

ELDORADO BRASIL CELULOSE S.A.

**Individual and consolidated interim
financial information**

As at March 31st, 2022

(Free translation from the original previously issued in Portuguese)

ELDORADO BRASIL CELULOSE S.A.

Individual and consolidated interim financial information

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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, 2022, which comprises the statement of financial position as of March 31, 2022 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, 2022, 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 12, 2022

KPMG Auditores Independentes Ltda.
CRC 2SP014428/O-6
Original report in Portuguese signed by
Leslie Nares Laurenti
Contadora CRC 1SP215906/O-9

ELDORADO BRASIL CELULOSE S.A.

Interim balance sheets

As of March 31, 2022 and December 31, 2021

(In thousands of Reais - R\$, unless otherwise indicated)

Assets					Liabilities and shareholders' equity						
	Note	03/31/2022	Individual 12/31/2021	03/31/2022	Consolidated 12/31/2021		Note	03/31/2022	Individual 12/31/2021	03/31/2022	Consolidated 12/31/2021
Current					Current						
Cash and cash equivalents	4.1	174,384	301,889	922,739	789,944	Loans and borrowings	15	1,720,830	927,423	1,720,830	927,423
Short term investments	4.2	79,703	24,555	79,703	24,555	Trade payables	14	310,921	287,584	304,259	289,846
Trade receivables	5	518,935	832,577	766,244	928,009	Lease liabilities	16	189,689	186,080	219,644	209,928
Inventories	7	543,981	521,459	669,414	678,435	Loans and borrowings with related parties	6.3	15,313	3,412	-	-
Tax receivables	8	79,426	67,146	80,955	70,098	Social tax and payroll payables		137,342	165,863	141,001	172,925
Current income tax		-	8,178	-	3,837	Tax payables		11,747	11,082	13,848	11,677
Derivative financial instruments	25.2	87,291	56,848	87,291	56,848	Current income tax		-	-	9,299	-
Other current assets		106,582	48,608	107,991	49,950	Accounts payable to related parties	6	-	141	-	141
Total current assets		1,590,302	1,861,260	2,714,337	2,601,676	Other current liabilities		17,892	26,470	84,182	120,260
Non-current					Non-current						
Long term investments	4.2	26,650	132,396	26,650	132,396	Loans and borrowings	15	3,684,412	5,216,569	3,684,412	5,216,569
Tax receivables	8	7,435	1,728	7,598	1,759	Loans and borrowings with related parties	6.3	1,042,316	1,227,710	-	-
Advances to suppliers		199,451	182,173	199,451	182,173	Lease liabilities	16	624,650	574,506	768,417	730,043
Deferred income tax	17	-	50,066	-	50,066	Deferred income tax	17	250,703	-	250,703	-
Derivative financial instruments	25.2	159,815	70,141	159,815	70,141	Derivative financial instruments	25.2	-	113,543	-	113,543
Loans and borrowings with related parties	6	111,605	48,605	-	-	Provisions for lawsuit	18	34,296	34,382	34,762	34,916
Other non current assets		5,353	4,546	5,999	5,312	Other non current liabilities		18,573	17,434	18,573	17,434
Total long-term assets		510,309	489,655	399,513	441,847	Total non-current liabilities		5,654,950	7,184,144	4,756,867	6,112,505
Biological assets	9	3,591,357	3,493,833	3,591,357	3,493,833	Shareholders' equity					
Investments	10	2,228,855	1,976,640	-	-	Share capital		1,788,792	1,788,792	1,788,792	1,788,792
Property, plant and equipment	11	4,815,993	4,860,549	4,844,110	4,881,888	Income reserves		2,350,806	2,350,806	2,350,806	2,350,806
Right of use	13	721,438	675,008	1,004,795	920,423	Equity valuation adjustments		235,365	455,369	235,365	455,369
Intangible assets	12	31,618	30,221	127,006	100,005	Retained earnings		1,056,225	-	1,056,225	-
		11,389,261	11,036,251	9,567,268	9,396,149	Total equity	19	5,431,188	4,594,967	5,431,188	4,594,967
Total non-current assets		11,899,570	11,525,906	9,966,781	9,837,996	Total liabilities and shareholders' equity		13,489,872	13,387,166	12,681,118	12,439,672
Total assets		13,489,872	13,387,166	12,681,118	12,439,672						

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

ELDORADO BRASIL CELULOSE S.A.

Interim statements of income (loss)

Three-month period ended March 31, 2022 and 2021

(In thousands of Reais - R\$, unless otherwise indicated)

	Note	Individual		Consolidated	
		03/31/2022	03/21/2021	03/31/2022	03/21/2021
Net revenue	20	726,484	856,790	1,444,308	1,306,180
Cost of sales	22	(522,930)	(434,669)	(522,864)	(458,735)
Gross profit		203,554	422,121	921,444	847,445
Operating income (expenses)					
General and administrative	22	(48,184)	(43,856)	(52,809)	(47,539)
Selling and distribution	22	(85,901)	(71,490)	(209,263)	(182,884)
Share of income in controlled companies	10	595,723	305,321	-	-
Bad debit provision	5	1,298	22	1,310	22
Other income	24	14,451	14,866	14,451	14,976
Other expenses	24	(7,854)	(24,365)	(7,943)	(24,740)
Earnings before net financial income (expenses) and taxes		673,087	602,619	667,190	607,280
Net financial income (expenses)					
Financial expenses	23	(148,034)	(130,101)	(138,457)	(133,637)
Financial income		5,946	800	7,143	2,159
Derivative financial instruments		72,138	-	72,138	-
Foreing exchange variation, net		690,387	(625,223)	694,129	(625,212)
Income (loss) before income tax and social contribution		1,293,524	(151,905)	1,302,143	(149,410)
Income tax and social contribution					
Current	17	-	-	(8,619)	(2,495)
Deferred		(237,299)	166,532	(237,299)	166,532
Net income for the period		1,056,225	14,627	1,056,225	14,627
Earnings per share - basic and diluted - in R\$	19			0.6924	0.0096

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

ELDORADO BRASIL CELULOSE S.A.

Interim statements of comprehensive income (loss)
Three-month period ended March 31, 2022 and 2021
(In thousands of Reais - R\$, unless otherwise indicated)

	Individual		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Net income for the period	1,056,225	14,627	1,056,225	14,627
Items that are or may be reclassified subsequently to the income (loss):				
Foreign exchange variation	(343,213)	127,290	(343,213)	127,290
Net gain on cash flow hedge	123,209	-	123,209	-
Total of comprehensive income	836,221	141,917	836,221	141,917

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

ELDORADO BRASIL CELULOSE S.A.

Interim statements of changes in equity
 Three-month period ended March 31, 2022 and 2021
 (In thousands of Reais - R\$, unless otherwise indicated)

	Income reserves					Equity valuation adjustments			Retained earnings	Total
	Share capital	Legal reserve	Tax benefits reserve	Reserve for expansion	Special reserve	Reserve of minimum mandatory dividends withheld	Hedge accounting	Translation adjustment		
Balance as at December 31, 2020	1,788,792	36,498	1,002,780	405,132	26,634	-	-	290,574	-	3,550,410
Net income for the period	-	-	-	-	-	-	-	-	14,627	14,627
Foreign exchange variation	-	-	-	-	-	-	-	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
Balance as at December 31, 2021	1,788,792	80,486	992,943	1,039,340	-	238,037	8,772	446,597	-	4,594,967
Net income for the period	-	-	-	-	-	-	-	-	1,056,225	1,056,225
Foreign exchange variation	-	-	-	-	-	-	-	(343,213)	-	(343,213)
Net gain on cash flow hedge	-	-	-	-	-	-	123,209	-	-	123,209
Balance as at March 31, 2022	1,788,792	80,486	992,943	1,039,340	-	238,037	131,981	103,384	1,056,225	5,431,188

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

ELDORADO BRASIL CELULOSE S.A.

Interim statements of cash flows

Three-month period ended March 31, 2022 and 2021

(In thousands of Reais - R\$, unless otherwise indicated)

	Note	Individual		Consolidated	
		03/31/2022	03/31/2021	03/31/2022	03/31/2021
Cash flows from operating activities:					
Net income for the period		1,056,225	14,627	1,056,225	14,627
Adjustments:					
Depreciation and amortization		65,422	60,608	70,588	62,351
Depletion		101,159	22,398	104,949	21,910
Income (loss) on disposal fixed assets and biological assets		(2,479)	2,371	(2,479)	2,414
Deferred income taxes	17	237,299	(166,532)	237,299	(166,532)
Current income taxes	17	-	-	8,619	2,495
Financial results - interest - lease		36	47	163	171
Financial results - interest and foreign exchange variation	15.2	(484,423)	564,283	(484,423)	790,955
Financial results - interest and foreign exchange variation - related parties		(173,493)	229,191	(187,209)	-
Financial results - interest on short and long term investments		5,816	-	5,816	(24)
Foreign exchange on customers		28,645	(17,325)	28,645	(17,325)
Provision for lawsuit		2,544	7,443	2,476	7,454
Net gain with derivatives	23 and 25,2	(46,981)	-	(46,981)	-
(Reversal) / provision for loss of tax credits		(2,271)	6,021	(2,271)	6,021
Share of income in controlled companies	10	(595,723)	(305,321)	-	-
Bad debt provision	5	(1,298)	(22)	(1,310)	(22)
		190,478	417,789	790,107	724,495
Decrease (increase) in assets					
Trade receivables		286,295	(109,320)	30,294	6,373
Inventories		(43,415)	16,413	(56,873)	36,380
Tax receivables		(7,538)	22,986	(6,302)	23,716
Advances to suppliers		(62,543)	(45,482)	(62,543)	(45,483)
Other current and non-current assets		4,111	7,894	3,855	8,645
Increase (decrease) in liabilities					
Trade payables		23,337	59,472	99,401	35,843
Accounts payable to related parties		(141)	-	(141)	-
Social tax and payroll payables		(28,521)	(26,000)	(31,437)	(29,151)
Tax payables		665	(1,959)	2,189	(2,801)
Provisions for lawsuit		(2,630)	(4,026)	(2,630)	(4,026)
Other current and non current liabilities		(7,437)	(4,013)	(17,076)	8,363
Cash from operating activities		352,661	333,754	748,844	762,354
Income tax paid		-	(4,746)	(2,774)	(5,727)
Net cash from operating activities		352,661	329,008	746,070	756,627
Cash flows of investing activities:					
Additions to biological assets		(110,412)	(133,291)	(110,412)	(133,291)
Additions to property, plant and equipment and intangible assets		(43,559)	(118,785)	(78,068)	(121,003)
Cash received from disposal of property, plant and equipment		2,237	8,063	2,237	8,063
Paid-in capital of controlled companies		-	(854)	-	-
Related parties loans		(63,000)	-	-	-
Net cash used in investing activities		(214,734)	(244,867)	(186,243)	(246,231)
Cash flows of financing activities:					
Proceeds from loans and borrowings	15.2	42,678	388,954	42,678	388,954
Payment of loans and borrowings - principal	15.2	(186,926)	(217,205)	(186,926)	(217,205)
Payment of loans and borrowings - interest	15.2	(110,079)	(54,633)	(110,079)	(55,457)
Cash invested on short and long term investments		(79,704)	-	(79,704)	(439,997)
Cash redeemed from short and long term investments		124,485	-	124,485	-
Payment of loans and borrowings - interest - related parties		-	(1,305)	-	-
Payment of lease liabilities	16	(55,886)	(44,660)	(99,809)	(44,980)
Net cash (used in) / from financing activities		(265,432)	71,151	(309,355)	(368,685)
Foreign exchange variance on cash and cash equivalents		-	-	(117,677)	84,967
Net (decrease) increase in cash and cash equivalents		(127,505)	155,292	132,795	226,678
Cash and cash equivalents at the beginning of the period		301,889	183,292	789,944	888,014
Cash and cash equivalents at the end of the period		174,384	338,584	922,739	1,114,692
Net (decrease) increase in cash and cash equivalents		(127,505)	155,292	132,795	226,678

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

ELDORADO BRASIL CELULOSE S.A.

Interim statements of value added

Three-month period ended March 31, 2022 and 2021

(In thousands of Reais - R\$, unless otherwise indicated)

	Individual		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Revenues				
Sales of goods, products and services	774,316	901,157	1,484,951	1,350,871
Other operating income (expenses)	6,161	(398)	6,215	(527)
Transfers related to the construction of own assets	3,474	18,150	3,474	18,150
Bad debt provision	1,298	22	1,310	22
	785,249	918,931	1,495,950	1,368,516
Goods and services acquired from third parties				
Cost of sales	(182,064)	(207,928)	(169,842)	(228,983)
Third party services, supplies, energy and other	(149,417)	(153,426)	(228,942)	(260,472)
Reversal of provision for loss of assets	2,271	-	2,271	-
Gross value added	456,039	557,577	1,099,437	879,061
Depreciation, amortization and depletion	(166,581)	(83,006)	(175,537)	(84,261)
Value added created	289,458	474,571	923,900	794,800
Value added received as transfer				
Share of income in controlled companies	595,723	305,321	-	-
Financial income	(107,852)	41,319	(106,537)	42,087
Total value added created	777,329	821,211	817,363	836,887
Value added distribution				
Personnel				
Salary compensation	66,670	42,611	71,122	48,097
Benefits	30,788	20,817	32,845	23,289
FGTS (Severance Pay Fund)	5,764	6,189	6,149	6,925
	103,222	69,617	110,116	78,311
Taxes, fees and contributions				
Federal	290,701	(128,177)	300,260	(125,189)
State	19,202	34,264	11,870	34,400
Municipal	-	-	16	324
	309,903	(93,913)	312,146	(90,465)
Borrowed capital return				
Interest	(730,096)	795,642	(747,667)	793,523
Lease	38,046	35,147	82,183	35,747
Other	29	91	4,360	5,144
	(692,021)	830,880	(661,124)	834,414
Equity capital return				
Net income for the period	1,056,225	14,627	1,056,225	14,627
Total value added distributed	777,329	821,211	817,363	836,887

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

ELDORADO BRASIL CELULOSE S.A.

Notes to the individual and consolidated interim financial information

As at March 31st, 2022

(In thousands of Reais - R\$, unless otherwise indicated)

1. Corporate information

Eldorado Brasil Celulose S.A. (“Eldorado”) and its subsidiaries (“Company”) is a public company governed by laws of Brazil, registered in The Securities and Exchange Commission of Brazil (CVM), under category B, headquartered in the city of São Paulo, state of São Paulo, Brazil.

The Company is a pulp producer, seller, importer and exporter, with an industrial unit in the city of Três Lagoas, state of Mato Grosso do Sul - MS, where operates since December 2012. The Company’s operations also includes the growing of seedlings and forests, extraction of wood from planted forests, reforestation of its own and leased lands as well as electric power generation from biomass from the thermoelectric power plant (“Usina Termelétrica de Onça Pintada - UTOP”) placed into service, in April, 2021.

The pulp is sold in the foreign market directly by Eldorado, as well as through its wholly owned subsidiaries in Austria, the United States of America and China.

2. Equity interest

	Country of Incorporation	Equity interest	
		03/31/2022	12/31/2021
<u>Subsidiaries - direct control</u>			
Cellulose Eldorado Austria GmbH	Austria	100%	100%
Rishis Empreend. e Participações S.A.	Brazil	100%	100%
Eldorado Brasil Celulose Logística Ltda.	Brazil	100%	100%
<u>Subsidiaries - indirect control:</u>			
Eldorado USA Inc.	United States of America	100%	100%
Eldorado Intl. Finance GmbH	Austria	100%	100%
Cellulose Eldorado Asia	China	100%	100%

3. Basis of preparation and presentation of the individual and consolidated interim financial information

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

The individual and consolidated interim financial information have been prepared in accordance with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and also in accordance with pronouncement CPC 21 - Demonstração Intermediária, issued by the Accounting Pronouncements Committee.

The individual and consolidated interim financial information were revised and approved by Executive Board on May 12th, 2022.

Management states that all relevant information to the financial statements, and only it, is being disclosed and corresponds to those used in business management.

ELDORADO BRASIL CELULOSE S.A.

Notes to the individual and consolidated interim financial information

As at March 31st, 2022

(In thousands of Reais - R\$, unless otherwise indicated)

(b) Basis of measurement

The individual and consolidated interim financial information are based on accounting practices and policies consistent with those adopted in the preparation of the financial statements as of December 31st, 2021 and should be read in conjunction with such statements.

The information in the notes to the individual and consolidated interim financial information that has not significantly changed from December 31st, 2021, was not fully replicated in this quarterly information. Some selected information has been included to explain the main events and transactions of the quarter and to allow a better understand of the Company's financial position and operational performance changes that occurred since the publication of the individual and consolidated annual financial statements, at December 31st, 2021.

Information for the year ended at December 31st, 2021 is presented in the individual and consolidated annual financial statements, issued at March 25th, 2022.

The notes listed below were not replicated or are not at the same level of detail of those included in the individual and consolidated annual financial statements:

- Summary of significant accounting policies (note 4);
- Trade receivables (nota 6);
- Tax receivables (note 9);
- Biological assets (note 10);
- Investments (note 11);
- Property, plant and equipment (note 12);
- Intangible (note 13);
- Right of use (note 14);
- Loan and borrowings (note 16);
- Lease liabilities (note 17);
- Income tax and social contribution - current and deferred (note 18);
- Provision for lawsuit (note 19);
- Shareholders' equity (note 20);
- Financial instruments (note 26); and
- Take or pay agreements (note 27).

(c) Use of estimates and judgments

The individual and consolidated interim financial information have been prepared in accordance with IFRS and CPC standards which requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of the assets, liabilities, income and expenses. Actual results could differ from those estimates.

ELDORADO BRASIL CELULOSE S.A.

Notes to the individual and consolidated interim financial information

As at March 31st, 2022

(In thousands of Reais - R\$, unless otherwise indicated)

Estimates and underlying assumptions are reviewed on an ongoing basis, with such reviews being recognized on a prospective basis.

There was no changes in the Management's estimates and judgments used and disclosed in the individual and consolidated annual financial statements as of December 31st, 2021.

(d) Fair value measurement

When measuring fair value of an asset or a liability, the Company uses prices and other relevant information generated by market transactions involving identical or similar assets and liabilities. Additional information on the assumptions used in the fair value measurement is included in the following notes:

- **Note 9** - biological assets;
- **Note 25** - financial instruments.

(e) Functional and presentation currency

The individual and consolidated interim financial information are being presented in thousands of Reais (R\$), which is the functional currency of the Company. The functional currency of the foreign subsidiaries is the U.S. dollar. All balances were rounded to the nearest thousand unless otherwise indicated.

(i) Transactions in foreign currency

Transactions denominated in a foreign currency are translated to the entity's functional currency at the exchange rate on the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate on the balance sheet date. Differences resulting from the translation are recognized in profit or loss.

(ii) Foreign operations

Assets and liabilities of foreign operations are translated in Reais (R\$) at the exchange rate on the balance sheet date. Revenues and expenses of foreign operations are translated in Reais (R\$) at the average exchange rate of the transaction period.

The foreign currency differences (functional currency of foreign subsidiaries) arising from the translation to the reporting currency, Reais (R\$), are recognized in other comprehensive income and accumulated in the Cumulative Translation Adjustments - CTA, in shareholders' equity.

ELDORADO BRASIL CELULOSE S.A.

Notes to the individual and consolidated interim financial information

As at March 31st, 2022

(In thousands of Reais - R\$, unless otherwise indicated)

(f) Restatement

The management identified that certain transactions were misstated in its individual and consolidated statements of cash flows and individual and consolidated statements of value added for the period ended at March 31st, 2021, originally issued on May 13th, 2021. The misstatements have been adjusted by the restatement of the referred statements.

Although the amounts were not material at the level of the individual and consolidated financial information for the period ended at March 31st, 2021, the management decided to restate these financial information to better reflect the Company's economic and financial situation.

The amounts reclassified refer to:

- (i) Current income tax and social contribution reclassified to a net income (loss) adjustment because it is a non-cash event;
- (ii) Tax credits reversal reclassified to a net income (loss) adjustment because it is a non-cash event;
- (iii) Provisions for lawsuit individually presented as an increase (decrease) in liabilities;
- (iv) Adjust of the double counted payment of lease liabilities;
- (v) Active exchange rate change as added amount received in transfer previously presented the third-party equity valuations.

ELDORADO BRASIL CELULOSE S.A.

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As at March 31st, 2022

(In thousands of Reais - R\$, unless otherwise indicated)

	Statement of cash flow - 1Q2021			
	Previously reported	(ii)	(iii)	Individual Restatement
Cash flow from operating activities:				
Net loss for the period	14,627	-	-	14,627
Adjustments:				
Reversal of tax credits	-	6,021	-	6,021
Others	397,141	-	-	397,141
	411,768	6,021	-	417,789
Decrease (increase) in assets				
Inventories	18,168	-	-	16,413
Tax receivables	29,007	(6,021)	-	22,986
Advances to suppliers	(34,865)	-	-	(45,482)
Increase (decrease) in liabilities				
Trade payables	15,169	-	-	59,472
Tax payables	36,284	-	-	36,284
Provisions for lawsuit	-	-	(4,026)	(4,026)
Other current and non current liabilities	(8,039)	-	4,026	(4,013)
Others	(170,415)	-	-	(170,415)
Net cash from operating activities	297,077	-	-	329,008
Cash flows of investing activities:				
Additions to biological assets	(101,360)	-	-	(133,291)
Others	(111,576)	-	-	(111,576)
Net cash used in investing activities	(212,936)	-	-	(244,867)
Net cash from / (used in) financing activities	71,151	-	-	71,151
Net increase in cash and cash equivalents	155,292	-	-	155,292
Cash and cash equivalents at the beginning of the period	183,292	-	-	183,292
Cash and cash equivalents at the end of the period	338,584	-	-	338,584
Net increase in cash and cash equivalents	155,292	-	-	155,292

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(In thousands of Reais - R\$, unless otherwise indicated)

	Statement of cash flow - 1Q2021					Restatement
	Previously reported	(i)	(ii)	(iii)	(iv)	
Cash flow from operating activities:						
Net loss for the period	14,627	-	-	-	-	14,627
Adjustments:						
Current income taxes	-	2,495	-	-	-	2,495
Reversal of tax credits	-	-	6,021	-	-	6,021
Other	701,352	-	-	-	-	701,352
	715,979	2,495	6,021	-	-	724,495
Decrease (increase) in assets						
Inventories	38,135	-	-	-	(1,755)	36,380
Tax receivables	29,737	-	(6,021)	-	-	23,716
Advances to suppliers	(34,866)	-	-	-	(10,617)	(45,483)
Increase (decrease) in liabilities						
Trade payables	(8,460)	-	-	-	44,303	35,843
Tax payables	38,691	(2,495)	-	-	-	36,196
Provisions for lawsuit	-	-	-	(4,026)	-	(4,026)
Other current and non current liabilities	4,337	-	-	4,026	-	8,363
Other	(58,857)	-	-	-	-	(58,857)
Net cash from operating activities	724,696	-	-	-	31,931	756,627
Cash flows of investing activities:						
Additions to biological assets	(101,360)	-	-	-	(31,931)	(133,291)
Other	(112,940)	-	-	-	-	(112,940)
Net cash used in investing activities	(214,300)	-	-	-	(31,931)	(246,231)
Net cash from / (used in) financing activities						
Foreign exchange variance on cash and cash equivalents	84,967	-	-	-	-	84,967
Net increase in cash and cash equivalents	226,678	-	-	-	-	226,678
Cash and cash equivalents at the beginning of the period	888,014	-	-	-	-	888,014
Cash and cash equivalents at the end of the period	1,114,692	-	-	-	-	1,114,692
Net increase in cash and cash equivalents	226,678	-	-	-	-	226,678

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(In thousands of Reais - R\$, unless otherwise indicated)

	Statements of value added - 1Q2021					
	Individual			Consolidated		
	Previously reported	(v)	Restatement	Previously reported	(v)	Restatement
Revenues	918,931	-	918,931	1,368,516	-	1,368,516
Third party services, supplies, energy and other	(361,354)	-	(361,354)	(489,455)	-	(489,455)
Gross value added	557,577	-	557,577	879,061	-	879,061
Depreciation, amortization and depletion	(83,006)	-	-	(84,261)	-	(84,261)
Value added created	474,571	-	557,577	794,800	-	794,800
Value added received as transfer	-	-	-	-	-	-
Share of income in controlled companies	305,321	-	305,321	-	-	-
Financial income	800	40,519	41,319	2,159	39,928	42,087
Total value added created	780,692	40,519	904,217	796,959	39,928	836,887
Value added distribution						
Personnel	69,617	-	69,617	78,311	-	78,311
Taxes, fees and contributions	(93,913)	-	(93,913)	(90,465)	-	(90,465)
Borrowed capital return						
- Interest	755,123	40,519	795,642	753,595	39,928	793,523
- Other	35,238	-	35,238	40,891	-	40,891
Equity capital return	14,627	-	14,627	14,627	-	14,627
Total value added distributed	780,692	40,519	821,211	796,959	39,928	836,887

ELDORADO BRASIL CELULOSE S.A.

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(In thousands of Reais - R\$, unless otherwise indicated)

(g) New and revised standards and interpretations already issued and not yet adopted

There are no other standards, amendments to standards or interpretations not yet effective, for which the Company expects to have a material impact on its individual and consolidated interim financial information when they are applied.

4. Cash, cash equivalents and short term investments

4.1. Cash and cash equivalents

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Cash	32	38	35	51
Bank deposits (a)	82,851	62,969	573,750	518,942
Bank certificates of deposit - CDB (b)	91,501	238,882	348,954	270,951
	<u>174,384</u>	<u>301,889</u>	<u>922,739</u>	<u>789,944</u>

(a) Counterparty risk is mitigated through allocation across various financial counterparts with credit profiles in accordance to the Company's risk management practices and policy, as indicated in the credit rating classification presented below.

(b) Readily available bank certificates of deposit (CDB's) with daily interest indexed to the Brazil Interbank Deposit Rate (CDI). The short term investments held by foreign controlled entities are "Time Deposit" type, readily available, with daily interest based on pre-fixed rates.

The allocation of the bank deposits and bank certificates of deposit across the score risk of the financial counterparts were as follows:

Risk classification (1)	Bank deposits and Bank certificates of deposit			
	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
AAA	-	-	4,872	5,460
A+	117,918	-	620,160	-
A	-	301,838	2,651	784,420
BB	22	11	22	11
BB-	56,411	-	294,998	-
B-	1	2	1	2
	<u>174,352</u>	<u>301,851</u>	<u>922,704</u>	<u>789,893</u>

(1) Credit risk rate classification granted by Fitch Ratings, Moody's and Standard & Poor's, on a global scale.

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4.2. Short term investments

	Individual and Consolidated	
	03/31/2022	12/31/2021
Time deposit (a)	26,650	55,899
Bank certificates of deposit - CDB (b)	79,703	101,052
	106,353	156,951
Current	79,703	24,555
Non-current	26,650	132,396
	106,353	156,951

(a) Interest-bearing bank deposits held as collateral for Advance on Exchange Contracts (ACC) presented in note 15.3(i), which will be released upon payment;

(b) Bank certificate of deposit (CDB) held as collateral for the Export Credit Notes (NCE) agreement the Company has entered in May and June 2021, presented in note 15.3(ii), which will be released upon repayment.

5. Trade receivables

5.1. Balance composition

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Domestic	195,390	123,997	195,396	124,003
Foreign	329,571	716,128	596,027	834,127
	524,961	840,125	791,423	958,130
Expected credit loss (ECL)	(6,026)	(7,548)	(25,179)	(30,121)
	518,935	832,577	766,244	928,009

Balance by maturity:

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Current	504,684	806,094	719,146	808,738
From 1 to 30 days past due	12,673	14,451	42,420	75,507
From 31 to 60 days past due	1,574	9,889	1,779	38,579
From 61 to 90 days past due	-	476	441	1,795
Over 90 days past due	4	1,667	2,458	3,390
	518,935	832,577	766,244	928,009

The Company has financial instruments, such as credit insurance, that guarantee the partial collection of due balances.

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5.2. Expected credit loss:

	Individual	Consolidated
Balance December 31 st , 2021	(7,548)	(30,121)
Reversal	1,298	1,310
Foreign exchange variance	224	3,632
Balance March 31 st , 2022	(6,026)	(25,179)

6. Related parties

All balances in the balance sheet and transactions in the profit and loss accounts, which are based on prices and terms agreed upon both parties, are as follows:

6.1. Balance composition

	Transaction	Receivable (payable)			
		Individual		Consolidated	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
Subsidiaries					
Cellulose Eldorado Áustria GmbH	Pulp sale	49,531	166,628	-	-
Eldorado EUA Inc.	Pulp sale	235,826	488,593	-	-
Eldorado Intl. Finance GmbH	PPE (iii) NE 6.3	(1,057,629)	(1,231,122)	-	-
Rishis Empreend. e Partic.	Services	(38,491)	(37,958)	-	-
Eldorado Brasil Logística Ltda.	Costs transfer (vii)	111,605	48,605	-	-
Net total payable to subsidiaries		(699,158)	(565,254)	-	-
Shareholders					
J&F Participações S.A.	Guarantee fees (i)	-	(56)	-	(56)
J&F Participações S.A.	Other (vi)	(64)	(202)	(64)	(202)
Total payable to controlling shareholders		(64)	(258)	(64)	(258)
Other related parties					
JBS S.A.	Other (iv)	(83)	(78)	(83)	(78)
Seara Alimentos Ltda.	Meals (v)	(16)	(894)	(16)	(894)
Total payable to group companies		(99)	(972)	(99)	(972)
		(699,321)	(566,484)	(163)	(1,230)
Assets					
Trade receivables		285,357	655,221	-	-
Trade receivables with related parties		111,605	48,605	-	-
Liabilities					
Trade payables		(38,654)	(39,047)	(163)	(1,089)
Loans and borrowings with related parties		(1,057,629)	(1,231,122)	-	-
Accounts payable with related parties		-	(141)	-	(141)
Total		(699,321)	(566,484)	(163)	(1,230)

ELDORADO BRASIL CELULOSE S.A.

Notes to the individual and consolidated interim financial information

As at March 31st, 2022

(In thousands of Reais - R\$, unless otherwise indicated)

6.2. Period transactions

Subsidiaries	Transaction	Income (expenses)			
		Individual		Consolidated	
		01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021	01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
Cellulose Eldorado Áustria GmbH	Pulp sale	280,717	368,074	-	-
Cellulose Eldorado Áustria GmbH	PPE (ii)	-	(1,257)	-	-
Eldorado EUA Inc.	Pulp sale	169,116	260,248	-	-
Eldorado Intl. Finance GmbH	PPE (iii)	(13,308)	(42,473)	-	-
Rishis Empreend. e Partic.	Services	(7,292)	(5,600)	-	-
Net revenue with subsidiaries		429,233	578,992	-	-
Shareholders					
J&F Participações S.A.	Guarantee fees (i)	-	(699)	-	(699)
Other related parties					
JBS S.A.	Others (iv)	(1,811)	(2,972)	(1,811)	(2,972)
Seara Alimentos Ltda.	Meals (v)	(65)	(91)	(65)	(91)
Total expenses with group companies		(1,876)	(3,063)	(1,876)	(3,063)
Total income		427,357	575,230	(1,876)	(3,762)

- (i) Aval fee granted by J&F Investimentos S.A.;
- (ii) 5-year export credit (“Pre-payment”) granted by Cellulose Eldorado Austria GmbH, with market interest earnings + foreign exchange variance. This financial transaction has been repaid in April, 2021;
- (iii) 5 year export credit (“Pre-payment”) granted by Cellulose Eldorado Austria GmbH, with market interest earnings + foreign exchange variance. In June 2021, this financial transaction was extended for an additional period of 3 years;
- (iv) Amounts payable on general transactions including freight on pulp transportation, supply of food ingredients for using in the Company's cafeteria and data center leasing;
- (v) Supply of food ingredients for using in the Company's cafeteria;
- (vi) Leasing and office expenses sharing.
- (vii) Loan agreement with the subsidiary Eldorado Brasil Logística Ltda, maturing in 5 years.

6.3. Period transactions of related parts loans

	Individual
	01/01/2022 to 03/31/2022
Opening balance	1,231,122
Provisions	
Interest	13,308
Foreign exchange variance	(186,801)
Ending balance	1,057,629
Current	15,313
Non-current	1,042,316
	1,057,629

ELDORADO BRASIL CELULOSE S.A.

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As at March 31st, 2022

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6.4. Management compensation

Expenses related to the compensation of key management personnel, which include the Board of Statutory Executive Officers, Fiscal Council and Board of Directors, recognized in the interim statement of income for the period, were as follows:

	Individual		Consolidated	
	01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021	01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
Benefits (a)	5,549	6,680	7,127	8,244
Private pension	94	81	113	100

- (a) Includes fixed compensation (salaries, vacations and 13th salary), social security contribution - INSS, compulsory severance pay fund - FGTS, bonus and other compensation.

7. Inventories

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Seedlings	177	264	177	264
Raw materials - wood (i)	134,974	187,273	134,974	187,273
Pulp (ii)	114,667	70,930	239,841	227,663
Operating supplies (iii)	80,369	56,774	80,369	56,774
Maintenance supplies (iii)	213,794	206,218	214,053	206,461
	543,981	521,459	669,414	678,435

- (i) The variation in raw materials is associated with wood purchased from third parties, that is accounted for inventory when received at the plant only;
- (ii) The increase in pulp inventories is related to the delay in maritime shipments which were impacted by problems in the global logistics chain. On March 31st, the Company had 67,633 tons of pulp whose shipment was postponed to the first days of April;
- (iii) The increase in operating and maintenance supplies is mainly related to the increase in safety stock levels to mitigate stockouts in forestry and production, as well as increase in nominal values due to inflation.

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8. Recoverable taxes

VAT tax	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
State value added tax - VAT	1,028,489	1,030,760	1,028,859	1,032,600
VAT loss provision (i)	(1,028,489)	(1,030,760)	(1,028,489)	(1,030,760)
VAT, net	-	-	370	1,840
Other recoverable taxes				
Federal VAT (PIS and COFINS)	54,691	52,167	55,446	52,874
Reintegra tax credit	14,901	14,759	14,901	14,759
Income tax and social contribution - IRPJ/CSLL	9,805	191	9,814	200
Other	7,464	1,757	8,022	2,184
Total recoverable taxes	86,861	68,874	88,553	71,857
Current	79,426	67,146	80,955	70,098
Non-current	7,435	1,728	7,598	1,759
	86,861	68,874	88,553	71,857

- (i) There was an R\$ 2,271 reversal to offset the VAT tax credits consumed in the normal course of the business.

9. Biological assets

The biological assets has the follow changes in the period of three months ended on March 31st, 2022:

	Individual and Consolidated
Beginning balance	3,493,833
Forest formation cost	150,000
Forest depletion	(52,476)
Ending balance	3,591,357

The forests that form the biological asset are exposure to operational and environmental risks, such as fire, pests and diseases. Additionally, there are risks related to climate change which can affect the ecological balance and, as a consequence, the forest productivity.

Management determined there is no need for biological assets revaluation for the period ended at March 31st, 2022, as there was no significant change from the fair value measurement in the year ended December 31st, 2021.

The main assumptions considered in estimating the fair value of biological assets for the year ended in December 31st, 2021, were:

Harvest area (hectare)	233,252
Average annual timber increment (AATI) - m ³ /hectare	30.28
Discount rate - WACC (%)	5.61
Timber market price - R\$ / m ³	79.50

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10. Investments

10.1. Investment composition and controlled entity's information

	Equity interest	Total assets	Share capital	Equity	Net revenue	Net income (loss)
Cellulose Eldorado Austria GmbH	100%	2,507,619	111	2,053,780	1,167,183	542,402
Rishis Empreendimentos e Participações S.A.	100%	99,356	108,979	91,269	6,890	(32)
Eldorado Brasil Celulose Logística Ltda.	100%	359,055	69,431	74,765	-	587

10.2. Investments period transactions - individual

	Balance at 12/31/2021	Additions (disposals)	Cumulative translation adjustment	Unrealized income on inventories	Equity accounting results	Balance at 03/31/2022
Cellulose Eldorado Austria GmbH	1,801,825	-	(343,213)	52,766	542,402	2,053,780
Rishis Empreendimentos e Participações S.A.	100,637	(295)	-	-	(32)	100,310
Eldorado Brasil Celulose Logística Ltda.	74,178	-	-	-	587	74,765
Total	1,976,640	(295)	(343,213)	52,766	542,957	2,228,855

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11. Property, plant and equipment

11.1 Property, plant and equipment composition

	Weighted annual depreciation rates	03/31/2022			12/31/2021		
		Cost	Accumulated depreciation	Net cost	Cost	Accumulated depreciation	Net cost
Individual:							
Buildings and facilities	3.4% to 5.3%	1,760,014	(443,029)	1,316,985	1,752,706	(427,698)	1,325,008
Machinery and equipment	5.7%	4,294,822	(1,358,220)	2,936,602	4,282,963	(1,304,190)	2,978,773
Vehicles and vessels	10% to 19.9%	195,433	(113,549)	81,884	187,283	(109,671)	77,612
IT equipments	19.2%	105,974	(70,803)	35,171	103,135	(69,552)	33,583
Assets under construction	-	324,741	-	324,741	325,327	-	325,327
Other	9.2% to 20.0%	137,346	(16,736)	120,610	136,165	(15,919)	120,246
		6,818,330	(2,002,337)	4,815,993	6,787,579	(1,927,030)	4,860,549
Consolidated:							
Buildings and facilities	3.4% to 5.4%	1,761,130	(443,163)	1,317,967	1,753,831	(427,824)	1,326,007
Machinery and equipment	5.7%	4,299,620	(1,359,705)	2,939,915	4,287,761	(1,305,598)	2,982,163
Vehicles and vessels	10% to 19.9%	195,433	(113,549)	81,884	187,283	(109,671)	77,612
IT equipments	19.2%	108,020	(72,553)	35,467	105,334	(71,366)	33,968
Assets under construction	-	347,929	-	347,929	341,530	-	341,530
Other	7.8% to 20.0%	138,247	(17,299)	120,948	137,099	(16,491)	120,608
		6,850,379	(2,006,269)	4,844,110	6,812,838	(1,930,950)	4,881,888

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11.2 Transactions of property, plant and equipment

	Balance as at 12/31/2021	Period of three months ended 03/31/2022					Balance as at 03/31/2022
		Additions	Disposals	Transfers	Depreciation	Foreign exchange variance	
Individual:							
Buildings and facilities	1,325,008	-	-	7,308	(15,331)	-	1,316,985
Machinery and equipment	2,978,773	3,677	(449)	15,015	(60,414)	-	2,936,602
Vehicles and vessels	77,612	-	(59)	10,183	(5,852)	-	81,884
IT equipments	33,583	-	(3)	3,431	(1,840)	-	35,171
Assets under construction	325,327	36,572	-	(37,158)	-	-	324,741
Other	120,246	19	(49)	1,221	(827)	-	120,610
	4,860,549	40,268	(560)	-	(84,264)	-	4,815,993
Consolidated:							
Buildings and facilities	1,326,007	-	-	7,308	(15,347)	(1)	1,317,967
Machinery and equipment	2,982,163	3,677	(449)	15,015	(60,491)	-	2,939,915
Vehicles and vessels	77,612	-	(59)	10,183	(5,852)	-	81,884
IT equipments	33,968	14	(3)	3,431	(1,903)	(40)	35,467
Assets under construction	341,530	43,557	-	(37,158)	-	-	347,929
Other	120,608	19	(49)	1,221	(842)	(9)	120,948
	4,881,888	47,267	(560)	-	(84,435)	(50)	4,844,110

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There were no significant changes in the external and internal sources of information which could affect the recoverable amount of assets.

11.3 Items pledged as collateral

Property, plant and equipment can be pledged as collateral up to the related loan amount (note 15).

12 Intangible assets

12.1 Intangible assets composition

	Weighted annual amortization rates	03/31/2022			12/31/2021		
		Cost	Accumulated amortization	Net cost	Cost	Accumulated amortization	Net cost
Individual:							
Software	19.6%	56,581	(24,963)	31,618	53,241	(23,020)	30,221
Consolidated:							
Goodwill of right-of-use on port concession	6.9%	17,002	(7,961)	9,041	17,002	(7,666)	9,336
Software	19.6%	57,346	(25,700)	31,646	54,007	(23,752)	30,255
Terminal concession	8.6%	133,359	(47,040)	86,319	105,847	(45,433)	60,414
		207,707	(80,701)	127,006	176,856	(76,851)	100,005

12.2 Transactions of intangible assets

	Balance as at	Period of three months ended			Balance as at
	12/31/2021	Additions	Transfers	Amortization	03/31/2022
Individual:					
Software	30,221	3,340	-	(1,943)	31,618
Consolidated:					
Goodwill of right-of-use on port concession	9,336	-	-	(295)	9,041
Software	30,255	3,340	-	(1,949)	31,646
Terminal concession	60,414	27,512	-	(1,607)	86,319
	100,005	30,852	-	(3,851)	127,006

ELDORADO BRASIL CELULOSE S.A.

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(In thousands of Reais - R\$, unless otherwise indicated)

13 Right of use of leased properties

13.1 Right of use composition

	03/31/2022			12/31/2021		
	Cost	Accumulated depreciation	Net cost	Cost	Accumulated depreciation	Net cost
Individual:						
Land	996,856	(316,923)	679,933	935,722	(292,659)	643,063
Buildings	5,313	(3,662)	1,651	5,306	(3,208)	2,098
Vehicles	80,107	(41,574)	38,533	59,225	(30,707)	28,518
Machinery and forestry equipment	5,679	(4,358)	1,321	5,679	(4,350)	1,329
Facilities and improvements	201	(201)	-	201	(201)	-
	1,088,156	(366,718)	721,438	1,006,133	(331,125)	675,008
Consolidated:						
Land	996,856	(316,923)	679,933	935,722	(292,659)	643,063
Buildings	12,007	(6,221)	5,786	12,107	(5,678)	6,429
Vehicles	80,272	(41,660)	38,612	59,420	(30,796)	28,624
Machinery and forestry equipment	5,679	(4,358)	1,321	5,679	(4,350)	1,329
Facilities and improvements	279,344	(201)	279,143	241,180	(202)	240,978
	1,374,158	(369,363)	1,004,795	1,254,108	(333,685)	920,423

13.2 Transactions of right of use

	Balance as at 12/31/2021	Period of three months ended 03/31/2022					Balance as at 03/31/2022
		Additions	Disposals	Depreciation	Price index adj.	Exchange rate variation	
Individual:							
Land	643,063	42,599	(7,865)	(26,293)	28,429	-	679,933
Buildings	2,098	-	-	(454)	7	-	1,651
Vehicles	28,518	-	-	(10,866)	20,881	-	38,533
Machinery and forestry equipment	1,329	-	-	(8)	-	-	1,321
	675,008	42,599	(7,865)	(37,621)	49,317	-	721,438
Consolidated:							
Land	643,063	42,599	(7,865)	(26,293)	28,429	-	679,933
Buildings	6,429	-	-	(633)	7	(17)	5,786
Vehicles	28,624	-	-	(10,878)	20,881	(15)	38,612
Machinery and forestry equipment	1,329	-	-	(8)	-	-	1,321
Facilities and improvements	240,978	-	-	-	38,165	-	279,143
	920,423	42,599	(7,865)	(37,812)	87,482	(32)	1,004,795

R\$ 21,655 out of the depreciation was considered part of the formation cost of the biological asset (note 9) and R\$ 10,740 was considered as an advance to suppliers (forestry partnership contracts).

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14 Trade payables

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Materials and services	77,283	89,243	64,025	83,852
Operating supplies	223,575	187,390	223,575	187,391
Other	10,063	10,951	16,659	18,603
	310,921	287,584	304,259	289,846

15 Loans and borrowings

15.1 Loans and borrowings composition

Financial category	Average annual interest rate and fees	Maturity	Individual and Consolidated	
			03/31/2022	12/31/2021
FINAME - Project Finance	2.70% to 3.69% p.a	July/2022 to July/2023	827	1,077
ACC - Exchange	(*)Trade finance	July/2022 to July/2024	2,067,176	2,361,908
Contract Advance (i)	(*)Trade finance	April/2022 to Jan./2023	631,365	819,124
NCE (ii)	CDI + 5.02% p.a.	March/2024 to March/2025	18,607	20,376
Leasing (iii)	Pre-fixed - 8.97% p.a.	August/2022	75,440	75,436
CCB (iv)	* Trade finance	November/2023	1,416,645	1,665,127
PPE (v)	IPCA + 7.1945% p.a.	September/2027	511,836	506,729
CRA (vi)	CDI + 3.00% p.a.	September/2024	683,346	694,215
Debentures (4th. issue) (vii)			5,405,242	6,143,992
Current			1,720,830	927,423
Non-current			3,684,412	5,216,569
			5,405,242	6,143,992
The maturity of non-current liabilities is as follows:				
2023			2,276,673	
2024			897,155	
2025			499	
2026			269,402	
2027			240,683	
			3,684,412	

(*) Trade finance (ACC, NCE and PPE) has an average cost in dollars from 4.4% to 5.2% p.a.

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(In thousands of Reais - R\$, unless otherwise indicated)

15.2 Transactions of loans and borrowings

<u>Individual and Consolidated</u>	<u>03/31/2022</u>
Beginning balance	6,143,992
- Loans and borrowings raised	42,678
Provisions	
- Accrued interest	129,506
- Accrued foreign exchange variance	(613,929)
Repayments of	
- Principal	(186,926)
- Interest	(110,079)
Ending balance	5,405,242

The interest repayments are presented as financing activities in the interim information of cash flows since they are financing related costs.

15.3 Company's credit lines

The Company uses trade finance instruments and bilateral loans with banks to fund the working capital and capital expenditures.

The existent credit lines are as follows:

- (i) Working capital through Advance on Exchange Contracts (ACC);
- (ii) Real (R\$) denominated Export Credit Notes (NCE) contracts. In May and June 2021, the Company entered to an Export Credit Note agreement due from October 2021 to January 2023, and interest rate indexed to CDI + spread. During the first quarter of 2022, the Company partially amortized the amount of R\$ 164,909 of these contracts;
- (iii) Financing of machinery and equipment through Real denominated leasing contracts;
- (iv) In May 2019, the Company entered into a Bank Credit Note agreement with a fixed interest rate. In May 2021, the Company, through its wholly-owned subsidiary Eldorado Brasil Celulose Log. LTDA, entered into a Bank Credit Note agreement with Daycoval Bank due in November 2021, with interest rate indexed to CDI + spread;
- (v) The Company has several Export Prepayment agreements due from August to November, 2022, with interest rate indexed to Libor + spread;
- (vi) On September 29, the Company concluded the 3rd issuance of simple, non-convertible, debentures, linked to Agribusiness Receivables Certificates - CRAs, in the amount of R\$ 500.000, due in September 2027, with interest rate indexed to IPCA + spread;
- (vii) On October 14, the Company concluded the 4th issue of simple, non-convertible, debentures in the amount of R\$ 700.000, due in September 2024, with interest rate indexed to IPCA + spread.

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15.4 Covenants

The Company has the obligation to maintain the follow covenants for its financial contracts:

Index	Parameter	Limit
Net debt to Ebitda ratio - R\$	Net debt / Ebtida	up to 4.0x
Net debt to Ebitda ratio - US\$	Net debt / Ebtida	up to 3.5x

Net debt¹ to EBITDA² ratio in Real (R\$) is measured in a semiannual basis while the Dollar (US\$) ratio is measured in both, quarterly and annual basis.

(¹) Net debt is total balance of loans and borrowings minus cash, cash equivalents, short and long investments at the measurement date.

(²) Ebitda is the English acronym for earnings before interest, taxes, depreciation and amortization.

On March 31st, 2022 the Company has complied with all covenants.

15.5 Loan guarantees

For some loan contracts related to ACC's, FINAME, Leasing and NCE's are guaranteed by the financed equipment, pledge of forests and financial investments, as mentioned in note 4.2.

16 Lease liabilities

16.1 Lease liabilities composition

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Lease liabilities	1,225,803	1,139,597	1,579,973	1,509,886
Net present value - NPV, adjustment	(411,464)	(379,011)	(591,912)	(569,915)
	814,339	760,586	988,061	939,971
Current	189,689	186,080	219,644	209,928
Non-current	624,650	574,506	768,417	730,043
	814,339	760,586	988,061	939,971

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16.2 Transactions of lease liabilities:

	<u>Individual</u>	<u>Consolidated</u>
	<u>03/31/2022</u>	<u>03/31/2022</u>
Beginning balance	760,586	939,971
New lease contracts	42,599	42,599
Payments	(55,886)	(99,810)
Interest accrued (a)	26,390	26,527
Write-off/termination	(8,667)	(8,667)
Contract modifications (b)	49,317	87,482
Foreign exchange variance	-	(41)
Ending balance	814,339	988,061

(a) R\$ 17,933 out of the accrued interest was considered part of the formation cost of the biological assets (note 9) and R\$ 6,889 was considered as advance to suppliers (partnership contracts).

(b) Refers to changes in the existing contracts.

16.3 Lease liabilities payment schedule:

	<u>Individual</u>	<u>Consolidated</u>
	<u>03/31/2022</u>	<u>03/31/2022</u>
<u>Estimated lease payments</u>		
2022	91,466	99,556
2023	200,008	246,315
2024	184,365	232,004
2025	173,144	220,780
2026 and thereafter	576,820	781,318
Net present value - NPV, adjustment	(411,464)	(591,912)
	814,339	988,061

Lease liabilities were considered gross of PIS and COFINS taxes. The potential PIS and COFINS credits included in the leasing contracts are as follows:

<u>Cash flows</u>	<u>Individual</u>		<u>Consolidated</u>	
<u>03/31/2022</u>	<u>Nominal</u>	<u>Net present value - NPV</u>	<u>Nominal</u>	<u>Net present value - NPV</u>
Lease liabilities	1,225,803	814,339	1,579,973	988,061
Potential PIS and COFINS credits (9.25%)	68,265	41,393	68,918	41,769

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(In thousands of Reais - R\$, unless otherwise indicated)

17 Income tax and social contribution - current and deferred

17.1 Effective tax rate reconciliation:

	Individual		Consolidated	
	01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021	01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
Income (loss) before income tax and social contribution	1,293,524	(151,905)	1,302,143	(149,410)
Income tax - nominal rate of 34%	(439,799)	51,648	(442,729)	50,799
Tax effect on permanent differences:				
Share of profit in controlled companies	202,546	103,809	-	-
Non-deductible expenses	(233)	(192)	(298)	(279)
Government grants	187	235	187	235
Lease expenses - IFRS16	-	363	(16)	346
Income tax rate difference of foreign subsidiaries	-	-	47,912	19,903
Rolling tax - foreign subsidiaries	-	-	143,903	81,794
Other	-	10,669	5,123	11,239
Income tax and social contribution - current and deferred	(237,299)	166,532	(245,918)	164,037
Current	-	-	(8,619)	(2,495)
Deferred	(237,299)	166,532	(237,299)	166,532
	(237,299)	166,532	(245,918)	164,037
Effective tax rate	18.35%	(109.63%)	18.89%	(109.79%)

17.2 Deferred income tax and social contribution transactions:

Individual and Consolidated	12/31/2021	Additions	Deductions	03/31/2022
Tax loss carryforward (i)	631,469	49,565	-	681,034
Unrealized exchange rate variance	399,245	-	(261,289)	137,956
Accrued expenses	58,411	-	(18,054)	40,357
Hedge accounting	(4,572)	(79,444)	-	(84,016)
Fair value adj. of biological assets	(202,182)	-	15,267	(186,915)
Accelerated depreciation - tax incentive	(832,305)	(6,814)	-	(839,119)
	50,066	(36,693)	(264,076)	(250,703)
Temporary differences - assets	1,089,125	49,565	(279,343)	859,347
Temporary differences - liabilities	(1,039,059)	(86,258)	15,267	(1,110,050)
	50,066	(36,693)	(264,076)	(250,703)

(i) On March 31st, 2022, the total of losses carryforward amounted to R\$ 2,003,042 (R\$ 1,857,262 on December 31st, 2021).

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Management, based on the approved multiannual budget, estimates that the tax credits arising from temporary differences and losses carryforward will be realized as follows:

<u>Individual and Consolidated</u>	<u>03/31/2022</u>
2022	45,770
2023	204,089
2024	189,858
2025	238,294
2026	181,336
	<u>859,347</u>

18 Provisions for lawsuit

The Company, in the normal course of its businesses, is subject to legal proceedings of tax, labor, environmental, civil and regulatory nature, for which, supported by the opinion of its legal advisors, assesses the expectation for the outcome of the proceedings and determines the probability of loss, which reflects the follow estimated provision for lawsuits:

Individual

	<u>12/31/2021</u>	<u>Addition</u>	<u>Write-off</u>	<u>Adjustment</u>	<u>Individual 03/31/2022</u>
Environmental	338	-	-	6	344
Civil	3,085	-	(1,635)	79	1,529
Labor	25,948	2,826	(2,695)	1,265	27,344
Tax	5,011	-	-	68	5,079
	<u>34,382</u>	<u>2,826</u>	<u>(4,330)</u>	<u>1,418</u>	<u>34,296</u>

Consolidated

	<u>12/31/2021</u>	<u>Addition</u>	<u>Write-off</u>	<u>Adjustment</u>	<u>Consolidated 03/31/2022</u>
Environmental	338	-	-	6	344
Civil	3,085	-	(1,635)	79	1,529
Labor	26,482	2,826	(2,769)	1,271	27,810
Tax	5,011	-	-	68	5,079
	<u>34,916</u>	<u>2,826</u>	<u>(4,404)</u>	<u>1,424</u>	<u>34,762</u>

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The company has contingencies in the amount of R\$ 658,244 in the Individual and R\$ 658,347 in the Consolidated (R\$ 633,961 in the Individual and R\$ 634,139 in the Consolidated, in December 31st, 2021) whose expectations for the outcome is classified as possible by the legal advisors and, therefore, no provision for lawsuits has been made. The contingencies classified as possible loss are as follows:

Possible	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Environmental	11,159	10,745	11,159	10,745
Civil	491,122	469,885	491,122	469,885
Labor	41,503	38,991	41,606	39,169
Tax	6,925	6,806	6,925	6,806
Regulatory	107,512	107,512	107,512	107,512
Administrative	23	22	23	22
	658,244	633,961	658,347	634,139

The lawsuit involving EGTM Navegações Ltda., which demands reparation for damages due to alleged breaches of contract, is estimated as a possible loss and had its value adjusted to R\$ 470,068 in the quarter (R\$ 454,295 in December 31st, 2021). There was no significant changes in the nature and amounts of other contingencies in the period.

19 Shareholders' equity

The subscribed and paid-in capital on March 31st, 2022 and December 31st, 2021 amounts for R\$ 1,788,792 which is equivalent to 1,525,558,419 common shares.

Equity participation is divided in 49.42% holding by CA Investment and 50.58% holding by J&F Investimentos S.A.

The Cumulative Translation Adjustments - CTA, represents the foreign currency differences (functional currency of foreign subsidiaries) arising from the translation to the reporting currency and were increased by R\$ 343,213 for the three month period ended at March 31st, 2022 (increased by R\$ 127,290 for the three month period ended at March 31st, 2021).

There were no changes in the other reserves that are part the Company's equity.

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The basic and diluted calculation of earnings per share is calculated by dividing the ordinary shareholders net income by weighted-average number of outstanding ordinary shares and is presented as follows:

	<u>01/01/2022 to</u> <u>03/31/2022</u>	<u>01/01/2021 to</u> <u>03/31/2021</u>
Shareholders' income (loss)	1,056,225	14,627
Weighted-average number of ordinary shares - thousands	1,525,558	1,525,558
Earnings (loss) per share in Reais	0.6924	0.0096

The Company does not have any financial instrument that could potentially dilute the earnings per share.

20 Net revenue

	<u>Individual</u>		<u>Consolidated</u>	
	<u>01/01/2022 to</u> <u>03/31/2022</u>	<u>01/01/2021 to</u> <u>03/31/2021</u>	<u>01/01/2022 to</u> <u>03/31/2022</u>	<u>01/01/2021 to</u> <u>03/31/2021</u>
<u>Gross sales</u>				
Domestic	262,362	221,794	262,361	221,794
Overseas	513,848	681,384	1,661,292	1,434,642
Discount and rebates	(1,589)	(2,021)	(430,791)	(305,565)
	<u>774,621</u>	<u>901,157</u>	<u>1,492,862</u>	<u>1,350,871</u>
Tax on sales	(48,137)	(44,367)	(48,554)	(44,691)
Net revenue	<u><u>726,484</u></u>	<u><u>856,790</u></u>	<u><u>1,444,308</u></u>	<u><u>1,306,180</u></u>

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21 Operating Segments

21.1 Geographic information

The geographic distribution of net revenue, based on customers' location is as follows:

Net revenue	01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
Domestic	215,219	176,198
Overseas	1,229,089	1,129,982
Asia	477,822	507,547
North of America	388,343	309,237
Europe	240,061	245,280
South of America	53,535	35,651
Middle East	37,950	23,794
Africa	31,378	8,473
	1,444,308	1,306,180

China and the United States of America are the main destination countries in terms of net revenue, representing 33% and 17%, respectively, for the overseas sales in the quarter ended at March 31st, 2022 (39% and 17%, respectively, for the three month period ended at March 31st, 2021).

21.2 Information about the major customers

One customer, individually, concentrated more than 10% of the Company's net revenue for the period of three months ended at March 31st, 2022. Two customers, individually, concentrated more than 10% of the Company's net revenue at December 31st, 2021.

21.3 Information about non-current assets

The geographic distribution of non-current assets is as follows:

Non-current assets	03/31/2022	12/31/2021
Brazil	9,965,811	9,836,739
Austria	638	824
United States of America	300	374
China	32	59
	9,966,781	9,837,996

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22 Cost and expenses by category

	Individual		Consolidated	
	01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021	01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
Cost of good sold	522,930	434,669	522,864	458,735
General and administrative expenses	48,184	43,856	52,809	47,539
Selling and distribution expenses	85,901	71,490	209,263	182,884
	657,015	550,015	784,936	689,158
Personnel expenses	124,677	117,159	132,204	123,666
3rd party services, supply and logistic expenses	174,725	190,240	297,017	299,558
Depreciation, amortization and depletion	166,286	82,711	175,242	83,966
Raw material and operating supplies	182,064	150,221	169,842	171,276
Other	9,263	9,684	10,631	10,692
	657,015	550,015	784,936	689,158

23 Net interest income (expenses)

	Individual		Consolidated	
	01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021	01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
Interest proceeds	301	41	301	89
Short and long term investments	5,640	756	6,837	2,067
Other financial income	5	3	5	3
Financial income	5,946	800	7,143	2,159
Bank charges	(29)	(40)	(73)	(143)
Interest expenses	(145,828)	(128,242)	(132,280)	(126,722)
Guarantee fees	-	(885)	-	(885)
Other financial expenses	(2,177)	(934)	(6,104)	(5,887)
Financial expenses	(148,034)	(130,101)	(138,457)	(133,637)
Derivatives income	72,138	-	72,138	-
Loans and borrowings	613,929	(481,133)	613,929	(481,133)
Other assets and liabilities	76,458	(144,090)	80,200	(144,079)
Foreign exchange variation, net	690,387	(625,223)	694,129	(625,212)
	620,437	(754,524)	634,953	(756,690)

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24 Other operating income (expenses)

	Individual		Consolidated	
	01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021	01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
Indemnities expenses	(2,968)	(2,130)	(2,982)	(2,130)
Reversal of provision for ICMS loss	2,271	-	2,271	-
Non-recoverable ICMS	(1,579)	(8,729)	(1,722)	(8,865)
Provisions for lawsuit	86	(3,417)	154	(3,428)
PP&E proceeds	9,248	7,924	9,248	7,947
Other	(461)	(3,147)	(461)	(3,288)
	6,597	(9,499)	6,508	(9,764)
Other income	14,451	14,866	14,451	14,976
Other expenses	(7,854)	(24,365)	(7,943)	(24,740)
	6,597	(9,499)	6,508	(9,764)

25 Financial instruments

25.1 Financial risk management

The Company has a Financial Risk Management Policy that was updated and approved by the Board of Directors in 2020. There were no significant changes in policy for the three-month period ended at March 31st, 2022.

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.

The interest rate risk on loans and borrowings, except derivative instruments, as of March 31st, 2022 and December 31st, 2021 are presented as follows:

Financial category	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Loans and borrowings	4,209,359	4,821,671	4,209,359	4,821,671
Cash and cash equivalents	(70,630)	(238,882)	(91,165)	(270,951)
Short and long term investments	(79,703)	(101,052)	(79,703)	(101,052)
	4,059,026	4,481,737	4,038,491	4,449,668

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Interest rate sensitivity analysis uses scenarios of interest rates increasing 25% and 50%, respectively possible and remote scenarios, from the market expected interest rate for December 2022. The calculated results are as follows:

03/31/2022	Individual			
	Balance (R\$)	Probable	Possible (25%)	Remote (50%)
Net exposure to interest rates	(4,059,026)	(12,191)	(34,731)	(69,462)
03/31/2022	Consolidated			
	Balance (R\$)	Probable	Possible (25%)	Remote (50%)
Net exposure to interest rates	(4,038,491)	(11,914)	(34,063)	(68,127)

The Company's assets and liabilities exposed to the exchange variation risk, except derivative instruments, are presented as follows:

Individual	US\$		R\$	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Exposure				
Cash and cash equivalents	21,826	11,183	103,407	62,406
Short and long term investments	5,625	10,017	26,650	55,899
Trade receivables	69,043	131,778	327,113	735,388
Advance to suppliers	-	90	-	501
Trade payables	(1,794)	(50)	(8,499)	(279)
Loans and borrowings - related parties	(223,232)	(220,611)	(1,057,629)	(1,231,123)
Loans and borrowings	(735,325)	(721,725)	(3,483,821)	(4,027,587)
Net exposure to foreign exchange fluctuation	(863,857)	(789,318)	(4,092,779)	(4,404,795)
Consolidated	US\$		R\$	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Exposure				
Cash and cash equivalents	173,588	89,866	822,422	89,866
Short and long term investments	5,625	10,017	26,650	10,017
Trade receivables	169,676	177,445	803,893	990,230
Advance to suppliers	-	90	-	501
Trade payables	(6,561)	(4,341)	(31,085)	(24,225)
Loans and borrowings	(735,325)	(721,725)	(3,483,821)	(4,027,587)
Net exposure to foreign exchange fluctuation	(392,997)	(448,648)	(1,861,941)	(2,961,198)

As of March 31st 2022, the exchange rate was R\$ 4.7378 (as of December 31st, 2021 the exchange rate was R\$ 5.5805).

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As at March 31st, 2022

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Exchange rate sensitivity analysis uses scenarios of foreign exchange rates increasing 25% and 50%, respectively possible and remote scenarios, from the probable scenario, which is based on the consensus of the Focus report issued at 25 of March, 2022, where the exchange rate was estimated to be R\$ 5.25 for US\$ 1 in 31st. of December, 2022. The calculated results are as follows:

Individual and consolidated

Individual - 03/31/2022	Balance (USD)	Balance (R\$)	Probable	Possible (25%)	Remote (50%)
Foreign exchange net exposure	(863,857)	(4,092,779)	(442,467)	(1,576,279)	(2,710,090)
Consolidated - 03/31/2022	Balance (USD)	Balance (R\$)	Probable	Possible (25%)	Remote (50%)
Foreign exchange net exposure	(392,997)	(1,861,941)	(201,293)	(717,102)	(1,232,910)

The Company is exposed to the volatility of wood prices (price risk) which depends on external, non-controlled factors, such as climate changes, volume of supply, transportation costs, silvicultural policies and other. In order to guarantee raw material supply, the Company has been purchasing wood for future delivery, with partial down payments. The Company is not exposed to price volatility for such contracts.

Individual and Consolidated	03/31/2022	12/31/2021
Estimated value of contracts signed	1,647,241	1,647,241
Payments/down payments	(752,247)	(676,698)
	894,994	970,543

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

The carrying value of financial assets, which represents the maximum credit risk exposure, is presented as follows:

	Individual		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Cash and cash equivalents	174,384	301,889	922,739	789,944
Short and Long term investments	106,353	156,951	106,353	156,951
Trade receivables	518,935	832,577	766,244	928,009
	799,672	1,291,417	1,795,336	1,874,904

As of March 31st 2022, the carrying value of accounts receivable of the two most relevant customers (located in Asia and Europe) is R\$ 122,536 (R\$ 171,039 as of December 31st, 2021 referring to two customers located in Asia and Europe).

Liquidity risk is the risk of incurring losses result from the inability to meet timely payment obligations related to the financial liabilities, which are settled by delivering cash or any other financial asset.

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The table below presents the expected cash outflows of the Company's financial liabilities, presented by contractual maturities:

Individual	1 year or less	1-2 years	2-3 years	More than 3 years	Total
<u>As of March 31st, 2022</u>					
Loans and borrowings	1,742,859	2,391,692	808,674	528,720	5,471,945
Trade payables	310,921	-	-	-	310,921
Loans and borrowings with related parties	57,019	57,019	1,225,177	-	1,339,215
Other current liabilities	17,892	18,573	-	-	36,465
	2,128,691	2,467,284	2,033,851	528,720	7,158,546
<u>As of December 31st, 2021</u>					
Loans and borrowings	1,215,983	4,290,775	2,030,301	636,477	8,173,536
Trade payables	287,584	-	-	-	287,584
Loans and borrowings with related parties	57,019	57,019	1,225,177	-	1,339,215
Accounts payable to related parties	141	-	-	-	141
Other current liabilities	26,470	17,434	-	-	43,904
	1,587,197	4,365,228	3,255,478	636,477	9,844,380

Consolidated	1 year or less	1-2 years	2-3 years	More than 3 years	Total
<u>As of March 31st, 2022</u>					
Loans and borrowings	1,742,859	2,391,692	808,674	528,720	5,471,945
Trade payables	304,259	-	-	-	304,259
Other current liabilities	84,181	18,573	-	-	102,754
	2,131,299	2,410,265	808,674	528,720	5,878,958
<u>As of December 31st, 2021</u>					
Loans and borrowings	1,215,983	4,290,775	2,030,301	636,477	8,173,536
Trade payables	289,846	-	-	-	289,846
Accounts payable to related parties	141	-	-	-	141
Other current liabilities	120,260	17,434	-	-	137,694
	1,626,230	4,308,209	2,030,301	636,477	8,601,217

The long-term debt is composed of CRAs with average terms of 5.1 years, Debentures of 2.5 years, ACCs of 1.2 years, PPEs of 1.2 years and Leasing of 1.2 years.

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25.2 Derivatives

25.2.1 Derivatives by contract type

The position of derivatives are presented as follows:

Derivative type	Currency	Notional Value		Individual and Consolidated Fair Value	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
Hedging debt					
Assets					
Swap IPCA to Fixed (US\$)	R\$	500,000	500,000	566,122	553,580
Swap CDI to Fixed (US\$)	R\$	700,000	700,000	749,188	756,596
		<u>1,200,000</u>	<u>1,200,000</u>	<u>1,315,310</u>	<u>1,310,176</u>
Liabilities					
Swap IPCA to Fixed (US\$)	US\$	(88,221)	(88,221)	(449,397)	(548,912)
Swap CDI to Fixed (US\$)	US\$	(124,643)	(124,643)	(618,807)	(747,818)
		<u>(212,864)</u>	<u>(212,864)</u>	<u>(1,068,204)</u>	<u>(1,296,730)</u>
				<u>247,106</u>	<u>13,446</u>
Current assets				87,291	56,848
Non current assets				159,815	70,141
Non current liabilities				-	(113,543)
				<u>247,106</u>	<u>13,446</u>

The difference in the fair value as at March 31st, 2022 and December 31st, 2021, is related to the Brazilian Real appreciation in the 1st quarter of the year..

The current contracts and the respective hedged risks are as follows:

- (i) Swap CDI x fixed (US\$): positions in conventional swaps, exchanging the variation of the Interbank Deposit rate (“DI”) for a fixed rate in US dollar. The objective is to change the debt index in Real to US dollar in line with the natural exposure of the Company’s trade receivables.
- (ii) Swap IPCA x Fixed (US\$): positions in conventional swaps, exchanging the variation of the IPCA for a fixed rate in US dollar. The objective is to change the debt index in Real to US dollar, in line with the natural exposure of the Company’s trade receivables.

25.2.2 Fair value maturity

The fair value maturity are as follows:

	Individual and Consolidated	
	03/31/2022	12/31/2021
2022	45,409	56,848
2023	78,792	60,820
2024	45,440	(78,643)
2025	14,025	9,320
2026	37,926	(12,981)
2027	25,513	(21,919)
	<u>247,106</u>	<u>13,446</u>

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25.2.3 Hedge accounting

The Company designates the foreign exchange component of currency and interest rate swaps for cash flow hedge accounting. Through this methodology, the Company seeks to eliminate the time difference in which the exchange variation of revenues and the fair value of derivatives impact the income or loss. Changes in the fair value of designated and qualifying derivatives are recognized in equity, in the "Hedge accounting" account within the "Carrying valuation adjustments" group. When a hedging instrument expires or is sold, or when a hedge no longer meets hedge accounting criteria, any accumulated gain or loss existing in equity at that time remains in equity and will be recognized in income or loss when the hedged transaction is recognized in statements of income. The amounts recognized in equity and in profit or loss are as follows:

Derivative type	Individual and Consolidated			
	PL (ORA)		Income or loss (MTM)	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Swap IPCA to Fixed (US\$)	86,831	8,550	29,893	(3,882)
Swap CDI to Fixed (US\$)	113,139	4,741	17,243	4,037
	199,970	13,291	47,136	155

Exchange rate sensitivity analysis uses scenarios of foreign exchange rates increasing 25% and 50%, respectively possible and remote scenarios, from the probable scenario, which is based on the consensus of the Focus report issued at 25 of March, 2022, where the exchange rate was estimated to be R\$ 5.25 for US\$ 1 in 31st. of December, 2022. The calculated results are as follows:

03/31/2022	Notional (USD)	Fair value (R\$)	Probable	Possible (25%)	Remote (50%)
Foreign exchange net exposure	(212,864)	(1,068,204)	247,106	(20,365)	(287,500)

25.3 Fair values of financial instruments

Assets and liabilities measured at fair value in the balance sheet 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.

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

Individual	Hierarchy Level	03/21/2022		12/31/2021	
		Book value	Fair value	Book value	Fair value
Assets					
Assets at amortized cost					
Cash and cash equivalents		174,384	174,384	301,889	301,889
Trade receivables		518,935	518,935	832,577	832,577
		693,319	693,319	1,134,466	1,134,466
Assets at fair value through income					
Financial investments	Level 2	106,353	106,353	156,951	156,951
Assets at fair value through other comprehensive income					
Derivatives	Level 2	247,106	247,106	126,989	126,989
		1,046,778	1,046,778	1,418,406	1,418,406
Liabilities					
Liabilities at amortized cost					
Loans and borrowings	Level 2	5,405,242	5,189,310	6,143,992	5,857,157
Trade payables		310,921	310,921	287,584	287,584
Lease liabilities		814,339	814,339	760,586	760,586
Loans and borrowings with related parties		1,057,629	1,016,533	1,231,122	1,183,285
Accounts payable to related parties		-	-	141	141
Other current liabilities		36,465	36,465	43,904	43,904
		7,624,596	7,367,568	8,467,329	8,132,657
Liabilities at fair value through other comprehensive income					
Derivatives	Level 2	-	-	113,543	113,543
		7,624,596	7,367,568	8,580,872	8,246,200
Consolidated					
Assets					
Assets at amortized cost					
Cash and cash equivalents		922,739	922,739	789,944	789,944
Trade receivables		766,244	766,244	928,009	928,009
		1,688,983	1,688,983	1,717,953	1,717,953
Assets at fair value through income					
Financial investments	Level 2	106,353	106,353	156,951	156,951
Assets at fair value through other comprehensive income					
Derivatives	Level 2	247,106	247,106	126,989	126,989
		2,042,442	2,042,442	2,001,893	2,001,893
Liabilities					
Liabilities at amortized cost					
Loans and borrowings	Level 2	5,405,242	5,189,310	6,143,992	5,857,157
Trade payables		304,259	304,259	289,846	289,846
Lease liabilities		988,061	988,061	939,971	939,971
Accounts payable to related parties		-	-	141	141
Other current liabilities		102,754	102,754	137,694	137,694
		6,800,316	6,584,384	7,511,644	7,224,809
Liabilities at fair value through other comprehensive income					
Derivatives	Level 2	-	-	113,543	113,543
		6,800,316	6,584,384	7,625,187	7,338,352

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26 Take or pay agreements

26.1 Chemical plants and gas distribution branch

There were no changes in the terms and conditions of the take or pay contracts the Company is a part of. As of March 31st 2022, the non-cancellable future minimum payments are as follows:

<u>Individual and Consolidated</u>	<u>03/31/2022</u>
2022	75,661
2023	100,881
2024	100,881
2025	100,881
2026	100,881
2027 and thereafter	146,959
	<u>626,144</u>

The amounts recognized in the profit or loss are as follows:

<u>Individual and Consolidated</u>	<u>03/31/2022</u>	<u>03/31/2021</u>
Expenses	<u>52,209</u>	<u>39,865</u>

26.2 Thermoelectric power plant

In 2016, the Company won the ANEEL Auction 01/2016, modality A-5, and was authorized by law (Portaria MME nº 477/2016), to operate as an Independent Electric Energy Producer through the implementation of a thermoelectric power plant with a nominal capacity of 50MW of electric energy from biomass. The electric energy produced by the called Usina Termelétrica de Onça Pintada is the subject of 7 (seven) purchase power agreements - Contratos de Comercialização de Energia no Ambiente Regulado (CCEAR), with a 25-year term starting in April 23rd, 2021 for a total of 38,1 MWm monthly electric energy generation.

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27 Non-cash transactions

Lease contracts refer substantially to land use rights whose related expenses are capitalized during the forest formation period. The difference between depreciation and interest expenses to the lease payments is a non-cash effect and is presented below:

	03/31/2022				
	New		Contract	Depreciation	Lease
Individual	contracts	Write-off	adjustment	of right of	interest
				use	
Inventories	-	-	-	(4,971)	(1,526)
Advance to suppliers	-	-	-	(10,740)	(6,889)
Biological assets	-	-	-	(21,655)	(17,933)
Right of use	(42,599)	7,865	(49,317)	-	-
Property, plant and equipment	-	-	-	(43)	(6)
Lease liabilities	42,599	(8,667)	49,317	-	-
	03/31/2022				
	New		Contract	Depreciation	Lease
Consolidated	contracts	Write-off	adjustment	of right of	interest
				use	
Inventories	-	-	-	(4,971)	(1,526)
Advance to suppliers	-	-	-	(10,740)	(6,889)
Biological assets	-	-	-	(21,655)	(17,933)
Right of use	(42,599)	7,865	(87,482)	-	(519)
Property, plant and equipment	-	-	-	(43)	(6)
Lease liabilities	42,599	(8,667)	87,482	-	-

28 Share Purchase and Sale Agreement

On September 2nd, 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 3rd, 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.

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On March 19th, 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.

On April 5th, 2021, an injunction was issued by the 2nd Business and Conflicts Related to Arbitration Court of the Judicial District of São Paulo, in the context of the declaratory action of the nullity of the arbitration award, determining that the acts referring to the release of guarantees by J&F Investimentos SA and the transfer of the Company's shareholding control could not take place until a reconsideration of the matter in a decision to redress the aforementioned action, after new manifestations by the Parties and presentation of requests for the production of evidence.

On July 12th, 2021, in an injunction, the previous decision suspending the effects of the arbitration award was revoked. The new decision authorizes the beginning of the process to comply with the arbitration award, with release of guarantees from J&F for the subsequent transfer of the Company's shareholding control to CA Investment. The new decision also provides for the judgment of the merits of the lawsuit, with the delivery of a sentence, within 120 days from June 17th, 2021.

On July 21st, 2021, Eldorado and J&F filed an Interlocutory Appeal against the decision rendered on July 12th, 2021, which is awaiting consideration by the Court of Justice of the State of São Paulo.

On July 30th, 2021, the Court of Justice of the State of São Paulo, in a collegiate decision, granted the preliminary injunction required in the Interlocutory Appeal and determined the suspension of the acts aimed at transferring the shareholding control of Eldorado until the final judgment of the action annulment.

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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

Fernando Storchi
Financial Director and Investor Relations

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