282,047**	**3,590,615**	**11,426,928**
Pensions paid	(34,544)	(468,105)	(71,071)	(321,011)	(894,731)
Other	10,214	84,143	39,683	60,731	194,771
Pension funds value at year end	**569,051**	**4,576,923**	**2,250,659**	**3,330,335**	**10,726,968**

Considering the difference between the value of responsibilities and the value of the pension funds on 31 December 2018 and 2017, it was recorded a liability in the caption "Pension liabilities" in the amount of 908,518 Euro and 242,653 Euro, respectively, in order to cover possible liabilities related with to pension plans in effect. As of 31 December 2018 and 2017, changes in this caption can be detailed as follows:

31 December de 2018	Plans				
	Ex - Adminis, (DA)	Plan A	Plan B	Plan C	Total
Pension liabilities in the beginning of the year	**163,014**	**1,283,865**	**354,650**	**969,942**	**2,771,471**
Increase / (reversal) in other comprehensive income	104,589	391,771	150,102	262,056	908,518
Increase / (reversal) in income statement	-	-	-	-	-
Reclassification	-	-	-	94,875	94,875
Pension liabilities at year end	**267,603**	**1,675,636**	**504,752**	**1,326,873**	**3,774,864**

31 December de 2017	Plans				
	Ex - Adminis, (DA)	Plan A	Plan B	Plan C	Total
Pension liabilities at the beginning of the year	**163,014**	**1,199,578**	**354,650**	**811,576**	**2,528,818**
Increase / (reversal) in other comprehensive income	-	84,287	-	158,366	242,653
Increase / (reversal) in income statement	-	-	-	-	-
Pension liabilities at year end	**163,014**	**1,283,865**	**354,650**	**969,942**	**2,771,471**

The responsibilities of Celtejo Pension Plan as at 31 December 2018 are based in the following assumptions:
(i) Calculation method "Projected Unit Credit";
(ii) Mortality tables TV 88/90;
(iii) Income/ discount rate 1.7%;
(iv) Wages growth rate 1%.

The characteristics of Celtejo Pension Fund are the following:
(i) Portfolio composition:
   a. 10.22% shares;
   b. 67.56% bonds at fixed rates;
   c. 10.77% bonds at variable rates; and
   d. 11.45% liquidity and other assets.
(ii) Expected return of the assets of the Plan in the long run 2.5%.

The responsibilities of Celtejo Pension Plan as at 31 December 2018 are based in the following assumptions:
(i) Calculation method "Projected Unit Credit";
(ii) Mortality tables TV 88/90;
(iii) Income/ discount rate 2.5%;
(iv) Wages growth rate 1%.

The characteristics of Celtejo Pension Fund are the following:
(i) Portfolio composition:
   a. 12.3% shares;
   b. 67.1% bonds at fixed rates;
   c. 8.6% bonds at variable rates; and
   d. 12% liquidity and other assets.
(ii) Expected return of the assets of the Plan in the long run 2.5%.

b) Other commitments

As of 31 December 2018, the contractual obligations for the acquisitions of fixed assets assumed by the Group companies amounted to, approximately, 36,000,000 Euro (28,000,000 Euro as of 31 December 2017).

These obligations relate with the ongoing investment projects in Figueira da Foz, initiated in 2018 and that are ought to be concluded in 2019 (Note 7).

30. Lease contracts

30.1. Operational leases

During the year ended at 31 December 2018, the Group booked in the profit or loss statement an amount of, proximately, 11,021,500 Euro (11,214,152 Euro during the year ended as of 31 December 2017) of operational leases rents, essentially, related with lands used by the Group.

Additionally, at the balance sheet date the Group held as lessee, operational lease contracts, which minimal lease payments show the following maturity:

Year	2018	2017
Up to 1 year	8,869,952	9,903,381
Between 1 and 5 years	34,880,784	43,633,132
More than 5 years	44,744,075	75,153,975
	88,494,811	**128,690,488**

30.2 Financial leases

As of 31 December 2018 and 2017, the responsibilities reflected in the statement of financial position related to financial leases had the following maturities:

Year	2018	2017
Up to 1 year (Note24)	216,489	205,112
Between 1 and 5 years	384,836	387,447
More than 5 years	-	-
	601,325	**592,559**

As of 31 December 2018 and 2017, Altri estimates that the fair value of financial obligations in leasing contracts corresponds to approximately its book value.

Obligations under finance lease contracts are guaranteed by the reserve of ownership of the leased assets.

31. Related parties

The subsidiary companies of the Group perform transactions between each other that classify as transactions with related parties and which are done at market prices.

In the consolidation procedures, the transactions between the companies included in consolidation are eliminated. The consolidated financial statements present the mother company and its subsidiaries financial information as one single company and, therefore, the information about transactions with them is not disclosed in this note.

As of 31 December 2018 and 2017 the balances and transactions with related parties are as follows:

	Purchases and acquired services		Sales and services provided		Interest income	
Transactions	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Associated companies and joint ventures (a)	1,325,818	2,759,244	14,131,027	16,696,902	362,590	187,755
Other related parties (b)	9,223,118	8,435,033	-	129,514	-	-
	10,548,936	**11,194,277**	**14,131,027**	**16,826,416**	**362,590**	**187,755**
	Accounts payable		**Accounts receivable**		**Loans granted**	
Balances	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Associated companies and joint ventures (a)	5,217	165,308	652,659	2,618,553	-	11,482,905
Other related parties (b)	7,417,292	6,508,954	261,678	489,774	-	-
	7,422,509	**6,674,262**	**914,337**	**3,108,327**	**-**	**11,482,905**

(a) All entities included in the consolidation through the application of the equity method as of 31 December 2018 and 31 December 2017, as detailed in Note 4.2. In what concerns transactions with Bioelétrica da Foz, S.A. and its subsidiaries, only the transactions up to the acquisition date of the remaining 50% were considered (30 November 2018).
(b) Were considered as related parties the companies listed below.

During the years ended 31 December 2018 and 2017, there were no transactions or loans granted to the members of the Board of Directors.

Besides the companies included in consolidation (Note 4), entities considered as related parties as of 31 December 2018 can be detailed 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, S.A.
- F. Ramada II, Imobiliária, S.A.
- Grafedisport – Impressão e Artes Gráficas, 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.

32. Key management compensation

Compensation paid to key managers, who in Altri's case correspond to the Board of Directors, due to its corporate governance model, during the years ended 31 December 2018 and 2017 amounted to 1,774,520 Euro and 1,439,500 Euro, respectively, corresponding only to fixed remuneration and were fully paid by the Company in 2018 and 2017.

Under Article 3 28/2009 of 19 June, the Company hereby informs that the remuneration received by the Board members can be detailed as follows: Paulo Fernandes - 392,250 Euro; João Borges de Oliveira - 392,250 Euro; Domingos Matos - 226,000 Euro; Pedro Borges de Oliveira - 226,000 Euro; Ana Mendonça – 84,000 Euro; Laurentina Martins - 59,500 Euro; José Archer - 59,500 Euro.

As of 31 December 2018 there are not: (i) plans or incentives related to shares-based payments to members of the Board, (ii) supplementary pensions or early retirement for directors, or (iii) non-cash benefits considered as remuneration.

The director Laurentina Martins benefits from a pension plan assigned before her appointment to the Board of Directors because, at the grant date, she was a worker of the subsidiary Caima - Indústria de Celulose, S.A. The main features and information about the referred plan are detailed in Note 29 a). On that date, the present value of pensions in payment related with this director amounted to 348,766 Euro and no contribution to the fund was made in 2018. The value received by her through the pension fund in 2018 was 33,705 Euro.

Altri, SGPS, S.A. does not have any plan to grant shares or stock options to the members of the governing boards or to its employees.

33. Other income

As of 31 December 2018 and 2017, the caption "Other income" can be detailed as follows:

	31/12/2018	31/12/2017
Investment and exploration subsidies	5,260,392	5,974,535
Fixed asset disposals	504,571	268,936
Other	1,455,188	3,480,491
	7,220,151	**9,723,962**

34. Other costs

As at 31 December 2018 and 2017, the caption "Other expenses" can be detailed as follows:

	31/12/2018	31/12/2017
Fees and direct taxes	2,701,076	1,633,225
Losses related to forest fires	-	4,968,434
Losses derived from acrude contracts	8,184,195	-
Donations	178,026	448,564
CO_2 emission rights	237,050	73,745
Other	1,345,053	1,167,310
	12,645,400	**8,291,278**

35. Net financial losses

Consolidated new financial losses for the years ended 31 December 2018 and 2017 can be detailed as follows:

	31/12/2018	31/12/2017
Financial expenses		
Interests (Note 20)	13,042,121	14,060,438
Losses on exchange rate differences	3,823,154	6,748,160
Losses on derivatives	1,721,065	282,486
Losses on investments available for sale	-	2,570,286
Other	2,124,028	2,667,182
	20,710,368	**26,328,552**
Financial income:		
Interests	547,234	568,575
Gains on exchange rate variations	5,754,961	3,571,840
Gains on derivatives	1,308,638	427,790
Other	452,394	413,965
	8,063,227	**4,982,170**

The captions "Losses on derivatives" and "Gains on derivatives" correspond to the losses and gains, respectively, originated by the changes of the derivatives fair value and the loss on derivative instruments that matured or were paid until that date (Note 27).

"Other financial expenses and losses" include, mainly, expenses with loans setup, which are recognized in the profit or loss statement through the duration of those loans (Note 20).

36. Amortisation and depreciation

As of 31 December 2018 and 2017, the caption "Amortisation and Depreciation" can be detailed as follows:

	31/12/2018	31/12/2017
Tangible Assets (Note 7)	59,817,159	53,408,287
Intangible Assets (Note 9)	387,074	283,886
	60,204,233	**53,692,173**

37. Earnings per share

Earnings per share for the years ended 31 December 2018 and 2017 were determined taking into consideration the following amounts:

	31/12/2018	31/12/2017
Number of shares considered for basic and diluted earning calculation	205,131,672	205,131,672
Net profit considered for basic and diluted earning calculation	194,497,353	96,068,168
Earnings per share		
Basic	0.95	0.47
Diluted	0.95	0.47

As of 31 December 2018 and 2017, there are no dilution effects of the number of shares issued.

38. Segmental information

On 16 April 2008, the Altri SGPS, S.A. spin-off public deed was signed. Under the terms of that project, the planned reorganization foresaw the split of Altri's two business units that manage equity holdings in the pulp and paper sector and in the steel and storage systems sector. This reorganization aimed a bigger focus and transparency on ALTRI's business and giving each of the areas an opportunity to be better seen and better evaluated by the market. This allows for the Altri Group to focus its activity on its core business, production and commercialization of bleached pulp from eucalyptus, so the Board of Directors believes that there is only one business segment and the management information is reported and analysed on this basis.

Sales and services rendered by the Group, according to the geographic segments, were as follows:

	31/12/2018	31/12/2017
Domestic market	162,046,751	138,175,142
International market	615,564,050	517,880,018
	777,610,801	**656,055,160**

39. Payroll expenses

During the years ended 31 December 2018 and 2017, the average number of employees of the companies included in the consolidated financial statements was 735 and 705, respectively.

As of 31 December 2018 and 2017, the caption "Personnel expenses" can be detailed as follows:

	31/12/2018	31/12/2017
Remunerations	29,393,347	25,895,738
Social security contributions	5,434,412	5,266,157
Indemnities	1,610,778	131,320
Insurances	732,418	515,405
Pension costs	538,405	356,404
Other	1,818,147	1,788,109
	39,527,507	**33,953,133**

40. External supplies and services

As of 31 December 2018 and 2017, the caption "External Supplies and Services" can be detailed as follows:

	31/12/2018	31/12/2017
Energy	44,094,429	40,191,870
Transport of goods	36,478,248	34,328,533
Specialized services	24,956,630	11,322,549
Fuels	17,313,049	11,793,273
Forestry activity costs	16,463,114	13,702,464
Maintenence and repair	16,187,109	15,787,801
Rents	10,618,499	12,337,833
Insurance	4,947,564	4,540,566
Subcontracts	2,832,884	-
Other	13,179,551	22,652,811
	187,071,077	**166,657,700**

41. Fees of statutory auditor

The remuneration due to auditors of the Group and other individuals or entities belonging to EY's network, by all the group companies for the year ended 31 December 2018 and 2017 was 135,000 Euro and 130,000 respectively, and include, in 2018, 1,000 Euro related to agreed upon procedures on financial information.

42. Net profit allocation

With respect to the year 2017, the Board of Directors proposed in its annual report that the individual net profit of Altri SGPS, S.A. in the amount of 56,705,382.66 Euro was fully used to pay dividends. The Board of Directors also proposed that 4,834,118.94 Euro from "Other reserves and retained earnings" were distributed as dividends, corresponding to a total dividend of 0.30 Euro per share.

In what concerns 2018, the Board of Directors proposed in its annual report that the individual net profit of Altri SGPS, S.A. in the amount of 135,210,911.23 Euro was fully used to pay dividends. The Board of Directors also proposed that 12,483,892,84 Euro from "Other reserves and retained earnings" were distributed as dividends, corresponding to a total dividend of 0.72 Euro per share.

43. Environmental information

Following the Kyoto Protocol, the European Union committed herself to reduce the emission of greenhouse gases. Therefore, it has issued a Directive that predicts the commercialisation of carbon dioxide emission licenses. This directive was transposed to the Portuguese legislation and became mandatory since 1 January 2005, namely, for the pulp and paper industry.

Following the ministerial dispatch number 38/2013 dated 15 March 2013, the Portuguese government distributed to the companies the carbon dioxide emission licenses. The Group companies received a free license for the emission of 89,945 tons of carbon dioxide in 2016. If the Group exceeds that amount it must buy in the market the remaining licenses. The distribution of the carbon dioxide emission licenses is made in the beginning of the following year, being the emission amounts presented subject to a certification made by an independent entity.

Bearing in mind that these licenses refer to the period 2013-2020, in accordance with the estimates for the year 2012, the Group does not expect this legislation to carry significant additional costs for the year ended 31 December 2018.

As of 31 December 2018 and 2017, the Group has not recorded any liability concerning environmental issues, nor has disclosed any environmental contingency, since the Board of Directors believes that, as of that date, no obligations and responsibilities arising from past events have occurred that lead to significant costs to the Group.

44. Subsequent events

There were no significant subsequent events from 31 December 2018 until the date of approval of these financial statements.

45. Translation note

These consolidated financial statements are a translation of financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards (IFRS/IAS) 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

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

José Manuel de Almeida Archer

Statutory and auditor's report

Ernst & Young
Audit & Associados - SROC, S.A.
Avenida da Boavista, 36, 3º
4050-112 Porto
Portugal

Tel: +351 226 002 015
Fax: +351 226 000 004
www.ey.com

(Translation from the original Portuguese language. In case of doubt, the Portuguese version prevails.)

Statutory and Auditor's Report

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Altri, SGPS, S.A. (the Group), which comprise the Consolidated Statement of Financial Position as at 31 December 2018 (showing a total of 1,492,189,274 Euro and a total equity of 521,597,149 Euro, including a net profit for the year of 194,497,353 Euro), the Consolidated Statement of Profit or Loss, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Altri, SGPS, S.A. as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. We are independent of the entities comprising the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors´ code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters in the current year audit are the following:

1. **Goodwill impairment**

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As at 31 December 2018, Goodwill amounts to 265,531,404 Euro (unchanged since 2017), representing 18% (2017: 22%) of the total assets of the Group. The risk of Goodwill impairment was considered a key audit matter due to the significance of the amount and due to the fact that the impairment assessment process is complex, including the use of estimates and assumptions, namely in what regards future economic forecasts, production	Our audit approach included the following procedures: ► The examination of the cash flow projections used in the valuation models prepared by Management. We tested the basis of preparation taking into consideration the reliability of the previous projections and the historical information about the main assumptions; ► The assessment of the underlying assumptions used in the valuation models approved by Management, namely the cash flow projections, the discount rate, the inflation rate, the perpetuity

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
capacity in the market, revenue and margin evolution.	growth rate and the sensitivity analysis, supported by internal specialists in business valuations; and ► We evaluated the clerical and arithmetic accuracy of the models used and assessed the impact that possible deviations in the key assumptions would have in the Goodwill impairment testing. We verified the compliance with the applicable disclosure requirements (IAS 36), included in Note 8 of the notes to the consolidated financial statements.

2. Biological assets

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As at 31 December 2018, non-current Biological assets total 98,473,925 Euro (2017: 94,848,275 Euro), representing 7% (2017: 8%) of the Group's total assets. Biological assets comprise essentially eucalyptus, which are scattered through a vast area in land which is property of the Group or rented. After being harvested, the wood is used as the main raw material for the pulp production. Biological assets are measured at fair value, as prescribed by IAS 41 and as disclosed in Note 2.3 k) of the notes to the consolidated financial statements. The fair value was calculated by an external entity from the data base maintained by the Group, which contains a significant volume of information with several characteristics. Considering that an observable market amount does not exist, the fair value computation is based on significant and complex judgments used in the cash flow models. These models, in turn, are based on several assumptions, computations and allocations between the plant species of the estimated costs to be incurred until the forests are prepared for harvesting as well as the expected sale price. The use of different models and/or assumptions would result in a different fair value for the same assets.	Our audit approach included the following procedures: ► Understanding of the key controls implemented to ensure the reliability of the information available regarding forest area details; ► Analysis of the information included in the forest data base through an analysis of a sample of agreements with the owners of the land being explored by the Group and physical inspection of some of those properties; ► Substantive procedures performed on the capitalization of plantation expenses and rental costs and on the harvest of the period; ► Assessment of the credentials of the external party contracted to determine the fair value of the Biological assets; ► Analysis of the valuation report issued by the external party, including the verification of the consistency of the financial and non-financial information used with the accounting records. In particular, we analysed the main assumptions used in the computation of the fair value, including the discount rate, expected wood sale price and costs to incur until the plantations are ready for harvesting; ► Test of the calculations used in the model used by the external party; ► Involvement of valuation internal specialists in order to assess the reasonableness of the discount rate used; and ► Assessment of the reasonableness of the wood selling price, considering the Group's historic data, and estimated expenses to incur until the assets are ready for use. We also assessed the split of the total estimated expenditures between the different species by comparison to those incurred in the current period. Our work included the analysis of the recognition of subsidies related to Biological assets. We also assessed the adequacy of the applicable disclosures (IAS 41 and IFRS 13), included in Notes 2.3 k) and 10 of the notes to the consolidated financial statements.

3. EDP Bioeléctrica acquisition

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
The Group gained control of EDP Bioeléctrica and its subsidiaries, following the acquisition of 50% of its shares from EDP Energias de Portugal, S.A., EDP – Gestão da Produção de Energia, S.A. and EDP Imobiliária e Participações, S.A.. The consideration paid totalled 40,789 thousand Euro. The Group recognized the assets acquired and liabilities assumed at fair value at the acquisition date, determined to be 1 December 2018, as disclosed in Note 5 of the notes to the consolidated financial statements. The remeasurement of the interest previously held resulted in a gain of 26,433 thousand Euro. As the fair value determination of the acquired assets and assumed liabilities involves significant judgement from Management, it is considered to be a key audit matter.	Our audit approach included the following procedures: ► Reading of the share purchase agreement; ► Validation of the consideration paid; ► Assessment of the credentials of the external party involved in the determination of the fair value of the assets acquired and assumed liabilities, as well as in the remeasurement of the previously interest held by Altri Group; ► Meetings with the external party to assess their conclusions, including the assumptions used in the determination of the control premium; ► Analysis of the consistency of the projected cash flows, used as a basis for the assets' fair value computation, when compared to historical information; ► Assessment of the assumptions used in the valuation models approved by Management, in particular the cash flow projections and the discount and inflation rates; ► Testing the inclusion of the acquired companies in the consolidated financial statements starting from the acquisition date; and ► Review of the EDP Bioeléctrica auditors' conclusions. We also assessed the adequacy of the applicable disclosures (IFRS 3), included in Notes 4.2 and 5 of the notes to the consolidated financial statements.

Responsibilities of management and the supervisory board for the consolidated financial statements

Management is responsible for:

- the preparation of consolidated financial statements that presents a true and fair view of the Group´s financial position, financial performance and cash flows in accordance with International Financial Reporting Standards as endorsed by the European Union;
- the preparation of the Management Report, including the Corporate Governance Report in accordance with the laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Group's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Group´s ability to continue as a going concern.

The supervisory body is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group 's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- from the matters communicated with those charged with governance, including the supervisory body, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter; and
- we also provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Our responsibility includes the verification of the consistency of the Management Report with the consolidated financial statements, and the verifications under no. 4 and no. 5 of article 451 of the Commercial Companies Code, as well as the verification that the statement of non-financial information was presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Management Report

Pursuant to article 451, no. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment over the Group, we have not identified any material misstatement.

On the non-financial statement as required by article 508-G of the Commercial Companies Code

Pursuant to article 451, no. 6, of the Commercial Companies Code, we inform that the Group has included the non-financial information in its Annual Report 2018, as required by article 508-G of Commercial Companies Code.

On the Corporate Governance Report

In our opinion, the Corporate Governance Report includes the information required to the Group to provide as per article 245-A of the Securities Code, and we have not identified material misstatements on the information provided therein in compliance with paragraphs c), d), f), h), i) and m) of the said article.

On additional items set out in article 10 of the Regulation (EU) no. 537/2014

Pursuant to article 10 of the Regulation (EU) no. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- We were appointed as auditors of Altri SGPS, S.A. (Group's parent company) for the first time in the shareholders' general meeting held on 26 April 2017 for a mandate from 2017 to 2019;
- Management has confirmed that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs we maintained professional scepticism and we designed audit procedures to respond to the possibility of material misstatement in the consolidated financial statements due to fraud. As a result of our work we have not identified any material misstatement to the consolidated financial statements due to fraud;
- We confirm that our audit opinion is consistent with the additional report that we have prepared and delivered to the supervisory body of the Group as of today; and
- We declare that we have not provided any prohibited services as described in article 77, no. 8, of the Statute of the Institute of Statutory Auditors, and we have remained independent of the Group in conducting the audit.

Porto, 30 April 2019

Ernst & Young Audit & Associados – SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

(Signed)

Rui Manuel da Cunha Vieira - ROC no. 1154
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Statutory Audit Board Member

Report and Opinion of the Statutory Audit Board

(Translation of a Report and Opinion originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

To the Shareholders of
ALTRI, SGPS, S.A.

In compliance with the applicable legislation and our mandate, we hereby submit our Report and Opinion, which covers the Board of Director's Report and the individual and consolidated Financial Statements of Altri, SGPS, S.A. ("Company") for the year ended 31 December 2018, which are the responsibility of the Company's Board of Directors.

1. Report over the year's activity

During the year under analysis, the Statutory Audit Board accompanied the operations of the Company and its affiliates, the timely writing up of accounting records, compliance with statutory and legal requirements and the effectiveness of the risk management and internal control systems, having held meetings with the periodicity and length considered appropriate and having always obtained, from the Board of Directors and personnel of the Company and its affiliates, all the information and explanations required.

As part of its duties, the Statutory Audit Board examined the separated and consolidated statement of financial position as of 31 December 2018, the separated and consolidated statements of profit or loss, comprehensive income, changes in shareholders' funds and cash flows for the year then ended, and the corresponding notes.

In the exercise of its competences, the Statutory Audit Board held, regularly, meetings with Statutory and External Auditor's representatives in order to monitor the audit work carried out and take note of its conclusions, in addition to assessing its independence. In this area, the Statutory Audit Board analysed the proposals that were presented to it for non-audit services by the Statutory and External Auditor, having approved those that related with permitted services, did not affect the independence of the Statutory and External Auditor and fulfil the other legal requirements.

The Statutory Audit Board reviewed the statutory audit certification and audit report regarding the separated and consolidated information of the year 2018, which comprehends the consolidated and separated statement of financial position for the year ended as of 31 December 2018, the consolidated and separated statements of profit or loss, comprehensive income, changes in shareholders' funds and cash flows for the year then ended, and the corresponding notes, which does not include any reserves.

The Statutory Audit Board also reviewed the Corporate Governance Report, assuring that it includes all the elements referred to in article 245-A of the Portuguese Securities Market Code.

Finally, the Statutory Audit Board also analysed the Additional Report to the Statutory Audit Board and other documentation issued by the representative of Ernst & Young Audit & Associados – SROC, S.A., Statutory and External Auditor of the Company.

2. Declaration of Responsibility

Within the scope of the powers of its competences, the Statutory Audit Board declares that, to its knowledge and conviction, the information contained in the separated and consolidated financial statements were prepared in accordance with applicable accounting standards, giving a true and fair view of the assets and liabilities, financial position and the results of Altri, SGPS, S.A. and the companies included in the consolidation. Also, it is their understanding that the Board of Directors Report adequately describes the business, performance and financial position of Altri, S.G.P.S., S.A. and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face. It is also declared that the Corporate Governance Report complies with article 245-A of the Portuguese Securities Market Code.

3. Opinion

Accordingly, considering the diligences, opinions and information received from the Board of Directors, the Entity's services and the Statutory and External Auditor, the Statutory Audit Board is of the opinion that:

1. Nothing prevents the approval of the separated and consolidated Director's Report for the year 2018;
2. Nothing prevents the approval of the separated and consolidated Financial Statements for the year 2018;
3. Nothing prevents the approval of the proposal for the net profit appropriation presented by the Board of Directors, which is duly substantiated.

We wish to express our appreciation to the Board of Directors and to the various services of the Entity and of its subsidiaries for their collaboration.

Oporto, April 30, 2019

The Statutory Audit Board

Pedro Pessanha
Statutory Audit Board President

António Pinho
Statutory Audit Board Member

Guilherme Monteiro
Statutory Audit Board Member

contacts

Headquarters: Rua Manuel Pinto de Azevedo, 818
4100-320 Porto | PORTUGAL
T: +351 22 8346502
F: +351 22 8346503
Sede@altri.pt • www.altri.pt

Fiscal Number 507 172 086
Share Capital: 25,641,459 Euro