ELDORADO BRASIL CELULOSE S.A.

Parent Company and consolidated financial statements

For the year ended December 31, 2022

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Message from Management - 2022

Eldorado Brasil closed 2022 with historic achievements from operational and financial standpoints. The Company recorded an all-time high annual pulp production, net revenue, EBITDA, net income, and free cash flow, and achieved financial leverage of 0.65x, the lowest ratio ever reported.

Thanks to the permanent improvement of its forestry and manufacturing processes, with the use of industry 4.0 technologies, the company reached an unprecedented mark in the sector with production equivalent to 11 years of its nominal capacity in 10 years of operations. A total of 16.5 million tons were produced since the beginning of its operations, in November 2012, 10% more than the 15 million that would have been reached with the nominal reference of the plant. The production of 1.832 million tons of pulp in 2022 corresponds to a 22% increase over the project's original estimate, of 1.5 million tons.

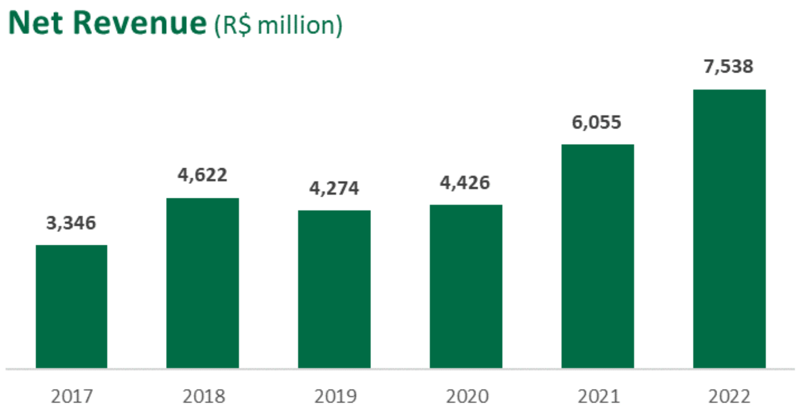
The increase in volumes produced coincided with the opportunities seen in the global pulp market, where logistical bottlenecks and delays in new plant projects led to supply constraints. On the other hand, demand remained strong. Together, these factors led to lower inventories, both from producers and consumers, consequently appreciating the ton produced, with a positive influence on the company's performance.

Throughout 2022, Eldorado also progressed in strategic projects, such as the construction works of the main terminal at the Port of Santos, expected to quadruple the terminal's flow capacity to 3 million tons per year, which remained at an appropriate pace. Operations are expected to start in 2023.

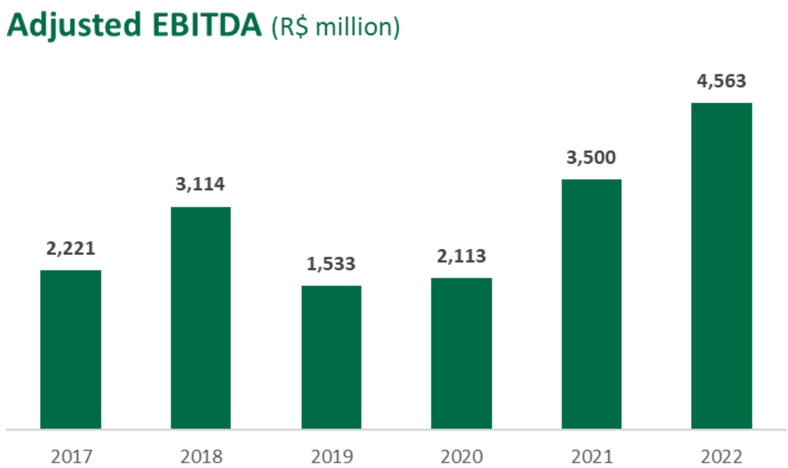
At the end of 2020, we had 5,287 employees distributed across the Brazilian states of Mato Grosso do Sul, São Paulo, and in the units abroad.

Eldorado's gross revenue reached an all-time high of R$9.7 billion in 2022, up by 24% over 2021, mainly due to the 31% rise in pulp prices in the period.

In 2022, net revenue income came to R$7,538 billion, up by 24% over 2021.



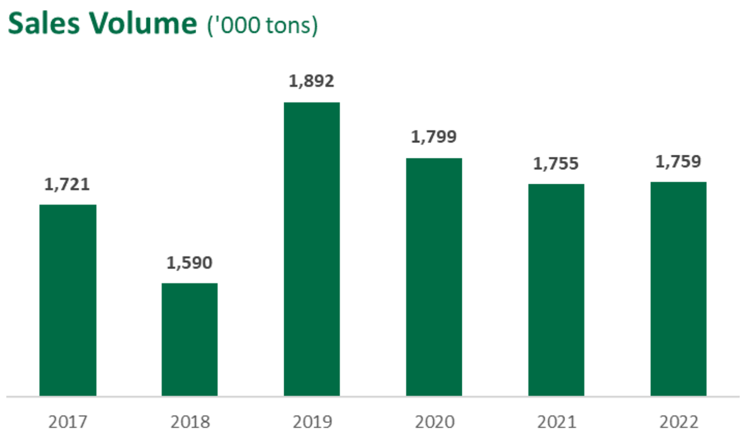
EBITDA closed the year at an all-time high of R$4,563 million, with a margin of 61%. This figure corresponds to a 30% rise over 2021, mainly due to higher pulp prices, which ended 4Q22 at US$880/t, up by 38% over the US$637/t recorded in 4Q21.



Eldorado closed the year with an all-time high net income of R$3,534 million, compared to the R$880 million recorded in 2021.

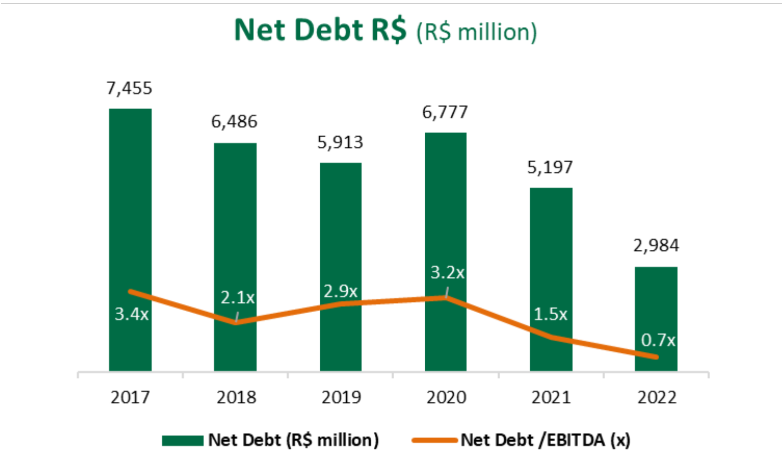
Production volume was the highest ever reported since its opening, closing 2022 at 1,832 thousand tons, up by 3% over 2021, with production 22%% higher than the nominal capacity of Eldorado's industrial plant, of 1.5 million tons of pulp per year.

On the commercial front, the Company closed 2022 with sales of 1,759 thousand tons of pulp, in line with the previous year, maintaining inventory at normal levels.



Eldorado's cash cost of production closed 2022 at an average of R$873/t (US$169/t). There was no scheduled maintenance stoppage in the year.

The Net Debt/Adjusted EBITDA ratio was 0.65x in Brazilian reais (ND 2,984 /Adjusted EBITDA 4,563 = 0.65) and 0.65x in US$ dollars. Net debt totaled R$2,984 million in 2022, down by 33% from 2021. Net debt in US dollars totaled US$572 million in 2022, maintaining the US dollar-denominated indebtedness downward trend.



The Company closed the year with a flat cash position of R$1,347 million.

Management.

Sector Overview

In 2022, international hardwood pulp supply was impacted, mainly in the first half, by restricted availability. In the first months of 2022, non-schedule production stoppages at an important European producer restricted fiber production in the region and coincided with scheduled maintenance stoppages in other producers occurred throughout the first half. The Russia-Ukraine conflict also impacted the market, since birch hardwood production, whose wood came from Russia, also fell. New production capacities expected for the period were also successively postponed, reducing the expected fiver availability for the year.

At the beginning of the year, international logistics remained crowded, as seen in 2021, with container and vessel availability reduced and high freight costs. In the local market, the low availability of trains and truck drivers also affected some regions. In 2022, the availability of barges in Europe also reduced due to the drought seen in that continent. Such disruptions gradually reduced throughout the year.

According to Hawkins Wright estimates, market pulp demand increased by 0.6% in 2022, due to the logistics impact seen in 2021, and generalized supply restrictions, which prevented regular flow. Paper producers are estimated to have reduced their inventories of this raw material.

The paper market behaved differently depending on its end use. The Printing and Writing market, which was strongly affected in 2020 because of the pandemic, saw a partial recovery in 2021 and, in 2022, resumed the downward trend seen before the pandemic.

The toilet paper and packaging markets, in turn, continued with a positive upward trend. Together, these markets consume around 57% of the bleached chemical hardwood pulp sold, according to Hawkins Wright.

Over the year, availability problems led to price increases in all regions compared to the average price recorded in 2021.

Relevant information for 2022

Industrial

In 2022, Eldorado Brasil produced 1.83 million tons of bleached eucalyptus pulp, a new company record, 22% higher than the plant's nominal capacity of 1.5 million tons.

Eldorado's operational efficiency reached 94.4% in 2022, and the plant's availability came to 98%, the highest figures ever reported. This result was due to improvements in innovation and technology management, operational management, and asset management.

The quality of the final product reached 99.2% and was classified as Prime Export, reaching the best result ever reported by the Company.

Cash production cost totaled R$873 in 2022, 20% higher than in 2021, mainly due to the inflationary pressure of the period.

Sustainability is one of Eldorado's main pillars. Since the beginning of operations, the Company has been improving its environmental indicators.

Every year, Eldorado produces a ton of pulp using less water, less electricity, and fewer chemicals, thus generating a smaller volume of effluents. An example is the reduction in the specific use of water, reaching 24.7 m^3/t compared to the projected 34 m^3/t, while chemicals consumed totaled 27.3 kg/t, the lowest ever reported and a reference in the market.

The plant is self-sufficient in green energy, produced from biomass arising from materials not used in pulp production, such as lignin and wood waste.

In 2022, we generated 1,513 MWh of energy, 799 thousand MWh of which was consumed by the plant; 447 thousand MWh sold to chemical input partners located within Eldorado's industrial complex; and 267 thousand MWh allocated to the grid (national electricity system).

Commercial

Eldorado's commercial strategy is mainly focused on the continuous development of a solid and diversified portfolio of clients from various segments and regions, as well as the establishment of long-term relationships, to ensure flexibility and limit the effects of risks related to each market and segment.

According to reports presented by PPPC, demand from the printing and writing segment is expected to reduce in several regions, with a global variation of -1.3% in 2022, following the downward trend of these products because of digitalization.

Demand for Toilet Paper is expected to globally grow by 2.4% in 2022, following the expected upward trend after strong growth in 2020 and rebalancing in 2022, because of the pandemic.

Thus, following its commercial strategy, in 2022 Eldorado kept the share of toilet paper volumes in its portfolio, which is one of the markets with the greatest growth prospects. The segment accounted for 62% of the total in the period.

In 2022, the Company sold 1,759 thousand tons.

The average pulp price sold by Eldorado in 2022 was US$803/t, up by US$189/t, or 31%, over 2021, in line with international pulp price increases.

Logistics

The year 2022 saw progress in the construction work of the new 50 thousand square meter Terminal at Port of Santos that belongs to Eldorado Brasil Celulose Logística – EBLog, expected to start operations in the first half of 2023. The project will have a shipping capacity of up to 3 million tons per year and access to receive, inside the terminal, a railway composition of up to 72 wagons. Investments total R$500 million.

As part of the social actions included in the project, in the second half of 2022, we started the construction of a new Polyclinic in the Estuário District, in the city of Santos, which will benefit more than 16 thousand residents in the port region. The agreement was executed with the municipal government in May 2022.

Also in the second half of 2022, we increased Transportadora Eldorado's range of services, which was focused on wood transportation, to pulp operations. The purpose is to allow Eldorado to directly contract autonomous transporters, as well as small- and medium-sized shippers. In addition to increasing volume, such an opportunity also makes it possible to reduce road costs, which account for a significant share of the logistics cost matrix.

Global logistics faced challenges on different fronts in the first half of 2022, still arising from the post-Covid-19 economic recovery that disrupted cargo flow, led to crowding and lack of capacity at port warehouses, labor shortages, and rising fuel costs.

Despite the setbacks, the Company used detailed analyses of the difficulties faced on each front and sought to implement one-time and alternative solutions for each case, ensuring delivery and cost performance.

Forestry

In 2022, the year in which Eldorado Brasil celebrated 10 years of operations, the forestry production base reached 267.3 thousand hectares of productive areas with eucalyptus aimed at pulp production, and 127.1 thousand hectares of preservation and conservation areas.

Such an expansion was accompanied by investments in technology that made the Company's operations and decision-making easier. Of the 2,500 clones already tested at the company, we selected 157 that are part of the option of genetic materials to be planted each year in the more than 300 farms spread in Mato Grosso do Sul.

Thanks to research in genetic improvement, the company registered with the Ministry of Agriculture and Livestock five elite cultivars that result from the selection among progenies imported from Australia and other parts of the world. The material, named local breed, has characteristics well adapted to our locations, grows better, and has greater resistance to water shortage, pests, and diseases that are common in the cultivation of eucalyptus.

Research in the Genetic and Biotechnology Improvement area continued progressing with the implementation of the experimental network of the Genetic Improvement Program (PMGF).

In 2022, other Biotechnology projects continued to be developed at Eldorado, especially regarding metagenomics studies, where we progressed with the characterization of microorganisms related to eucalyptus and the production of potential inoculants.

With our Bio-inputs plant, we were able to protect around 150 thousand hectares of our forests by releasing natural enemies, created in laboratories to guarantee the control of opportunistic pests and, therefore, reduce the use of chemicals.

Eldorado Brasil also maintained its mechanization strategy and reached 71.35% of non-manual operations.

With the expansion of our communication tower network, we increased our protection radius against forest fires and concluded the installation of 30 meteorological stations, thus increasing the coverage of the entire planted area to 98%.

Also in 2022, we harvested and shipped to our industry around 6 million m^3 of wood and invested in infrastructure in the farms where we operate by constructing 1,461 kilometers of new roads and working on the maintenance of the 14 thousand kilometers already constructed.

To face such challenges, Eldorado created a structure to train 3,000 employees on various fronts, such as forest fire brigades, mechanical operators, drivers, and leaders of several levels. Another initiative implemented was the creation of the "GERMINAR" course in partnership with CONEXÃO-FGV to form leaders of the future with high-level managerial and technical training.

Occupational Safety is important in the Company's daily operations. With specific programs, such as *Blitz de Segurança*, *Inova+*, *VISTA, and Lidere a Vida*, we have reduced the frequency rate by 91.24% (2.97 to 0.26) and the severity rate by 90.38% (52 to 5) since the beginning of operations in 2012.

Financial

The year 2022 brought significant results and achievements, with the best-ever operating and financial results.

The adjusted EBITDA grew by 30% over 2021. Gross debt totaled R$4.33 billion, down by 29.5% from the previous year.

The result of the strong cash generation in the period allowed the early redemption of the Company's most onerous debt, totaling R$1.9 billion. These operations allowed a strong reduction in financial leverage. The net debt/adjusted EBITDA ratio was 0.65x in 2022, compared to 1.48x in 2021.

Indebtedness	4Q22	3Q22	4Q21	4Q22 vs. 3Q22	4Q22 vs. 4Q21
Gross Debt	4,331	4,785	6,144	-9.5%	-29.5%
Short-Term Debt	1,726	2,026	927	-14.8%	86.2%
Cash and Financial Investments	1,347	1,306	947	3.1%	42.2%
Net Debt	2,984	3,479	5,197	-14.2%	-42.6%
Net Debt in U.S. dollars	572	644	931	-11.2%	-38.6%
MTM Derivatives	210	167	13	25.7%	1,515%
Net Debt w/ MTM Derivatives	2,774	3,312	5,184	-16.2%	-46.6%
Net Debt w/ MTM Derivatives in US$	531	612	930	-13.2%	-42.9%
Net Debt/Adjusted EBITDA (R$)	0.65x	0.84x	1.48x	-0.19x	-0.83x
Net Debt/Adjusted EBITDA (US$)	0.65x	0.82x	1.43x	-0.17x	-0.78x
Net Debt w/ MTM/ Adjusted EBITDA (R$)	0.61x	0.80x	1.47x	-0.19x	-0.87x

Investments totaled R$1.095 million, considering the maintenance of manufacturing, forestry, and silviculture activities, and investments in EBLog, the new terminal in the port of Santos.

Free cash flow reached R$2.263 million in 2022, a new all-time figure, up by 15% over 2021.

ESG (Environmental, Social, and Governance)

Social and Environmental

Eldorado Brasil's growth strategy and value creation continued in line with the pillars of competitiveness, innovation, sustainability, and appreciation for people. Sustainability is a fundamental pillar of the business and permeates all the Company's actions. Environmental, Social, and Governance (ESG) criteria create social, environmental, and governance values.

In 2Q22, Eldorado Brasil preserved its commitment to responsible forestry management through dialogue and engagement of all its stakeholders. For this reason, the Company obtained a recommendation, for another five years, of the FSC® (FSC-C113536) – Forest Stewardship Council® and CERFLOR - National Program for Forest Certification seals. Both seals attest to the solidity and constancy of the Company's forest management practices, proving to our customers, institutional partners, and public agents Eldorado Brasil's adherence to the highest standards of certification in the industry.

It is also worth noting the excellent result of the audit of the chain of custody of the Forest Stewardship Council® (license code FSC-C113939) and the Programme for the Endorsement of Forest Certification (PEFC), further strengthening our performance in ensuring the traceability of our pulp to the customer. The renewal of the certifications shows that the company's operations continue to meet the highest forestry requirements and standards, taking into account indicators of social and environmental impact.

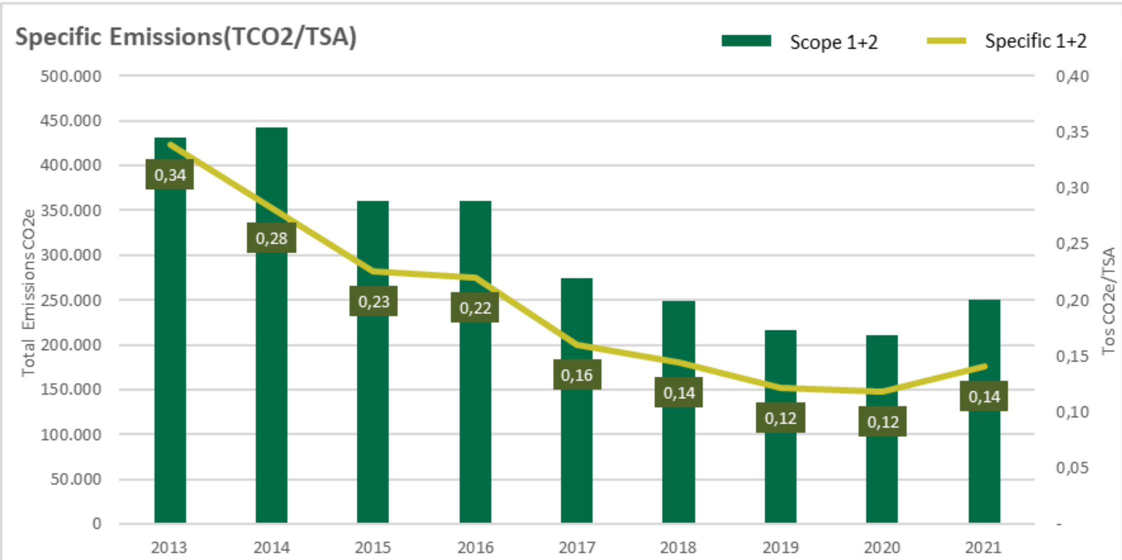
The HALAL certification, which confirms that the procedures and production processes comply with the religious rules of Islamic countries, was maintained, as well as the KOSHER certification, which confirms compliance with the specific Jewish dietary laws. This seal is recognized worldwide and attributed as a synonym for maximum quality control.

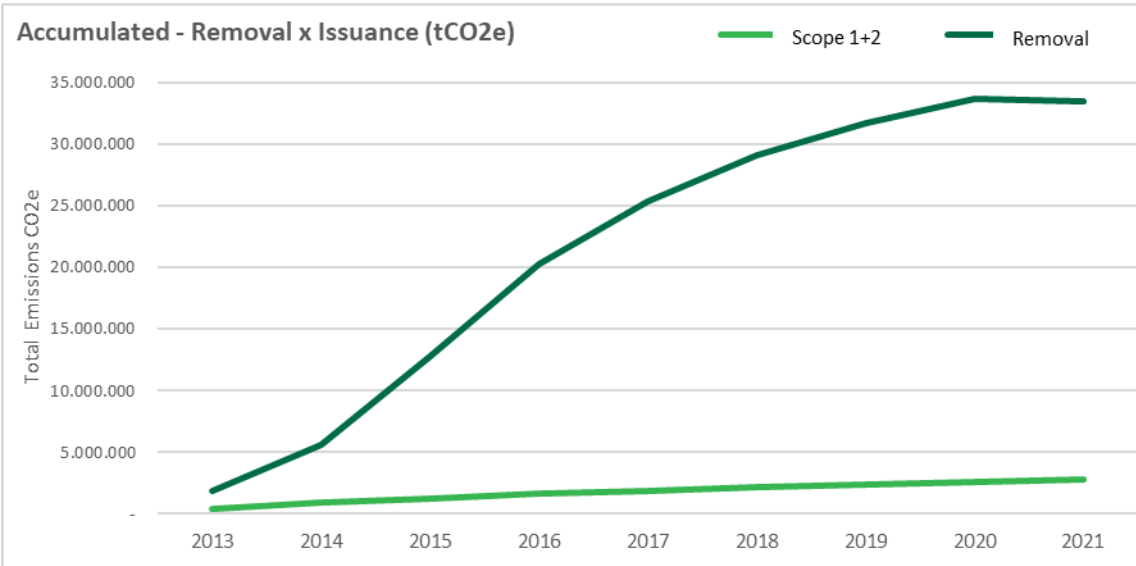
All priority matters for stakeholders were updated in the 9th Sustainability Report. The results were consolidated according to the standards of the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), Sustainable Development Goals of the United Nations (SDG

– UN), and their respective goals. All of them are connected to the ten Universal Principles of the Global Compact, showing Eldorado Brasil's improvement in Environmental, Social, and Governance practices.

We also published the 11th edition of the Public Summary of the Forest Management Plan, which clearly and transparently summarizes relevant information about Eldorado Brasil's forestry operations and the practices adopted by the Company, showing our responsible forestry management to our stakeholders.

We also published the 9th Greenhouse Gas (GHG) Inventory under the GHG Protocol methodology. The Company's specific GHG emissions (scopes 1 and 2) are relatively lower than those of the other industry companies, while carbon removed from the atmosphere by its native and planted forests captured CO2 in a volume significantly higher than the emissions released from operations.





*2022 figures will be disclosed in the Sustainability Report in the second quarter.

Eldorado Brasil's carbon chain is negative, i.e. accumulated removal is higher than accumulated emission, reaffirming the Company's commitment to fighting global climate change.

Another important point is that we received the Gold Seal, showing the maximum recognition for the greenhouse gas inventory of the Brazil GHG Protocol program. The inventory was verified by a company accredited by Inmetro, under the ISO 14064 standard, and good monitoring practices and transparency in the publication of data were validated. The certification refers to the 2021 inventory.

Over the year, the Company maintained relationships and engagement practices with stakeholders, either directly or indirectly, to create positive value based on programs and actions conducted by Eldorado Brasil, providing shared sustainability between the Company, society, and local communities.

It is worth noting the resumption of in-person events in the communities, with several actions aimed at engagement, and environmental and education awareness to maintain a close and consolidated relationship.

It is also worth noting that Eldorado carried out several transfers throughout the year focusing on health, education, and development of the communities.

One of the main actions was "*Projeto Limão*", whose purpose is to increase the product diversity of the settlements in the region where the Company operates. The project made available irrigation kits and certified Tahiti lemon seedlings, and provided technical assistance and training in partnership with the National Rural Learning System (SENAR). Aiming at developing the communities where the Company operates, Eldorado intends to expand the project to other crops with sales potential, providing product diversity and economic development to several families in other communities.

The Company maintained the environmental education program – PES (Eldorado Sustainability Program), with Environmental Education work, focused on the surrounding communities and its employees.

In the last few years, especially in 2022, the good practices and results achieved by Eldorado Brasil became a priority in the Company's strategies in terms of the ESG parameters.

Corporate Governance and Compliance

The Company continues improving its governance by unceasingly investing in several compliance actions and reinforcing its commitment to ethics and compliance with the rules and standards applicable to its activity.

Throughout the year, the Company continued to improve its Compliance Program, focusing on actions to prevent, detect, and correct potential irregularities, as well as promoting ethical values, integrity, compliance, and transparency of its business.

In addition to Managements' continuous encouragement regarding the use of the whistleblowing channel (Eldorado Brasil Ethics Line), the Company maintained the mapping of risks and internal controls, structured the periodic communication plan regarding compliance issues, conducted training on internal policies and the principles of the Code of Ethical Conduct, created and updated specific internal policies and procedures, evaluated possible conflicts of interest, conducted internal audits of processes, and carried out internal and external communication campaigns to constantly reinforce the behaviors that senior management expects from all employees and partners.

Eldorado Brasil not only is satisfied with just training and monitoring compliance with the laws and its internal regulations but is also responsible for constantly spreading its values and rules on transparency and ethics. For this reason, the Company maintained the Ethics Multipliers program, where around 50 employees, from the most diverse sectors of the Company, were trained to disseminate and propagate actions of the Compliance Program.

The support given by the Company's management to its compliance functions has been increasingly evident. The results achieved by the Ethics Line prove the trust employees and third parties have in the channel's efficiency and the importance the Company has given to addressing reported issues, seeking to act impartially, maintaining confidentially, and providing feedback to the whistleblower. This advance was also proved in the result of the Compliance Survey conducted in 2022 with employees, which showed high satisfaction with the actions of Eldorado's Compliance Program.

The Company continues to adhere to the transparency and integrity standards of the Ethos Institute of Companies and Social Responsibility: Business Movement for Integrity and Transparency and Business Pact for Integrity and Against Corruption, which carries out actions aimed at raising commitment within the Brazilian private sector to promote a socially responsible and sustainable business environment.

Eldorado also participates in the *Cadastro Agroíntegro* registration, an initiative of the Ministry of Agriculture, Livestock and Supply aimed at recognizing agricultural companies and cooperatives that implement integrity, ethics, and transparency practices, and is a signatory of the Global Compact, a United Nation program to encourage and foster more sustainable and fair business practices throughout the world. The Company's joining the Global Compact confirms its commitment to the environmental, social, and governance sustainability agenda.

Deliveries of the impact of the Agribusiness Collective Anti-corruption Action, an initiative of UN Global Compact Brazil, in which Eldorado Brasil is one of the founders, started in 2022. The Guide to Good Anti-Corruption Practices of Agribusiness was launched. The guide aims to provide guidance and share good practices for companies of all sizes and different organizations in the sector, becoming an educational and awareness-raising tool, contributing to the fight against corruption and the promotion of integrity in Brazil.

Still seeking constant updates, the Company improved the monitoring of compliance actions in 2022 by creating indicators and following up on the development and responsiveness of the actions developed throughout the months. With this, Eldorado Brasil intends to study the best actions to make its program increasingly effective.

Stock Purchase Agreement

On September 2, 2017, J&F Investimentos S.A. ("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 (Share Purchase and Sale Agreement) to CA Investment (Brazil) S.A., a company belonging to 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 semester of 2018.

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

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

On July 30, 2021, an injunction was issued by the Court of Justice of the State of São Paulo determining the immediate suspension of acts aimed at the transfer of shareholding control of Eldorado, including, among others, the payment of the price and the transfer of ownership of the shares issued by Eldorado, as well as prohibiting CA Investment from adopting any judicial or extrajudicial measures, especially before foreign courts, to recognize or enforce the partial arbitration award.

On July 29, 2022, the Judge of the 2nd Corporate and Arbitration Related Disputes Court of the Central Court of the District of São Paulo - SP issued a decision in the declaratory action of nullity of the arbitration award issued under Procedure No. 23909/GSS/PFF, administered by the International Court of Arbitration – ICC. The decision denied the request made by J&F Investimentos S.A. and Eldorado for the nullity of the arbitration award and all acts performed in the arbitration procedure to be declared null and void. Eldorado and J&F filed appeals against the decision and are awaiting judgment.

Closing Remarks

Eldorado's progress throughout the year is the result of the daily effort of the Company's more than 5,000 employees in Mato Grosso do Sul, São Paulo, and its offices abroad. All these professionals work motivated by our values of Owner attitude; Determination; Discipline; Availability; Simplicity; Honesty; and Humility.

Eldorado Brasil also thanks its customers, suppliers, and other partners for the results achieved, which are indicators of the Company's determination and strength, and its potential to remain on the right path of development, benefitting society as a whole and the environment.

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Independent auditors' report on the parent company and consolidated financial statements

(A free translation of the original report in Portuguese)

To the Shareholders, Board of Directors and Directors of Eldorado Brasil Celulose S.A.

São Paulo – SP

Opinion

We have audited the parent company and consolidated financial statements of Eldorado Brasil Celulose S.A. ("Company"), identified as Parent company and Consolidated, respectively, comprising the balance sheets as of December 31, 2022 and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, as well as the corresponding notes, comprising the significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the parent company and consolidated financial position of Eldorado Brasil Celulose S.A. as of December 31, 2022, the parent company and consolidated performance of its operations and its parent company and consolidated cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

Our audit was conducted in accordance with Brazilian and international standards on auditing. Our responsibilities under those standards are further described in the following section denominated "Auditors' responsibilities for the audit of the parent company and consolidated financial statements". We are independent of the Company and its subsidiaries, in accordance with the relevant ethical requirements included in the Accountants Professional Code of Ethics ("*Código de Ética Profissional do Contador*") and in professional standards issued by the Federal Accounting Council ("*Conselho Federal de Contabilidade*"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

The key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company and consolidated financial statements of the current year. These matters were addressed in the context of our audit of the parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and, we do not provide a separate opinion on these matters.

Biological assets fair value measurement

See notes 7.f and 14 of the parent company and consolidated financial statements

Key audit matter	How our audit addressed this matter
The Company measures its biological assets at fair value and this measurement requires significant judgment in the determination of assumptions, which include, among others, average cycle of forest formation until depletion, average annual increase in wood volume, average sale price of stand wood and discount rate (WACC) and consequently in the application of the discounted cash flow method that considers the tax amortization benefit - TAB. Due to the uncertainty degree in determining the assumptions, the complexity and level of judgment used in measuring the biological assets fair value, as well as the impact that any changes in the assumptions and the method application could have on the parent company and consolidated financial statements, we consider this a significant matter in our audit.	Our audit procedures included, but were not limited to: ▪ We evaluated the design and operating effectiveness of the Company's key internal controls related to the biological assets fair value measurement. ▪ With the assistance of our corporate finance specialists, we have assessed, the main assumptions used to measure the biological assets fair value, comparing with internal and external historical information available, evaluating the sources used in the calculation and comparing with market information and valuation practices for the biological assets fair value, as well as the application of the discounted cash flow method that considers the tax amortization benefit- TAB. ▪ assessment of the related disclosures in the explanatory notes to the financial statements Based on the evidence obtained through the audit procedures summarized above, we consider that the biological assets measurement, as well as the related disclosures, are acceptable, in the context of the parent company and consolidated financial statements taken as a whole.

Other matters

Statements of value added

The parent company and consolidated statement of value added (*DVA*) for the year ended December 31, 2022, prepared under responsibility of Company's management, and presented as supplementary information for IFRS purposes, have been subject to audit procedures jointly performed with the audit of

Company’s parent company and consolidated financial statements. In order to form our opinion, we evaluated whether those statements are reconciled with the parent company and consolidated financial statements and accounting records, as applicable, and whether their format and contents are in accordance with criteria determined in the Technical Pronouncement CPC 09 - Statement of Added Value. In our opinion, the statements of added value have been fairly prepared, in all material respects, in accordance with the criteria determined by the aforementioned Technical Pronouncement, and are consistent with the overall parent company and consolidated financial statements.

Other information accompanying parent company and consolidated financial statements and the auditors’ report

Management is responsible for the other information comprising the management report.

Our opinion on the parent company and consolidated financial statements does not cover the management report and we do not express any form of assurance conclusion on that report.

In connection with our audit of the parent company and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the parent company and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the parent company and consolidated financial statements

Management is responsible for the preparation and fair presentation of the parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil and with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company and consolidated financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s and subsidiaries financial reporting process.

Auditors’ responsibilities for the audit of the parent company and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the parent company and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and international standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and international standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the parent company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company`s and its subsidiaries internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the management.

– Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and subsidiaries to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of financial statements, including disclosures, and whether the parent company and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, March, 15, 2023.

KPMG Auditores Independentes Ltda.
CRC 2SP027685/O-0 "F" SP
(Original report in Portuguese signed by)
Leslie Nares Laurenti
Accountant CRC 1SP215906/O-1

ELDORADO BRASIL CELULOSE S.A.

Balance sheets
In thousands of reais

Assets

	Note	Parent company 12/31/2022	Parent company 12/31/2021	Consolidated 12/31/2022	Consolidated 12/31/2021
Current					
Cash and cash equivalents	9.1	173.122	301.889	1.347.256	789.944
Interest earning bank deposits	9.2	-	24.555	-	24.555
Trade accounts receivable	10	803.220	832.577	1.538.739	928.009
Inventories	12	585.501	521.459	832.361	678.435
Recoverable taxes	13	84.073	67.146	85.862	70.098
Income tax and social contribution - current		-	8.178	46	3.837
Derivative financial instruments	8.4.1	92.874	56.848	92.874	56.848
Advances to suppliers		65.323	28.525	65.323	28.525
Other current assets		53.900	20.083	55.370	21.425
Total current assets		**1.858.013**	**1.861.260**	**4.017.831**	**2.601.676**
Non-current					
Long-term assets					
Interest earning bank deposits	9.2	-	132.396	-	132.396
Recoverable taxes	13	31.956	1.728	32.550	1.759
Advances to suppliers		249.151	182.173	249.151	182.173
Deferred income tax and social contribution	21.2	-	50.066	-	50.066
Derivative financial instruments	8.4.1	123.531	70.141	123.531	70.141
Loans with related parties	11	160.110	48.605	-	-
Other non-current assets		4.697	4.546	5.158	5.312
		569.445	**489.655**	**410.390**	**441.847**
Biological assets	14	3.802.426	3.493.833	3.802.426	3.493.833
Investments	15	3.396.895	1.976.640	-	-
Property, plant and equipment	16	4.869.614	4.860.549	4.894.360	4.881.888
Intangible assets	17	29.901	30.221	324.192	100.005
Rights-of-use	18	952.070	675.008	1.230.311	920.423
Total non-current assets		**13.620.351**	**11.525.906**	**10.661.679**	**9.837.996**
Total assets		**15.478.364**	**13.387.166**	**14.679.510**	**12.439.672**

The accompanying notes are an integral part of the parent company and consolidated financial information

ELDORADO BRASIL CELULOSE S.A.

Balance sheets

In thousands of reais

Liabilities and shareholders' equity

	Note	Parent company 12/31/2022	Parent company 12/31/2021	Consolidated 12/31/2022	Consolidated 12/31/2021
Current					
Suppliers	19	293.058	287.584	297.175	289.846
Loans and financing	20	1.725.644	927.423	1.725.644	927.423
Leases payable	18	202.594	186.080	234.768	209.928
Loans with related parties	11.3	3.191	3.412	-	-
Labor and social security obligations		210.906	165.863	218.359	172.925
Tax obligations		19.358	11.082	46.248	11.677
Income tax and social contribution - current		40.647	-	72.458	-
Derivative financial instruments	8.4.1	6.108	-	6.108	-
Accounts payable to related parties	11.1	-	141	-	141
Other current liabilities		21.854	26.470	117.939	120.260
Total current liabilities		**2.523.360**	**1.608.055**	**2.718.699**	**1.732.200**
Non-current					
Loans and financing	20	2.604.721	5.216.569	2.604.721	5.216.569
Loans with related parties	11.3	1.147.894	1.227.710	-	-
Leases payable	18	865.969	574.506	1.019.222	730.043
Deferred income tax and social contribution	21.2	258.612	-	258.612	-
Derivative financial instruments	8.4.1	-	113.543	-	113.543
Provision for legal risks	22	30.692	34.382	31.140	34.916
Other non-current liabilities		22.378	17.434	22.378	17.434
Total non-current liabilities		**4.930.266**	**7.184.144**	**3.936.073**	**6.112.505**
Shareholders' equity	23				
Share Capital		1.788.792	1.788.792	1.788.792	1.788.792
Retained earnings reserves		5.885.074	2.350.806	5.885.074	2.350.806
Equity valuation adjustments		350.872	455.369	350.872	455.369
Total shareholders' equity		**8.024.738**	**4.594.967**	**8.024.738**	**4.594.967**
Total liabilities and shareholders' equity		**15.478.364**	**13.387.166**	**14.679.510**	**12.439.672**

The accompanying notes are an integral part of the parent company and consolidated financial information

ELDORADO BRASIL CELULOSE S.A.

Statement of income
Years ended December 31
In thousands of reais, unless otherwise indicated

	Note	Parent company		Consolidated	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
Net revenue	24	4.207.401	4.159.001	7.538.110	6.054.774
Cost of goods sold	26	(2.443.666)	(1.928.806)	(2.355.526)	(1.980.030)
Gross profit		**1.763.735**	**2.230.195**	**5.182.584**	**4.074.744**
Operating revenues/(expenses)					
With sales and logistics	26	(320.903)	(313.139)	(932.320)	(752.646)
Administrative and general	26	(269.826)	(212.925)	(286.774)	(229.875)
Expected credit losses	10	(1.321)	4.138	(10.072)	4.733
Equity in net income of subsidiaries	15	2.762.803	1.378.350	-	-
Other operating revenues (expenses), net	28	31.039	(934.031)	41.792	(934.129)
Operating income (loss) before financial income (loss)		**3.965.527**	**2.152.588**	**3.995.210**	**2.162.827**
Net financial income (expenses)	27				
Financial revenues		43.168	13.029	42.260	17.861
Financial expenses		(583.771)	(558.853)	(553.175)	(553.828)
Derivative financial instruments		186.775	154	186.775	154
Net exchange-rate change		321.676	(465.888)	323.130	(469.773)
Income before taxes		**3.933.375**	**1.141.030**	**3.994.200**	**1.157.241**
Income tax and social contribution	21.1				
Current		(116.294)	(29.740)	(177.119)	(45.951)
Deferred		(282.813)	(231.528)	(282.813)	(231.528)
Net income for the year		**3.534.268**	**879.762**	**3.534.268**	**879.762**
Basic and diluted net earnings per share - in *reais* (R$)	23.7			**2,3167**	**0,5767**

The accompanying notes are an integral part of the parent company and consolidated financial information

ELDORADO BRASIL CELULOSE S.A.

Statement of comprehensive income
Years ended December 31
In thousands of reais

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Net income for the year	**3.534.268**	**879.762**	**3.534.268**	**879.762**
Items that can be subsequently reclassified to income (loss):				
Foreign exchange differences on translation of foreign operations	(154.707)	156.023	(154.707)	156.023
Adjustment of cash flow hedge	76.076	13.291	76.076	13.291
Deferred income tax on cash flow hedge	(25.866)	(4.519)	(25.866)	(4.519)
Other comprehensive income, net of income and social contribution taxes	**(104.497)**	**164.795**	**(104.497)**	**164.795**
Total comprehensive income for the year	**3.429.771**	**1.044.557**	**3.429.771**	**1.044.557**

The accompanying notes are an integral part of the parent company and consolidated financial information

ELDORADO BRASIL CELULOSE S.A.

Statement of changes in shareholders' equity
Years ended December 31
In thousands of reais

		Retained earnings reserves						Equity valuation adjustments			
	Share Capital	Legal reserve	Tax incentive reserve	Expansion reserve	Special reserve	Reserve for minimum mandatory retained dividends	Profit retention	Hedge accounting	Accumulated translation adjustments	Retained earnings	Total
Balances at December 31, 2020	**1.788.792**	**36.498**	**1.002.780**	**405.132**	**26.634**	**-**	**-**	**-**	**290.574**	**-**	**3.550.410**
Comprehensive income for the year											
Net income for the year	-	-	-	-	-	-	-	-	-	879.762	**879.762**
Other comprehensive income for the year	-	-	-	-	-	-	-	8.772	156.023	-	**164.795**
Total comprehensive income for the year net of taxes	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8.772**	**156.023**	**879.762**	**1.044.557**
Legal reserve	-	43.988	-	-	-	-	-	-	-	(43.988)	**-**
Tax incentive reserve	-	-	(9.837)	-	-	-	-	-	-	9.837	**-**
Reserve for minimum mandatory retained dividends	-	-	-	-	(26.634)	238.037		-	-	(211.403)	**-**
Expansion reserve	-	-	-	634.208	-	-	-	-	-	(634.208)	**-**
Balances at December 31, 2021	**1.788.792**	**80.486**	**992.943**	**1.039.340**	**-**	**238.037**	**-**	**8.772**	**446.597**	**-**	**4.594.967**
Comprehensive income for the year											
Net income for the year	-	-	-	-	-	-	-	-	-	3.534.268	**3.534.268**
Other comprehensive income for the year	-	-	-	-	-	-	-	50.210	(154.707)	-	**(104.497)**
Total comprehensive income for the year net of taxes	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**50.210**	**(154.707)**	**3.534.268**	**3.429.771**
Legal reserve	-	176.713	-	-	-	-	-	-	-	(176.713)	**-**
Tax incentive reserve	-	-	11.094	-	-	-	-	-	-	(11.094)	**-**
Profit retention	-	-	-	-	-	-	3.346.461	-	-	(3.346.461)	**-**
Balances at December 31, 2022	**1.788.792**	**257.199**	**1.004.037**	**1.039.340**	**-**	**238.037**	**3.346.461**	**58.982**	**291.890**	**-**	**8.024.738**

The accompanying notes are an integral part of the parent company and consolidated financial information

ELDORADO BRASIL CELULOSE S.A.

Statement of cash flows
Years ended December 31
In thousands of reais

	Note	Parent company		Consolidated	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
Cash flow from operating activities:					
Net income for the year		**3.534.268**	**879.762**	**3.534.268**	**879.762**
Adjustments to reconcile income (loss) to cash and cash equivalents generated by operating activities:					
Depreciation and amortization		278.478	261.448	277.521	266.807
Depletion		300.999	158.372	294.162	157.238
Income (loss) from disposal of property, plant and equipment and biological assets		(16.921)	(10.482)	(11.068)	(10.504)
Fair value of biological assets	14	61.815	(173.782)	61.815	(173.782)
Deferred income tax and social contribution	21.1	282.813	231.528	282.813	231.528
Income tax and social contribution - current	21.1	116.294	29.740	177.119	45.951
Financial charges - interest - leases		117	258	698	793
Financial charges - interest and exchange-rate change	20.3	257.823	702.676	257.823	733.306
Financial charges - interest and exchange-rate change - related parties	10.3	(27.079)	195.345	(128.216)	160.280
Financial charges - interest and exchange-rate change - interest earning bank deposits		(58.078)	(7.093)	(58.078)	(7.872)
Financial charges - interest on loan - related parties		(15.823)	-	-	-
Clients – exchange-rate change		80.589	(1.177)	80.589	(1.177)
Provision for legal risks	22	14.077	18.271	14.216	18.429
Net gain with derivatives		(194.547)	(155)	(194.547)	(155)
Net loss in derivative financial instruments		3.974	-	3.974	-
(Reversal) / formation of ICMS credit losses	13 | 28	(28.438)	1.030.760	(28.438)	1.030.760
Tax credits	28	(62.683)	56.528	(62.683)	56.528
Estimated loss on inventory	12	4.576	-	4.576	
Equity in net income of subsidiaries	15	(2.762.803)	(1.378.350)	-	-
Expected credit losses	10	1.321	(4.138)	10.072	(4.733)
		1.770.772	**1.989.511**	**4.516.616**	**3.383.159**
Decrease / (increase) in assets					
Trade receivables		(52.553)	(336.429)	(732.395)	(171.051)
Inventories		25.275	(33.820)	(57.460)	6.677
Recoverable taxes		34.964	66.164	35.611	63.081
Advances to suppliers		(28.574)	8.643	(28.574)	8.648
Other current and non-current assets		(33.002)	41.517	(38.414)	41.557
Increase / (decrease) in liabilities					
Suppliers		5.474	5.761	39.536	10.597
Accounts payable to related parties		(141)	(4.160)	(141)	(2.950)
Labor and social security obligations		45.043	43.389	45.734	43.535
Tax obligations		8.276	(13.213)	9.213	(12.717)
Provision for legal risks	22	(17.767)	(15.268)	(17.992)	(15.363)
Other current and non-current liabilities		328	32.471	15.114	82.327
Cash generated by operating activities		**1.758.095**	**1.784.566**	**3.786.848**	**3.437.500**
Income tax and social contribution paid		(58.467)	(42.663)	(66.738)	(51.378)
Net cash generated by operating activities		**1.699.628**	**1.741.903**	**3.720.110**	**3.386.122**
Cash flow from investment activities:					
Increase in biological assets		(505.609)	(387.658)	(505.609)	(387.658)
Additions to property, plant and equipment and intangible assets	16 and 17	(365.926)	(463.457)	(589.089)	(487.594)
Cash received upon disposal of fixed assets		24.710	28.133	24.710	28.199
Capital increase in subsidiaries		(569)	(3.298)	-	-
Loan granted to the subsidiaries		(214.500)	(53.400)	-	-
Interest earning bank deposits, net		215.029	(149.858)	215.029	(121.974)
Dividends received	15.2	1.306.048	843.432	-	-
Net cash invested in investment activities		**459.183**	**(186.106)**	**(854.959)**	**(969.027)**
Cash flow from financing activities:					
Loans and financing obtained	20.3	1.030.566	3.889.741	1.030.566	3.899.858
Amortization of loans and financing - principal	20.3	(2.692.348)	(3.968.190)	(2.692.348)	(5.811.003)
Amortization of loans and financing - interest	20.3	(409.668)	(326.748)	(409.668)	(405.126)
Receipt of operations with derivatives		69.798	-	69.798	-
Amortization of related party loans - principal	11.3	-	(741.137)	-	-
Amortization of related party loans - interest	11.3	(52.958)	(109.445)	-	-
Payment of lease agreements	18.3	(232.968)	(181.421)	(280.039)	(184.395)
Net cash invested in financing activities		**(2.287.578)**	**(1.437.200)**	**(2.281.691)**	**(2.500.666)**
Effects of exchange-rate change on cash		-	-	(26.148)	(14.499)
Net decrease (increase) in cash and cash equivalents		**(128.767)**	**118.597**	**557.312**	**(98.070)**
Cash and cash equivalents at the beginning of the year		301.889	183.292	789.944	888.014
Cash and cash equivalents at the end of the year		173.122	301.889	1.347.256	789.944
Net decrease (increase) in cash and cash equivalents		**(128.767)**	**118.597**	**557.312**	**(98.070)**

The accompanying notes are an integral part of the parent company and consolidated financial information

ELDORADO BRASIL CELULOSE S.A.

Statements of value added
Years ended December 31
In thousands of reais

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Revenues				
Sale of goods, products and services	4.448.631	4.382.670	7.781.448	6.279.844
Other operating revenues	8.470	167.931	19.590	168.399
Transfers from construction of own assets	41.794	45.182	41.794	45.182
Expected loss for allowance for doubtful accounts	(1.321)	4.138	(10.072)	4.733
	4.497.574	**4.599.921**	**7.832.760**	**6.498.158**
Inputs acquired from third parties				
Cost of products, goods, and services rendered	(999.648)	(832.524)	(905.799)	(871.319)
Materials, energy, outsourced services and other	(795.514)	(594.327)	(1.359.548)	(1.026.961)
Reversal and (provision) for impairment of asset values	28.437	(1.030.760)	28.437	(1.030.760)
Gross added value	**2.730.849**	**2.142.310**	**5.595.850**	**3.569.118**
Depreciation, amortization and depletion	(579.477)	(419.820)	(571.683)	(424.045)
Net added value produced by the Entity	**2.151.372**	**1.722.490**	**5.024.167**	**3.145.073**
Added value received as transfer				
Equity in net income of subsidiaries	2.762.803	1.378.350	-	-
Financial revenues and foreign exchange gain	635.422	42.172	637.914	48.525
Total added value payable	**5.549.597**	**3.143.012**	**5.662.081**	**3.193.598**
Distribution of added value				
Personnel				
Direct remuneration	267.991	261.495	284.570	276.654
Benefits	156.899	141.209	166.465	149.998
FGTS	23.942	23.663	25.402	25.319
	448.832	**426.367**	**476.437**	**451.971**
Taxes, rates and contributions				
Federal	613.557	461.519	677.197	480.078
State	139.023	184.478	139.389	184.871
Municipal	-	-	2.108	1.402
	752.580	**645.997**	**818.694**	**666.351**
Third-party capital remuneration				
Interest and exchange-rate change	655.133	1.042.733	603.659	1.022.998
Rentals	158.689	147.879	206.237	152.244
Other	95	274	22.786	20.272
	813.917	**1.190.886**	**832.682**	**1.195.514**
Remuneration of own capital				
Net income for the year	**3.534.268**	**879.762**	**3.534.268**	**879.762**
Total added value paid	**5.549.597**	**3.143.012**	**5.662.081**	**3.193.598**

The accompanying notes are an integral part of the parent company and consolidated financial information

1. Operations

Eldorado Brasil Celulose S.A. ("Eldorado"), jointly with its subsidiaries ("Company"), is a publicly-held company incorporated under Brazilian law, registered with the Brazilian Securities and Exchange Commission (CVM), under category B, and headquartered in city of São Paulo, state of São Paulo.

The Company is mainly engaged in the production, sale, import and export of pulp, with an industrial unit in the city of Três Lagoas, state of Mato Grosso do Sul - MS. It also operates in the cultivation of seedlings and trees, extraction of wood from planted forests, reforestation of its own land and of third-party land, as well as in the production of electric power from the processing of biomass.

Pulp sales on the international market are made through direct sales by Eldorado and its subsidiaries located in Austria, the United States of America and China.

The issue of these financial statements was authorized by the Company's Board of Directors as of March 15, 2023.

2. Basis of preparation

Parent company and consolidated financial statements have been prepared in accordance with accounting practices adopted in Brazil, comprising the standards issued by the Brazilian Securities and Exchange Commission ("CVM") and the pronouncements issued by the Accounting Pronouncement Committee (CPC) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and evidence all relevant information in Financial Statements, and only it, which is consistent with that used by Management.

The main accounting policies applied in the preparation of these financial statements are presented in Note 7.

The financial statements were prepared considering the historical cost as value basis that, in case of certain financial assets and liabilities (including derivative financial instruments) and biological assets, has its value adjusted to reflect the fair value measurement.

The preparation of financial statements requires the use of certain critical accounting estimates and management's judgment in the process of applying the Company's accounting policies.

Those areas requiring the highest level of judgment and having the highest complexity, and the areas where assumptions and estimates are significant for the financial statements, are disclosed in Note 5.

In thousands of reais, unless otherwise indicated

Statement of value added

The presentation of the Parent company and Consolidated Statement of Value Added is required by Brazilian corporate law and the accounting practices adopted in Brazil applicable to publicly-held companies. The Statement of Value Added was prepared in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added ". The IFRS do not require the presentation of this statement.

Accordingly, in conformity with IFRS, this statement is presented as supplementary information, without prejudice to financial statements as a whole.

3. Consolidation

The Company consolidates all entities in which they retain control, i.e., when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The subsidiaries included in the consolidation are:

		Ownership interest	
Direct subsidiaries	**Country**	**12/31/2022**	**12/31/2021**
Cellulose Eldorado Austria Gmbh	Austria	100%	100%
Rishis Empreendimentos e Participações S.A.	Brazil	100%	100%
Eldorado Brasil Celulose Logistica Ltda.	Brazil	100%	100%
Indirect subsidiaries			
Eldorado USA Inc.	United States	100%	100%
Eldorado Intl. Finance Gmbh	Austria	100%	100%
Cellulose Eldorado Ásia	China	100%	100%

The accounting policies applied in the preparation of the consolidated financial statements are described in Note 7.

4. Restatement of corresponding amounts

Management identified that some transactions were misstated in its Parent company and consolidated statements of value added for the year ended December 31, 2021, originally issued on March 25, 2022. Misstatements were corrected by restatement of the amounts corresponding to the prior period affected.

Although the amounts were not material at the level of the Parent company and consolidated financial information for the year ended December 31, 2021, management decided to restate these financial information to better reflect the Company's economic and financial situation.

In thousands of reais, unless otherwise indicated

The amounts reclassified refer to:

(i) Presentation of the foreign exchange gain as a value added received as transfer instead of third-party capital remuneration;

(ii) Reclassification of costs and expenses by type.

	Statements of added value			
	Year ended December 31, 2021			
	Parent company			
	Previously disclosed	**(i)**	**(ii)**	**Restated**
Revenues	4,599,921	-	-	4,599,921
Inputs acquired from third parties				
Cost of products, goods, and services rendered	(902,659)	-	70,135	(832,524)
Materials, energy, outsourced services and other	(589,774)	-	(4,553)	(594,327)
Provision for impairment of asset values	(1,030,760)			(1,030,760)
Gross added value	**2,076,728**	**-**	**65,582**	**2,142,310**
Depreciation, amortization and depletion	(419,820)	-	-	(419,820)
Net added value produced by the Entity	**1,656,908**	**-**	**65,582**	**1,722,490**
Added value received as transfer				
Equity in net income of subsidiaries	1,378,350	-	-	1,378,350
Financial revenues	13,185	28,987	-	42,172
Total added value payable	**3,048,443**	**28,987**	**65,582**	**3,143,012**
Distribution of added value				
Personnel				
Direct remuneration	211,602	-	49,893	261,495
Benefits	125,520	-	15,689	141,209
FGTS	23,663	-	-	23,663
Taxes, duties and contributions				
Federal	461,519	-	-	461,519
Other	184,478	-	-	184,478
Third-party capital remuneration				
Interest	1,013,746	28,987	-	1,042,733
Other	148,153	-	-	148,153
Remuneration of own capital	879,762	-	-	879,762
Total added value paid	**3,048,443**	**28,987**	**65,582**	**3,143,012**

In thousands of reais, unless otherwise indicated

	Statements of added value			
	Year ended December 31, 2021			
	Consolidated			
	Previously disclosed	(i)	(ii)	Restated
Revenues	6,498,158	-	-	6,498,158
Inputs acquired from third parties				
Cost of products, goods, and services rendered	(941,454)		70,135	(871,319)
Materials, energy, outsourced services and other	(1,022,408)	-	(4,553)	(1,026,961)
Provision for impairment of asset values	(1,030,760)			(1,030,760)
Gross added value	**3,503,536**	-	**65,582**	**3,569,118**
Depreciation, amortization and depletion	(424,045)	-	-	(424,045)
Net added value produced by the Entity	**3,079,491**	-	**65,582**	**3,145,073**
Added value received as transfer				
Financial revenues	18,017	30,508	-	48,525
Total added value payable	**3,097,508**	**30,508**	**65,582**	**3,193,598**
Distribution of added value				
Personnel				
Direct remuneration	226,761	-	49,893	276,654
Benefits	134,309	-	15,689	149,998
FGTS	25,319	-	-	25,319
Taxes, duties and contributions				
Federal	480,078	-	-	480,078
Other	186,273	-	-	186,273
Third-party capital remuneration				
Interest	992,490	30,508	-	1,022,998
Other	172,516	-	-	172,516
Remuneration of own capital	879,762	-	-	879,762
Total added value paid	**3,097,508**	**30,508**	**65,582**	**3,193,598**

5. Critical estimates and judgments

Accounting estimates and judgments are constantly assessed and are based on prior experience and other factors, including expected future events considered as reasonable in view of circumstances.

(i) Accounting estimates

The preparation of the financial statements requires the use of estimates by Management in the application of the Company's accounting policies. By definition, accounting estimates are seldom equal to the actual results. The estimates and assumptions which present a significant risk, more likely to cause an important adjustment to the book value of assets and liabilities for the coming year are shown below:

- **Fair value of biological assets**

The calculation of the fair value of biological assets is based on several assumptions with a high degree of judgment, such as estimated wood sales price, productivity, quality, discount rate, etc., being categorized according to the fair value hierarchy described in Note 8.2 as Level 3 fair values. Any changes in these assumptions may lead to a change in the result of the discounted cash flow and, therefore, in the valuation or devaluation of these assets.

Biological assets can also be impacted by climate change, particularly regarding physical impacts related to extreme weather events and chronic risks resulting from long-term changes in weather patterns. The Company's management mainly considered the following risk data and assumptions:

- loss of biological assets due to fires and impacts arising from the greater presence and resistance of pests and other forest diseases, favored by the gradual temperature increase;

- reduction in productivity and average annual increment (IMA) due to reduced availability of water resources in the basins; and,

- interruption in the production chain caused by adverse weather events.

Although the effects of climate change represent a source of uncertainty, considering the studies and monitoring performed through meteorological stations, the Company does not consider that there will be a material impact on its judgments and estimates on the previously mentioned physical risks in the short and medium term. Regarding the occurrence of pests and diseases, the Company relies on a specialized department, which operates in the diagnosis, prevention and fight against them.

Further details regarding the biological asset are disclosed in Note 14.

- **Discount rate for leases**

The Company, in the initial recording of contract, uses the incremental rate to calculate the present value of lease liabilities.

The incremental rate is the interest rate that the Company would have to pay on a possible loan, with a term and guarantee similar to those of the lease agreements, aiming to obtain the amount necessary to acquire an asset of equivalent value to the leased asset in a similar economic environment.

The incremental rate calculation process preferably uses readily observable information obtained from known financial institutions.

The adoption of CPC 06 (R2)/IFRS 16 allowed the incremental rate to be determined for a portfolio of contracts with similar characteristics. The Company adopted said practical expedient for its lease agreements as it understands that the effects of its application do not differ materially from the application to individual leases. The size and breakdown of the portfolios were defined according to the following assumptions: (a) assets of similar nature; and (b) remaining terms similar to the date of initial investment.

- **Deferred income tax and social contribution**

Deferred income tax and social contribution assets include a balance of R$ 578,259 related to the accumulated tax loss and negative basis of social contribution generated by the Parent Company. Considering the taxable income projections, estimated based on the multi-year plan approved by management, the Company understands that the deferred tax asset is recoverable. The assumptions used by management to estimate the likelihood of realization of deferred tax assets considered the risks inherent in the Company’s business.

- **Fair value of derivative financial instruments**

The Company uses the discounted cash flow to calculate the fair value of derivative financial instruments, which are classified at fair value through other comprehensive income.

- **Impairment of financial assets**

Provisions for losses on financial assets are based on assumptions about default risk and expected loss rates. The Company establishes the assumptions and selects the data for the calculation of impairment considering the history of losses, current market conditions and future estimates at the end of each year.

(ii) Critical judgments in applying accounting policies

- **Note 13 – ICMS:** approval by the Government of the state of Mato Grosso do Sul – MS for the offsetting of ICMS credits with debts of the same nature, own and third parties, within the terms established in the monetization plan;

- **Notes 16 and 17 -** Impairment of assets: internal and external evidence that may indicate the existence of non-recoverable losses.

6. Foreign currency translation

Parent company and consolidated financial statements are being presented in *reais*, functional currency of the Company. The foreign subsidiaries' functional currency is the US. dollar. All balances have been rounded to the nearest value, unless otherwise indicated.

(i) Foreign currency transactions

Foreign currency transactions are translated into the respective functional currencies of the Group's entities at the exchange rates on the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are converted into the functional currency at the exchange rate determined on the balance sheet date. Exchange differences arising from the reconversion are charged to income (loss).

(ii) Foreign operations

The assets and liabilities of foreign operations are converted into *reais* at the exchange rates calculated on balance sheet date. Foreign transactions' revenue and expenses are translated into *reais (R$)* at exchange rates determined in the respective periods of the transactions.

The differences in foreign currencies (functional currency of the foreign subsidiaries) generated for the translation into the presentation currency, the *reais*, are recognized in comprehensive income and accumulated in “Accumulated translation adjustments” in the shareholders' equity.

7. Summary of significant accounting practices

The main accounting policies applied in the elaboration of Parent company and consolidated financial statements are as follows. Those policies have been consistently applied to the years presented in these financial statements.

a. Consolidation basis

(i) Subsidiaries

The Company controls an entity when it is exposed to, or has a right over, the variable returns arising from its involvement with the entity and has the ability to affect those returns exerting its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements as from the date the control is obtained until the date it no longer exists.

(ii) Transactions eliminated in the consolidation

Balances and transactions between related parties and any unrealized revenues or expenses from transactions among related parties, are eliminated in the preparation of consolidated financial statements.

b. Revenue

The revenue comprises the fair value of the consideration received or receivable for the sale of products in the Company's normal course of activities. The revenue is presented net of taxes, returns, rebates and discounts, and elimination of intercompany sales of the Company.

The Company follows the five-step model: (i) identification of contracts with customers; (ii) identification of performance obligations under the contracts; (iii) determining the transaction price; (iv) allocation of the transaction price to the performance obligations provided for in the contracts; and (v) recognition of revenue when the performance obligations have been met.

For the Pulp operating segment, revenue recognition is based on the parameters provided by: (i) International Commercial Terms (“Incoterms”), when destined for overseas sales; and (ii) transit time for domestic sales.

- **Commercial discount:** deduction from a list price to reach a final billing price. Volume, delivery costs and payment terms are usually take in consideration to define the discount levels;

- **Performance rebate:** discount related to a volume target in a certain period, agreed in the contract. The discount is recorded during the period and paid after confirmation of the achievement of the target;

c. Financial instruments

(i) Recognition and initial measurement

Trade accounts receivable and debt securities issued are initially recognized on the date that they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provision of the instrument.

A financial asset or liability is initially measured at fair value, plus, for an item not measured at fair value through profit or loss, transaction costs which are directly attributable to its acquisition or issue. Trade accounts receivable without a significant financing component is initially measured at the price of the transaction.

(ii) Subsequent classification and measurement

▪ **Financial assets**

After the initial recognition, a financial asset is classified as measured at amortized cost or at fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for the management financial assets, in which case, all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both conditions below, and is not designated as measured at fair value through profit or loss:

- it is held within a business model whose purpose is to maintain financial assets to receive contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal value.

All financial assets not classified as measured at amortized cost are classified as fair value through profit or loss.

▪ **Financial assets - evaluation whether the contractual cash flows represent solely payments of principal and interest**

For this evaluation purposes, “principal” is defined as the fair value of the financial asset at initial recognition. “Interest” is defined as being compensation for the time value, credit risk associated to the principal value, loan costs (for example, liquidity risk and administrative costs) and a profit margin.

The Company considers the contractual terms of the instruments to assess whether the contractual cash flows are solely payments of principal and interest. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of the contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that change the amount or timing of cash flows;
- terms that may adjust the contractual rate, including variable rates;
- prepayment and extension features; and
- the terms that limit the Company's access to cash flows of specific assets.

▪ **Financial assets - subsequent measurement and gains and losses**

Transaction costs of financial assets measured at fair value through profit or loss, after initial recognition, are recognized in income (loss) when incurred.

Transaction costs of financial assets are measured at amortized cost using the effective interest rate method. The amortized cost is impaired. Interest revenue, foreign exchange gains and losses are recognized in income (loss). Any gain or loss on derecognition is recognized in income (loss).

▪ **Financial liabilities - classification, subsequent measurement and gains and losses**

Financial liabilities were classified as measured as amortized cost or at fair value through profit or loss. A financial liability is classified as measured at fair value through profit or loss if it is held for trading, if it is a derivative or assigned as a derivative upon initial recognition. Financial liabilities measured at fair value through profit or loss are measured at fair value and net income, plus interest, is recognized in income (loss). Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense, foreign exchange gains and losses are recognized in income (loss). Any gain or loss on derecognition is also recognized in income (loss).

(iii) Derecognition

▪ **Financial assets**

The Company writes off a financial asset when it expires, when it transfers the contractual rights of the asset cash flows, or when it transfers substantially all the risks and rewards of the financial asset.

▪ **Financial liabilities**

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

In the derecognition of a financial liability, the difference between the written off amounts and the paid amounts (including non-cash transferees assets transferred or assumed liabilities) is recognized in the income (loss).

(iv) Offsetting

Financial assets or liabilities are offset and the net value reported in the balance sheet only when the Company has legally enforceable right to offset and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Company does not have any financial instrument that can be reclassified or offset.

(v) Impairment of financial assets

▪ **Measurement of expected credit losses**

The Company, through its credit policy and credit committee, manages its receivables portfolio based on specific rules that consider, among others, strict criteria for selecting clients, establishing and monitoring individual credit limits, and active collection of outstanding and/or overdue amounts. The Company has financial instruments, such as credit insurance, that guarantee the partial collection of due balances.

Bank deposits and interest earning bank deposits are contracted with prime financial institutions.

To measure expected credit losses, trade accounts receivable amounts were grouped based on similar credit risk characteristics and days of default. When necessary, based on an individual analysis, expected credit losses are supplemented. The assessment of the client portfolio is carried out monthly by the proper team following the guidelines of the policy and credit committee. Details on revenue concentration can be found in Note 25.

Expected credit losses are estimates weighted by the probability of non-receipt of the Company's entire portfolio of receivables, being measured at the present value of the difference between the cash flows owed to the Company, in accordance with the contract, and the cash flows that the Company expects to receive.

▪ **Presentation of expected credit losses in the balance sheet**

Losses for financial assets measured at amortized cost are deducted from the gross book value of the assets.

▪ **Decrease**

When the Company considers that there is no realistic prospect of recovering the asset, the amount is written-off and the impairment loss previously recognized is reversed to income (loss). The Company does not expect any significant recovery of amounts written off. However, in compliance with Company's procedures to recover amounts due, financial assets written off may still be subject to credit collection.

(vi) Derivative financial instruments and hedge accounting

The Company uses the cash flow hedge, methodology in which the effective portion of changes in the fair value of derivative financial instruments designated and qualifies as cash flow hedge is recognized in shareholders' equity within "Hedge accounting" under "Equity valuation adjustments". The gain or loss relating to the ineffective portion is immediately recognized in the statement of income.

When an hedge instrument expires is sold or no longer meets hedge recording criteria, every accumulated gain or loss existing in equity at that time remains in equity and will be recognized when the hedged operation is recognized in the income (loss).

Pursuant to Accounting Standard CPC 48/IFRS 9 Financial Instruments, the Company designated only the foreign exchange component (spot element) of the currency and interest swap contracts for cash flow hedge accounting.

d. Inventories

Inventories are measured at the lower of its cost or the net realizable value. Inventory costs are based on weighted average cost method. The cost of transferred timber from biological assets is measured at fair value, plus harvest and freight costs, less sales expenses, calculated on the harvest date. Normal production losses are part of the production cost for the respective period, while abnormal losses, if any, are recognized in the cost of goods sold, without being recorded in inventories.

The net realizable value of pulp inventories is the estimated selling price in the normal course of business, less the estimated costs of completion and sales expenses.

The Company recognizes the estimated loss due to the reduction of inventories to their net realizable value when it is lower than the cost.

e. Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment items are stated at acquisition or construction historical cost, net of accumulated depreciation and, if any, accumulated impairment losses.

Gains or losses on sale for write-off of an item are recognized in income (loss).

Borrowing costs that are directly attributable to the acquisition or construction of assets are capitalized as part of the costs of said assets. These costs are depreciated over their estimated useful lives.

Maintenance downtime costs are capitalized and depreciated over the estimated period of time until the next shutdown.

(ii) Depreciation

Depreciation is calculated based on the asset value, net of residual value, under the straight-line method over the estimated useful life of each asset. Depreciation related to industrial and forestry assets comprise the cost of production and the cost of biological assets, respectively. Other depreciation is usually recognized in income (loss). The useful lives of the Company's assets are shown in Note 16.

The Company's business strategy does not cover the sale of property, plant and equipment, which are fully depreciated, with insignificant residual value.

The estimated useful lives, residual values and depreciation methods are annually reviewed at each reporting date or with the effect of any changes in estimate accounted for on a prospective basis.

(iii) Impairment

Every year the Company runs an analysis to identify whether there is any indication of impairment losses on its assets. To calculate the recoverable amount, the Company determines the fair value and value in use of its assets, which are generally grouped into Cash Generating Units (CGU's). A CGU is the smallest group of assets that independently generates cash flows and whose cash flows are largely independent of the cash flows generated by other assets or groups of assets.

An impairment loss is recognized if the book value of an asset or CGU exceeds its recoverable value. Impairment losses are recognized in income (loss).

f. Biological assets

Biological assets consist of renewable eucalyptus forests used in pulp production. They are measured at fair value net of sales costs.

Significant assumptions used to determine biological assets' fair values are shown in Note 14. The fair value measurement of biological assets is carried out on a semi-annual basis, an interval that is sufficient so that there is no significant gap in the balance of fair value of biological assets recorded in the Company’s financial statements.

The gain or loss in change in fair value for inventories of biological assets is recognized in income (loss) for the period in which it occurs in the “Other net operating revenues (expenses)” group, called “Change in fair value of biological assets”. Depletion is measured based on the amount of wood harvested in relation to the projected amount of total wood production.

g. Intangible assets

(i) Recognition and measurement

Terminal concession, software and goodwill of right-of-use on port concession (difference between book values and the fair value calculated at the time of negotiation), acquired by the Company, which have a defined useful life and are measured at cost, less accumulated amortization and any accumulated impairment losses.

(ii) Amortization

Amortization is calculated on the cost of intangible assets, net of residual value, under the straight-line method over the estimated useful life of each asset. Amortization is usually recognized in income (loss). The useful lives of the Company’s intangible assets are presented in Note 17.

h. Provisions

Provisions for environmental recovery, restructuring costs and lawsuits (labor, civil and tax) are recognized when: (i) the Company has a present or non-formalized obligation because of past events; (ii) it is likely that an outflow of funds will be required to settle the obligation; and (iii) the amount may be reliably estimated.

Obligations of a similar nature are grouped and the probability of settling them is determined considering the set of obligations. A provision is recognized even if the likelihood of settlement related to any individual item is small. Provisions represent the expenses required to settle the obligation, net of tax effects. The present value is calculated using a discount rate that reflects the time value of money and the specific risks of the set of obligations. The increase in the obligation over time is recognized as a financial expense.

i. Income tax and social contribution

The current and deferred income tax is calculated based on the rate of 15% on taxable income plus a surcharge of 10% on taxable income that exceeds of R$ 240,000 per annum, and considers the offsetting of tax losses of prior years, limited to 30% of the taxable income.

The current and deferred social contribution is calculated based on the rate of 9% on the social contribution basis, which does not differ significantly from taxable income and considers the offsetting of negative bases from previous periods, limited to 30% of the annual social contribution basis.

Current and deferred income tax and social contribution are recognized in income (loss), provided they are not related to the business combination or items directly recognized in shareholders' equity or in other comprehensive income.

(i) Current taxes

Current tax is the tax payable or to receivable on taxable income or loss for the year, plus or less any adjustments to taxes payable of prior years.

(ii) Deferred taxes

Deferred tax is recognized in relation to tax losses and temporary differences which are characterized by the difference between the book values of assets and liabilities and its corresponding tax bases.

Deferred tax assets and liabilities related to income taxes levied by the same tax authority are offset when there is a legal right to offset current tax assets and liabilities and refer to the same legal entity.

Deferred tax assets are recognized for tax losses and temporary differences to the extent that it is probable that there is taxable income available against which can be utilized. Deferred tax assets are reviewed at the balance sheet date and reduced when it is no longer likely that the tax benefit will be realized.

Deferred taxes are measured at tax rates expected to be applied to tax losses and temporary differences when they are reversed, based on laws enacted or substantively enacted up to the reporting date of Parent company and consolidated financial statements.

(iii) Uncertainty on income tax treatments

Interpretation, effective as of January 1, 2019, clarifies how to apply the recognition and measurement requirements when there is uncertainty over the treatments of income taxes.

The uncertainty must be reflected in the measurement based on the approach that best estimates its resolution, considering (i) the most likely value or (ii) the expected value.

ICPC 22 / IFRIC 23 – Uncertainty on income tax treatments does not introduce new disclosures, but stresses the need to comply with existing disclosure requirements on (i) judgments made; (ii) assumptions or other estimates used; and (iii) the potential impact of uncertainties that are not reflected in the financial statements.

Management did not identify impacts resulting from the implementation of this interpretation.

j. Leases

(i) Asset’s right-of-use - lease

The Company adopted pronouncement CPC 06 (R2) / IFRS 16 - Leases, considering contracts with identifiable assets as a basis for analysis, whose use, economic benefits and other aspects provided for in the pronouncement are exclusive to the Company, regardless of the legal form of the agreement. Service and supply agreements were treated as lease agreements when there is an identifiable asset.

Depreciation of the right of use is calculated based on the term of each lease agreement.

Lease agreements with a term of less than twelve months, as well as those with an identifiable asset with a market value of less than R$ 20,000, were not included in the adoption of pronouncement CPC 06 (R2) / IFRS 16 – Leases.

(ii) Leases payable

On the start date, leases payables were measured at the present value of the remaining lease payments, plus other contractual obligations set forth in the lease agreement, calculated based on the Company’s incremental rate on loans (discount rate). The extended term was considered for contracts with an automatic renewal clause.

The current discount rate used to calculate the present value of the lease of the identified assets and for the monthly appropriation of financial interest is between 9.5% and 12.44%, pursuant to the effectiveness of each lease agreement.

The adjustment to present value is appropriated monthly as financial interest in income (loss) for the year.

k. New standards, reviews and interpretations not yet adopted

Amendment to CPC 26/IAS 1- "Presentation of the Financial Statements: According to IAS 1 – "Presentation of Financial Statements", for an entity to classify liabilities as non-current in its financial statements, it must have the right to avoid the settlement of liabilities for at least twelve months as of the balance sheet date. In January 2020, the IASB issued an amendment to IAS 1 "Classification of Liabilities as Current or Non-current", applicable for years beginning on or after January 1, 2023, which provided for that the entity would not have the right to avoid the settlement of a liability for at least twelve months, if, on the balance sheet date, it had not complied with the ratios provided for in covenants, even though contractual measurement of the covenant was only required after the balance sheet date within twelve months.

Subsequently, in October 2022, a new amendment was issued to clarify that liabilities that contain covenants requiring the achievement of ratios under such covenants only after the balance sheet date do not affect the classification as current or non-current. Only covenants whose compliance is required up to the balance sheet date affect the liability classification, even if the measurement only occurs after that date. Furthermore, the 2022 amendment introduced additional disclosure requirements that allow financial statement users to understand the risk of the liability being settled within twelve months after the balance sheet date, and postponed the adoption for years beginning on or after January 1, 2024.

Amendment to CPC 26/IAS 1 and IFRS Practice statement 2 - Disclosure of accounting policies: in February 2021, the IASB issued a new amendment to IAS 1 on disclosure of "material" accounting policies instead of "significant" accounting policies. The amendments define what is "material accounting policy information" and explain how to identify it. It also clarifies that immaterial accounting policy information does not need to be disclosed, but, if it is, that it should not obscure the relevant accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 - Making Materiality Judgments to provide guidance on how to apply the concept of materiality to accounting policy disclosures. This change is effective as of January 1, 2023.

Amendment to CPC 32/IAS 12 - Income taxes: the amendment issued in May 2021 requires entities to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This situation typically applies to lease transactions (right-of-use assets and lease liabilities) and decommissioning and restoration obligations, and will require the recognition of additional deferred tax assets and liabilities. This change is effective as of January 1, 2023.

The Company is assessing the possible impacts of the amendment to the standard on its financial statements.

There are no other IFRS standards or IFRIC interpretations that have not yet entered into effect that could have significant impact on the Company's financial statements.

l. Segment reporting

Pulp is the only reportable segment. Revenues from electric power production do not meet the quantitative criteria required by IFRS/CPC for reportable segments, so management concluded that this segment should be reported in the pulp segment.

m. Government grants

The Company recorded a tax incentive reserve for a portion of net income arising from government grants, through ICMS credits granted, arising from a tax incentive package granted by the Government of Mato Grosso do Sul. The incentives were granted in return for investments that were made in the construction of the industrial unit in the municipality of Três Lagoas, formation of biological assets and the generation of direct and indirect jobs. Recognition of credits is presented in the Company’s statement of income.

8. Management of financial risks and financial instruments

The Company is exposed to several financial and market risks that may impact its performance and financial position.

Risk management is carried out by the financial department, following the financial and market risk management policy, whose objective is to establish guidelines and best practices related to fundraising, foreign exchange, interest rates and related risks. The policy was updated and approved by the Board of Directors as of May 12, 2022.

The Company uses derivative financial instruments to hedge certain risk exposures, and all exposure is monitored and analyzed together with macroeconomic variables for decision-making purposes.

In thousands of reais, unless otherwise indicated

8.1. Financial instruments by category

	Consolidated	
	12/31/2022	12/31/2021
Assets		
Amortized cost:		
Cash and cash equivalents	1,347,256	789,944
Trade accounts receivable	1,538,739	928,009
Advances to suppliers	314,474	210,698
Other assets	60,528	26,737
	3,260,997	**1,955,388**
Fair value through profit or loss:		
Interest earning bank deposits	-	156,951
Fair value through other comprehensive income:		
Derivative financial instruments	216,405	126,989
	3,477,402	**2,239,328**
Liabilities		
Amortized cost:		
Loans and financing	4,330,365	6,143,992
Suppliers	297,175	289,846
Leases payable	1,253,990	939,971
Accounts payable from related parties	-	141
Other liabilities	140,317	137,694
	6,021,847	**7,511,644**
Fair value through other comprehensive income:		
Derivative financial instruments	6,108	113,543
	6,027,955	**7,625,187**

8.2. Fair value hierarchy

Assets and liabilities measured at fair value in the balance sheet are classified into different levels according to hierarchy based on information (inputs) used in valuation techniques, as follows:

Level 1 - Prices quoted in active markets (unadjusted) for identical assets and liabilities;

Level 2 - Other available information, except Level 1 information, which includes quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other information other than quoted prices that are observable for the asset or liability;

Level 3 - The indices used for calculation are not derived from observable data, as relevant observable data are not available.

In thousands of reais, unless otherwise indicated

In the year ended December 31, 2022, the Company holds its derivative financial instruments classified as level 2.

Financial and derivative instruments transactions are classified and recognized in the financial statements of the Company and its subsidiaries. The estimated fair values of the derivative financial instruments are the same as the book values.

8.3. Financial risk factors

The Company is exposed to the following financial risks:

a. Market risk;
  i. Interest rate risk;
  ii. Exchange rate risk;
  iii. Price risk;
b. Credit risk;
c. Liquidity risk.

a. Market risk

i. Interest rate risk

The interest rate risk on financial assets and liabilities, except derivative instruments, is calculated based on market indicators for December 2022, presenting the following likely impact scenario on the financial income (loss):

				Likely scenario	
Type	**Index**	**Rate**	**12/31/2022**	**Rate**	**R$ Gain (Loss)**
Cash and cash equivalents	CDI	13.75%	135,927	12.50%	(1,699)
Other non-current assets	Ref. rate	0.15%	5,158	0.13%	(1)
Loans and financing	Libor	4.39%	(1,310,283)	4.99%	(7,818)
Loans and financing	IPCA	5.90%	(546,487)	5.74%	874
Loans and financing	SOFR	4.30%	(380,563)	4.48%	(677)
Loans and financing	CDI	13.75%	(1,353,033)	12.50%	16,913
Leases payable	IPCA	5.90%	(1,253,990)	5.74%	2,006
Net exposure			**(4,703,271)**		**9,599**

(i) Loans indexed by Libor are expected to be settled in 2023 and are restated based on the rate in force in January of each year.

The amount of R$ 777,221 of interest earning bank deposits abroad, and R$ 739,999 of loans and financing, are subject to fixed interest rates and do not present a future scenario of fluctuations.

In thousands of reais, unless otherwise indicated

ii. Foreign exchange rate risk

Financial instruments denominated in foreign currencies, except derivative financial instruments, which are exposed to the risk of fluctuations in the quotations of the respective foreign currencies, are presented below. The positive or negative effect on pre-tax income arising from a reasonably possible strengthening (weakening) of the Real against foreign currencies, considered as a likely scenario, is as follows:

		12/31/2022			Probable	
Exposure	**Currency**	**Exchange rate**	**R$**	**Exposed amount**	**Exchange rate**	**R$ Gain (Loss)**
Cash and cash equivalents	USD	5.2177	1,200,561	230,094	5.2700	12,034
Cash and cash equivalents	EUR	5.5694	3,449	619	5.1119	(283)
Cash and cash equivalents	CNY	0.7565	4,793	6,336	0.7423	(90)
Trade accounts receivable	USD	5.2177	517,994	99,276	5	5,190
Suppliers	USD	5.2177	(712)	(136)	5	(7)
Suppliers	EUR	5.5694	(378)	(68)	5	31
Loans and financing	USD	5.2177	(2,850,273)	(546,270)	5.2700	(28,570)
Operating exposure			**(1,124,567)**	**(210,150)**		**(11,695)**

iii. Price risk

The Company is exposed to the volatility of wood prices, which are subject to change arising from factors beyond its control, such as weather factors, supply volume, transportation costs, forestry policies, among others. Aiming to guarantee raw material for operating its plant, the Company purchases wood for future delivery with partial advance payments, not being exposed to price volatility for contracts already signed.

	12/31/2022	12/31/2021
Estimated value of firm contracts	1,929,632	1,647,241
Advances / payments made	(959,373)	(676,698)
	970,259	**970,543**

The risks of not receiving wood are mitigated by specialized monitoring of forest development.

In thousands of reais, unless otherwise indicated

b. Credit risk

The book values of financial assets represent the maximum credit risk exposure, and presents the following position at the end of the year:

	12/31/2022	12/31/2021
Cash and cash equivalents	1,347,205	789,893
Interest earning bank deposits	-	156,951
Trade accounts receivable	1,538,739	928,009
Advances to suppliers	314,474	210,698
Derivative financial instruments	216,405	126,989
Total	**3,416,823**	**2,212,540**

Client credit risk is centrally managed by Eldorado, pursuant to the credit risk management and client collection policy, as well as with the control procedures established by the Company, except for intercompany receivables, for which no risks to their realization are identified. Credit limits are previously established for all clients based on internal rating criteria. Outstanding trade notes are monitored frequently and, where necessary, an expected credit loss is recognized at each closing period.

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

c. Liquidity risk

Liquidity risk can be characterized by the possibility that the Company may face difficulties in meeting the obligations associated with its financial liabilities, which are settled by delivering cash or other financial assets.

The table below presents the amount of the Company's financial liabilities classified according to contractual maturities. These amounts represent gross, undiscounted amounts and include interest payments and exchange change. Therefore, they cannot be reconciled with the amounts disclosed in the balance sheet.

Consolidated	<1 year	01-02 years	02-03 years	>03 years	Total
December 31, 2022					
Loans and financing	1,882,102	1,883,159	427,889	577,454	4,770,604
Leases payable	309,923	293,888	273,562	1,258,886	2,136,259
Suppliers	297,175	-	-	-	297,175
Other liabilities	117,939	22,378	-	-	140,317
Total	**2,607,139**	**2,199,425**	**701,451**	**1,836,340**	**7,344,355**
December 31, 2021					
Loans and financing	1,215,983	4,290,775	2,030,301	636,477	8,173,536
Leases payable	231,639	223,433	208,598	846,216	1,509,886
Suppliers	289,846	-	-	-	289,846
Accounts payable from related partie	141	-	-	-	141
Other liabilities	120,260	17,434	-	-	137,694
Total	**1,857,869**	**4,531,642**	**2,238,899**	**1,482,693**	**10,111,103**

In thousands of reais, unless otherwise indicated

8.4. Derivative financial instruments

8.4.1. Outstanding derivatives by contract type

Outstanding derivative positions are presented below:

		Parent company and Consolidated			
		Notional value		Fair value	
Type of derivative	**Currency**	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Operating hedge					
Non deliverable forward (US$)	US$	500,000	-	(6,108)	-
Debt hedge					
Interest rate hedging					
Swap IPCA for fixed rate (US$)	R$	500,000	500,000	562,983	553,580
Swap CDI for fixed rate (US$)	R$	700,000	700,000	764,641	756,596
		1,200,000	1,200,000	1,327,624	1,310,176
Liabilities					
Swap IPCA for fixed rate (US$)	US$	88,221	88,221	(459,350)	(548,913)
Swap CDI for fixed rate (US$)	US$	124,643	124,643	(651,869)	(747,818)
		212,864	212,864	(1,111,219)	(1,296,731)
				210,297	13,446
Current assets				92,874	56,848
Non-current assets				123,531	70,141
Current liabilities				(6,108)	-
Non-current liabilities				-	(113,543)
				210,297	13,446

The change in the fair value of derivatives for the year ended December 31, 2022 is related to the appreciation of the Real against the US dollar.

Each of the current contracts, the respective hedged risks, as well as the procedures performed to obtain the fair values, are described below:

(i) *Non-Deliverable Forward ("NDF"):* Short positions in US$ futures contracts with the objective of hedging the cash flow from exports against *appreciation* of real in relation to dollar. The fair value of futures contracts is determined using the forward exchange rates for the maturities through the exchange coupon curves and the future DI curve obtained from B3. Next, the difference between this future exchange rate obtained and the contracted rate is calculated. The difference in rates is multiplied by the contracted notional and brought to present value by the future DI curve.

In thousands of reais, unless otherwise indicated

(ii) Swap CDI x Fixed rate (USD): positions in conventional swaps by exchanging the change of the Interbank Deposit rate ("DI") for a fixed rate in US dollars ("USD"). The purpose is to change the debt ratio in *Reais* to USD, in line with the natural exposure of the Company's receivables in USD. Estimate the future value of the two swap legs based on market interest rates for the currency in which the swap leg is denominated. The present value of the asset position in *Reais* is measured through a discount using the future DI curve, and the liability position in Dollars. The discount is made based on the exchange coupon curve, obtained from B3. Then the difference between the two legs is calculated.

(iii) Swap IPCA x Fixed rate (USD): positions in conventional swaps, exchanging the change of the Extended National Consumer Price Index ("IPCA") by a fixed rate in USD. The purpose is to change the debt ratio in *Reais* to USD, in line with the natural exposure of the Company's receivables in USD. Estimate the future value of the two swap legs based on market interest rates for the currency in which the swap leg is denominated. The present value of the asset position in *Reais* is measured through a discount using the future DI curve, and the liability position in Dollars. The discount is made based on the exchange coupon curve, obtained from B3. Then the difference between the two legs is calculated.

8.4.2. Maturity schedule for fair value

The fair value maturity schedule is as follows:

	Parent company and Consolidated	
	12/31/2022	12/31/2021
2022	-	56,848
2023	86,766	60,820
2024	50,902	(78,643)
2025	14,090	9,320
2026	34,582	(12,981)
2027	23,957	(21,919)
	210,297	13,445

8.4.3. Hedge accounting

a. Purpose and strategy of the risk management

The expected and highly probable future income from export sales exposes the Company to risks of fluctuations in the exchange rate (Real against the US Dollar), since the Company's functional currency is the Brazilian Real (R$). The financial and market risk management policy allows the structuring of hedge accounting, with the use of derivative and non-derivative financial instruments, with the purpose of recording increases or losses arising from such instruments in the same accounting periods in which the fair value of hedged items is calculated, reducing the volatility in the Company's results. The Company designates the foreign exchange change component of currency and interest rate swaps for cash flow hedge accounting.

In thousands of reais, unless otherwise indicated

b. Hedge relationship

The Company will adopt the cash flow hedge, as defined in IFRS 9/ CPC 48, whose nature of the covered risk is the exchange-rate change.

c. Nature of hedged risk

Foreign currency risk: variability of the exchange rates of revenues expected in US dollars in relation to Swap contracts, which exchange the change of the "DI" and "IPCA" rates in *Reais* (R$) for a fixed rate in US dollars (USD), with the purpose of changing the index of debts in *Reais* to Dollars, in line with the natural exposure of the Company's receivables in Dollars.

d. Identification of hedge instrument

The hedge instrument is the principal value of the debt in *reais*, converted into foreign currencies by means of swaps, fixed in US Dollar with the following characteristics:

Type	Swap
Start date of contract	10/14/21
Maturity date	9/13/27
Amount denominated in USD	212,854
Average parity USD x R$	5.6374
Start date of hedge	10/14/21

e. Effectiveness of the hedge relationship

The Company assesses the effectiveness of its hedging strategy by comparing changes in the fair value of the hedging instrument with changes in the fair value of the hedged item, in relation to the hedged risk. If the hedging relationship does not prove to be effective, within the limits established in relation to the desired hedge, the ineffective portion of the effects of exchange change on loans and financing is reclassified to the statement of income under "Net financial income (loss)". In the year ended December 31, 2022, effectiveness tests demonstrated that the implemented hedge accounting strategy is effective.

In thousands of reais, unless otherwise indicated

f. Accounting

	Equity (Hedge accounting)	
Type of derivative	**12/31/2022**	**12/31/2021**
Swap IPCA for fixed rate (US$)	39,593	4,741
Swap CDI for fixed rate (US$)	49,774	8,550
	89,367	**13,291**
Deferred income tax and social contribution	(30,385)	(4,519)
Cash flow hedge adjustment, net of taxes	**58,982**	**8,772**

8.5. Capital management

Capital management is carried out through a continuous and prospective process of planning and monitoring of the capital needs considering the Company’s strategic objectives. To this end, mechanisms are established to monitor the capital required to cover financial and operational risks.

The Company constantly monitors the consolidated financial leverage ratio, corresponding to Net Debt to Adjusted Earnings Before Interest, Tax, Depreciation and Amortization (“Adjusted EBITDA”).

Capital management is carried out at consolidated level.

(i) Covenants

The Company has financing agreements that have the following compliance obligations:

Index	Parameter	Limit
BRL leveraging	Net debt(1) / EBITDA(2)	Up to 4.0x
USD leveraging	Net debt(1) / EBITDA(2)	Up to 3.5x

Leverage is measured by the Net Debt to EBITDA ratio and is performed semiannually, in *Reais*, and quarterly and annually, in USD.

(1) Net debt is the balance of loans and financing minus the balance of cash and cash equivalents, in addition to interest earning bank deposits, on the covenant measurement date.

(2) EBITDA means Earnings Before Interest, Taxes, Depreciation and Amortization.

As of December 31, 2022, the Company reached the financial ratios required in the covenants.

In thousands of reais, unless otherwise indicated

9. Cash and cash equivalents and interest earning bank deposits

9.1. Cash and cash equivalents

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Cash and cash equivalents	48	38	51	51
Banks - demand deposits (a)	41,584	62,969	434,057	518,942
Banks - interest earning bank deposit	131,490	238,882	913,148	270,951
	173,122	**301,889**	**1,347,256**	**789,944**

(a) To mitigate the credit risk, the Company maintains most of its operations and financial funds distributed in financial institutions with credit risk compatible with its practices and risk management policy, according to the rating classification below.

(b) Interest earning bank deposits have daily liquidity, invested in Bank Deposit Certificates ("CDBs") whose yield follows the Interbank Deposit Certificate ("CDI") rate. Interest earning bank deposits abroad are Time Deposits with daily liquidity and fixed rates.

The balances of demand deposits and interest earning bank deposits, distributed by the credit risk rating of financial institutions with which the Company maintains a relationship, are as follows:

	Cash deposits and interest earning bank deposits			
	Parent company		Consolidated	
Risk rating (1)	12/31/2022	12/31/2021	12/31/2022	12/31/2021
AAA	-	-	2,030	5,460
AA-	-	-	-	-
A+	-	-	4,793	-
A	-	301,838	51	784,420
A-	70,154	-	777,993	-
BBB	-	-	86,798	-
BB	50,759	11	50,760	11
BB-	52,160	-	424,779	-
B-	1	2	1	2
	173,074	**301,851**	**1,347,205**	**789,893**

(1) Rating assigned by Fitch Ratings, Moodys and Standard & Poor's rating agencies, on a global scale.

In thousands of reais, unless otherwise indicated

9.2. Interest earning bank deposits

	Consolidated	
	12/31/2022	12/31/2021
Time deposit (a)	-	55,899
Bank Deposit Certificate - CDB (b)	-	101,052
	-	**156,951**
Current	-	24,555
Non-current	-	132,396
	-	**156,951**

(a) Remunerated bank deposits linked to Advances on Foreign Exchange Contracts (ACC's) - Note 20.4 (i) were redeemed on June 30, 2022, due to the early settlement of the respective loan operations;

(b) The Bank Deposit Certificates (CDB) linked to the contracting of Export Credit Notes (NCE's) - Note 20.4 (iii) were redeemed on June 28, 2022, due to the early settlement of the respective loan operations.

10. Trade accounts receivable

10.1. Breakdown of balances

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Domestic market	293,872	123,997	293,872	124,003
Foreign market	517,994	716,128	1,280,335	834,127
	811,866	**840,125**	**1,574,207**	**958,130**
Expected credit losses	(8,646)	(7,548)	(35,468)	(30,121)
	803,220	**832,577**	**1,538,739**	**928,009**

The outstanding balance is as follows:

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Undue	788,438	806,094	1,287,655	808,738
Overdue 01-30 days	12,926	14,451	168,708	75,507
Overdue 31-60 days	134	9,889	39,311	38,579
Overdue 61-90 days	1,105	476	42,448	1,795
>90 days	617	1,667	617	3,390
	803,220	**832,577**	**1,538,739**	**928,009**

In thousands of reais, unless otherwise indicated

10.2. Changes in expected credit losses:

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Balance at the beginning of the year	**(7,548)**	**(11,683)**	**(30,121)**	**(33,297)**
Formations	(3,203)	(5,555)	(13,611)	(5,853)
Reversals	1,882	9,693	3,539	10,586
Exchange-rate change	223	(3)	4,725	(1,557)
Balance at the end of the year	**(8,646)**	**(7,548)**	**(35,468)**	**(30,121)**

11. Related parties

All the balances of the balance sheet accounts and the transactions in the income (loss) accounts result from operations under conditions and prices established between the parties, are being presented below:

11.1. Asset balances

		Balances receivable (payable)			
		Parent company		Consolidated	
Balances with subsidiaries	**Type**	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**
Cellulose Eldorado Áustria GmbH	Sale of pulp	1,740	166,628	-	-
Eldorado EUA Inc.	Sale of pulp	492,589	488,593	-	-
Eldorado Intl. Finance GmbH	Export prepayment (iii)	(1,151,085)	(1,231,122)	-	-
Rishis Empreend. e Partic.	Rendering of services	(33,059)	(37,957)	-	-
Eldorado Brasil Logística Ltda.	Loan (vi)	160,110	48,605	-	-
		(529,705)	**(565,253)**	-	-
Balances with controlling shareholders					
J&F Investimentos	Other	(64)	(117)	(64)	(117)
J&F Investimentos	Rentals	-	(141)	-	(141)
		(64)	(258)	(64)	(258)
Balances with other related parties					
JBS	Other (iv)	(273)	(78)	(273)	(78)
Seara Alimentos	Consumable items (v)	(910)	(894)	(910)	(894)
		(1,183)	**(972)**	**(1,183)**	**(972)**
		(530,952)	**(566,483)**	**(1,247)**	**(1,230)**
Assets					
Trade accounts receivable		494,329	655,221	-	-
Loans with related parties		160,110	48,605	-	-
Liabilities					
Suppliers - Note 19		(34,306)	(39,046)	(1,247)	(1,089)
Loans with related parties		(1,151,085)	(1,231,122)	-	-
Accounts payable to related parties		-	(141)	-	(141)
Net total		**(530,952)**	**(566,483)**	**(1,247)**	**(1,230)**

In thousands of reais, unless otherwise indicated

11.2. Transactions in the year

		Revenues (expenses)			
		Parent company		Consolidated	
	Type	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Transactions with subsidiaries:					
Cellulose Eldorado Áustria GmbH	Sale of pulp	1,433,348	1,657,982	-	-
Cellulose Eldorado Áustria GmbH	PPE (Export prepayment) (i)	-	(1,845)	-	-
Eldorado EUA Inc.	Sale of pulp	1,476,773	1,287,553	-	-
Eldorado Intl. Finance GmbH	Export prepayment (ii)	(53,782)	(101,622)	-	-
Rishis Empreend. e Partic.	Rendering of services	(37,836)	(24,702)	-	-
		2,818,503	**2,817,366**	-	-
Transactions with controlling shareholders:					
J&F Investimentos		-	(1,375)	-	(1,375)
Related-party transactions:					
JBS	Other (iii)	(7,795)	(9,696)	(7,795)	(9,696)
Seara Alimentos	Consumables (iv)	(1,093)	(1,113)	(1,093)	(1,113)
		(8,888)	**(10,809)**	**(8,888)**	**(10,809)**
Total net income (loss)		**2,809,615**	**2,805,182**	**(8,888)**	**(12,184)**

(i) Export financing operation granted by Cellulose Eldorado Austria GmbH, with a five-year term, remunerated at the market rate, plus exchange variance. This operation was settled in April 2021;

(ii) Export financing operation granted by Eldorado Intl. Finance GmbH, with a five-year term, maturing in June 2024, remunerated at the market rate, plus exchange variance;

(iii) Amounts payable on sundry transactions, including freight for transporting pulp, purchase of consumables and data center lease;

(iv) Amounts payable arising from the acquisition of consumables for use in the Eldorado's cafeteria;

(v) Reimbursements of rents and corporate expenses;

(vi) Loan agreement with the subsidiary Eldorado Brasil Logística Ltda., with a five-year term, expiring in November 2026.

In thousands of reais, unless otherwise indicated

11.3. Changes in loans with related parties – Eldorado.Intl.Finance GmbH

	Parent company	
	12/31/2022	12/31/2021
Balance at the beginning of the year	1,231,122	1,887,692
Interest incurred	53,782	103,569
Exchange-rate variance	(80,861)	90,443
Settlement of principal	-	(741,137)
Settlement of interest	(52,958)	(109,445)
Balance at the end of the year	**1,151,085**	**1,231,122**
Current	3,191	3,412
Non-current	1,147,894	1,227,710
	1,151,085	**1,231,122**

11.4. Management fees

Management remuneration expense, including the Board of Directors, Audit Committee and Executive Board, recognized in the income (loss) for the year, is as follows:

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Benefits (a)	38,570	27,530	44,544	33,864
Private pension	466	368	539	444
	39,036	27,898	45,083	34,308

(a) Benefits include fixed remuneration (salaries, vacation pay and 13th salary), social security contributions to the FGTS, variable remuneration and other.

12. Inventories

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Maintenance supplies (i)	239,864	206,218	240,260	206,461
Pulp	63,756	70,930	310,219	227,663
Wood (ii)	166,157	187,273	166,157	187,273
Operating supplies (i)	115,724	57,038	115,724	57,038
	585,501	**521,459**	**832,361**	**678,435**

(i) The increases in maintenance supplies and inputs are mainly related to the increase in safety inventory levels in forestry and production, increase in nominal values due to the acceleration of inflation, and preparation for the general maintenance shutdown of the plant, scheduled for January 2023.

(ii) The decrease in wood inventories for production is linked to the time difference between the harvest and the physical receipt of the wood purchased from third parties at the plant.

In thousands of reais, unless otherwise indicated

13. Recoverable taxes

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Value-added tax on sales and services (ICMS):				
Recoverable ICMS	1,002,322	1,030,760	1,002,322	1,032,600
Estimated losses with ICMS credits (i)	(1,002,322)	(1,030,760)	(1,002,322)	(1,030,760)
	-	-	-	**1,840**
Other recoverable taxes:				
PIS & Cofins Taxes	72,250	52,167	73,634	52,874
Reintegra	32,328	14,759	32,328	14,759
Income tax and social contribution	11,144	191	11,319	200
Recoverable withholding income tax (IRRF)	97	1,556	526	1,587
Other	210	201	605	597
	116,029	**68,874**	**118,412**	**71,857**
Current	84,073	67,146	85,862	70,098
Non-current	31,956	1,728	32,550	1,759
	116,029	**68,874**	**118,412**	**71,857**

(i) Estimated losses with ICMS credits

On November 18, 2021, the Company was notified by the tax authorities of Mato Grosso do Sul to reverse, in the relevant tax records, approximately R$ 505,054 of accumulated ICMS credits, on the grounds that they had been affected by statute of limitations, as provided for in Article 68 of State Law 1810 (1997).

The Company, duly supported by its legal advisors, took the necessary legal to ensure its right to maintain the accumulated ICMS credit, and obtained an injunction that prevents the issuance of a tax assessment notice due to the non-reversal of the accumulated ICMS credit.

Due to the new circumstances brought about by the notification of the tax authorities of Mato Grosso do Sul, considering that: (a) the realization of credits depends on prior authorization from the tax authorities; (b) the tax authorization must be concurrent with the maturity of the tax debts against which the credits will be offset; (c) it is unlikely that the offsetting of ICMS credits will be authorized by the tax authorities while they are "sub judice"; and, (d) it is not possible to estimate the length of time for the judicial discussion on the matter; the Company understands that it is no longer possible to guarantee that it will obtain authorization from the state to offset and/or transfer the ICMS credits within the deadlines set forth in the monetization plan. In this context, considering that it is no longer possible to establish that the ICMS credits will be monetized within the period provided for in the realization plan, and considering the absence of other monetization plans, the Company determined that the recoverable amount of the ICMS tax credits on December 31, 2021, whether at value in use or fair value, is equal to zero. Thus, a provision for losses equivalent to the full amount of credits was recorded, in the amount of R$ 1,030,760 on December 31, 2021.

The amount of estimated losses with ICMS credits reversed in the year ended December 31, 2022 was R$ 28,438 and corresponds to ICMS credits consumed in the normal course of the Company's business. See Note 28 - Other operating revenues (expenses), net.

In thousands of reais, unless otherwise indicated

14. Biological assets

Changes in biological assets in the year ended December 31, 2022 and 2021 are as follows:

	Consolidated	
	12/31/2022	12/31/2021
Balance at the beginning of the period	3,493,833	3,004,369
Cost applied in the formation of forests	670,951	544,080
Exhaustion of formed forests	(300,543)	(220,276)
Write-off of forestry	-	(8,122)
Fair value adjustment, net of sales expenses	(61,815)	173,782
Balance at the end of the period	**3,802,426**	**3,493,833**

The Company, to recognize its biological assets at fair value, used the Discounted Cash Flow (DCF) model. In general, the methodology can be summarized by projecting forest growth and subsequent depletion, with a cutting age between 6 and 10 years, considering operational restrictions and annual demand. Fair value measurements were categorized as Level 3 fair values

The production volume of trees to be cut was estimated considering the average yield in cubic meter of wood of each plantation per hectare at the harvesting season. This growth is represented by the Average Annual Increment (IMA) expressed in cubic meters per hectare/year. Crop handling costs include expenses with fertilization, weed control, ant and other pest control, maintenance of roads and firebreaks, and other services necessary for the maintenance of planted forests.

Among the assumptions used in the calculation, wood prices, the discounted cash flow discount rate and the Tax Amortization Benefit (TAB) stand out.

The average sales price for eucalyptus wood was estimated for the domestic market and adjusted to reflect the price of standing wood per producing region, considering that it is impacted by transport costs, which may vary depending on the radius between the farm and the production unit.

The Company adopts the weighted average price of Eucalyptus wood, calculated by Pöyry and published quarterly in the Radar bulletin, to reflect the price of “standing wood” for the domestic market, both in the evaluation of the biological asset and as a price benchmark in the new rural partnership contracts. The Radar bulletin reflects the conditions of the regional market of Mato Grosso do Sul, where the Company’s operations are located, with greater reliability.

Significant increases (decreases) in the prices used in the valuation would result in an increase (decrease) in the measurement of the fair value of biological assets.

The discount rate corresponds to the Company’s weighted average cost of capital. A significant increase (decrease) in the discount rate would result in a decrease (increase) in the amounts measured.

In thousands of reais, unless otherwise indicated

The main assumptions considered in estimating the fair value of biological assets for the year were as follows:

	12/31/2022	12/31/2021
Area planted for the purpose of the biological asset (hectare)	249,161	233,252
Average annual increment (IMA) - m^3/hectare (i)	37.09	36.85
Discount rate (WACC without consumer price index) - %	7.60	5.61
Price of standing wood - R$/$m^3$	95.70	79.50

(i) Refers to IMA 6, relative to age/cut considering six years.

Changes in the fair value of biological assets are recognized in income (loss) for the year under fair value of biological assets and, in general, originate from the following variables:

	12/31/2022	12/31/2021
Price	(34,992)	174,291
Physical changes	(26,823)	(509)
	(61,815)	**173,782**

The forests comprising the biological asset are subject to operational and environmental risks, such as fires, pests, diseases and climate changes. However, there was no material impact on the supply of wood for pulp production in the short or long term.

(In thousands of Reais, unless otherwise indicated)

15. Investments

15.1. Breakdown of investments and information on subsidiaries

	Percentage interest	Total assets	Capital	Shareholders' equity	Net revenue	Net income (loss) for the year
Cellulose Eldorado Austria Gmbh	100%	3,921,117	111	3,118,783	6,198,610	2,780,363
Eldorado Brasil Celulose Logística Ltda.	100%	518,691	70,000	179,651	2	(13,913)
Rishis Empreend. e Participações S.A.	100%	110,814	108,979	90,304	35,789	(997)

15.2. Changes in investments - Parent company

Investments in subsidiaries	Balance at 12/31/2021	Addition (write-off)	Dividends	Fair value of the intercompany loan (ii)	Accumulated translation adjustment	Unearned income from inventories	Equity in net income of subsidiaries	Balance at 12/31/2022
Cellulose Eldorado Austria Gmbh	1,801,825	-	(1,306,048)	-	(154,707)	(2,650)	2,780,363	**3,118,783**
Eldorado Brasil Celulose Logística Ltda.	74,178	569	-	118,817	-	-	(13,913)	**179,651**
Rishis Empreend. e Participações S.A.	91,301	-	-	-	-	-	(997)	**90,304**
Rishis Empreend. e Participações S.A. - goodwill (i)	9,336	(1,179)	-	-	-	-	-	**8,157**
Total investments in subsidiaries	**1,976,640**	**(610)**	**(1,306,048)**	**118,817**	**(154,707)**	**(2,650)**	**2,765,453**	**3,396,895**

(i) On December 31, 2022, the Company records the goodwill on the acquisition of its subsidiary in the amount of R$ 8,157 (R$ 9,336 as of December 31, 2021), arising from the right of use of an area in the port zone, object of the lease agreement, which is being amortized over the right of use period, effective until November 4, 2029.

(ii) The amount refers to the change between the nominal value and the present value of the loan agreement upon initial recognition.

In thousands of reais, unless otherwise indicated

16. Property, plant and equipment

16.1. Breakdown of fixed assets

				12/31/2022			12/31/2021
	Average rate %	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
Parent company:							
Building and facilities	3.4-5.4%	1,794,463	(489,597)	1,304,866	1,752,706	(427,698)	1,325,008
Machinery and equipment	5.9%	4,471,763	(1,527,555)	2,944,208	4,282,963	(1,304,190)	2,978,773
Vehicles and vessels	13.3-20.0%	229,314	(127,758)	101,556	187,283	(109,671)	77,612
IT equipment	19.3%	123,039	(78,460)	44,579	103,135	(69,552)	33,583
Works in progress	-	353,415	-	353,415	325,327	-	325,327
Other	9.2-20.0%	140,470	(19,480)	120,990	136,165	(15,919)	120,246
		7,112,464	**(2,242,850)**	**4,869,614**	**6,787,579**	**(1,927,030)**	**4,860,549**
Consolidated:							
Building and facilities	3.4-5.4%	1,795,584	(489,784)	1,305,800	1,753,831	(427,824)	1,326,007
Machinery and equipment	5.9%	4,476,639	(1,529,231)	2,947,408	4,287,761	(1,305,598)	2,982,163
Vehicles and vessels	13.3-20.0%	229,314	(127,758)	101,556	187,283	(109,671)	77,612
IT equipment	19.3%	125,463	(80,422)	45,041	105,334	(71,366)	33,968
Works in progress	-	373,260	-	373,260	341,530	-	341,530
Other	9.3-20.0%	141,393	(20,098)	121,295	137,099	(16,491)	120,608
		7,141,653	**(2,247,293)**	**4,894,360**	**6,812,838**	**(1,930,950)**	**4,881,888**

In thousands of reais, unless otherwise indicated

16.2. Changes in fixed assets

	Balance at 12/31/2021	Changes for the year ended 12/31/2022					Balance at 12/31/2022
		Additions	Write-offs	Transfers	Depreciation	Exchange-rate change	
Parent company:							
Building and facilities	1,325,008	-	(264)	42,125	(62,003)	-	1,304,866
Machinery and equipment	2,978,773	23,535	(7,763)	188,340	(238,677)	-	2,944,208
Vehicles and vessels	77,612	2,638	(96)	48,067	(26,665)	-	101,556
IT equipment	33,583	60	(91)	20,536	(9,509)	-	44,579
Works in progress	325,327	339,678	-	(311,590)	-	-	353,415
Other	120,246	204	(377)	4,564	(3,647)	-	120,990
	4,860,549	**366,115**	**(8,591)**	**(7,958)**	**(340,501)**	**-**	**4,869,614**
Consolidated:							
Building and facilities	1,326,007	-	(263)	42,125	(62,068)	(1)	1,305,800
Machinery and equipment	2,982,163	23,536	(7,799)	188,502	(238,994)	-	2,947,408
Vehicles and vessels	77,612	2,638	(96)	48,067	(26,665)	-	101,556
IT equipment	33,968	353	(90)	20,536	(9,708)	(18)	45,041
Works in progress	341,530	358,550	(5,771)	(321,049)	-	-	373,260
Other	120,608	204	(377)	4,568	(3,704)	(4)	121,295
	4,881,888	**385,281**	**(14,396)**	**(17,251)**	**(341,139)**	**(23)**	**4,894,360**

In thousands of reais, unless otherwise indicated

	Balance at 12/31/2020	Changes for the year ended 12/31/2021					Balance at 12/31/2021
		Additions	Write-offs	Transfers	Depreciation	Exchange-rate change	
Parent company:							
Building and facilities	1,126,223	-	-	257,847	(59,062)	-	1,325,008
Machinery and equipment	2,728,042	72,256	(9,441)	397,178	(209,262)	-	2,978,773
Vehicles and vessels	40,943	32,600	(812)	23,986	(19,105)	-	77,612
IT equipment	22,015	259	(5)	18,301	(6,987)	-	33,583
Works in progress	693,131	336,573	-	(704,377)	-	-	325,327
Other	115,654	478	(421)	7,065	(2,530)	-	120,246
	4,726,008	**442,166**	**(10,679)**	**-**	**(296,946)**	**-**	**4,860,549**

16.3. Works in progress

Works in progress mainly refer to structural improvements in the pulp plant and its surroundings, as well as expenses with basic engineering, environmental licensing and infrastructure works for the construction of the new pulp production line, the “Project Vanguarda 2.0”.

16.4. Provision for impairment

In the year ended December 31, 2022, there is no indication that an asset, or group of assets, may be impaired.

In thousands of reais, unless otherwise indicated

16.5. Assets pledged as collateral

Some of the Company’s assets are pledged as collateral for its respective loans and financing, up to the maximum limit of each debt assumed (Note 20.5).

17. Intangible assets

17.1. Breakdown of intangible assets

				12/31/2022			12/31/2021
	Average rate %	Cost	Accumulated amortizations	Net	Cost	Accumulated amortizations	Net
Parent company:							
Software	19.6%	61,200	(31,299)	29,901	53,241	(23,020)	30,221
Consolidated:				-			
Goodwill of right-of-use on port concession	6.9%	17,002	(8,845)	8,157	17,002	(7,666)	9,336
Software	19.6%	61,966	(32,047)	29,919	54,007	(23,752)	30,255
Terminal concession	8.6%	90,638	(51,872)	38,766	90,520	(45,433)	45,087
Works in progress	-	247,350	-	247,350	15,327	-	15,327
		416,956	**(92,764)**	**324,192**	**176,856**	**(76,851)**	**100,005**

In thousands of reais, unless otherwise indicated

17.2. Changes in intangible assets

	Balance at 12/31/2021	Additions	Transfers	Changes for the year ended 12/31/2022 Amortization	Balance at 12/31/2022
Parent company:					
IT Software	30,221	-	7,958	(8,278)	29,901
Consolidated:					
Goodwill of right-of-use on port concession	9,336	-	-	(1,179)	8,157
IT Software	30,255	-	7,958	(8,294)	29,919
Terminal concession	45,087	-	118	(6,439)	38,766
Works in progress	15,327	222,847	9,176	-	247,350
	100,005	**222,847**	**17,252**	**(15,912)**	**324,192**

	Balance at 12/31/2020	Additions	Transfers	Changes for the year ended 12/31/2021 Amortization	Balance at 12/31/2021
Parent company:					
IT Software	14,188	21,500	-	(5,467)	30,221
Consolidated:					
Goodwill of right-of-use on port concession	10,516	-	-	(1,180)	9,336
IT Software	14,254	21,500	-	(5,499)	30,255
Terminal concession	53,077	13,765	-	(6,428)	60,414
	77,847	**35,265**	**-**	**(13,107)**	**100,005**

In thousands of reais, unless otherwise indicated

Transfers come from works in progress in property, plant and equipment – Note 16.2.

Additions in works in progress, of R$ 222,847 as of December 31, 2022 (R$ 13,765 as of December 31, 2021), which correspond to assets reversible to the Concession Grantor at the end of the concession, are related to investments in construction and equipment of the STS14 terminal at the Port of Santos, which will be used in the pulp handling and storage operation. The start-up of operations is scheduled for June 2023.

18. Right-of-use and lease payable

18.1. Breakdown of right-of-use

			12/31/2022			12/31/2021
	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
Parent company:						
Lands and land plots	1,347,955	(424,625)	923,330	935,722	(292,659)	643,063
Buildings	5,327	(4,514)	813	5,306	(3,208)	2,098
Vehicles	75,458	(48,850)	26,608	59,225	(30,707)	28,518
Forestry machinery, equipment and implements	5,679	(4,360)	1,319	5,679	(4,350)	1,329
Facilities and improvements	201	(201)	-	201	(201)	-
	1,434,620	**(482,550)**	**952,070**	**1,006,133**	**(331,125)**	**675,008**
Consolidated:						
Lands and land plots	1,347,955	(424,626)	923,329	935,722	(292,659)	643,063
Buildings	21,121	(7,774)	13,347	12,107	(5,678)	6,429
Vehicles	75,653	(49,028)	26,625	59,420	(30,796)	28,624
Forestry machinery, equipment and implements	5,679	(4,361)	1,318	5,679	(4,350)	1,329
Facilities and improvements	265,894	(202)	265,692	241,180	(202)	240,978
	1,716,302	**(485,991)**	**1,230,311**	**1,254,108**	**(333,685)**	**920,423**

In thousands of reais, unless otherwise indicated

18.2. Changes in right-of-use

	Balance at 12/31/2021	Additions and readjustments of installments	Write-offs	Depreciation	Exchange-rate change	Balance at 12/31/2022
Parent company:						
Lands and land plots	643,063	422,126	(7,865)	(133,994)	-	923,330
Buildings	2,098	20	-	(1,305)	-	813
Vehicles	28,518	16,233	-	(18,143)	-	26,608
Forestry machinery, equipment and implements	1,329	-	-	(10)	-	1,319
	675,008	**438,379**	**(7,865)**	**(153,452)**		**952,070**
Consolidated:						
Lands and land plots	643,063	422,125	(7,865)	(133,994)	-	923,329
Buildings	6,429	9,014	-	(2,081)	(15)	13,347
Vehicles	28,624	16,233	-	(18,225)	(7)	26,625
Forestry machinery, equipment and implements	1,329	-	-	(11)	-	1,318
Facilities and improvements	240,978	43,562	(18,848)	-	-	265,692
	920,423	**490,934**	**(26,713)**	**(154,311)**	**(22)**	**1,230,311**

In thousands of reais, unless otherwise indicated

		Changes for the year ended 12/31/2021				
	Balance at 12/31/2020	Additions and readjustments of installments	Write-offs	Depreciation	Exchange-rate change	Balance at 12/31/2021
Parent company:						
Lands and land plots	669,460	95,233	(9,803)	(111,827)	-	643,063
Buildings	2,417	369	-	(688)	-	2,098
Vehicles	6,240	33,261	-	(10,983)	-	28,518
Forestry machinery, equipment and implements	5,415	827	(2,544)	(2,369)	-	1,329
	683,532	**129,690**	**(12,347)**	**(125,867)**	**-**	**675,008**

	Balance at 12/31/2020	Additions and readjustments of installments	Write-offs	Depreciation	Exchange-rate change	Balance at 12/31/2021
Consolidated:						
Lands and land plots	669,460	95,233	(9,803)	(111,827)	-	643,063
Buildings	6,276	1,606	-	(1,476)	23	6,429
Vehicles	6,391	33,261	-	(11,032)	4	28,624
Forestry machinery, equipment and implements	5,415	827	(2,544)	(2,369)	-	1,329
Facilities and improvements	239,871	1,107	-	-	-	240,978
	927,413	**132,034**	**(12,347)**	**(126,704)**	**27**	**920,423**

Of the total depreciation for the year, the amount of R$ 90,549 as of December 31, 2022 (R$ 85,051 as of December 31, 2021) was considered as a cost applied to the formation of forests in biological assets (Note 14), and R$ 44,652 as of December 31, 2022 (R$ 30,472 as of December 31, 2021) was considered as an advance to suppliers (partnership agreements).

In thousands of reais, unless otherwise indicated

18.3. Changes in lease payable

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Balance at the beginning of the year	760,586	741,860	939,971	921,286
Additions and readjustments of installments (a)	438,379	129,690	490,934	130,399
Payments	(232,968)	(181,421)	(280,039)	(184,395)
Financial interest (b)	111,233	83,953	111,813	86,150
Write-off or termination	(8,667)	(13,496)	(8,667)	(13,496)
Exchange-rate change	-	-	(22)	27
Balance at the end of the year	**1,068,563**	**760,586**	**1,253,990**	**939,971**
Current	202,594	186,080	234,768	209,928
Non-current	865,969	574,506	1,019,222	730,043
	1,068,563	**760,586**	**1,253,990**	**939,971**

(a) Refer to the additions of new contracts and price changes (indexed by IPCA and CEPEA) and/or terms in existing contracts.

(b) Of the total financial interest, the amount of R$ 74,793 as of December 31, 2022 (R$ 71,732 as of December 31, 2021) was considered as a cost applied to the formation of forests in biological assets (Note 14), while the amount of R$ 31,517 as of December 31, 2022 (R$ 10,582 as of December 31, 2021) was considered as advances to suppliers (partnership agreements) and R$ 4,806 in inventories and property, plant and equipment.

The schedule of future lease disbursements, not discounted to present value, is disclosed in Note 8.3c.

18.4. Potential right to PIS/COFINS recoverable

Leases payable were calculated at the gross amount, which does not consider the deduction of PIS and COFINS credits recoverable embedded in the lease consideration. The following chart demonstrates this potential right:

December 31, 2022	Parent company		Consolidated	
Cash flows	Nominal value	Adjusted to present value	Nominal value	Adjusted to present value
Leases payable consideration	1,894,449	1,068,563	2,136,259	1,253,990
Potential PIS/COFINS (9.25%) levied on contracts signed with legal entities	175,237	98,842	197,604	115,994

December 31, 2021	Parent company		Consolidated	
Cash flows	Nominal value	Adjusted to present value	Nominal value	Adjusted to present value
Leases payable consideration	1,139,597	760,586	1,509,886	939,971
Potential PIS/COFINS (9.25%) levied on contracts signed with legal entities	105,413	70,354	139,664	86,947

In thousands of reais, unless otherwise indicated

19. Suppliers

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
In domestic currency:				
Related parties - Note 11	34,242	39,046	1,247	1,089
Third parties (i)	256,355	238,628	263,753	240,105
In foreign currency:				
Third parties	2,461	9,910	32,175	48,652
	293,058	**287,584**	**297,175**	**289,846**

(i) The balance of December 31, 2022 considers the amount of R$ 5,784 of operations with forfaiting at the Parent company and in the consolidated. Such operations did not present relevant changes in the purchase conditions (term, payment flow and negotiated prices) in relation to those usually practiced by the Company. There was no forfait operation on December 31, 2021.

20. Loans and financing

20.1. Breakdown of loans and financing

Type	verage annual interest rate and commissions	Maturity	Parent company and Consolidated 12/31/2022	12/31/2021
In foreign currency				
ACC (i)	LIBOR/SOFR + 5.20%p.a. & 6.00%p.a.	Jan2023-Nov2024	1,329,316	2,361,908
Export prepayment (ii)	SOFR + 3,91%p.a. & LIBOR + 4.00%p.a.	Nov2023-Apr2025	1,520,957	1,665,127
			2,850,273	4,027,035
In domestic currency				
FINEM - Financing for ventures	Fixed rate · 3.00%p.a.	July2023	249	1,077
NCE (iii)	CDI + 4.5% p.a.	Jan2023	202,570	819,124
Lease (iv)	CDI + 3.49% p.a.	Mar2024-Mar2025	13,506	20,376
CCB (v)	Fixed rate - 8.97% p.a.	Aug2022	-	75,436
CRA (vi)	IPCA + 7.1945% p.a.	Sep2026-Sep2027	546,487	506,729
Debentures (fourth issue) (vii)	CDI + 3.00% p.a.	Sep2024	717,280	694,215
			1,480,092	2,116,957
			4,330,365	**6,143,992**
Current			1,725,644	927,423
Non-current			2,604,721	5,216,569
			4,330,365	**6,143,992**

20.2. Maturity Schedule - non-current

The maturity schedule of loans and financing classified in non-current liabilities as of December 31, 2022 are as follows:

Year	2024	2025	2026	2027	Total
Values	1,703,959	365,610	267,576	267,576	2,604,721

In thousands of reais, unless otherwise indicated

20.3. Changes in loans and financing

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Balance at the beginning of the year	**6,143,992**	**5,846,513**	**6,143,992**	**7,726,957**
Funding	1,030,566	3,889,741	1,030,566	3,899,858
Interest incurred	502,101	335,231	502,101	414,843
Exchange-rate change	(244,278)	367,445	(244,278)	318,463
Settlement of principal	(2,692,348)	(3,968,190)	(2,692,348)	(5,811,003)
Settlement of interest	(409,668)	(326,748)	(409,668)	(405,126)
Balance at the end of the year	**4,330,365**	**6,143,992**	**4,330,365**	**6,143,992**

Interest payments are presented as a flow of financing activities in the statements of cash flows, as they are costs of obtaining financial resources.

20.4. Company's credit facilities

The Company uses trade finance lines and bilateral loans with banks to cover working capital needs and support investments.

The credit facilities currently contracted are as follows:

(i) Financing of working capital through Advances on Foreign Exchange Contracts (ACCs);

(ii) The Company has export prepayment contracts (PPE) maturing in 2025. Transactions are restated by Libor 1M and SOFR, plus a spread;

(iii) Export credit notes – NCE contracts denominated in *reais*. In May and June 2021, the Company raised NCE's maturing in January 2023, indexed to the CDI rate, plus a spread. In the twelve-month period ended December 31, 2022, the Company partially amortized these contracts in the amount of R$ 451,263.

(iv) Financing of machinery and equipment through leases denominated in *Reais*;

(v) Bank Credit Notes (CCB) remunerated at a fixed rate, settled in August 2022.

(vi) On September 29, 2021, the Company concluded the 3rd issue 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, 2021, 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;

20.5. Loans guarantees

For some loan and financing agreements under the Finame, Lease and ACC modalities, the financed equipment itself and pledge of forests are offered as collateral.

In thousands of reais, unless otherwise indicated

21. Current and deferred income tax and social contribution

21.1. Effective tax rate reconciliation:

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Income before provision for income tax and social	3,933,375	1,141,030	3,994,200	1,157,241
Income tax and social contribution - nominal rate of 34%	(1,337,347)	(387,950)	(1,358,028)	(393,462)
Reconciliation for actual expense:				
Equity in net income of subsidiaries	(939,353)	(468,639)	-	-
Provision for ICMS credit balance losses	(9,669)	350,458	(9,669)	350,458
Government grant	(3,772)	(1,460)	(3,772)	(1,460)
Reintegra	(6,550)	(1,009)	(6,550)	(1,009)
Earned profits - overseas subsidiaries	4,386	4,497	-	-
Adjustments from transfer pricing methods	26,290	-	26,290	-
Difference in tax base and nominal rates of subsidiaries	-	-	(896,064)	(453,168)
Other	(9,573)	(10,529)	(8,330)	(10,805)
Current and deferred income tax/social contribution	**(399,107)**	**(261,268)**	**(459,932)**	**(277,479)**
Current	(116,294)	(29,740)	(177,119)	(45,951)
Deferred	(282,813)	(231,528)	(282,813)	(231,528)
	(399,107)	**(261,268)**	**(459,932)**	**(277,479)**
Effective rate	**10.15%**	**22.90%**	**11.52%**	**23.98%**

21.2. Changes in deferred income tax and social contribution, parent company and consolidated:

	Parent company and Consolidated			
	12/31/2021	Additions	Deductions	12/31/2022
Tax loss (i)	631,469		(53,211)	578,259
Temporary credit differences				
Unrealized exchange-rate change	399,245	-	(226,706)	172,539
Non-deductible provisions	58,411	11,274	-	69,685
IR/CS on Selic of tax overpayment	-	4,794	-	4,794
	1,089,126	**16,068**	**(279,917)**	**825,277**
Temporary liability differences				
Biological assets	202,183	-	(65,538)	136,646
Hedge - MTM Derivatives	4,571	66,930	-	71,501
Incentivized accelerated depreciation	832,304	43,437	-	875,742
	1,039,059	**110,367**	**(65,538)**	**1,083,888**
Deferred Assets	**1,089,126**	16,068	(279,917)	**825,277**
Deferred Liabilities	**1,039,059**	110,367	(65,538)	**1,083,888**
Total amount	**50,066**	**(94,299)**	**(214,379)**	**(258,612)**

(i) As of December 31, 2022, the Company had a balance of tax loss and negative base of social contribution in the amount of R$ 1,700,761 (R$ 1,857,262 as of December 31, 2021).

22. Provision for legal risks

The Company, in the ordinary course of its business, is subject to judicial proceedings of tax, labor, environmental, civil and regulatory nature, and, based on its legal advisors' opinion, assesses the expectation of the outcome of said proceedings in course and determines the risk of loss, which is reflected in the formation of a provision for contingencies, which presented the following changes during the years ended December 31, 2022 and 2021:

In thousands of reais, unless otherwise indicated

	Environmental	Civil	Labor	Tax	Parent company	Consolidated
Balance at December 31, 2020	328	6,872	22,963	1,216	**31,379**	**31,850**
Addition of new lawsuits	-	3,424	10,639	2,654	**16,717**	**16,747**
Write-offs/reversals	-	(7,048)	(10,278)	(238)	**(17,564)**	**(17,659)**
Monetary adjustment	10	(163)	2,624	1,379	**3,850**	**3,978**
Balance at December 31, 2021	338	3,085	25,948	5,011	**34,382**	**34,916**
Addition of new lawsuits	-	-	12,867	-	**12,867**	**12,892**
Write-offs/reversals	-	(1,634)	(13,327)	(5,011)	**(19,972)**	**(20,197)**
Monetary adjustment	29	177	3,209	-	**3,415**	**3,529**
Balance at December 31, 2022	**367**	**1,628**	**28,697**	-	**30,692**	**31,140**

The Company has contingencies of R$ 815,154 in the Parent Company (R$ 815,197 in the Consolidated) as of December 31, 2022 (R$ 633,961 in the Parent Company and R$ 634,139 in the Consolidated as of December 31, 2021), whose expected loss is evaluated by the Management and supported by legal advisors, classified as possible, broken down as follows:

	Parent company		Consolidated	
Possible	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**
Environmental	12,229	10,745	12,229	10,745
Civil	639,025	469,885	639,025	469,885
Labor	43,831	38,991	43,874	39,169
Tax	6,749	6,806	6,749	6,806
Regulatory	113,247	107,512	113,247	107,512
Administrative	73	22	73	22
	815,154	**633,961**	**815,197**	**634,139**

No provision for lawsuit risks is recorded for contingencies classified as a possible losses.

Nature of main contingencies

Civil

The civil lawsuits involving EGTM Navegações Ltda., which demands reparation for damages due to alleged breaches of contract, are estimated as possible losses and had their value adjusted to R$ 619,468 as of December 31, 2022 (R$ 454,295 as of December 31, 2021). There was no significant change in the nature and amounts of other contingencies for the year.

Regulatory

On December 8, 2017, the CVM filed the CVM Sanctioning Administrative Proceeding 5388/2017, whose purpose is to investigate the purchase of dollar derivative contracts on behalf of Eldorado Brasil S.A. and other companies that are part of its economic group, including on May 5 and 17, 2017 with the use of unfair practices, in alleged violation of item II, item “d” of CVM Instruction 8/1979. A proposal for a term of commitment and defense was presented in May 2018. The process is currently awaiting consideration by the defense, which aims to rule out the application of the fine, estimated at R$ 84,900. In the current stage of the process, the classification of the probability of loss is possible, without the recording of a provision.

23. Shareholders' equity

23.1. Capital

Subscribed and paid-in capital, as of December 31, 2022 and December 31, 2021 totals R$ 1,788,792, comprising 1,525,558,419 common shares.

The Company's shareholding structure is as follows: 49.42% owned by CA Investment and 50.58% held by J&F, the sole shareholders of Eldorado.

23.2. Legal reserve

The legal reserve is formed at the rate of 5% of net income calculated each fiscal year, up to the limit of 20% of the capital.

23.3. Tax incentive reserve

The Company recorded a tax incentive reserve in the amount of R$ 11,094 as of December 31, 2022, (reversed the net amount of R$ 9,837 as of December 31, 2021), equivalent to the portion of net income linked to investment grants, granted under the terms of the law, by the Government of Mato Grosso do Sul (MS) in return for the implementation and maintenance of the industrial unit in the city of Três Lagoas. The recognition of credits was presented in the Company's income (loss), under net revenue.

23.4. Expansion reserve

Under the terms of the bylaws, all the net income that remains after the formation of the legal reserve, reserve for tax incentives and allocation for minimum mandatory dividends, will be allocated to the formation of a reserve for expansion, which will have the purpose of financing the investment in operating assets, up to the limit of 100% of the subscribed share capital. As of December 31, 2022, no reserve for expansion was recorded due to the profit retention – Note 23.6.

23.5. Dividends

Pursuant to Law 6404/1976 and the Company's Bylaws, the balance of net income remaining after offsetting accumulated losses, allocations to the legal reserve, reserve for contingencies and tax incentive reserve, is allocated to the payment of mandatory minimum dividends, which must not be lower, in each year, than 25% of adjusted net income, pursuant to Law 6404/1976. The minimum mandatory dividends for the year ended December 31, 2021 are allocated in the "Reserve for Retained Mandatory Minimum Dividends (Art. 202, §3, item I of Law 6.404/1976)". Moreover, in 2021, the full "Special Reserve", which had been formed pursuant to §5, Art. 202, of Law 6.404/1976 was allocated to said reserve. On December 31, 2022, no reserve for minimum mandatory dividends was recorded due to retained earnings – Note 23.6.

In thousands of reais, unless otherwise indicated

23.6. Profit retention

Pursuant to Article 196 of Law 6.404/1976, management proposed retaining the remaining net income, after allocation to the legal reserve and tax incentive reserve, for use in capital investment projects.

23.7. Accumulated translation adjustments

The accumulated translation adjustments, which represent the differences in the translation of the financial statements of subsidiaries abroad into the Company's functional currency, were reduced by R$ 154,707 for the year ended December 31, 2022 (increased by R$ 156,023 for the year ended December 31, 2021).

23.8. Earnings per share – basic and diluted

The calculation of basic and diluted earnings per share was based on the income attributable to common shareholders, divided into the weighted average of outstanding common shares:

	12/31/2022	12/31/2021
Income attributable to shareholders	3,534,268	879,762
Total shares of the period - thousands	1,525,558	1,525,558
Basic and diluted earnings per share	2.3167	0.5767

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

24. Net revenue

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Gross sales				
Domestic market	1,311,554	1,252,911	1,311,556	1,252,911
Foreign market	3,160,469	3,146,525	8,392,736	6,497,875
Deductions and rebates	(23,392)	(16,766)	(1,922,844)	(1,470,942)
	4,448,631	**4,382,671**	**7,781,448**	**6,279,845**
Sales taxes	(241,230)	(223,669)	(243,338)	(225,071)
Net operating revenue	**4,207,401**	**4,159,001**	**7,538,110**	**6,054,774**

25. Operating segments

25.1. Geographic segments

Information on consolidated net revenue, distributed based on the geographic location of clients, is presented below:

In thousands of reais, unless otherwise indicated

Net revenue	12/31/2022	12/31/2021
Domestic market	1,067,190	1,023,952
Foreign market		
Asia	2,488,008	2,441,577
North America	1,799,693	1,561,568
Europe	1,652,363	758,883
South America	276,798	173,967
Middle East	125,807	54,439
Africa	128,251	40,388
	6,470,920	5,030,822
	7,538,110	**6,054,774**

25.2. Information on main clients

In sales made in the years ended December 31, 2022 and 2021, only one client, individually, represented more than 10% of the Company’s net revenue.

25.3. Information on total non-current assets

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

	Consolidated	
Non-current assets	**12/31/2022**	**12/31/2021**
Brazil	10,660,639	9,836,739
Austria	473	824
United States	438	374
China	129	59
	10,661,679	**9,837,996**

26. Costs and expenses by category and type

	Parent company		Consolidated	
		(Restatement)		(Restatement)
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Cost of goods sold	2,443,666	1,928,806	2,355,526	1,980,030
Sales and logistics expenses	320,903	313,139	932,320	752,646
Administrative and general expenses	269,826	212,925	286,774	229,875
	3,034,395	**2,454,870**	**3,574,620**	**2,962,551**
Personnel expenses	569,625	511,797	599,908	539,633
Expenses with services, materials and transport	847,137	681,388	1,452,689	1,111,918
Depreciation, exhaustion and amortization	577,797	413,527	570,003	417,580
Raw material and consumable items	999,648	812,903	905,799	851,503
Other	40,188	35,255	46,221	41,917
	3,034,395	**2,454,870**	**3,574,620**	**2,962,551**

In thousands of reais, unless otherwise indicated

The nature of personnel expenses, expenses with services, materials and transport, raw materials and consumables, among others, for the year ended December 31, 2021, was reclassified and is being restated to preserve comparability with the related information for the year ended December 31, 2022. There was no change in the total amount in the categories of costs and expenses for the restated period.

27. Net financial income (expenses)

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Interest - assets	17,331	469	1,876	531
Short and long term investments	22,183	12,560	36,727	17,328
Other financial income	3,654	-	3,657	2
Financial revenues	**43,168**	**13,029**	**42,260**	**17,861**
Bank expenses	(95)	(130)	(258)	(371)
Interest expenses	(568,271)	(541,881)	(514,728)	(517,052)
Guarantee fees	-	(2,511)	-	(2,511)
Other financial expenses	(15,405)	(14,331)	(38,189)	(33,894)
Financial expenses	**(583,771)**	**(558,853)**	**(553,175)**	**(553,828)**
Realized gains	65,999	154	65,999	154
Unrealized gains	120,776	-	120,776	-
Derivative financial instruments	**186,775**	**154**	**186,775**	**154**
Loans and financing	244,278	(369,446)	244,278	(369,446)
Other assets and liabilities	77,398	(96,442)	78,852	(100,327)
Net foreign exchange rate	**321,676**	**(465,888)**	**323,130**	**(469,773)**
	(32,152)	**(1,011,558)**	**(1,010)**	**(1,005,586)**

28. Other operating revenues (expenses), net

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Fair value of biological assets - see Note 14	(61,815)	173,782	(61,815)	173,782
Tax credits	62,683	(56,528)	62,683	(56,528)
Reversal (formation) for estimated losses with ICMS credits - see Note 13 (i)	28,438	(1,030,760)	28,438	(1,030,760)
Sales of property, plant, and equipment	16,707	17,547	16,709	17,569
Procedural contingencies	3,690	(3,003)	3,776	(3,066)
Write-off of forestry	-	(8,122)	-	(8,122)
Non-recoverable ICMS	(4,967)	(8,036)	(6,485)	(8,430)
Indemnities	(12,124)	(15,887)	(22)	(16,014)
Depreciation and amortization	(1,676)	(6,292)	(1,676)	(6,292)
Other	103	3,268	184	3,732
	31,039	**(934,031)**	**41,792**	**(934,129)**

In thousands of reais, unless otherwise indicated

29. Take or pay contracts

29.1. Chemical plants and gas distribution branch

The Company is an integral part of take-or-pay contracts for two chemical plants and a gas distribution branch, set up with the purpose of meeting the needs of inputs for pulp production.

The contract for the Chlorine Dioxide plant, effective for 15 years and in force since December 2012, has a price composed of fixed and variable production costs, with an adjustment clause generally applicable to this type of contract.

The contract for the Gaseous Oxygen plant, effective for 15 years and in force since October 2012, is denominated in US dollars and paid in fixed monthly installments, readjusted by the PPI (Producer Price Index) on the first day of December of each year.

The natural gas contract, effective for 12 years, has been in effect since May 2016, and the price per cubic meter of gas consumed is made up of three factors:

a) natural gas price, readjusted quarterly according to the arithmetic averages of daily quotations published in the Spot Price Assessments table published in Platt's Oilgram Price Report;

b) transport tariff, readjusted in May of each year, based on the change of the General Market Price Index - IGPM;

c) distributor's fixed margin, readjusted on the first day of each year, based on the change of the Extended Consumer Price Index (IPCA).

As of December 31, 2022 and December 31, 2021, the non-cancelable future minimum payments are as follows:

	Consolidated	
	12/31/2022	12/31/2021
2022	-	100,679
2023	130,818	100,679
2024	130,818	100,679
2025	130,818	100,679
2026	130,818	100,679
>2027	192,096	146,790
	715,368	**650,185**

Amounts recognized in the statement income for the year. are as follows:

	Consolidated	
	12/31/2022	12/31/2021
Cost of goods sold	251,126	184,959

In thousands of reais, unless otherwise indicated

29.2. Thermoelectric power plant

In 2016, the Company won the ANEEL Auction 01/2016, modality A-5, and was authorized by the MME Ordinance 477/2016 of 09/27/2016 to operate as an Independent Electric Power Producer through the implementation of a thermoelectric power plant with a nominal capacity of 50MW of electric energy from biomass. The electric power produced by the Onça Pintada Thermoelectric Power Plant is the subject of 7 (seven) purchase power agreements - Contratos de Comercialização de Energia no Ambiente Regulado (CCEAR), with a 25-year term starting on April 23, 2021 for a total of 38.1 MWm monthly electric power generation.

30. Non-cash transactions

Lease agreements refer mainly to land use rights used for planting eucalyptus forests, whose related expenses are capitalized during the forest formation period. The difference between depreciation and interest expense in relation to lease payments has no cash effect and is presented below:

				Parent company
December 31, 2022	Additions and readjustment of installments	Write-off or termination	Depreciation from right-of-use	Lease interest
Inventories	-	-	(16,927)	(4,790)
Advances to suppliers	-	-	(44,652)	(31,517)
Biological assets	-	-	(90,549)	(74,793)
Rights-of-use	(438,379)	7,865	-	-
Property, plant and equipment	-	-	(173)	(16)
Leases payable	438,379	(8,667)	-	-

				Consolidated
December 31, 2022	Additions and readjustment of installments	Write-off or termination	Depreciation from right-of-use	Lease interest
Inventories	-	-	(16,927)	(4,790)
Advances to suppliers	-	-	(44,652)	(31,517)
Biological assets	-	-	(90,549)	(74,793)
Rights-of-use	(490,934)	7,865	-	-
Property, plant and equipment	-	-	(173)	(16)
Intangible assets	-	-	-	(18,847)
Leases payable	490,934	(8,667)	-	-

31. 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.

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 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, as well as prohibiting CA Investment from adopting any judicial or extrajudicial measures, especially before foreign courts, to recognize or enforce the partial arbitration award.

On July 29, 2022, the Judge of the 2nd Corporate and Arbitration Related Disputes Court of the Central Court of the District of São Paulo - SP issued a decision in the declaratory action of nullity of the arbitration award issued under Procedure No. 23909/GSS/PFF, administered by the International Court of Arbitration - ICC. The decision denied the request made by J&F Investimentos S.A. and Eldorado to declare the nullity of the arbitration award and all the acts performed during the arbitration proceedings. Eldorado and J&F filed appeals against the decision and are awaiting its judgment.

Statutory Executive Board

Carmine de Siervi Neto
Chief Executive Officer

Germano Aguiar Vieira
Forestry Director

Carlos Roberto de Paiva Monteiro
Industrial Technical Director

Rodrigo Libaber
Commercial Director

Fernando Storchi
Financial and Investor Relations Director

Board of Directors

Aguinaldo Gomes Ramos Filho
Chairman of the Board of Directors

João Adalberto Elek Júnior
Board Member

Sérgio Longo
Board Member

Mauro Eduardo Guizeline
Board Member

Francisco de Assis e Silva
Board Member

Marcio Antonio Teixeira Linares
Board Member

Raul Rosenthal Ladeira de Matos
Board Member

Accountant

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