

1Q22 RESULTS

**Adjusted EBITDA grows by 21% to R\$840 million.
Leverage is the lowest in the history, of 1.20x.**

NET REVENUE

Revenue totaled R\$1,444 million in 1Q22, up by 11% over 1Q21.

ADJUSTED EBITDA

Adjusted EBITDA was R\$840 million in 1Q22, with a margin of 58%, 21% higher than in 1Q21.

NET INCOME

Net income totaled R\$1,056 million in 1Q22 vs. R\$15 million in 1Q21.

FINANCIAL LEVERAGE

Lowest historical leverage of 1.20x, compared to the 1.48x recorded in 4Q21 and 2.85x in 1Q21.



Indicators	1Q22	4Q21	1Q21	1Q22 vs. 4Q21	1Q22 vs. 1Q21
Pulp Production	428	461	439	-7.2%	-2.5%
Pulp Sales	426	467	443	-8.8%	-3.8%
Net Revenue	1,444	1,578	1,306	-8.5%	10.6%
Cash Cost	803	840	743	-4.4%	8.1%
Adjusted EBITDA	840	787	698	6.7%	20.3%
EBITDA Margin	58.2%	49.9%	53.4%	16.6%	8.8%
Net Financial Expenses (including derivatives)	(59)	(159)	(131)	-62.9%	-55.0%
Foreign Exchange Variation	694	(169)	(625)	N/A	N/A
Net Income (Loss)	1,056	(648)	15	N/A	N/A
Adjusted FCF	421	663	435	-36.5%	-3.4%
Net Debt	4,376	5,197	7,008	-15.8%	-37.6%
Net Debt/Adjusted EBITDA (R\$)	1.20x	1.48x	2.85x	-0.28	-1.37
Net debt/Adjusted EBITDA (US\$)	1.35x	1.43x	2.71x	-0.10	-1.26

MARKET OVERVIEW

In the first quarter of 2022, several restrictions to the international pulp supply affected the market, and the number of scheduled maintenance stoppages of hardwood pulp producers increased. The conflict between Ukraine and Russia also affected the availability of hardwood on the European continent for both integrated and non-integrated producers.

Furthermore, maritime logistics continued with delays at the ports, reduced ship and container availability, and high freight costs. Land logistics are also being impaired in certain geographical regions because of insufficient truck drivers and trains. Accordingly, the transportation time from producers to customers continued high.

On the demand side, the European and North American continents continue with solid demand for paper. Europe has also benefited from the lower amount of paper imported from Asia, because of the congested logistics chain and lower local supply, due to a strike at a major producer. In Asia, demand continues at normal levels.

Such an unbalanced supply scenario, with positive demand in several regions, was responsible for announcements of price increases and price implementation in all regions.



PRODUCTION AND SALES

Pulp production totaled 428,000 tons in 1Q22, down by 7.2% and 2.5% QoQ and YoY, respectively. The 2.5% decrease is explained by the additional maintenance of some equipment in the period.

Volume ('000 tons)	1Q22	4Q21	1Q21	1Q22 vs. 4Q21	1Q22 vs. 1Q21
Production	428	461	439	-7.2%	-2.5%
Sales	426	467	443	-8.8%	-3.8%

Sales volume closed 1Q22 at 426,000 tons, down by 8.8% and 3.8% QoQ and YoY, respectively. The lower QoQ sales volume was mainly due to reduced production and the logistic difficulties in the ports of Europe and China.

NET REVENUE AND GROSS PROFIT

Net Revenue (R\$ million)	1Q22	4Q21	1Q21	1Q22 vs. 4Q21	1Q22 vs. 1Q21
Domestic Market	215	230	176	-6.5%	22.2%
Foreign Market	1,229	1,348	1,130	-8.8%	8.8%
Total Net Revenue	1,444	1,578	1,306	-8.5%	10.6%
COGS (Cost of Goods Sold)	(523)	(615)	(459)	-15.0%	13.9%
COGS/ton (R\$/ton)	(1,228)	(1,317)	(1,036)	-6.8%	18.5%
Gross Profit	921	963	847	-4.4%	8.7%
Gross Margin (%)	63.8%	61.0%	64.9%	-	-

Net revenue totaled R\$1.444 million in 1Q22, down by 8.5% from 4Q21, due to lower sales and the 15% appreciation of the Brazilian real against the U.S. dollar in the period. These factors were offset by higher average pulp prices, which closed the quarter at US\$678/t, up by 7% over 4Q21. Revenue increased by 10.6% YoY in 1Q22, mainly due to the 36% rise in pulp prices (US\$500/t in 1Q21).

The cost of goods sold per ton fell by 6.8% QoQ, due to improved productivity and the mix of wood consumed. YoY, the increase was 14%, due to higher logistics costs and the rise in the prices of some chemical and energy inputs.

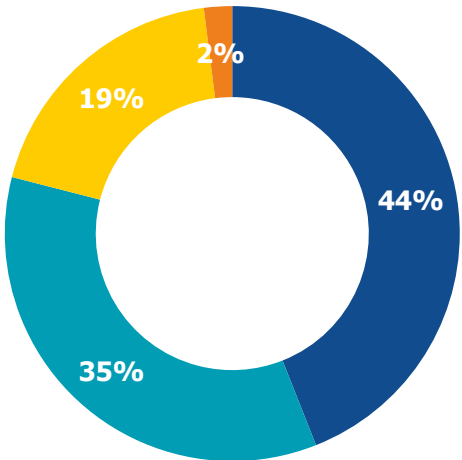
Gross profit totaled R\$921 million in 1Q22, down by 4.4% QoQ, and up by 8.7% YoY, driven by better pulp prices.



CASH COST

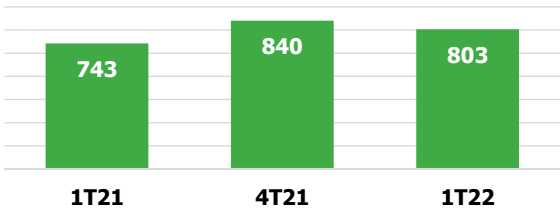
The cash production cost was R\$803/t in 1Q22 (US\$154/t), down by 4% from 4Q21, due to the lower cost of wood consumed because of the higher percentage of company wood in 1Q22. YoY, the increase was 8%, due to lower revenue from the sale of energy and higher costs of some chemical and energy inputs.

Cash Cost

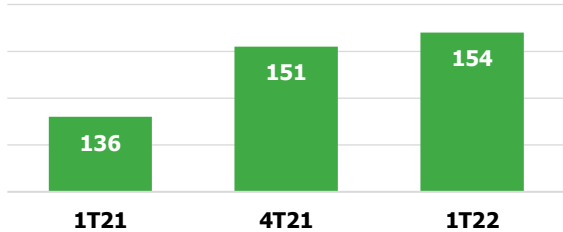


■ Madeira ■ Insumos e Utilidades ■ Custo Fixo ■ Outros

Cash Cost (excluding downtime)



(US\$/ton)





SG&A EXPENSES

Operating income/expenses (R\$ million)	1Q22	4Q21	1Q21	1Q22 vs. 4Q21	1Q22 vs. 1Q21
Selling, General and Administrative	(67)	(69)	(60)	-1.5%	11.7%
% Net revenue	4.6%	4.4%	4.59%	7.7%	1.0%
Logistics	(195)	(201)	(171)	-3.5%	14.0%
% Net revenue	13.5%	12.7%	13.1%	5.5%	3.1%
Total	(262)	(270)	(231)	-3.0%	13.4%

Selling, general, and administrative expenses totaled R\$67 million in 1Q22, down by 1.5% from 4Q21. YoY, these expenses were 11.7% higher in 1Q22, due to inflation adjustments in salaries and services, and higher charges in the period. Selling, general, and administrative expenses as a percentage of net revenue were 4.6% in 1Q22 compared to 4.4% in 4Q21.

Logistics costs totaled R\$195 million in 1Q22, down by 3.5% QoQ, due to lower sales, and up by 14% YoY, due to difficulties faced mainly in maritime transportation in the last few quarters. Transport capacity shifting and overcrowding ports reduced capacity availability and increased freight costs.

ADJUSTED EBITDA

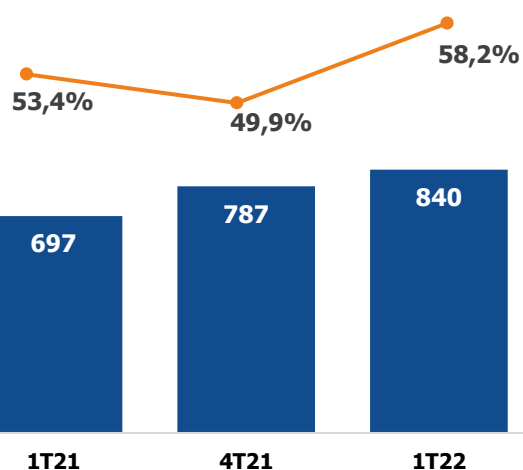
Adjusted EBITDA reached R\$840 million in 1Q22, with a margin of 58%, up by 7% and 21% QoQ and YoY, respectively, mainly due to higher pulp prices.

Adjusted EBITDA was R\$1,971/t in 1Q22, up by 17% and 26% QoQ and YoY, respectively.

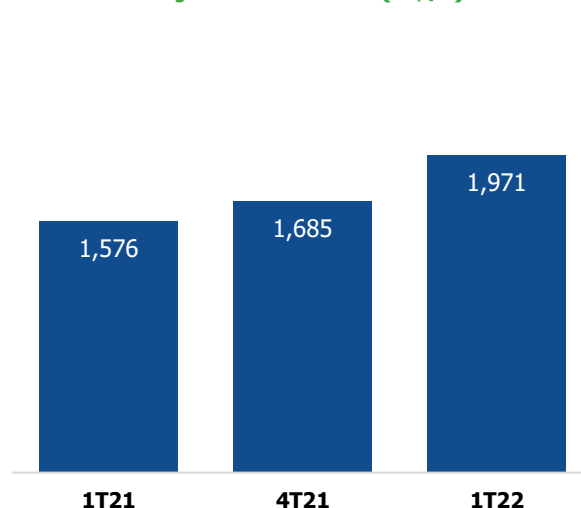
Adjusted EBITDA	1Q22	4Q21	1Q21	1Q22 vs. 4Q21	1Q22 vs. 1Q21
EBIT	667	(256)	607	-360.5%	9.9%
Depreciation, amortization, and depletion	176	115	84	53.0%	109.5%
Fair value adjustment of the biological asset	0	(103)	0	-100.0%	N/A
ICMS tax credit adjustments	(2)	1,031	6	N/A	N/A
Adjusted EBITDA	840	787	697	6.9%	20.7%



Adjusted EBITDA (R\$M) and adjusted EBITDA margin (%)



Adjusted EBITDA (R\$/t)



FINANCIAL RESULT

Net financial expenses, including derivatives, totaled R\$59 million in 1Q22 compared to R\$159 million in 4Q21 and R\$131 million in 1Q21. The QoQ decrease was due to lower gross debt and improved costs of some debts.

The monetary and foreign exchange variation was positive by R\$694 million in 1Q22, compared to a negative variation of R\$169 million recorded in 4Q21. The difference was caused by the appreciation of the Brazilian real in the quarter compared to that currency depreciation in the previous period.

Financial Result (R\$ million)	1Q22	4Q21	1Q21	1Q22 vs. 4Q21	1Q22 vs. 1Q21
Net Financial Expenses	(131)	(160)	(131)	-18.1%	0.0%
Derivative Financial Instruments¹	72	1	0	N/A	N/A
Net Financial Expenses (including derivatives)	(59)	(159)	(131)	-62.9%	-55.0%
Foreign Exchange Variation	694	(169)	(625)	-510.7%	-211.0%
(=) Financial Result	635	(328)	(756)	-293.6%	-184.0%
Debt Cost in U.S. Dollars² (% p.a.)	4.77%	4.40%	5.50%	-	-

1- Considers interest rate swap

2 - Average cost of debt in US\$ considers swap of the R\$-denominated debt to US\$

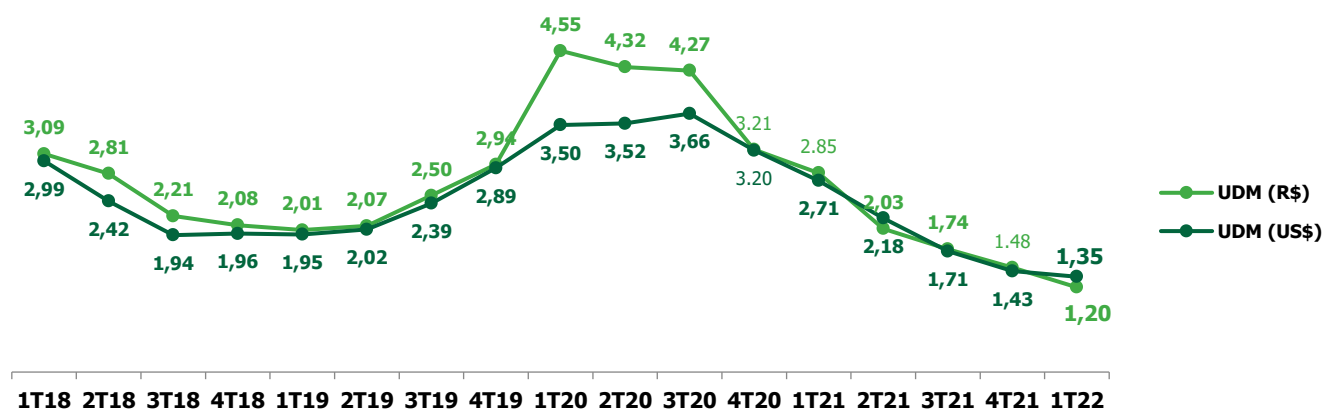


NET INCOME (LOSS)

The Company recorded a net income of R\$1,056 million in 1Q22. This result was higher than the R\$648 million loss reported in 4Q21 and the R\$15 million income recorded in 1Q21. The QoQ variation was mainly due to the provision for losses of ICMS credits, of R\$1,031 million, in the period. Compared to 1Q21, the main impact was the positive foreign exchange variation due to the appreciation of the Brazilian real against the U.S. dollar in 1Q22.

INDEBTEDNESS

The Company maintained the reduction in financial leverage (net debt/Adjusted EBITDA), which reached the lowest level ever in 1Q22, closing at 1.20x, compared to 1.48x in 4Q21 and 2.85x in 1Q21.



Net debt totaled R\$4,376 million on March 31, 2022, down by 16% from 4Q21, mainly due to the appreciation of the Brazilian real against the U.S. dollar, and down by 38% from 1Q21, due to the settlement of short-term debt in the last twelve months.

Our net debt denominated in U.S. dollars, before the results of operations with derivatives, ended the quarter at US\$924 million, maintaining a trend of reduction in the U.S. dollar-denominated debt. Considering operations with derivatives, of R\$1,200 million, net debt stood at US\$872 million. The debt breakdown at the end of the quarter was 88% denominated in U.S. dollars and 12% denominated in Brazilian reais.

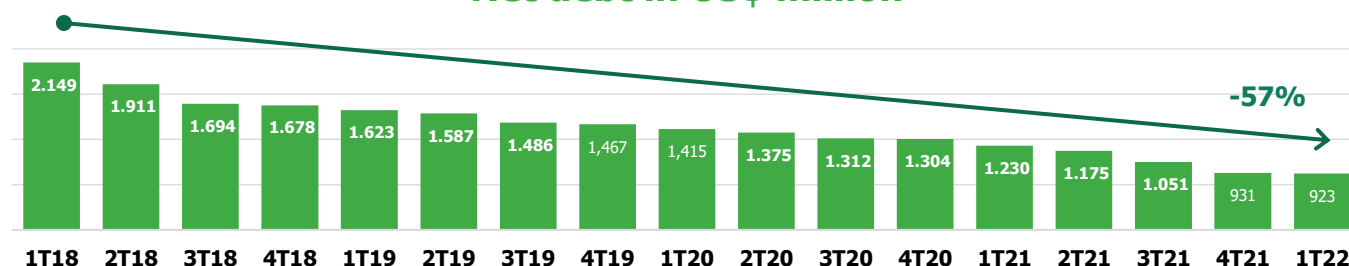


The Company contracted derivative operations at the end of 4Q21 to change the debt index from Brazilian reais to U.S. dollars, aligning with the natural exposure of receivables in U.S. dollars. This operation considers the swap of the debt backed by CRA, of R\$500 million, and debentures, of R\$700 million, for the full period of these debts. The fair value of the derivative operations totaled R\$247 million in 1Q22, compared to R\$14 million in 4Q21.

The Company denominates the foreign exchange component of currency and interest rate swaps for cash flow hedge accounting.

Indebtedness	1Q22	4Q21	1Q21	1Q22 vs. 4Q21	1Q22 vs. 1Q21
Gross Debt	5,405	6,144	8,634	-12.0%	-37.4%
Short-Term Debt	1,721	927	7,147	85.7%	-75.9%
Cash and Financial Investments	1,030	947	1,627	8.8%	-36.7%
Net Debt*	4,376	5,197	7,007	-15.8%	-37.6%
Net Debt in U.S. dollars*	923	931	1,230	-0.8%	-24.9%
MtM derivatives	247	14	0	1730%	N/A
Net Debt/Adjusted EBITDA (R\$)	1.20x	1.48x	2.85x	-0.28x	-1.62x
Net debt/Adjusted EBITDA (US\$)	1.35x	1.43x	2.71x	-1.43x	-2.71x

Net debt in US\$ million

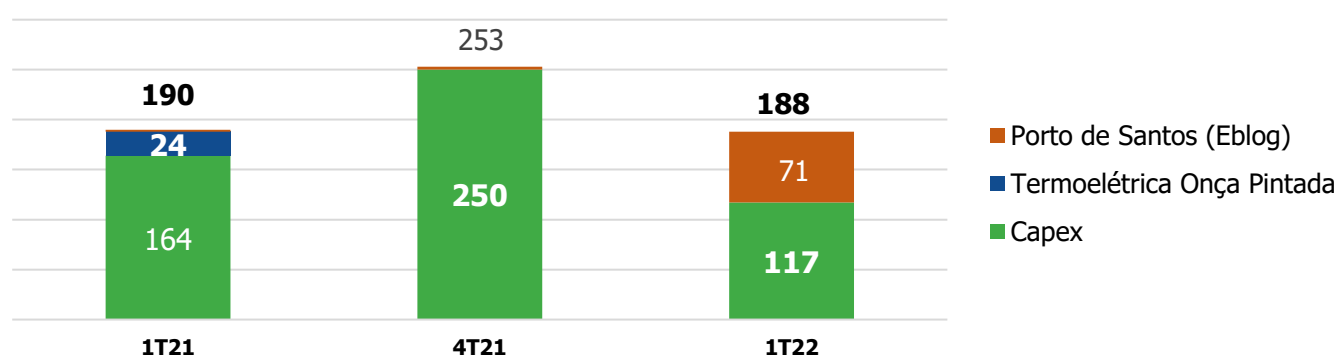


The cash position totaled R\$1,030 million in 1Q22, maintaining the level observed over the year, despite the early repayments in the period.



INVESTMENTS

Investments in industrial and forestry maintenance and other projects totaled R\$188 million, down by 26% from 4Q21 and in line with the same quarter of last year.



FREE CASH FLOW

The free cash flow totaled R\$421 million in 1Q22, down by 36% and 3% QoQ and YoY, respectively.

Free Cash Flow (R\$ million)	1Q22	4Q21	1Q21
Adjusted EBITDA	840	787	698
(-) Total CAPEX	-188	-253	(190)
(-/+) Working capital	-41	313	(26)
(-) Interest paid	-110	-68	(55)
(+) Realized gains with derivatives	25	0	0
(-) Lease agreements – IFRS 16	-100	-47	(45)
(-) Income tax and social contribution	-3	-26	(6)
(-/+) Other	-74	-46	34
Free cash flow	350	660	410
(+) Onça Pintada Project / Santos Port (Eblog)	71	3	25
(=) Adjusted free cash flow	421	663	435

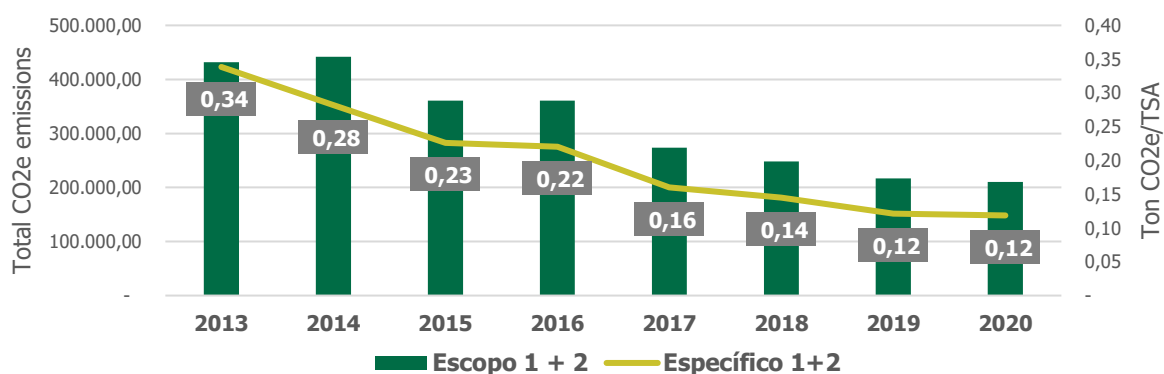
*Eblog includes the grant amount of R\$44 million, annually paid.

SUSTAINABILITY (ESG)

In 1Q22, the Company maintained relationships and engagement practices with stakeholders, to always create positive value based on socio-environmental programs and actions, providing shared sustainability between the Company, society, and local communities.

It is worth noting the events with rural residents and producers of the Serra Settlement, located in the municipality of Inocência/Mato Grosso do Sul, in reference to the international women's day. The Company also held training in garden implementation and handling in the Vila Vicentina Project, which welcomes homeless and socially vulnerable families. The Second Meeting of Mindful Community (*2º Encontro Comunidade Consciente*) in the district of Debrasa in Brasilândia/Mato Grosso do Sul raised the main topics: prevention and fight against forest fire, prohibition of hunting and fishing, separation and proper disposal of solid residues.

In the first quarter, we further progressed in the development of some of our main annual publications focusing on the transparency and accuracy of the information and are at the final stage of preparation of our 9th Sustainability Report. We have also concluded our 9th Complete Inventory of Greenhouse Gases, which has already been audited by external auditors and will be published on the Brazilian GHG Protocol Program platform in May.



Click on the link below to access our 2020 sustainability report. The 2021 report will be disclosed on May 15 on the website Eldorado Brasil.

[2020 Sustainability Report](#)



APPENDIX I

Balance sheets (in thousands of R\$)

	Assets			Liabilities and shareholders' equity		
	Consolidated			Consolidated		
	31/03/2022	31/12/2021	31/12/2021	31/03/2022	31/12/2021	31/12/2021
Current				Current		
Cash and equivalents	922,739	789,944	789,944	Loans and borrowings	1,720,830	927,423
Short term investments	79,703	24,555	24,555	Trade payables	304,259	289,846
Trade receivables	766,244	928,009	928,009	Lease liabilities	219,644	209,928
Inventories	669,414	678,435	678,435	Social tax and payroll-related payables	141,001	172,925
Tax receivables	80,955	70,098	70,098	Tax payables	13,848	11,677
Current income tax	-	3,837	3,837	Current income tax	9,299	-
Derivative financial instruments	87,291	56,848	56,848	Accounts payable - related parties	-	141
Advance to suppliers	107,991	49,950	49,950	Other current liabilities	84,182	120,260
	2,714,337	2,601,676	2,601,676		2,493,063	1,732,200
Non current				Non current		
Long term investments	26,650	132,396	132,396	Loans and borrowings	3,684,412	5,216,569
Tax receivables	7,598	1,759	1,759	Trade payables	768,417	730,043
Advance to suppliers	199,451	182,173	182,173	Lease liabilities	250,703	-
Deferred income tax	-	50,066	50,066	Derivative financial instruments	-	113,543
Derivative financial instruments	159,815	70,141	70,141	Tax, labor and civil provisions	34,762	34,916
Deposits, guarantee and others	5,999	5,312	5,312	Other long term liabilities	18,573	17,434
	399,513	441,847	441,847		4,756,867	6,112,505
Biological assets	3,591,357	3,493,833	3,493,833	Shareholders' equity		
Property, plant & equipment	4,844,110	4,881,888	4,881,888	Share capital	1,788,792	1,788,792
Right of use of leased properties	1,004,795	920,423	920,423	Retained earnings	2,350,806	2,350,806
Intangible assets	127,006	100,005	100,005	Other comprehensive income	235,365	455,369
	9,966,781	9,837,996	9,837,996	Retained earnings	1,056,225	-
					5,431,188	4,594,967
Total assets	12,681,118	12,439,672	12,439,672	Total liabilities and shareholders' equity	12,681,118	12,439,672



APPENDIX II

Income statements and adjusted EBITDA (in thousands of R\$)

	Consolidated				
	1Q22	4Q21	1Q21	1Q22 vs 4Q21	1Q22 vs 1Q21
Net revenue	1,444,308	1,578,450	1,306,180	-8.5%	10.6%
Cost of goods sold	(522,864)	(615,221)	(458,735)	-15.0%	14.0%
Gross profit	921,444	963,229	847,445	-4.3%	8.7%
Operating income (expenses)					
General & Adm.	(52,809)	(56,581)	(47,539)	-6.7%	11.1%
Selling expenses	(209,263)	(213,451)	(182,884)	-2.0%	14.4%
Valor justo do ativo biológico	-	103,338	-	-100.0%	n/a
Fair value of biological assets	1,310	(1,071)	22	-222.3%	5854.5%
Bad debit provisions	14,451	7,939	14,976	82.0%	-3.5%
Other operating income (expenses)	(7,943)	(1,059,380)	(24,740)	-99.3%	-67.9%
Earnings before interest and tax - Ebit	667,190	(255,977)	607,280	-360.6%	9.9%
Net interest income (expenses)					
Interest expenses	(138,457)	(167,126)	(133,637)	-17.2%	3.6%
Interest income	7,143	7,669	2,159	-6.9%	230.8%
Derivative financial instruments	72,138	154	-	46742.9%	n/a
Net foreign exchange variance	694,129	(168,608)	(625,212)	-511.7%	-211.0%
Earnings (loss) before income tax	1,302,143	(583,888)	(149,410)	-323.0%	-971.5%
Income tax					
Current	(8,619)	5,050	(2,495)	-270.7%	245.5%
Deferred	(237,299)	(69,414)	166,532	241.9%	-242.5%
Net income (loss)	1,056,225	(648,252)	14,627	-262.9%	7121.1%
Net income (loss) per share	0.69	(0.42)	0.01		
Earnings before interest and tax - Ebit	667,190	(255,977)	607,280	-360.6%	9.9%
Depreciation, amortization and depletion expenses	175,537	115,499	84,261	52.0%	108.3%
Fair value of biological assets adj.	-	(103,338)	-	-100.0%	n/a
VAT credits reversal	(2,271)	1,030,760	6,021	-100.2%	-137.7%
Adjusted EBITDA	840,456	786,944	697,562	6.8%	20.5%



APPENDIX III

Cash flow statements (in thousands of R\$)

	Consolidated				
	1Q22	4Q21	1Q21	1Q22 vs 4Q21	1Q22 vs 1Q21
Cash flow from operating activities					
Net income (loss)	1,056,225	(648,252)	14,627	-262.9%	7121.1%
Adjustments to reconcile net (loss) earnings to cash flows from operating activities:					
Depreciation and amortization	70,588	67,033	62,351	5.3%	13.2%
Depletion	104,949	48,466	219,100	116.5%	379.0%
Net gains on disposals of property, plant and equipment	(2,479)	(13,707)	2,434	-81.9%	-202.7%
Fair value of biological assets	-	(103,338)	-	-100.0%	n/a
Deferred income tax	237,299	69,414	(166,532)	241.9%	-242.5%
Current income tax	8,619	(5,050)	2,495	-270.7%	245.5%
Interest income (expenses) - lease	93	176	171	-7.4%	-4.7%
Interest income (expenses) and FX variance	(484,423)	231,305	790,955	-309.4%	-161.2%
Interest income (expenses) and FX variance - related parties	(187,209)	33,597	-	-657.2%	n/a
Interest income (expenses) - short and long term investments	5,816	(2,781)	(24)	-310.6%	-2433.3%
Trade receivables - FX variance	28,645	20,663	(17,325)	38.6%	-265.3%
Tax, labor and civil provisions	2,476	6,565	7,454	-62.3%	-66.8%
Net gains with derivatives	(46,981)	(155)	-	302.0.3%	n/a
VAT credits reversal	(2,271)	1,030,760	6,021	-100.2%	-137.7%
Bad debit	(1,310)	1,071	(22)	-222.2%	5854.5%
	790,107	735,787	724,495	7.4%	9.1%
(Increase) decrease of assets					
Trade receivables	30,299	105,566	6,373	-71.3%	375.4%
Inventory	(56,873)	78,153	36,380	-172.8%	-256.3%
Tax receivables	(6,303)	8,764	23,716	-171.9%	-126.6%
Advance to suppliers	(102,696)	5,821	(45,483)	-749.1%	125.8%
Other current and non-current assets	3,856	47,854	8,645	-91.9%	-55.4%
Increase (decrease) of liabilities					
Trade payables	139,554	(15,668)	35,843	-990.7%	289.3%
Accounts payable - related parties	(141)	-	-	n/a	n/a
Social tax and payroll-related payables	(31,437)	(11,979)	(29,151)	162.4%	7.8%
Tax payables	2,189	3,555	(2,801)	-38.4%	-178.2%
Tax, labor and civil provisions	(2,630)	(1,499)	(4,026)	75.5%	-34.7%
Other current and non-current liabilities	(17,081)	82,075	8,363	-120.8%	-304.2%
Cash flows from operating activities	748,844	1,048,429	762,354	-28.6%	-1.8%
Income tax - paid	(2,774)	(25,577)	(5,727)	-89.2%	-516%
Net cash flows from operating activities	746,070	1,022,852	756,627	-27.1%	-1.4%
Cash flow from investing activities					
Additions to biological assets	(10,412)	(123,968)	(133,291)	-10.9%	-17.2%
Additions to property, plant and equipment & intangible assets	(78,068)	(129,442)	(121,003)	-39.7%	-35.5%
Proceeds from disposals of property, plant and equipment	2,237	5,118	8,063	-56.3%	-72.3%
Cash invested on short and long term investments	-	-	-	n/a	n/a
Cash withdraw from short and long term investments	-	33,258	-	-100.0%	n/a
Net cash flow from investing activities	(186,243)	(215,034)	(246,231)	-13.4%	-24.4%
Cash flow from financing activities					
Proceeds from loans and borrowings	42,678	937,901	388,954	-95.4%	-89.0%
Payment of loans and borrowings - principal	(86,926)	(2,072,568)	(217,206)	-91.0%	-13.9%
Payment of loans and borrowings - interest	(10,079)	(68,436)	(55,457)	60.8%	98.5%
Cash invested on short and long term investments	(79,704)	(24,924)	(439,997)	219.8%	-81.9%
Cash withdraw from short and long term investments	124,485	10,770	-	1055.8%	n/a
Payment of leases	(99,809)	(47,319)	(44,980)	110.9%	121.9%
Net cash flow from financing activities	(309,355)	(1,264,576)	(368,685)	-75.5%	-16.1%
Impact of foreign exchange on cash	(117,677)	23,037	84,967	-610.8%	-238.5%
Net increase (decrease) in cash and cash equivalents	132,795	(433,721)	226,678	-130.6%	-41.4%
Cash and cash equivalents at beginning of year	789,944	1,223,665	888,014		
Cash and cash equivalents at end of year	922,739	789,944	1,114,692		
Net increase (decrease) in cash and cash equivalents	132,795	(433,721)	226,678		



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