ELDORADO BRASIL CELULOSE S.A.

Individual and consolidated interim financial statements

For three months period ended March 31, 2021

(A free translation of the original report in Portuguese)

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Report on review of interim financial information

(A free translation of the original report in Portuguese)

To the Shareholders, Board of Directors, and Management of
Eldorado Brasil Celulose S.A
São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Eldorado Brasil Celulose S.A. (the "Company") contained in the Quarterly Information Form (ITR) for the quarter ended March 31, 2021, which comprises the statement of financial position as of March 31, 2021 and the respective statements of income (loss), comprehensive income (loss), changes in equity and cash flows for the three-month period then ended, including the explanatory notes.

The Company's management is responsible for the preparation of this individual and consolidated interim financial information in accordance with Technical Pronouncement CPC 21 (R1) – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of this information in accordance with standards issued by the Brazilian Securities Commission, applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with the Brazilian and International standards on review engagements of interim financial information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for the financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the Quarterly Information referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of Quarterly Information (ITR), and presented in accordance with the standards issued by the Brazilian Securities Commission.

Other matters

Statements of Value Added

The interim financial information as referred to above includes individual and consolidated statements of value added (DVA) for the three-month period ended March 31, 2021, prepared under the responsibility of the Company's management, presented as supplementary information for the purposes of IAS 34. The financial information were submitted to the review procedures followed together with the review of the Quarterly Information, in order to form our conclusion whether these statements are reconciled to the interim financial information and to the accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that Statement of Value Added has not been prepared, in all material respects, in accordance with requirements described at the Technical Pronouncement and consistent with the individual and consolidated interim financial information taken as a whole.

São Paulo, May 14, 2021

KPMG Auditores Independentes
CRC SP014428/O-6
Original report in Portuguese signed by
Leslie Nares Laurenti
Contadora CRC 1SP215906/O-1

ELDORADO BRASIL CELULOSE S,A,

Statements of financial position
For the three months period ended March 31, 2021 and December 31, 2020
(In thousands of Brazilian Reais)

Assets

		Individual		Consolidated	
	Note	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Cash and cash equivalents	4.1	338,584	183,292	1,114,692	888,014
Financial investments	4.2	-	-	512,414	62,392
Trade receivables	5	609,436	490,832	764,676	712,377
Inventories	7	359,703	371,712	536,269	544,885
Current tax assets	8	151,686	182,101	162,835	190,506
Advances to suppliers		59,207	34,045	59,207	34,045
Other current assets		42,422	48,437	43,716	49,528
Total current assets		**1,561,038**	**1,310,419**	**3,193,809**	**2,481,747**
Non-current tax assets	8	1,041,633	1,040,225	1,041,633	1,040,225
Advances to suppliers		159,788	149,762	159,788	149,762
Deferred tax assets	18	452,646	286,114	452,646	286,114
Deposits, collateral and other		10,185	9,944	11,084	10,786
Other noncurrent assets		125	2,245	166	2,289
Biological assets	9	3,098,529	3,004,369	3,098,529	3,004,369
Investments	10	1,711,956	1,278,786	-	-
Right-of-use assets	13	679,591	683,532	924,722	927,413
Intangible assets	12	11,901	14,188	75,841	77,847
Property, plant and equipment	11	4,769,439	4,726,008	4,780,966	4,737,854
Total non-current assets		**11,935,793**	**11,195,173**	**10,545,375**	**10,236,659**
Total assets		**13,496,831**	**12,505,592**	**13,739,184**	**12,718,406**

Liabilities and equity

		Individual		Consolidated	
	Note	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Loans and borrowings	15	5,040,327	3,765,168	7,146,619	5,645,612
Trade payables	14	252,689	281,300	250,222	266,603
Lease liabilities	16	188,915	186,742	212,929	212,489
Loans and borrowings with related parties	6	2,115,459	1,887,692	-	-
Payroll and social charges	17	96,474	122,474	100,064	129,045
Current tax liabilities		22,337	29,041	31,789	34,456
Accounts payable to related parties	6	2,156	2,968	785	1,716
Other current liabilities		8,349	11,432	69,449	55,560
Total current liabilities		**7,726,706**	**6,286,817**	**7,811,857**	**6,345,481**
Loans and borrowings	15	1,487,585	2,081,345	1,487,585	2,081,345
Trade payables	14	-	523	-	523
Lease liabilities	16	555,417	555,118	712,137	708,797
Contingencies	19	34,796	31,379	35,278	31,850
Total non-current liabilities		**2,077,798**	**2,668,365**	**2,235,000**	**2,822,515**
Share capital		1,788,792	1,788,792	1,788,792	1,788,792
Income reserves		1,471,044	1,471,044	1,471,044	1,471,044
Translation reserve		417,864	290,574	417,864	290,574
Profit for the period		14,627	-	14,627	-
Total equity	20	**3,692,327**	**3,550,410**	**3,692,327**	**3,550,410**
Total liabilities and equity		**13,496,831**	**12,505,592**	**13,739,184**	**12,718,406**

The accompanying notes are an integral part of the individual and consolidated interim financial information

ELDORADO BRASIL CELULOSE S.A.

Statements of income (loss)
For the three months period ended March 31, 2021 and March 31, 2020
(In thousands of Brazilian Reais)

		Individual		Consolidated	
	Note	Mar/2021	Mar/2020	Mar/2021	Mar/2020
Net revenue	21	856,790	667,541	1,306,180	859,501
Cost of sales	23	(434,669)	(385,708)	(458,735)	(437,504)
Gross profit		**422,121**	**281,833**	**847,445**	**421,997**
Operating income/(expenses)					
Administrative and general expenses	23	(43,856)	(46,016)	(47,539)	(50,536)
Selling and logistics expenses	23	(71,490)	(53,362)	(182,884)	(115,647)
Equity accounting results	10	305,321	72,709	-	-
Provision for doubtful settlement credit	5	22	36	22	36
Other income (expense), net	25	(9,499)	8,635	(9,764)	9,233
Income before financial results and income taxes		**602,619**	**263,835**	**607,280**	**265,083**
Financial results	24				
Financial expenses		(130,101)	(149,462)	(133,637)	(151,730)
Financial income		800	3,023	2,159	4,533
Exchange rate variation, net		(625,223)	(1,465,081)	(625,212)	(1,465,166)
Loss before income taxes		**(151,905)**	**(1,347,685)**	**(149,410)**	**(1,347,280)**
Income taxes	18				
Current		-	-	(2,495)	(405)
Deferred		166,532	482,719	166,532	482,719
Net income / (loss) for the period		**14,627**	**(864,966)**	**14,627**	**(864,966)**
Earnings / (loss) per share - basic and diluted - in reais				**0.0096**	**(0.5670)**

The accompanying notes are an integral part of the individual and consolidated interim financial information

ELDORADO BRASIL CELULOSE S.A.

Statements of comprehensive income
For the three months period ended March 31, 2021 and March 31, 2020
(In thousands of Brazilian Reais)

	Individual		Consolidated	
	Mar/2021	Mar/2020	Mar/2021	Mar/2020
Net income / (loss) for the period	**14,627**	**(864,966)**	**14,627**	**(864,966)**
Items that are or may be reclassified to (loss) / income				
Foreign currency translation differences	127,290	213,863	127,290	213,863
Total comprehensive income	**141,917**	**(651,103)**	**141,917**	**(651,103)**

The accompanying notes are an integral part of the individual and consolidated interim financial information

ELDORADO BRASIL CELULOSE S.A.

Statements of changes in equity
For the three months period ended March 31, 2021 and March 31, 2020
(In thousands of Brazilian Reais)

		Income reserves						
	Share capital	Legal reserve	Tax incentive reserve	Reserve for future expansion	Special reserve	Translation reserve	Accumulated losses	Total
Balance as at December 31, 2019	1,788,792	36,498	1,002,780	405,132	135,045	81,171	-	3,449,418
Net income for the period	-	-	-	-	-	-	(864,966)	**(864,966)**
Foreign currency translation differences	-	-	-	-	-	213,863	-	**213,863**
Balance as at March 31, 2020	1,788,792	36,498	1,002,780	405,132	135,045	295,034	(864,966)	2,798,315
Balance as at December 31, 2020	1,788,792	36,498	1,002,780	405,132	26,634	290,574	-	3,550,410
Net loss for the period	-	-	-	-	-	-	14,627	**14,627**
Foreign currency translation differences	-	-	-	-	-	127,290	-	**127,290**
Balance as at March 31, 2021	1,788,792	36,498	1,002,780	405,132	26,634	417,864	14,627	3,692,327

The accompanying notes are an integral part of the individual and consolidated interim financial information

ELDORADO BRASIL CELULOSE S.A.

Statements of cash flows
For the three months period ended March 31, 2021 and March 31, 2020
(In thousands of Brazilian Reais)

	Note	Individual		Consolidated	
		Mar/2021	Mar/2020	Mar/2021	Mar/2020
Cash flows from operating activities					
Income / (loss) for the period		**14,627**	**(864,966)**	**14,627**	**(864,966)**
Adjustments:					
Depreciation and amortization		60,608	57,931	62,351	57,977
Depletion		22,398	25,042	21,910	30,688
Income on disposal fixed assets and biological assets		2,371	1,108	2,414	1,108
Deferred income taxes	18	(166,532)	(482,719)	(166,532)	(482,719)
Financial results - interest - leases		47	208	171	293
Financial results - interest and exchange rate variation	15.1	564,283	1,262,186	790,955	1,754,857
Financial results - interest and exchange rate variation - related parties		229,191	496,645	-	-
Financial results - interest on financial investments	4.2	-	-	(24)	-
Clients - exchange rate variation		(17,325)	(140,803)	(17,325)	(140,803)
Provision of lawsuites	19	7,443	377	7,454	377
Equity accouting results	10	(305,321)	(72,709)	-	-
Impairment of trade receivables	5	(22)	36	(22)	36
		411,768	**282,336**	**715,979**	**356,848**
Decrease / (increase) in assets					
Trade receivables		(109,320)	(29,888)	6,373	226,195
Inventories		18,168	3,428	38,135	51,276
Tax assets		29,007	(1,288)	29,737	(1,719)
Advances to suppliers		(34,865)	(20,042)	(34,866)	(17,853)
Other current and non-current assets		7,894	4,133	8,645	5,230
Increase / (decrease) in liabilities					
Trade payables		15,169	96,512	(8,460)	(56,499)
Payroll and social charges		(26,000)	(29,025)	(29,151)	(30,011)
Current tax liabilities		36,284	(755)	38,691	(622)
Other current liabilities		(8,039)	(7,488)	4,337	(43,871)
Cash generated from operating activities		**340,066**	**297,923**	**769,420**	**488,974**
Income taxes paid		(42,989)	-	(44,724)	(53)
Net cash from operation activities		**297,077**	**297,923**	**724,696**	**488,921**
Cash flows from investing activities					
Additions to biological assets		(101,360)	(93,840)	(101,360)	(93,840)
Additions to property, plant and equipment and intangible assets	11 and 12	(118,785)	(219,259)	(121,003)	(221,446)
Cash received from disposal of property, plant and equipment		8,063	5,684	8,063	5,684
Acquisition of financial investments	10	(854)	-	-	-
Net cash used in investing activities		**(212,936)**	**(307,415)**	**(214,300)**	**(309,602)**
Cash flows from financing activities					
Loans and borrowings raised	15.1	388,954	7,754	388,954	7,754
Payment of loans and borrowings - principal	15.1	(217,205)	(234,576)	(217,205)	(234,576)
Payment of loans and borrowings - interest	15.1	(54,633)	(67,845)	(55,457)	(70,397)
Financial investments	4.2	-	-	(439,997)	-
Payment of loans and borrowings - interest - related parties		(1,305)	(3,104)	-	-
Payment of lease liabilities	16	(44,660)	(39,455)	(44,980)	(39,711)
Net cash from / (used in) financing activities		**71,151**	**(337,226)**	**(368,685)**	**(336,930)**
Net increase / (decrease) in cash and cash equivalents		**155,292**	**(346,718)**	**141,711**	**(157,611)**
Cash and cash equivalents at beginning of period		183,292	520,504	888,014	840,010
Effects of exchange rate variation on cash and cash equivalents held		-	-	84,967	157,481
Cash and cash equivalents at end of period		**338,584**	**173,786**	**1,114,692**	**839,880**

The accompanying notes are an integral part of the individual and consolidated interim financial information

ELDORADO BRASIL CELULOSE S.A.

Statements of value added
For the three months period ended March 31, 2021 and March 31, 2020
(In thousands of Brazilian Reais)

	Individual		Consolidated	
	Mar/2021	Mar/2020	Mar/2021	Mar/2020
Revenues				
Sales of goods, products and services	901,157	701,547	1,350,871	893,839
Other operating income (expenses), net	(398)	9,343	(527)	10,039
Transfers related to the construction of own assets	18,150	9,649	18,150	9,649
Impairment of trade receivables	22	36	22	36
	918,931	**720,575**	**1,368,516**	**913,563**
Goods and services acquired from third parties				
Costs of sales	(207,928)	(192,201)	(228,983)	(236,234)
Materials, energy, third party services and others	(153,426)	(84,854)	(260,472)	(147,309)
Gross value added	**557,577**	**443,520**	**879,061**	**530,020**
Depreciation, amortization and depletion	(83,006)	(82,973)	(84,261)	(88,665)
Net value added produced	**474,571**	**360,547**	**794,800**	**441,355**
Value added received as transfer				
Equity accouting results	305,321	72,709	-	-
Financial income	800	3,023	2,159	4,533
Total value added to distribute	**780,692**	**436,279**	**796,959**	**445,888**
Personnel				
Direct compensation	42,611	50,462	48,097	53,823
Benefits	20,817	30,205	23,289	32,019
FGTS (Severance Pay Fund)	6,189	5,292	6,925	5,642
	69,617	**85,959**	**78,311**	**91,484**
Taxes, fees and contributions				
Federal	(128,177)	(449,490)	(125,189)	(448,644)
State	34,264	19,642	34,400	19,741
Municipal	-	-	324	332
	(93,913)	**(429,848)**	**(90,465)**	**(428,571)**
Third-party capital remuneration				
Interest	755,123	1,613,488	753,595	1,612,085
Leases	35,147	30,962	35,747	31,431
Others	91	684	5,144	4,425
	790,361	**1,645,134**	**794,486**	**1,647,941**
Remuneration of equity capital				
Net Income/(loss) for the period	14,627	(864,966)	14,627	(864,966)
Value added distributed	**780,692**	**436,279**	**796,959**	**445,888**

The accompanying notes are an integral part of the individual and consolidated interim financial information

1. Operations

Eldorado Brasil Celulose S.A. (the “Company” or “Eldorado”) is a public company, whose registration with the Brazilian Securities and Exchange Commission (CVM) was obtained on June 6, 2012 in the category shares traded over the counter, established under Brazilian laws, located in the municipality of São Paulo, state of São Paulo (Brazil).

The Company’s individual and consolidated interim financial statements for the period ended March 31, 2021 includes the Company and its subsidiaries. The Company and its subsidiaries are primarily involved in the production and sale of bleached short fiber eucalyptus pulp. The Company completed the construction of its plant in the municipality of Três Lagoas, state of Mato Grosso do Sul, and started production in December 2012.

The individual and consolidated interim financial statements were prepared based on operational continuity, which assumes that the Company will meet its payment obligations arising from loans and financing according to the terms disclosed in note 15.

The Company has current liabilities higher than current assets in the amount of R$ 6,165,668 as of March 31, 2021 (R$ 4,976,398 as of December 31, 2020) in the Individual and in the amount of R$ 4,618,048 at March 31, 2021 (R$ 3,863,734 as of December 31, 2020) in the Consolidated.

Net operating cash flow is positive at R$ 297,077 at March 31, 2021 (R$ 297,923 at March 31, 2020) at Individual and positive of R$ 724,721 at March 31, 2021 (R$ 488,921 at March 31, 2020) in Consolidated.

During the first quarter, Company's results improved due to the initial impact of the price increase movement that occurred in its main markets. By the end of April, pulp prices had reached a level of USD 787 per ton, representing a significant increase from the average price of USD 661 per ton realized during the first quarter (USD 709 per ton in the end of March). With the scenario of pulp supply more restricted than observed in previous quarters due to more heated seasonal demand, the Company is expected to have a better second quarter with expansion of cash generation and free cash flow.

The Company expects that the bond settlement, due in June 2021, will be made with debt issuance in the amount of R$ 1,100,000 in the form of a long-term bridge loan with an existing cash balance in the amounting approximately R$ 970,000.

Management, based on the history of debt rollover, understands that it has good prospects to refinance outstanding debts in the short term, given the favorable economic scenario expected for the coming months. In this environment the Company will have to carry out refinancing of surplus debts that do not have automatic rollover and expects to succeed as it has had until this date, including possible extension of deadlines.

(In Thousands of Reais)

Considering pulp prices and supply & demand dynamics, and the Company's global competitiveness for a period of up to 12 months, the need of debts rollover debts is further reduced due to the continuous reduction in leverage. This broader analysis reinforces the administration's confidence in the efficient refinancing of debts in the short term and maintenance of operational continuity.

a. Coronavirus update

Coping with the new coronavirus has been Eldorado's priority since the beginning of the pandemic. The Company's action has taken place on four fronts so far, that should continue throughout the year as you follow: (i) maintenance of preventive measures to maintain operations safely for the health of employees and their families; (ii) contribute to the prevention of coronavirus in communities; (iii) constant monitoring of market conditions and potential direct or indirect impacts of the pandemic on business; (iv) monitoring of the financial effects generated by the exchange rate in the period.

2. List of subsidiaries

Subsidiaries		Ownership interest	
Direct	**Country of Incorporation**	**03/31/2021**	**12/31/2020**
Cellulose Eldorado Austria Gmbh	Austria	100%	100%
Rishis Empreendimentos e Participações S.A.	Brazil	100%	100%
Eldorado Brasil Celulose Logistica Ltda.	Brazil	100%	-
Indirect			
Eldorado USA Inc.	United States of America	100%	100%
Eldorado Intl. Finance Gmbh	Austria	100%	100%
Cellulose Eldorado Asia	China	100%	100%

3. Preparation and presentation of the individual and consolidated interim financial statements

a. Statement of compliance (in respect of the IFRS and CPC standards)

The individual and consolidated interim financial statements has been prepared in accordance to IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and also in accordance to “CPC 21 – Demonstração Intermediária”, issued by Accounting Pronouncements Committee.

After consideration of the individual and consolidated interim financial statements by the Board of Directors at a meeting held on May 13, 2021, they were approved for issue by the Company.

Management states that all relevant information specific to the interim financial statements, and only them, is being evidenced and correspond so used by it in its management.

b. Basis of measurement

This interim accounting information was prepared following the basis of measurement and accounting policies consistent with those adopted in the preparation of the financial statements of December 31, 2020 and should be read in conjunction with such statements. The information in the explanatory notes that have not undergone any significant changes compared to December 31, 2020 has not been repeated in full in this interim information. Certain selected information are included to explain the main events and transactions that occurred to enable the understanding of the changes in the Company´s financial position and operations since the publication of the financial statements of December 31, 2020.

The transaction for the year ended December 31, 2020 is presented in the individual and consolidated annual interim financial statements for that period, published on March 31, 2021.

The explanatory notes listed below are not presented or are not in the same level of detail as the notes included in the annual financial statements:

- Summary of significant accounting policies (note 4);
- Trade account receivables (note 6);
- Biological assets (note 10);
- Investments (note 11);
- Property, plant and equipment (note 12);
- Intangible (note 13);
- Rights-of-use assets (note 14);
- Loans and borrowings (note 16);
- Leases liabilities (note 17);
- Income tax and social contribution - current and deferred (explanatory note 19);
- Provision for lawsuit (note 20);
- Financial instruments (note 28) and
- Take or pay agreements (note 29).

c. Use of estimates and judgments

In preparing these individual and consolidated interim financial statements in accordance with IFRS and CPC, management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

These estimates and assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognized prospectively.

(i) Judgments

The information on judgments made in the application of the accounting policies that have material effects on the amounts recognized in the individual and consolidated interim financial statements is included in the following notes:

- **Note 1 -** operational continuity: whether there are material uncertainties that may raise doubts about the entity's ability to continue operating;
- **Note 8 -** ICMS: to carry out the credit it will be necessary to homologate the State Government to transfer the credits to suppliers established in the State of Mato Grosso do Sul;
- **Note 9 -** biological assets: cut-off date, wood price and discount rate.

(ii) Uncertainties about assumptions and estimates

The information on uncertainties about assumptions and estimates that have a significant risk of resulting in a material adjustment in the period ended March 31, 2021 is included in the following notes:

- **Note 9 -** biological assets: discount rate and average annual timber increment;
- **Note 11 -** impairment testing: discount rate;
- **Note 16 -** leases liabilities: discount rate;
- **Note 18 -** recognition of deferred tax assets: availability of future taxable profits against which tax losses can be utilized;
- **Note 19 -** recognition and measurement of pro visions and litigation risks: main assumptions on the probability and magnitude of the cash outflows.

d. Fair value measurement

When measuring the fair value of an asset or a liability, the Company uses as much as possible observable market inputs. Additional information on the assumptions used in the fair value measurement is included in the following notes:

- **Note 9 -** biological assets;
- **Note 26 -** financial instruments.

e. Functional and presentation currency

This individual and consolidated interim financial statements is presented in Brazilian Reais, which is the Company's functional currency. The functional currency of subsidiaries abroad is the US Dollar because it is the currency used in their main transactions. All balances have been rounded to the nearest thousand, unless otherwise indicated.

(i) Transactions in foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of the entities at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at that date. The differences in foreign currencies resulting from retranslation are generally recognized in income or loss.

(ii) Foreign operations

Assets and liabilities of foreign operations are translated into Brazilian Real (R$) at the exchange rates at the balance sheet date. Revenues and expenses of foreign operations are translated into Brazilian Real (R$) at the average exchange rates during the period.

The differences in foreign currencies (functional currency of foreign controlled companies) arising from the translation to the reporting currency (Brazilian Reais) are recognized in comprehensive income (loss) and accumulated in the caption "Cumulative translation adjustment" in equity.

f. New standards, revisions and interpretations not yet adopted

There are no other standards, changes to standards and interpretations that are not in effect that the Company expects to have a material impact arising from its application in its individual and consolidated interim financial statements.

4. Cash and cash equivalents and financial investments

4.1. Cash and cash equivalents

(In Thousands of Reais)

	Individual		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Cash	44	41	49	44
Bank accounts (a)	143,136	18,747	860,927	553,739
Bank deposit certificate (b)	195,404	164,504	253,716	334,231
	338,584	**183,292**	**1,114,692**	**888,014**

(a) The Company maintains its diversified financial operations between banks in order to mitigate credit risk, with positions substantially distributed in financial institutions according to the rating below;

(b) Local financial investments are of daily liquidity, allocated in Bank Deposit Certificate ("CDB") of financial institutions with the income accompanying the index of the Interbank Deposit Certificate ("CDI"). The overseas investments are composed of Time Deposit of daily liquidity, with pre-fixed rates.

Counterparties, mainly financial institutions, with which cash transactions and cash equivalents and financial investments are carried out by risk rating agencies as follows:

	Spot deposits and financial investments			
	Individual		Consolidated	
Risk classification (1)	03/31/2021	12/31/2020	03/31/2021	12/31/2020
AAA	-	-	3,043	1,925
A	-	-	5,191	4,715
A-	152,293	54,807	862,160	581,367
BBB	-	-	-	1,916
BB -	1	-	1	-
brAAA	739	3	739	3
brAA	185,505	127,205	243,507	296,807
brA	-	100	-	100
brBB+	2	1,136	2	1,137
	338,540	**183,251**	**1,114,643**	**887,970**

(1) Availability rating granted by Fitch Ratings, Moodys and Standard & Poor's agencies and use of the Brazilian Risk Rating.

4.2. Financial investments – current assets

	Consolidated	
	03/31/2021	12/31/2020
Bank of Brasil - Paris (a)	68,403	62,392
Time deposit (b)	444,011	-
	512,414	**62,392**

(a) Provision in a current account with Banco do Brasil in Paris. These resources are linked as reciprocity to the Term Loan operation, as shown in note 15.2 (iv), due in April/2021.

(b) Bank deposits remunerated abroad, linked to the security account that will be released through the settlement of credit operations, as shown in note 15.2 (i).

(In Thousands of Reais)

5. Trade accounts receivables

	Individual		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Local	159,054	133,185	159,054	133,185
Foreign	450,382	357,647	605,622	579,192
	609,436	**490,832**	**764,676**	**712,377**

Aging of trade accounts receivables is as follows:

	Individual		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Not past due	591,231	478,301	687,301	634,159
Overdue up to 30 days	13,268	2,980	62,997	43,925
Overdue from 31 to 60 days	-	97	5,130	24,324
Overdue from 61 to 90 days	-	-	739	246
More than 90 days	4,937	9,454	8,509	9,723
	609,436	**490,832**	**764,676**	**712,377**

The Company has financial instruments to guarantee partial receipt of the balance presented as due for more than 90 days.

Expected credit loss

	Individual	Consolidated
	03/31/2021	03/31/2021
Beginning balance	(11,683)	(33,297)
Amounts written off	22	22
Exchange rate variation	(276)	(2,358)
Ending balance	**(11,937)**	**(35,633)**

6. Related parties

The main related parties balances on the interim statements of financial position and transactions that impact the statements of income (loss) result from operations under market conditions and prices established between the parties are presented below:

Assets and liabilities
Receivable (payable)

		Individual		Consolidated	
Balance with subsidiaries	**Transaction**	**03/31/2021**	**12/31/2020**	**03/31/2021**	**12/31/2020**
Cellulose Eldorado Áustria GmbH	Pulp sale	95,647	42,808	-	-
Cellulose Eldorado Áustria GmbH	AFE (ii)	(51,405)	(45,590)	-	-
Cellulose Eldorado Áustria GmbH	Costs transfer	(120)	(111)	-	-
Eldorado EUA Inc.	Pulp sale	325,691	277,441	-	-
Eldorado EUA Inc.	Costs transfer	(1,217)	(1,110)	-	-
Eldorado Intl. Finance GmbH	AFE (iii)	(2,064,054)	(1,842,102)	-	-

(In Thousands of Reais)

Eldorado Intl. Finance GmbH	Costs transfer	(34)	(31)	-	-
Rishis Empreend. e Partic.	Services	(32,062)	(31,499)	-	-
Net total payable to subsidiaries		**(1,727,554)**	**(1,600,194)**	-	-
Balances with controlling shareholders					
J&F Investimentos	Guarantee (i)	(699)	(1,631)	(699)	(1,631)
J&F Investimentos	Reimbursement (vi)	(86)	(85)	(86)	(85)
Total payable to controlling shareholders		**(785)**	**(1,716)**	**(785)**	**(1,716)**
Balances with Group companies					
JBS	Others (iv)	(91)	(80)	(91)	(80)
Seara Alimentos	Meals (v)	(8)	(536)	(8)	(536)
Total payable to Group companies		**(99)**	**(616)**	**(99)**	**(616)**
Total		**(1,728,438)**	**(1,602,526)**	**(884)**	**(2,332)**
Asset					
Trade receivables		421,338	320,249	-	-
Liabilities					
Trade payables		(32,161)	(32,115)	(99)	(616)
Loans and borrowings with related parties		(2,115,459)	(1,887,692)	-	-
Accounts payable to related parties		(2,156)	(2,968)	(785)	(1,716)
Total		**(1,728,438)**	**(1,602,526)**	**(884)**	**(2,332)**

Income (loss)

Revenues (expenses)

		Individual		**Consolidated**	
Transaction with subsidiaries	**Transaction**	**03/31/2021**	**03/31/2020**	**03/31/2021**	**03/31/2020**
Cellulose Eldorado Áustria GmbH	Pulp sale	368,074	396,715	-	-
Cellulose Eldorado Áustria GmbH	AFE (ii)	(1,257)	(3,104)	-	-
Eldorado EUA Inc.	Pulp sale	260,248	96,562	-	-
Eldorado Intl. Finance GmbH	AFE (iii)	(42,473)	(34,960)	-	-
Rishis Empreend. e Partic.	Services	(5,600)	(5,852)	-	-
Net revenues with subsidiaries		**578,992**	**449,361**	-	-
Transaction with controlling shareholders					
J&F Investimentos	Guarantee (i)	(699)	(6,103)	(699)	(6,103)
Total expenses with controlling shareholders		**(699)**	**(6,103)**	**(699)**	**(6,103)**
Transactions with Group companies					
JBS	Others (iv)	(2,972)	(3,851)	(2,972)	(3,851)
Seara Alimentos	Meals (v)	(91)	(51)	(91)	(51)
Total expenses with Group companies		**(3,063)**	**(3,902)**	**(3,063)**	**(3,902)**
Total income		**575,230**	**439,356**	**(3,762)**	**(10,005)**

(i) Guarantee granted by the holding company J&F Investimentos S.A., to guarantee the financing operations that Eldorado has with financial institutions;

(In Thousands of Reais)

(ii) Export financing operation (advances of foreign exchange contract) granted by Cellulose Eldorado Austria GmbH to Eldorado Brasil Celulose S.A. with a 5-year term, with an anual interest rate of 8.19% + exchange rate variation;
(iii) Export financing operation (advances of foreign exchange contract) granted by Eldorado Intl. Finance GmbH for Eldorado Brasil Celulose S.A. with a 5-year term, with an anual interest rate of 8.875% + exchange rate variation;
(iv) Amounts payable on transactions related with: freight for pulp transportation, purchase of meals for use in the cafeteria and data center rental;
(v) Purchase of meals for use in the cafeteria;
(vi) Reimbursements for rentals and corporate expenses.

6.1. Key management personnel compensation

Key management personnel compensation comprised the following expenses related with directors and officers:

	Individual		Consolidated	
	03/31/2021	03/31/2020	03/31/2021	03/31/2020
Benefits (a)	6,761	5,214	8,344	6,750

(a) The benefits include fixed remuneration (salaries, vacations and 13th salary), social security contribution to the National Social Security Institute (INSS), to the Severance Pay Fund (FGTS), bonuses and others.

7. Inventories

	Individual		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Seedlings	3,052	3,523	3,052	3,523
Raw materials (wood for production)	89,249	112,309	89,249	112,309
Pulp	44,264	47,562	220,641	220,544
Inputs	42,534	38,861	42,534	38,861
Supplies	180,604	169,457	180,793	169,648
	359,703	**371,712**	**536,269**	**544,885**

8. Recoverable taxes

Individual		Consolidated	
03/31/2021	12/31/2020	03/31/2021	12/31/2020

(In Thousands of Reais)

State VAT Tax (i)	1,104,745	1,109,054	1,105,125	1,110,837
Sale taxes (PIS and COFINS) (ii)	71,393	95,952	71,418	95,958
Reintegra	16,576	16,621	16,576	16,621
Corporate income tax (IRPJ) and social contribution tax (CSLL)	191	503	10,540	6,724
Others	414	196	809	591
	1,193,319	**1,222,326**	**1,204,468**	**1,230,731**
Current	151,686	182,101	162,835	190,506
Non-current	1,041,633	1,040,225	1,041,633	1,040,225
	1,193,319	**1,222,326**	**1,204,468**	**1,230,731**

(i) State VAT taxes (“ICMS”)

The Company has an ICMS balance accumulated over the last years originated from credits on the purchase of inputs used in the production process, assets classified as property, plant and equipment for implementation of its plant in Três Lagoas - MS and fiscal incentives granted by the Government of Mato Grosso do Sul for application in the current operation and future industrial expansion.

Part of our recoverability analysis is the expansion project of a new production line, with a nominal capacity of 2.3 million tons per year, a project called Vanguarda 2.0.

Significant judgments in determining the assumptions of this project to monetize 86% of the creditor balance include, among others:

(i) transfer the accumulated credits to a supplier located in the State of Mato Grosso do Sul, as payment for purchases of industrial machinery, appliances and equipment for integration into fixed assets, for which the Administration monitors the possible suppliers for the aforementioned project;

(ii) offset ICMS's creditor balance to be approved by the State of Mato Grosso do Sul, with:
   a. 100% of the differential ICMS of the rate calculated on entries from other states on acquisitions of fixed assets, consumables for which the Company already has authorization to compensate 50%; and
   b. 100% of the ICMS due in the process of customs clearance of goods or goods imported from abroad (legal basis: Article 68, §5 and §8 of RICMS/MS and Term of Agreement 1171/2018).

The realization of 86% of the balance is based on the Vanguard Project 2.0 which is part of the Company's strategic plan, approved by the Board of Directors.

The rest of the current balance of ICMS credits will be consumed with:

(i) compensation of 50% of the rate differential payable from goods purchased from suppliers established outside the state of Mato Grosso do Sul;
(ii) operational consumption inherent to the production process.

The movement of the quarter basically refers to the reversal of tax credit, due to the understanding that screens and felts do not fit as an goods consumed in production (see note 25).

(In Thousands of Reais)

(ii) PIS and COFINS

These credits correspond substantially to the excess of non-cumulative PIS and COFINS obtained on:

(i) favorable decision, given by the Federal Regional Court of the 3rd region, in a lawsuit filed by the Company in order to exclude the ICMS from the basis of calculation of social contributions (PIS/COFINS), incident in the operations of sale to the national market passed on June 28, 2019, recognized in Other operating income (expenses) in 2019;
(ii) acquisition of goods applied in the production of pulp sent to the foreign market;
(iii) acquisition of fixed assets for replacement of machinery and equipment allocated in industrial, forestry and truck fleets for timber transport; and
(iv) acquisition of fixed assets for the UTE-Jaguar Thermoelectric Power Plant Project, which is expected to enter into operation in 2021.

The realization of the balance considers:

(i) compensation with withholding taxes provided by contracted services, INSS on payroll, and reintegra, IRPJ and CSLL credits; and
(ii) claim for reimbursement that may be filed in kind by the Internal Revenue Service.

9. Biological assets

Beginning and ending balances are presented as follows:

	Individual and consolidated
	03/31/2021
Beginning balance	3,004,369
Harvested timber transferred to inventories	(13,391)
Cost of formation of biological asset	107,551
	3,098,529

The Company reevaluates on each reporting date the main assumptions used in the measurement of the fair value of biological assets. Management concluded that it was not necessary to reevaluate the biological asset in the three-month period ended March 31, 2021, as there were no significant changes in the assumptions used. The Company measure fair the value of its biological asset every six months or when there are indications of significant changes in the main assumptions. Changes in the fair value of biological assets are recognised in the income/loss of the period, under the fair value of biological assets when made.

The forests that make up the biological asset are subject to operational and environmental risks, such as fires, pests, diseases and climatic variations. The total area in 2020 was 2,497 ha and did not significantly impact the supply of wood to pulp in the short or long term.

Additionally, there is exposure to risks related to climate change, which can affect the balance of ecosystems and consequently the productivity of florests.

(In Thousands of Reais)

10. Investments

The following table presents relevant information on investments in subsidiaries for the period ended March 31, 2020.

Subsidiaries:	**Ownership interest**	**Total assets**	**Share capital**	**Equity**	**Revenue**	**Income (loss)**
Cellulose Eldorado Austria Gmbh	100%	4,277,372	111	1,543,674	1,077,892	321,557
Rishis Empreendimentos e Participações S.A.	100%	99,351	108,979	91,075	5,291	(186)
Eldorado Brasil Celulose Logística Ltda.	100%	243,662	66,987	66,986	-	(1)

Individual:	**Balance at 12/31/2020**	**Additions (disposals)**	**Cumulative translation adjustment**	**Unrealized income on inventories**	**Equity accounting results**	**Balance at 03/31/2021**
Cellulose Eldorado Austria Gmbh	1,110,876	-	127,290	(16,049)	321,557	**1,543,674**
Rishis Empreendimentos e Participações S.A.	91,261	-	-	-	(186)	**91,075**
Eldorado Brasil Celulose Logística Ltda.	66,133	854	-	-	(1)	**66,986**
Goodwill from port concession right-of-use	10,516	(295)	-	-	-	**10,221**
Total	**1,278,786**	**559**	**127,290**	**(16,049)**	**321,370**	**1,711,956**

11. Property, plant and equipment

	Individual - 03/31/2021			
	Weighted annual depreciation rates	**Cost**	**Accumulated depreciation**	**Net cost**
Land	-	103,224	-	103,224

(In Thousands of Reais)

Buildings	3.51%	1,203,998	(290,024)	913,974
Leasehold improvements	10.00%	3,665	(2,275)	1,390
Facilities and improvements	5.35%	301,044	(92,985)	208,059
Furniture and fixtures	9.22%	12,826	(6,410)	6,416
Vehicles	20.06%	168,251	(107,288)	60,963
Technical and scientific equipments	11.09%	9,813	(5,351)	4,462
IT equipments	19.36%	85,203	(65,602)	19,601
Machinery and equipment	6.36%	3,901,556	(1,208,889)	2,692,667
Vessel and floating structures	13.33%	14	(4)	10
Eucalyptus matrices	20.00%	107	(87)	20
Assets under construction	-	758,653	-	758,653
		6,548,354	**(1,778,915)**	**4,769,439**

	Individual - 12/31/2020			
	Weighted annual depreciation rates	**Cost**	**Accumulated depreciation**	**Net**
Land	-	103,224	-	103,224
Buildings	3.54%	1,195,268	(279,581)	915,687
Leasehold improvements	10.00%	3,246	(2,194)	1,052
Facilities and improvements	5.38%	299,591	(89,055)	210,536
Furniture and fixtures	9.41%	12,685	(5,998)	6,687
Vehicles	20.22%	148,878	(107,946)	40,932
Technical and scientific equipments	11.35%	9,792	(5,124)	4,668
IT equipments	19.47%	84,982	(62,967)	22,015
Machinery and equipment	6.45%	3,948,638	(1,220,596)	2,728,042
Vessel and floating structures	20.00%	14	(3)	11
Eucalyptus matrices	20.00%	107	(84)	23
Assets under construction	-	693,131	-	693,131
		6,499,556	**(1,773,548)**	**4,726,008**

	Consolidated - 03/31/2021			
	Weighted annual depreciation rates	**Cost**	**Accumulated depreciation**	**Net**
Land	-	103,224	-	103,224

(In Thousands of Reais)

Buildings	3.51%	1,203,998	(290,024)	913,974
Leasehold improvements	7.81%	3,921	(2,364)	1,557
Facilities and improvements	5.43%	302,169	(93,063)	209,106
Furniture and fixtures	9.27%	13,495	(6,834)	6,661
Vehicles	20.06%	168,251	(107,288)	60,963
Technical and scientific equipments	11.09%	9,827	(5,365)	4,462
IT equipments	19.41%	87,402	(67,232)	20,170
Machinery and equipment	6.37%	3,906,441	(1,210,067)	2,696,374
Vessel and floating structures	13.33%	14	(4)	10
Eucalyptus matrices	20.00%	107	(87)	20
Assets under construction	-	764,445	-	764,445
		6,563,294	**(1,782,328)**	**4,780,966**

		Consolidated - 12/31/2020		
	Weighted annual depreciation rates	**Cost**	**Accumulated depreciation**	**Net**
Land	-	103,224	-	103,224
Buildings	3.54%	1,195,268	(279,581)	915,687
Leasehold improvements	7.81%	3,502	(2,278)	1,224
Facilities and improvements	5.46%	300,711	(89,099)	211,612
Furniture and fixtures	9.45%	13,333	(6,396)	6,937
Vehicles	20.22%	148,878	(107,946)	40,932
Technical and scientific equipments	11.36%	9,806	(5,138)	4,668
IT equipments	19.52%	87,085	(64,476)	22,609
Machinery and equipment	6.46%	3,953,580	(1,221,554)	2,732,026
Vessel and floating structures	20.00%	14	(3)	11
Eucalyptus matrices	20.00%	107	(84)	23
Assets under construction	-	698,901	-	698,901
		6,514,409	**(1,776,555)**	**4,737,854**

Reconciliation of carrying amounts

Individual

Movement	**Balance at 12/31/2020**	**Additions**	**Disposals**	**Transfers**	**Depreciation**	**Balance at 03/31/2021**
Land	103,224	-	-	-	-	103,224
Buildings	915,687	-	-	8,730	(10,443)	913,974
Leasehold improvements	1,052	-	-	419	(81)	1,390

(In Thousands of Reais)

Facilities and improvements	210,536	-	-	1,454	(3,931)	208,059
Furniture and fixtures	6,687	129	-	12	(412)	6,416
Vehicles	40,932	24,109	(306)	60	(3,832)	60,963
Technical and scientific equipments	4,668	-	-	21	(227)	4,462
IT equipments	22,015	9	-	212	(2,635)	19,601
Machinery and equipment	2,728,042	3,243	(2,214)	14,865	(51,269)	2,692,667
Vessel and floating structures	11	-	-	-	(1)	10
Eucalyptus matrices	23	-	-	-	(3)	20
Assets under construction	693,131	91,295	-	(25,773)	-	758,653
	4,726,008	**118,785**	**(2,520)**	**-**	**(72,834)**	**4,769,439**

Consolidated

Movement	Balance at 12/31/2020	Additions	Disposals	Transfers	Depreciation	Effect of movements in exchange rates	Balance at 03/31/2021
Land	103,224	-	-	-	-	-	103,224
Buildings	915,687	-	-	8,730	(10,443)	-	913,974
Leasehold improvements	1,224	-	-	419	(86)	-	1,557
Facilities and improvements	211,612	-	-	1,454	(3,961)	1	209,106
Furniture and fixtures	6,937	129	-	12	(424)	7	6,661
Vehicles	40,932	24,109	(306)	60	(3,832)	-	60,963
Technical and scientific equipments	4,668	-	-	21	(227)	-	4,462
IT equipments	22,609	11	(1)	212	(2,701)	40	20,170
Machinery and equipment	2,732,026	3,243	(2,256)	14,865	(51,504)	-	2,696,374
Vessel and floating structures	11	-	-	-	(1)	-	10
Eucalyptus matrices	23	-	-	-	(3)	-	20
Assets under construction	698,901	91,317	-	(25,773)	-	-	764,445
	4,737,854	**118,809**	**(2,563)**	**-**	**(73,182)**	**48**	**4,780,966**

Assets under construction and advances

The amounts outstanding with assets under construction and advances for property, plant and equipment on March 31, 2021 are related to the structural improvements of the pulp mill and its surroundings, as well as, expenses with basic engineering, environmental licensing and infrastructure for the construction of the new pulp mill line Vanguarda Project 2.0, and the Electric Project – UTE Onça Pintada, which will have eletricity generation capacity from biomass from eucalyptus stumps and roots.

The Company's assets are pledged as collateral for its loans and borrowings up to the maximum limit of each of the debts borrowed (note 15).

12. Intangible

(In Thousands of Reais)

	Individual - 03/31/2021			
	Weighted annual amortization rates	Costs	Accumulated amortization	Net cost
Software	19.82%	31,741	(19,840)	11,901

	Individual - 12/31/2020			
	Weighted annual amortization rates	Costs	Accumulated amortization	Net cost
Software	19,86%	31,741	(17,553)	14,188

	Consolidated - 03/31/2021			
	Weighted annual amortization rates	Costs	Accumulated amortization	Net cost
Goodwill from port concession right-of-use (a)	6.94%	17,002	(6,781)	10,221
Software	19.83%	32,507	(20,551)	11,956
Terminal concession	8.58%	94,276	(40,612)	53,664
		143,785	**(67,944)**	**75,841**

	Consolidated - 12/31/2020			
	Weighted annual amortization rates	Costs	Accumulated amortization	Net cost
Goodwill from port concession right-of-use (a)	6.94%	17,002	(6,486)	10,516
Software	19.87%	32,507	(18,253)	14,254
Terminal concession	8.58%	92,082	(39,005)	53,077
		141,591	**(63,744)**	**77,847**

Reconciliation of carrying amounts

Individual

Changes	Balance at 12/31/2020	Additions	Transfers	Amortization	Balance at 03/31/2021
Software	14,188	-	-	(2,287)	11,901

Consolidated

Changes	Balance at 12/31/2020	Additions	Transfers	Amortization	Balance at 12/31/2020
Goodwill from port concession right-of-use (a)	10,516	-	-	(295)	10,221
Software	14,254	-	-	(2,298)	11,956
Terminal concession	53,077	2,194	-	(1,607)	53,664

(In Thousands of Reais)

77,847	2,194	-	(4,200)	75,841

(a) Goodwill from port concession right-of-use (note 10).

13. Right-of-use assets

	Individual - 03/31/2021			Consolidated - 03/31/2021		
Right of use assets	Cost	Accumulated depreciation	Net cost	Cost	Accumulated depreciation	Net
Land	878,882	(210,554)	668,328	878,882	(210,554)	668,328
Buildings	5,092	(2,843)	2,249	12,164	(4,792)	7,372
Vehicles	28,026	(23,400)	4,626	28,225	(23,462)	4,763
Machinery and forestry equipment	13,548	(9,160)	4,388	13,548	(9,160)	4,388
Facilities and improvements	201	(201)	-	240,072	(201)	239,871
Total	**925,749**	**(246,158)**	**679,591**	**1,172,891**	**(248,169)**	**924,722**

	Individual - 12/31/2020			Consolidated - 12/31/2020		
Right of use assets	Cost	Accumulated depreciation	Net cost	Cost	Accumulated depreciation	Net
Land	851,157	(181,697)	669,460	851,157	(181,697)	669,460
Buildings	5,092	(2,675)	2,417	10,606	(4,330)	6,276
Vehicles	27,805	(21,565)	6,240	27,987	(21,596)	6,391
Machinery and forestry equipment	13,581	(8,166)	5,415	13,581	(8,166)	5,415
Facilities and improvements	201	(201)	-	240,073	(202)	239,871
Total	**897,836**	**(214,304)**	**683,532**	**1,143,404**	**(215,991)**	**927,413**

Reconciliation of carrying amounts:

Individual

Right of use assets	Balance at 12/31/2020	Additions	Disposals	Depreciation	Index Adjustment	Balance at 03/31/2021
Land	669,460	24,349	(4,993)	(29,071)	8,583	668,328
Buildings	2,417	-	-	(168)	-	2,249
Vehicles	6,240	-	-	(1,835)	221	4,626
Machinery and forestry equipment	5,415	-	-	(993)	(34)	4,388
Total	**683,532**	**24,349**	**(4,993)**	**(32,067)**	**8,770**	**679,591**

Consolidated

Right of use assets	Balance at 12/31/2020	Additions	Disposals	Depreciation	Index Adjustment	Effect of movements in exchange rates	Balance at 03/31/2021
Land	669,460	24,349	(4,993)	(29,071)	8,583	-	668,328
Buildings	6,276	-	-	(399)	1,449	46	7,372

(In Thousands of Reais)

Vehicles	6,391	-	-	(1,848)	221	(1)	4,763
Machinery and equipment forest implements	5,415	-	-	(993)	(34)	-	4,388
Facilities and improvements	239,871	-	-	-	-	-	239,871
Total	**927,413**	**24,349**	**(4,993)**	**(32,311)**	**10,219**	**45**	**924,722**

Of the depreciation amount of R$ 20,548 is considered the cost of formation of the biological asset (note 9).

14. Trade payables

	Individual		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Supplies and services	62,328	86,727	58,953	71,029
Raw material	176,794	176,490	176,794	176,489
Others	13,567	18,606	14,475	19,608
	252,689	**281,823**	**250,222**	**267,126**
Current	252,689	281,300	250,222	266,603
Non-current	-	523	-	523
	252,689	**281,823**	**250,222**	**267,126**

Corresponds to the accounts payable for goods or services that were acquired in the normal course of the Company's activities and adjusted for the monetary and exchange variations incurred, when applicable.

15. Loans and borrowings

			Individual	
Financial category	**Average annual interest rate and commissions**	**Maturity**	**03/31/2021**	**12/31/2020**
FINAME - Project Finance	3% to 10% p.a.	July/2021 to July/2023	2,844	3,739
ACC - Exchange Contract Advance (i)	* Trade finance	April/2021 to November/2021	2,794,999	2,156,406
BNDES (ii)	TJLP + 2,83% p.a.	June/2022	149,175	179,266
BNDES (ii)	BNDES rate + 3,52% p.a.	July/2022	1,041,242	1,127,878
NCE (iii)	* Trade finance	April/2021 to September/2022	426,330	426,681
FINEM Florestal (vi)	TJLP + 3,48% p.a. / Selic + 3,58% p.a.	May/2025	215,709	214,629
Leasing (vii)	CDI + 5,02% p.a.	March/2024 to March/2025	24,991	26,702
CCB (viii)	Pre fixed – 8.97%	August/2022	75,230	75,192
PPE (ix)	* Trade finance	August/2022	1,797,392	1,636,020
			6,527,912	**5,846,513**
Current			5,040,327	3,765,168

(In Thousands of Reais)

Non-current	1,487,585	2,081,345
	6,527,912	**5,846,513**

The maturity of non-current liabilities is as follows:	
2022	1,260,423
2023	70,906
2024	111,063
2025	45,193
	1,487,585

			Consolidated	
Financial category	**Average annual interest rate and commissions**	**Maturity**	**03/31/2021**	**12/31/2020**
FINAME - Project Finance	3% to 10% p.a.	July/2021 to July/2023	2,844	3,739
ACC - Advance on Exchange Contract (i)	* Trade finance	April/2021 to November/2021	2,794,999	2,156,406
BNDES (ii)	TJLP + 2,83% p.a.	June/2022	149,175	179,266
BNDES (ii)	BNDES rate + 3,52% p.a.	July/2022	1,041,242	1,127,878
NCE (iii)	* Trade finance	April/2021 to September/2022	426,330	426,681
Term Loan (Iv)	LIBOR + 5% p.a.	April/2021	63,628	57,871
Bonds (v)	8,625% p.a.	June/2021	2,042,664	1,822,573
FINEM Florestal (vi)	TJLP + 3,48% p.a. / Selic + 3,58% p.a.	May/2025	215,709	214,629
Leasing (vii)	CDI + 5,02% p.a.	March/2024 to March/2025	24,991	26,702
CCB (viii)	Pre-fixed - 8.97% p.a.	August/2022	75,230	75,192
PPE (ix)	* Trade finance	August/2022	1,797,392	1,636,020
			8,634,204	**7,726,957**
Current			7,146,619	5,645,612
Non-current			1,487,585	2,081,345
			8,634,204	**7,726,957**

The maturity of non-current liabilities is as follows:	
2022	1,260,423
2023	70,906
2024	111,063
2025	45,193
	1,487,585

(*) The trade finance (ACC, PPE and NCE) have an average cost of 3.86% to 5.38% p.a.

15.1. Reconciliation of movements of loans and borrowings

	Individual	Consolidated
	03/31/2021	03/31/2021
Beginning balance	**5,846,513**	**7,726,957**
Accrued interest	83,150	126,709
Accrued exchange rate variation	481,133	664,246
Loans and borrowings raised	388,954	388,954
Payments		
Principal	(217,205)	(217,205)

(In Thousands of Reais)

Interest	(54,633)	(55,457)
Ending balance	**6,527,912**	**8,634,204**

15.2. Available credit lines

The Company uses credit lines and bilateral loans with banks to cover the need for working capital and to support investments.

The lines of credit currently contracted are as follows:

- **(i)** Financing of working capital through Advances on Exchange Contracts (ACCs);
- **(ii)** On July 22, 2011 subsequently additive, the Company signed a loan agreement with the National Bank for Economic and Social Development (BNDES) total of R$ 2.7 billion, for the construction of the pulp mill, including the acquisition of national machinery and equipment and implementation of the social investment program system within the community in areas of influence of the factory;
- **(iii)** Export Credit Notes (NCE) contracts, denominated in Reais;
- **(iv)** In May 2016, Cellulose Eldorado Austria GmbH, a subsidiary of the Company, entered into a financing agreement (Term Loan) with Banco do Brasil AG, Succursale France in order to extend the average term of its financing;
- **(v)** In June 2016, the Company, through its subsidiary Eldorado Intl. Finance GmbH, issued debt bonds abroad (Senior Unsecured Bonds / Notes) in the amount of USD 350,000 thousand;
- **(vi)** Financing granted by BNDES to promote the Company's eucalyptus planting;
- **(vii)** Financing of machinery and equipment through leasing denominated in Reais;
- **(viii)** In May 2019, the Company received Bank Credit Notes at a fixed rate;
- **(ix)** In August 2019, the Company entered into an export prepayment agreement with a three-year term and an interest rate of Libor + spread.

15.3. Contractual restrictions and covenants

The covenants that the Company has to comply according the finance agreements are as follows:

Index	Parameter	Limit
Leverage in BRL	Net debt / *ebitda* *	Until 4.0 x
Leverage in USD	Net debt / *ebitda* *	Until 3.5 x

Leverage (net debt/EBITDA) is measurement in semiannual BRL and quarterly/annual USD. The Company is suitable for all covenants demanded by the entities.

(*)Net debt is the balance of loans and financing minus the balance of cash and cash equivalents of the debtor and its subsidiaries, and Ebitda is the acronym in English for earnings before interest, taxes, depreciation and amortization. In Portuguese “lucros antes de juros, impostos, depreciação e amortização” (know as lajida).

15.4. Loan guarantees

The loan and financing contracts with guarantees in the modalities of BNDES, FINEM Florestal and part of the ACC, Finame and NCE, are assured by a guarantee, a promissory note, pledge of forests or guarantee granted by the Individual J&F Investimentos SA. There are certain debts which are also guaranteed by amounts invested in financial investments according to note 4.2, in addition to fiduciary lien on machinery, endorsement, bank guarantee and promissory notes.

(In Thousands of Reais)

16. Lease liabilities

	Individual		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Lease liabilities	1,111,611	1,103,855	1,410,113	1,400,636
Present value discount	(367,279)	(361,995)	(485,047)	(479,350)
	744,332	**741,860**	**925,066**	**921,286**
Current	188,915	186,742	212,929	212,489
Non-current	555,417	555,118	712,137	708,797
	744,332	**741,860**	**925,066**	**921,286**

Reconciliation of carrying amounts:

	Individual	Consolidated
	03/31/2021	03/31/2021
Beginning balance	**741,860**	**921,286**
New leases	24,349	24,349
Payments	(44,660)	(44,980)
Interest (a)	19,155	19,279
Retirement or closure	(5,142)	(5,142)
Leases modification (b)	8,770	10,219
Exchange rate variation	-	55
Ending balance	**744,332**	**925,066**

(a) In the financial interest total of R$ 17,574 is considered the cost of formation of the biological asset (note 9).
(b) Refers to changes in existing contracts, either by price or term correction.

Lease liabilities are payable as follows:

	Individual	Consolidated
Estimated lease payments	03/31/2021	03/31/2021
2021	127,174	167,938
2022	159,487	200,509
2023	150,256	191,110
2024	144,664	187,410
2025	137,038	179,809
2026 and thereafter	392,992	483,337
(-) NPV	(367,279)	(485,047)
Total	**744,332**	**925,066**

(In Thousands of Reais)

Non-cash transactions:

	03/31/2021	03/31/2021
New leases	24,349	24,349
Retirement or closure	(5,142)	(5,142)
Leases modification	8,770	10,219

Lease liabilities were considered gross of PIS and COFINS in the calculation of discounted cash flow. The table below shows the potential right of PIS and COFINS to recover embedded in the consideration of the leases:

Individual		03/31/2021
Cash flows	**Nominal**	**Adjusted to present value**
Lease payable	1,111,611	744,332
PIS/COFINS potential (9.25%) (1)	68,399	40,529

(1) Incident on contracts signed with legal entities

Consolidated		03/31/2021
Cash flows	**Nominal**	**Adjusted to present value**
Lease payable	1,410,113	925,066
PIS/COFINS potential (9.25%) (1)	69,136	41,001

(1) Incident on contracts signed with legal entities

17. Payroll and social charges payables

	Individual		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Salaries	29,487	23,775	30,831	25,582
Vacations, year end bonus and social charges	42,768	38,216	43,654	38,929
Other accruals	24,219	60,483	25,579	64,534
	96,474	**122,474**	**100,064**	**129,045**

18. Income tax and social contributions

(In Thousands of Reais)

(a) Reconciliation of effective tax rate:

	Individual		Consolidated	
	03/31/2021	03/31/2020	03/31/2021	03/31/2020
Loss before taxes	(151,905)	(1,347,685)	(149,410)	(1,347,280)
Income taxes - nominal rate of 34%	51,648	458,213	50,799	458,075
Reconciliation of effective expenses:				
Equity accounting results net of taxes	103,809	24,721	-	-
Non-deductible expenses	(192)	(152)	(279)	(152)
Government grants	235	177	235	177
Leases	363	(240)	346	(255)
Income tax rate difference of foreign subsidiaries	-	-	19,903	3,753
Rulling	-	-	81,794	20,471
Others	10,669	-	11,239	245
Current and deferred income taxes	**166,532**	**482,719**	**164,037**	**482,314**
Effective tax rate	**(109.63%)**	**(35.82%)**	**(109.79%)**	**(35.80%)**

(b) Movement in deferred income tax and deferred social contributions:

Individual and consolidated	12/31/2020	Additions	03/31/2021
Tax losses (i)	644,454	9,185	653,639
Exchange rates fluctuation	463,735	201,429	665,164
Operational accruals	30,974	1,065	32,039
Biological assets	(171,993)	-	(171,993)
Fiscal and financial depreciation	(681,056)	(45,147)	(726,203)
	286,114	**166,532**	**452,646**

(i) On March 31, 2021, the Company has an accumulated accounting loss balance that, adjusted with expenses and revenues not permitted by tax legislation for the purposes of calculating corporate income tax and social contribution on net income totals R$ 1,922,468.

Management of the Company, based on the approved budget, estimates that the tax credits arising from temporary differences, tax losses and negative basis of social contribution will be realized as shown below:

	03/31/2021
	Individual and consolidated
2021	433,561
2022	304,203
2023	29,234
2024	184,405
2025	220,956
2026	178,483
	1,350,842

(In Thousands of Reais)

19. Provision for lawsuit

The Company, in the normal course of its activities, is subject to tax, labor, environmental, civil lawsuits and regulatory and, supported by the opinion of its legal advisors, assesses the expectation for the outcome of ongoing proceedings and determines the probability of losing or not to make provision for contingencies. Based on this assessment, the Company recognized provision as follows:

Individual

	12/31/2020	Additions	Write-off	Adjustment	03/31/2021
Environmental	328	-	-	1	329
Civil	6,872	-	(983)	398	6,287
Labor	22,963	6,437	(2,897)	575	27,078
Tax	1,216	-	(146)	32	1,102
	31,379	**6,437**	**(4,026)**	**1,006**	**34,796**

Consolidated

	12/31/2020	Additions	Write-off	Adjustment	03/31/2021
Environmental	328	-	-	1	329
Civil	6,872	-	(983)	398	6,287
Labor	23,434	6,448	(2,897)	575	27,560
Tax	1,216	-	(146)	32	1,102
	31,850	**6,448**	**(4,026)**	**1,006**	**35,278**

It is expected that an outflow of resources embodying economic benefits will be necessary to settle the obligation.

For lawsuits classified as possible losses, in the amount of R$ 551,792 in the Individual and R$ 552,171 in the Consolidated (R$ 536,767 as of December 31, 2020 in the Individual R$ 537,205 and Consolidated). The Company's accounting policy defines that no provision for losses has been recognized.

	Individual		Consolidated	
Possible	**03/31/2021**	**12/31/2020**	**03/31/2021**	**12/31/2020**
Environmental	10,012	9,693	10,012	9,693
Civil	407,312	389,290	407,312	389,300
Labor	33,138	32,987	33,517	33,415
Tax	1,880	7,724	1,880	7,724
Regulatory	99,450	97,073	99,450	97,073
	551,792	**536,767**	**552,171**	**537,205**

Nature of main contingencies

(i) Suzano S/A (merger of Fibria Celulose S.A.)

Among the cases above, the Company is a defendant in an intellectual property dispute with Suzano S.A., (hereinafter only referred to as "Suzano"), which alleges that the Company has violated certain rights related to the use of eucalyptus clones used in a small part of the Company's plantations. On April 19, 2013, Suzano filed a lawsuit with the Pre-Trial Evidence Production Action. As it is an expedient for the production of Fibria's evidence, the report favorable to Suzano’s allegations was approved and the process was extinguished.

On April 01, 2016, the Company was included as defendant in an obligation to do suit, claiming R$ 100 million. On May 05, 2016, Eldorado filed a reply for preliminary lack of jurisdiction and a preliminary injunction counterclaim stating briefly that according to the legal technical criteria, the examination of the samples showed that the seedlings were not the clones of Fibria and that, even if they were, the use by the Company would be assured by the provisions of the Law for Protection of Cultivars, with no damage to Suzano.

On September 26, 2016, the urgent claim required by Fibria was granted, for the immediate cessation and abstention of the planting and spread of VT02 clone eucalyptus by the Company, throughout the Brazilian territory. Regarding that claim, an interlocutory appeal was filed also addressing the lack of retention of jurisdiction of the court of Três Lagoas for the judgment of the ordinary proceeding. The appeal was judged groundless and a special appeal was filed against this decision.

In the current phase of the process, the classification of the probability of loss is possible and no provision is recognized.

In parallel to that, the evidence produced at the investigation stage showed that the Cultivar under dispute was not subject to protection, since it was in the public domain and freely marketed before the application for protection. Therefore, on May 8, 2020, the Company filed a Nullity Action against the Federal Union and Suzano, seeking the nullity of the Cultivar's Protection Certificate. This process is in the instruction phase.

(ii) Sanctioning Administrative Procedure - CVM

On December 8, 2017, CVM Instituted CVM Administrative Procedure No. 5388/2017, which aims to determine the purchase of derivative dollar contracts on behalf of Eldorado Brasil S.A. and other companies that are members of its economic group, between May 5 and 17, 2017, using unfair practices, in alleged violation of item II, point "d" of CVM Instruction No. 8/1979. A proposal for a compromise and defence was presented in May

2018. Currently the process awaits consideration of the defense that aims to rule out the application of the penalty of fine, estimated at R $ 84.9 million. In the current phase of the process, the classification of the probability of loss is possible, without provision.

20. Equity

20.1. Share capital

The subscribed and paid-in capital on March 31, 2021 and December 31, 2019 is R$ 1,788,792 comprising 1,525,558,419 common shares.

The Company's shareholders are comprised of a 49.42% holding by CA Investment and 50.58% holding by J&F, Eldorado's only shareholders.

20.2. Legal reserve

In compliance with art. 193, of Law 6,404 / 76, 5% of the net profit determined in each year up to the limit of 20% of the share capital is recorded as legal reserve.

20.3. Tax benefits reserve

The Company constituted a reserve of tax incentives for part of the net income arising from government subsidies, through credits granted from ICMS, derived from a package of tax incentives granted by the Government of Mato Grosso do Sul for application in its future industrial expansion. The incentives were granted due to the investments that were made in the construction of line 1, formation of biological assets, generation of new direct and indirect jobs, promoting an increase in the state economy. The recognition of the credits is presented in the Company's income statement.

20.4. Reserve for expansion

According to article 194 of the Brazilian Corporation Law, the Company establishes in its bylaws that the remaining balance of profit after the constitution of the legal reserve, the tax incentive reserve and the mandatory minimum dividends is allocated to the constitution of the statutory reserve for expansion.

20.5. Dividends

In accordance with the Company's statutory bylaws, the balance of retained earnings remaining after offsetting accumulated losses, the allocations from the legal reserve, the tax incentive reserve and the investment reserve is allocated to the payment of a minimum mandatory dividend, in each year, not less of 25% adjusted in accordance with the corporate law. The minimum mandatory dividends are allocated in a special reserve of the Company, pursuant to article 202, § 4 and § 5 of Law No. 6,404/76.

(In Thousands of Reais)

20.6. Cumulative translation adjustments

The cumulative translation adjustments comprise foreign currency differences resulting from the translation of accounting information on foreign operations.

20.7. Earnings per share

Basic earnings per share

The calculation of basic EPS has been based on the profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding:

	03/31/2021	03/31/2020
Income / (Loss) attributable to shareholders	14,627	(864,966)
Weighted-average number of ordinary shares – thousands	1,525,558	1,525,558
Earnings / (Loss) per share in reais	0.0096	(0.5670)

The Company have no instruments that could potentially dilute earnings per share.

21. Revenue

	Individual		Consolidated	
Sales	**03/31/2021**	**03/31/2020**	**03/31/2021**	**03/31/2020**
Local market	221,794	172,961	221,794	172,961
Foreign market	681,384	534,925	1,434,642	853,247
Discount and rebates	(2,021)	(230)	(305,565)	(131,624)
	901,157	**707,656**	**1,350,871**	**894,584**
Sales tax	(44,367)	(40,115)	(44,691)	(35,083)
Net revenue	**856,790**	**667,541**	**1,306,180**	**859,501**

22. Operating Segments

(In Thousands of Reais)

a. Geographic information

The geographic information analyses the revenue by the Company's country of domicile and other countries. The revenue distribution is as follows.

Net revenue	1Q21	1Q20
Brazil	176,198	138,565
China	507,547	304,272
United States of America	220,314	130,073
Italy	134,677	95,838
Mexico	47,441	21,486
Germany	38,855	13,333
Canada	36,087	33,269
Bolivia	27,524	7,155
Slovenia	21,166	14,397
Israel	14,222	11,478
France	11,355	13,920
Others	70,794	75,715
	1,306,180	**859,501**

b. Information about the major customer

From total revenues of the period ended March 31, 2021, an individual customer represents more than 10% of the Company's revenue (as of December 31, 2020, an individual customer represents more than 10% of the Company's revenue).

c. Information about non-current assets

The segment's assets are based on the geographical location of the assets as follows:

Non-current assets	03/31/2021	12/31/2020
Brazil	10,543,715	10,234,997
Áustria	1,096	1,072
United States of America	443	463
China	121	127
	10,545,375	**10,236,659**

23. Cost and expenses by nature

	Individual	Consolidated

	03/31/2021	03/31/2020	03/31/2021	03/31/2020
Staff expenses	88,399	78,353	94,906	84,304
Services, material and transport	162,075	127,166	271,393	188,764
Depreciation, amortization and depletion	82,711	82,678	83,966	88,370
Raw material and supplies	207,928	192,201	228,983	236,234
Others	8,902	4,688	9,910	6,015
	550,015	**485,086**	**689,158**	**603,687**
Cost of sales	434,669	385,708	458,735	437,504
Administrative and general expenses	43,856	46,016	47,539	50,536
Selling and logistics expenses	71,490	53,362	182,884	115,647
	550,015	**485,086**	**689,158**	**603,687**

24. Net financial result

	Individual		Consolidated	
	03/31/2021	03/31/2020	03/31/2021	03/31/2020
Interest income	41	1,222	89	1,670
Financial investment income	756	1,739	2,067	2,801
Other financial income	3	62	3	62
Financial income	**800**	**3,023**	**2,159**	**4,533**
Bank charges	(40)	(31)	(143)	(116)
Interest	(128,242)	(138,026)	(126,722)	(136,537)
Guarantee and surety expenses	(885)	(10,362)	(885)	(10,362)
Other financial expenses	(934)	(1,043)	(5,887)	(4,715)
Financial expense	**(130,101)**	**(149,462)**	**(133,637)**	**(151,730)**
Loans and borrowings	(481,133)	(1,164,040)	(481,133)	(1,164,040)
Other assets and liabilities	(144,090)	(301,041)	(144,079)	(301,126)
Exchange rate variation, net	**(625,223)**	**(1,465,081)**	**(625,212)**	**(1,465,166)**
	(754,524)	**(1,611,520)**	**(756,690)**	**(1,612,363)**

25. Other operating income (expenses)

	Individual		Consolidated	
	03/31/2021	03/31/2020	03/31/2021	03/31/2020
Property, plant and equipment sales	7,924	4,536	7,947	4,604
Indemnities	(2,130)	(819)	(2,130)	(314)
Contingencies	(3,417)	1,518	(3,428)	1,518
Non recoverable ICMS (a)	(8,729)	(500)	(8,865)	(598)
Others	(3,147)	3,900	(3,288)	4,023
	(9,499)	**8,635**	**(9,764)**	**9,233**

(a) It basically refers to the reversal of the tax credit, due to the understanding that screens and felts do not fit as an insum consumed in production (see note 8).

26. Financial instruments

26.1. Financial risk management

The Company has the Financial Risk Management Policy that was updated and approved by the Board of Directors in 2020. The policy establishes guidelines and best practices to be followed by the Company and all its subsidiaries in relation to fundraising, foreign exchange (FX), interest rates and related risks ("Financial Risks"). The policy also defines the Company's risk management structure and provides management with the authority to establish processes to monitor, measure and report the Financial Risks to which the Company is exposed in its normal course of business.

The Company is exposed to the following risks arising from financial instruments:

a. Market risk;
    (i) Risk of interest rates;
    (ii) Risk of exchange rates;
    (iii) Price risk;
b. Credit risk;
c. Liquidity risk.

a. Market risk

Market risk is the risk that changes in market prices (foreign exchange rates, interest and inflation rates, commodities and equity prices) will affect the Company income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

During the year, markets were severely impacted by the coronavirus health crisis, resulting in great volatility in financial assets, such as interest rates, foreign exchange and market liquidity. This lack of liquidity cooled over time, with the end of the period presenting liquidity similar to the pre-crisis. As for the exchange rate, the results of exchange variation have been presented quarterly showing that the Company's exposure is appropriate to its position as an exporter.

(i) Interest rate risk

Refers to the potential for economic losses that the Company and its subsidiaries may incur due to fluctuations in interest rates. The Company has assets and, mainly, liabilities exposed to this risk, such as operations linked to indexes such as Interbank Deposit Certificate (CDI), Long Term Interest Rate (TJLP), UMBNDES (BNDES Monetary Unit), and LIBOR (London Interbank Offer Rate). A fundamental review and reform of the main benchmarks of interest rates are being carried out globally. There is uncertainty as to the timing and transition methods to replace existing interbank reference rates (IBORs) with alternative rates.

(In Thousands of Reais)

In addition, the Company maintains contact with counterparties that have their operations tied to Libor and understands that the contracts include the possibility of changing this rate to what the market sees as a substitute, such as SOFR (Secured Overnight Financing Rate). The Company has not identified significant impacts on its financial instruments.

Finally, the Company seeks to mitigate the risk of the interest rate by diversifying the contracted indices and, eventually, using the contracting of derivatives.

The risk of exposure to the Company's interest rate is on loans and borrowings. The balances as of March 31, 2021 and December 31, 2020 are presented as follows:

	Individual		Consolidated	
Financial category	**03/31/2021**	**12/31/2020**	**03/31/2021**	**12/31/2020**
Loans and borrowings	6,527,912	5,846,513	8,634,204	7,726,957
Loans and borrowings with related parties	2,115,459	1,887,692	-	-
Cash and cash equivalents	(143,180)	(18,788)	(860,976)	(553,782)
Financial inverstments	(195,404)	(164,504)	(766,130)	(396,624)
	8,304,787	**7,550,913**	**7,007,098**	**6,776,551**

Sensitivity analysis

Information on the interest rate risk to which the company is exposed and the possible impacts on the outcome are presented below. The likely scenario is based on market indicators projected for December 2021 and possible variations are presented classified as possible and remote, being 25% and 50% respectively in relation to the probable scenario. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

The Company's practice is to use the percentages of 25% and 50% due to the high volatility that emerging economies are normally exposed, either in the volatility of foreign currencies or in the variation of local and international interest rates.

The net results between the results of the exposures are presented below:

Individual

03/31/2021	Balance (R$)	Probable	Possible (25%)	Remote (50%)
Net exposure to interest rates	(8,304,787)	(13,230)	(8,372)	(16,743)

Consolidated

03/31/2021	Balance (R$)	Probable	Possible (25%)	Remote (50%)
Net exposure to interest rates	(7,007,098)	(13,220)	(9,093)	(18,186)

(ii) Foreign exchange risk

The Company is exposed to foreign exchange risk to the extent that there is an incompatibility between the currencies in which sales, purchases and loans are denominated and the functional currency of the Company.

The main exposures to which the Company is subject, with respect to exchange rate variations, refer to the fluctuation of the US Dollar in relation with the Real.

As of March 31, 2021, and December 31, 2020, the exchange rate risk is concentrated in: Cash and cash equivalents, financial investments, trade accounts receivables, trade accounts payable and loans and borrowings.

The Company, in order to prevent the risk of fluctuations in exchange rate variations, seeks to balance its assets and liabilities in foreign currency. The Company evaluates and eventually contracts derivative financial instruments in order to eliminate any residual difference.

The Company's assets and liabilities, exposed to the risks of exchange variation, expressed in thousands of Reais are presented as follows:

Individual and consolidated

	USD		R$	
Exposure	**03/31/2021**	**12/31/2020**	**03/31/2021**	**12/31/2020**
Cash and cash equivalents	26,408	6,405	150,453	33,284
Trade receivables	79,603	69,373	453,523	360,513
Trade payables	(910)	(2,050)	(5,183)	(10,653)
Loans and borrowings with related parties	(371,309)	(363,248)	(2,115,459)	(1,887,692)
Loans and borrowings	(988,825)	(946,813)	(5,633,634)	(4,920,304)
Net exposure to foreign exchange fluctuation	**(1,255,033)**	**(1,236,333)**	**(7,150,300)**	**(6,424,852)**

As of March 31, 2021, the price of the U.S. Dollar was R$ 5.6973 (as of

(In Thousands of Reais)

December 31, 2020 the price of the U.S. Dollar was R$ 5.1967).

Sensitivity analysis

The information on the foreign exchange risk to which the company is exposed and the possible impacts on the result are presented below. The likely scenario is based on the consensus of the Focus report of April 9, 2021 with the exchange rate of 5.37 considered for December 31, 2021 and possible changes are presented classified as possible and remote, being 25% and 50% respectively in relation to those of the probable scenario. This analysis assumes that all other variables, in particular interest rates, remain constant and ignore any impact of planned sales and purchases.

Individual and consolidated

03/31/2021	Balance (USD)	Balance (R$)	Probable	Possible (25%)	Remote (50%)
Net exposure to exchange rate gains (losses)	(1,255,033)	(7,150,300)	410,772	(1,274,110)	(2,958,991)

(iii) Price risk

The Company is exposed to the volatility of wood prices only for new contracts, the variation of which results from external factors beyond its control, such as climatic factors, volume of supply, transportation costs, silvicultural policies and others. In order to guarantee raw material for the operation of its plant, the Company has been purchasing wood for future delivery, with partial advance payments, not being exposed to price volatility for contracts already signed.

Individual and Consolidated	03/31/2021	12/31/2020
Estimated value of contracts signed	1,647,241	1,685,873
Payments/prepayments done	(472,887)	(436,233)
	1,174,354	**1,249,640**

The risks of not receiving wood are mitigated by the constant monitoring of forest development by the Company specialists.

b. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Basically it is the risk arising from the default of accounts receivable from customers.

The credit risk in the Company's operating activities is managed based on specific rules for the acceptance of customers and the establishment of their respective credit limits, consistently carried out through credit analyzes periodically reviewed and discussed with the credit committee and guarantees presented by customers. The Company works to guarantee the realization of overdue credits through frequent monitoring of defaulting customers and also the use of a credit lines and other financial instruments that guarantee the respective receivables.

(In Thousands of Reais)

As of March 31, 2021, the book value of accounts receivable from the Company's two most relevant clients (located in Asia) is R$ 75,004 (R$ 155,708 as of December 31, 2020).

Credit risk exposure

The carrying value of financial assets represents the maximum credit risk exposure. The maximum credit risk exposure at the end of the period is as follows:

	Individual		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Cash and cash equivalents	338,584	183,292	1,114,692	888,014
Financial investments	-	-	512,414	62,392
Trade receivables	609,436	490,832	764,676	712,377
Total	**948,020**	**674,124**	**2,391,782**	**1,662,783**

c. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company’s approach to managing liquidity is to ensure cash and financial investments in order to meet its financial and operating commitments. The amount held in cash is intended to meet the liabilities of the normal course of its operations, while the surplus is invested in highly liquid financial investments contracted with highly rated institutions.
The Company's long-term debt is in the CCB modalities, with an average maturity of 1.4 years, Leasing with an average maturity of 1.7 years, BNDES and its subsidiaries - average maturity of 1.2 years.

The cash flows presented consider that financial and non-financial covenants are not and will not be broken. In the event of non-compliance, payments may be accelerated at creditors' discretion.

The table below shows the amounts of the Company's financial liabilities according to contractual maturities. These amounts are expected cash outflows:

(In Thousands of Reais)

Individual	1 year or less	1-2 years	2-3 years	More than 3 years	Total
As of March 31, 2021					
Loans and borrowings	5,242,727	1,296,698	107,834	131,780	6,779,039
Trade payables	252,689	-	-	-	252,689
Loans and borrowings with related parties	2,147,481	-	-	-	2,147,481
Accounts payable to related parties	2,156	-	-	-	2,156
Other current liabilities	8,349	-	-	-	8,349
	7,653,402	1,296,698	107,834	131,780	9,189,714

Consolidated	1 year or less	1-2 years	2-3 years	More than 3 years	Total
As of March 31, 2021					
Loans and borrowings	7,386,718	1,296,698	107,834	131,780	8,923,030
Trade payables	250,222	-	-	-	250,222
Accounts payable to related parties	785	-	-	-	785
Other current liabilities	69,449	-	-	-	69,449
	7,707,174	1,296,698	107,834	131,780	9,243,486

d. Operational risks

Port use concession-right-of-use

Rishis operations are exposed to operational and environmental risks, such as fire, loss of concession, non-adherence to the international security plan (ISPS Code) and the environmental protocol and unforeseeable circumstances.

Because of the exposure to these risks, Rishis has insurance policies that include coverage for operational risks (Property) and civil liability (Directors and Officers and General Civil Liability) in addition to the permanent inspection of authorities such as: Santos Port Authority - SPA (ex-CODESP), Federal Regulatory Agency “ANTAQ”, State Environmental Agency “CETESB”, ISPS Code Security Commission, Santos City Hall (business license) and São Paulo Military Police Fire Department (AVCB), always in compliance with the conditions and current legal requirements.

Natural disasters and other risks

The Company has a very diversified logistics operation, where Rishis is responsible for 30% of the total volume.

To mitigate the risk of unforeseeable circumstances or force majeure in Santos, the Company also counts with the operation of breakbulk at the public port in São Francisco do Sul / SC and in the port of Imbituba/SC, in addition to having a container shipment operation in the Ports of Santos / SP, Itajaí / SC, Navegantes / SC, Itapoá / SC and Paranaguá / PR.

(In Thousands of Reais)

26.2. Fair values of financial instruments

Assets and liabilities measured at fair value in the statements of financial position are classified based on the following hierarchy levels of fair value:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) using valuation techniques that use data from active markets;
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

		03/31/2021		12/31/2020	
Individual	Hierarchy Level	Carrying amount	Fair value	Carrying amount	Fair value
Assets					
Assets at amortized cost					
Cash and cash equivalents		338,584	338,584	183,292	183,292
Trade receivables		609,436	609,436	490,832	490,832
		948,020	**948,020**	**674,124**	**674,124**
Liabilities					
Liabilities at amortized cost					
Loans and borrowings	Level 2	6,527,912	6,399,513	5,846,513	5,904,693

(In Thousands of Reais)

Trade payables	252,689	252,689	281,823	281,823
Lease liabilities	744,332	744,332	741,860	741,860
Loans and borrowings with related parties	2,115,459	2,157,549	1,887,692	2,171,922
Accounts payable to related parties	2,156	2,156	2,968	2,968
Other current liabilities	8,349	8,349	11,433	11,433
	9,650,897	**9,564,588**	**8,772,289**	**9,114,699**

		03/31/2021		12/31/2020	
Consolidated		**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Assets					
Assets at amortized cost					
Cash and cash equivalents		1,114,692	1,114,692	888,014	888,014
Trade receivables		764,676	764,676	712,377	712,377
		1,879,368	**1,879,368**	**1,600,391**	**1,600,391**
Assets at fair value through income (loss)					
Financial investments	Level 2	512,414	512,414	62,392	62,392
		512,414	**512,414**	**62,392**	**62,392**
		2,391,782	**2,391,782**	**1,662,783**	**1,662,783**
Liabilities					
Liabilities at amortized cost					
Loans and borrowings	Level 2	8,634,204	8,514,979	7,726,957	7,823,970
Trade payables		250,222	250,222	267,126	267,126
Lease liabilities		925,066	925,066	921,286	921,286
Accounts payable to related parties		785	785	1,716	1,716
Other current liabilities		69,449	69,449	55,560	55,560
		9,879,726	**9,760,501**	**8,972,645**	**9,069,658**

The fair value of financial assets and liabilities refers to the amount for which the instrument can be exchanged in a current transaction between willing parties and not in a forced sale or settlement transaction. The methods and assumptions used to estimate the fair value are described below.

The fair value of amounts due to / from related parties is close to their book values, mainly due to the short-term maturity of these instruments.

The fair value of loans and financing was measured at market price, calculated at present value of future flows estimated based on the interest curves adopted by the market, using the discount rate verified in the average term of loans and financing. The value ascertained aims to clarify its replacement or replacement cost, and its measurement occurs at each balance sheet date.

27. Take or pay agreements

a. Chemical and oxygen plant and gas distribution line

(In Thousands of Reais)

(i) Future minimum lease payments

As of March 31, 2021 the minimum non-cancellable future payments are as follows:

	Individual and Consolidated
	03/31/2021
2021	54,404
2022	72,082
2023	72,082
2024	72,082
2025	72,082
2026 and thereafter	175,040
	517,772

The amounts recognized in the statements of income (loss) are as follows:

	Individual and Consolidated	
	03/31/2021	03/31/2020
Expenses	39,865	38,293
	39,865	**38,293**

The Company has take-or-pay contracts for two chemical plants and a distribution line to supply the needs for inputs for pulp production.

These are three take-or-pay contracts, two of them with a 15-year term, one of which is to meet the needs for Chlorine Dioxide, effective from December 2012, whose price consists of fixed and variables cost, with a clause to readjust these common costs for this type of contract. The other contract is to supply the needs of oxygen in its gaseous form, beginning in October 2012, whose debt was signed in dollars and fixed monthly installments should be readjusted by the PPI (Producer Price Index) index on the first day of December of each year.

The third contract, has a 12-year term and it is to meet the needs of industrial natural gas, effective in May 2016, whose price per cubic meter is composed of three factors:

a) price of natural gas adjusted quarterly according to arithmetic averages of daily prices published in the Spot Price Assessments table published in Platt's Oilgram Price Report;
b) transport fare adjusted annually in May on the basis of the IGPM
c) the distributor's fixed margin adjusted on the first day of each year by the IPCA (Broad Consumer Price Index).

b. Thermoelectric power plant

In 2016, the Company won the ANEEL Auction 01/2016, modality A-5, and was authorized by Ordinance MME nº 477/2016, of 27/09/2016, to establish itself as an Independent Electric Energy Producer for exploration and implementation of the wood chip thermoelectric plant with an installed capacity of 50 MW. The energy produced by the plant, called UTE Onça Pintada, is subject to 7 (seven) Contracts for the Commercialization of Energy in the Regulated Environment (CCEAR), with a term of 25 years, beginning to supply in January 2021 and totaling 38,1 MW per month produced by the project.

28. Collaboration Agreement, Leniency Agreement and Internal Investigation

General information about the J & F Investimentos S.A. executives and former executives Collaboration Agreement

As public domain, in May 2017 certain executives and former executives of J&F Investimentos SA (“J&F”), as controller of the companies belonging to the “J&F Group”, of which the Company is part, assumed some obligations in the Awarded Collaboration Agreement with the Attorney General's Office ("PGR"), aiming to serve the public interest, especially the expansion, throughout the country, of investigations around events against the law.

On June 5, 2017, J&F entered into a Leniency Agreement with the Federal Public Ministry (“MPF”), approved by the 5th MPF Coordination and Review Board on August 24, 2017, which the Company signed on September 21, 2017 (“Agreement”).

In the Agreement, J&F accept, on its behalf and on behalf of the companies controlled by it, to cooperate voluntarily with the State, to carry out internal investigations and to provide it with information to prove the materiality and authorship of the irregular acts committed and confessed. Additionally, J&F has committed to repair damages resulting from the related facts under the Awarded Collaboration Agreements, through the payment of R$ 10.3 billion over 25 years starting in December 2017.

Regarding internal investigations within the scope of the Company, the work was carried out by an external investigation team hired for this purpose, under the terms of the Agreement. The investigations were concluded, with the issuance of reports delivered directly to the Independent Oversight Committee constituted to monitor the investigations and provide clarifications to the MPF. The investigation team did not find any new facts that were not already included in the Annexes of the Agreement, and the Company therefore concluded that there were no new facts related to the Agreement that could potentially impact the Company's accounting information.

The Company restructured the Compliance area and hired new professionals dedicated exclusively to this area. The area continues to constantly improve the Company's Compliance Program, developing and improving its activities and procedures, with the support of senior management, always with the aim of preventing, detecting and correcting any irregularities, in addition to fostering the compliance culture in the Company.

We confirm that the Company is in continuous compliance with the agreement´s obligations.

29. Share Purchase and Sale Agreement

On September 2, 2017, J&F entered into a share purchase and sale agreement for the sale of the totality of its direct and indirect shareholding interest in the company to CA Investment (Brazil) SA, a company in the Paper Excellence group (“CA Investment”).

The Share Purchase and Sale Agreement states that the transfer of control of Eldorado, from J&F to CA, could occur during a period of up to 12 (twelve) months, if certain precedent conditions were met, which did not occur.

The parties discuss the reasons for the non-realization of the transfer of control of Eldorado as provided for in the Share Purchase and Sale Agreement, and a judicial and arbitration dispute was initiated in the second half of 2018.

On February 3, 2021, a decision was issued in the arbitration proceedings, giving CA Investment the right to close the transaction, provided that the seller's guarantees are effectively released and the price payment is made.

On March 19, 2021, J&F filed a declaratory action against the arbitration award in the face of the Company and CA Investment, with an injunction to partially suspend the effects of that award.

30. Subsequent Events

a. Thermal power plant

The Superintendence of Supervision of Generation Services of the National Electric Energy Agency - ANEEL released the UG1 generating unit of Onça Pintada UTE, mentioned in note 27.b, for the beginning of commercial operation from April 23, 2021 through order no. 1,118 of April 22, 2021, published in the Official Gazette of April 23, 2021, section 1, p. 152.

b. Share Purchase and Sale Agreement

On April 5, 2021, an injunction was issued by the 2nd Business and Disputes Court Related to the Arbitration of the District of São Paulo, in the context of the declaratory action of nullity of arbitration award, determining that the acts relating to the release of guarantees of J&F Investimentos S.A. and the transfer of the Company's controlling interest may not occur until review of the issue in a decision of reorganization in said action, after further manifestations of the Parties and submission of evidence production requirements.

c. Action of Obligation to Make filed by Suzano S.A.

On April 29, 2021, a merit judgment was published in the Action of Obligation to Make filed by Suzano S.A. in the face of the Company, the object of note 19. (i), which partially upheld the initial request to determine that the Company should stop and refrain from planting and propagating eucalyptus clones of VT02 throughout the country, as well as condemning it to the payment of compensation for material damages in relation to 5 (five) farms, to be fixed in due course in settlement by arbitration. The judgment also dismissed the claim for compensation for moral damages. However, on May 6, 2021, the Company, by means of a procedural appeal, obtained the suspension of the process and the effects of the 1st degree sentence until a final decision by the Superior Court of Justice. In addition, it also informs that, based on the opinion of its legal advisors, the prognosis of loss the present lawsuit is possible, without constituting a provision.

d. Corporate approval for Hiring Financial Operations

On May 11, 2021, the Company's Board of Directors unanimously approved the contracting of financial operations by the Company and the performance of the acts necessary for the settlement of bonds issued by Eldorado Intl. Finance GmbH, due on June 16, 2021 under the approved terms and conditions.

Statutory Board

Carmine de Siervi Neto
President Director

Germano Aguiar Vieira
Forest Director

Carlos Roberto de Paiva Monteiro
Industrial Technical Director

Rodrigo Libaber
Commercial Director and Investor Relations

Fernando Storchi
Financial Director

Board of Directors

Aguinaldo Gomes Ramos Filho
Board of Directors President

João Adalberto Elek Júnior
Counselor

Sérgio Longo
Counselor

Mauro Eduardo Guizeline
Counselor

Francisco de Assis e Silva
Counselor

Marcio Antonio Teixeira Linares
Counselor

Raul Rosenthal Ladeira de Matos
Counselor

Accountant

Angela Midori Shimotsu do Nascimento
CRC SP 227742/O-7