2020 FINANCIAL STATEMENTS

Eldorado Brasil

Dear Shareholders,

In line with legal and statutory determinations, we hereby present the Management Report and the Financial Statements of Eldorado Brasil Celulose S.A. ("Eldorado" or "Company") for the fiscal year ended December 31, 2020. This report and the parent company and consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as well as the pronouncements, interpretations and guidelines of the Accounting Pronouncements Committee (CPC), approved by resolutions of the Federal Accounting Board (CFC) and rules of the Brazilian Securities and Exchange Commission (CVM), and they are accompanied by the Independent Auditor's Report.

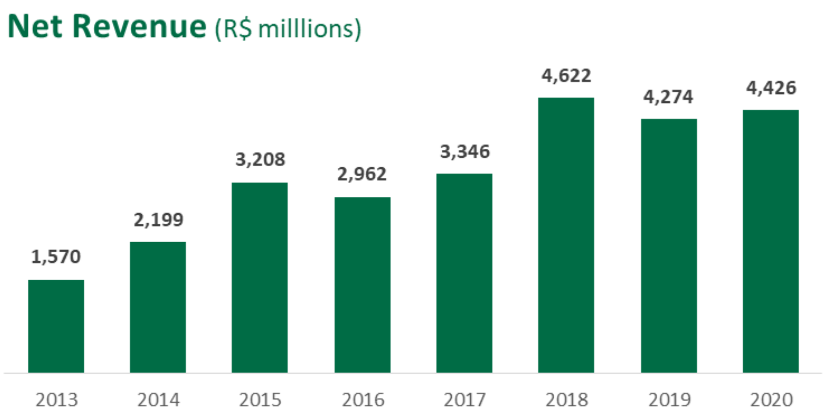
Message from Management - 2020

The year 2020 was marked by the coronavirus (COVID-19) pandemic, which substantially impacted the global economy. This year was atypical and required resilience and determination to achieve our objectives and deliver results. Despite the economic difficulties, Eldorado carried out its operations in the best way possible, maintaining full production and achieving outstanding results. The company continues reaching record production levels, and in spite of all adverse market conditions, Eldorado outperformed the results expected for the year, closing 2020 with Net Revenue and EBITDA higher than last year, maintaining its leading position in the global pulp industry.

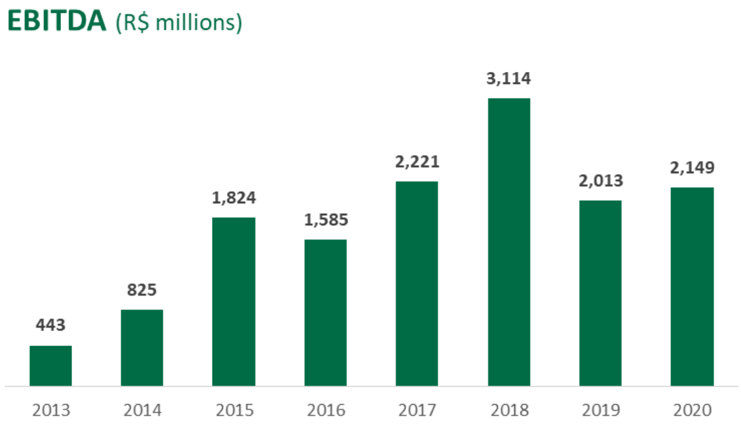
At the end of 2020, we had 4,641 employees distributed across the Brazilian states of Mato Grosso do Sul and São Paulo and our international units.

Eldorado's gross revenue in 2020 was R$5.3 billion, up 2% over last year, mainly due to the 31% appreciation of the U.S. dollar against the Real in the period.

In 2020, net revenue came to R$4.4 billion, up 4% over 2019.

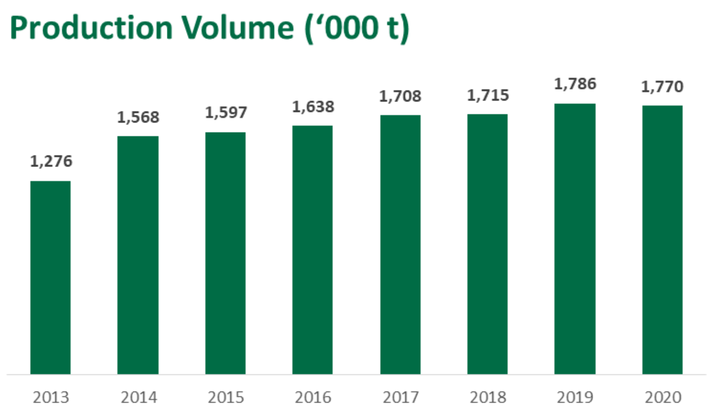


EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) ended the year at R$2,149 billion, with a 48.6% margin, a 7% rise over last year, mainly due to the U.S. dollar appreciation against the Real.

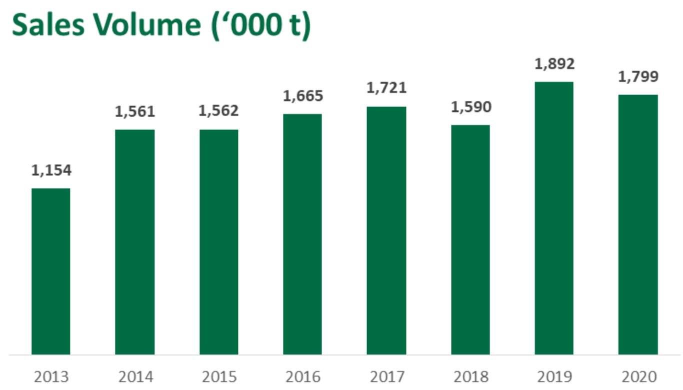


Eldorado closed the year with net loss of R$108 million versus net income of R$541 million in 2019, due to the poor financial result owing to the exchange rate variation in the period.

Production volume was 1,770 tons, down 1% from 2019, due to the scheduled maintenance stoppage occurred in the first quarter of 2020. But we maintained production 18% higher than the nominal capacity of the Eldorado's industrial unit – 1.5 million tons of pulp a year.



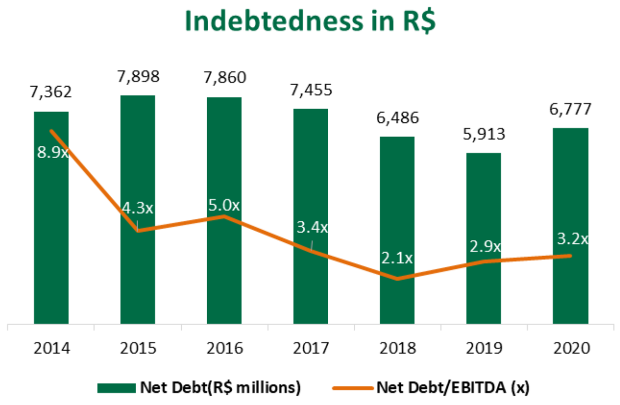
The Company maintained its excellent commercial performance in 2020, with sales volume of 1,799 tons of pulp, down 5% from last year, optimizing inventory levels.

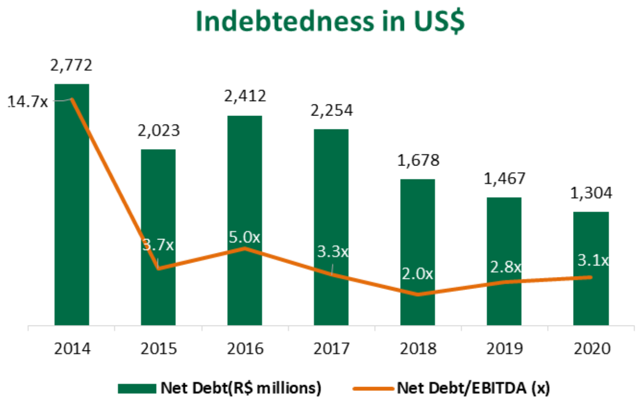


Concerning sales distribution, the Company continues to export mainly to Asia, which accounts for 48% of the total sales volume, followed by North America with 20%, Europe (including the Middle East and Africa) with 16% and Latin America (including Brazil) with 16%. The Company's pulp was mainly used by the tissue paper segments (comfort and personal hygiene), accounting for a 59% share in sales in 2020, mainly due to the novel coronavirus pandemic.

The Company continues to have a competitive production cash cost, ending 2020 with an average of R$/t 591(US$/t 115), excluding the effect related to the scheduled maintenance stoppage.

Net Debt-to-EBITDA ratio closed the year at 3.15x in Brazilian reais (ND 6,777/EBITDA 2,149 = 3.15) and at 3.14x in U.S. dollars. Net debt totaled R$6,777 million at year end, up 15% over last year, due to the exchange rate variation of 31% in the period, and the dollar-denominated net debt was US$1,304, maintaining a constant debt reduction trend in U.S. dollars.





The Company ended the year with stable cash and cash equivalents of around R$890 million.

Management.

Industry overview

The novel coronavirus pandemic substantially impacted the global economy, but the demand specifically for chemical pulp in the market remained solid in 2020, and the Pulp and Paper Products Council (PPPC) estimates that the demand for chemical pulp should see a 1,6% growth year on year in 2020. Short-fiber pulp is expected to see a further growth of 4.4% compared to the previous year. The demand was mainly driven by the tissue market, which saw a rapid growth throughout the year, mainly in the domestic consumption segment. The packaging market also continued to experience a positive growth trend that was reinforced by the change in the consumer behavior amid the pandemic, boosting the e-commerce segment. Together, these two markets consume 51% of the bleached chemical pulp sold in the market, according to Hawkins Wright. Other paper markets, such as Printing and Writing (P&W), were more impacted during the pandemic, except for China, which was the only market that grew 5.9% year on year in 2020, according to the PPPC. However, only 24% of bleached chemical pulp is intended for end use in these markets.

Various factors impacted the pulp supply throughout 2020. With a decrease in demand for paper in the P&W segment, some integrated producers increased their pulp production for the market, especially in the second quarter, thus expanding supply in that period. Subsequently, in the second half, there were more maintenance stoppages, as they had been postponed with the pandemic reaching its peak. The heated textile market in China also favored dissolving pulp production. These factors led to the lower availability of bleached chemical pulp in the market at the end of the year.

The recovery in demand and the lower supply, associated with logistics issues related to the restricted availability of waterway transport in the fourth quarter, allowed producers to increase prices after a long period of stable and low levels.

Relevant information for the fiscal year 2020

Industrial

The production of bleached eucalyptus pulp in 2020 was 1,770 thousand tons, 18% higher than the unit's projected nominal capacity – 1.5 million tons and the highest annual production under general stoppage in its history.

In 2020, Eldorado broke its own monthly production record (163,492 tons in July).

Eldorado's operational efficiency – which can be measured through the Maximum Sustainable Rate (MSR) over the average production – came to 92% in 2020. This increased efficiency was largely due to innovation and technology initiatives, such as the autonomous plant project, which is based on the industry 4.0 and artificial intelligence concepts.

Another factor reflecting investments in innovation, which is increasingly better every year, is the cash cost production indicator, at R$/t 591 (US$/t115) in 2020, excluding the effect of the scheduled maintenance stoppage.

Sustainability is one of Eldorado's main pillars, and since the beginning of operations, the Company has improved its environmental indicators. Every year, Eldorado produces a ton of pulp using less water, less electricity and less chemical products, thus generating less effluents. One example is the reduction in the specific use of water, reaching 24.7 m^3/aDt compared to projected 34 m^3/aDt.

The plant is self-sufficient in green energy that is produced from biomass arising from pulp production unused materials (such as lignin and wood waste). In 2020, we generated 1,477 MWh of energy, 766,000 of which consumed by the plant itself; 430,000 MWh sold to chemical input partners located within Eldorado's industrial complex; and 281,000 MWh allotted to the grid (national electricity system), generating a revenue of R$62.5 million for the Company.

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, so as to ensure flexibility and limit risk effects related to each market and segment.

According to PPPC reports, the demand from the P&W segment declined 15.7% in 2020 and it should see a 4% decrease per year from 2021 to 2024 (TACC), with sharper falls in developed economies. In contrast, the demand for tissue paper (toilet) is estimated to grow globally by 3.8% in 2020 and by 2.7% per year on average by 2024 (TACC). This growth is led by China, whose demand should increase above 4.4% per year by 2024.

Thus, following its commercial strategy, in 2020 Eldorado increased the proportion in its portfolio of volumes intended for tissue, one of the markets with the greatest growth prospects. This segment had a variation in its share in relation to the sales in 2019, moving up from 43.8% to 55.2%. In contrast, the share of sales for the P&W segment decreased from 20% to 17% in 2020.

The Company's pulp continues to be mainly exported to international markets – more than 45 countries from all continents. Asia still accounts for the greatest export share – 48% of sales in 2020.

In 2020, the Company totaled 1,799 tons.

Eldorado's average net price of pulp in 2020 was US$/t 462, down by 20% or US$/t 112 from 2019, in line with the decline in international pulp prices, which in accordance with average PIX indices in 2020 and 2019 for BEKP, decreased by around 19% (US$/t 107) in China and by around 21% (US$/t 178) in Europe.

Logistics

The year 2020 was special for the Logistics area. The Company won the auction of the STS14 area in the Port of Santos, held in August 28 of last year by the National Agency for Waterway Transportation (ANTAQ). Located near Ponta da Praia, the lot has 44,550 sq.m. and will receive the Company's new pulp terminal, which will have a static capacity of approximately 120,000 tons. The new area in the Port of Santos will increase Eldorado Brasil's export capacity in Santos to 2.5 million tons a year. The facilities will enable the Company to virtually double its operating capacity, making its logistics more efficient, agile and competitive.

The lease agreement of STS14 was signed on November 17 at Rishis, Eldorado's current terminal in the Port, located in the Outeirinhos region, with the attendance of Tarcísio Gomes de Freitas, Minister of Infrastructure; Diogo Piloni, Ministry of Infrastructure's National Secretary of Ports and Waterway Transport; Martha Seiller, Special Secretary of the Investment Partnership Program (PPI) of the Ministry of Economy; and Fernando Biral, President of Santos Port Authority (SPA). The grant amount is R$250 million due to SPA.

Leased for 25 years, STS14 will receive a new warehouse with direct access to the vessel docking berth connected to the maritime complex's rail network, allowing the arrival of trains carrying pulp in the port area. Eldorado Brasil projects to invest around R$190 million to adjust and modernize the area, with completion expected for 2023.

Despite the situation of the pandemic in 2020, the activities were adjusted so as to cause the minimum impact possible on the daily operations and production. The area focused on the consolidation and strengthening of its operational processes, creating innovative alternatives in the constant pursuit of operational productivity, cost reduction and customer service, without mentioning the intensive training of the leadership team held via video conference.

We have a diversified logistics and maintain our operation in 6 ports – Santos (SP), Paranaguá (PR), Itapoá (SC), São Francisco do Sul (SC), Navegantes (SC) and Imbituba (SC). We work with a focus on a lean operation, ensuring safety for our employees (our top priority) and agility in our operations. We invest in modern equipment and technology software, such as the EldTruck system, which enables full cargo control and management together with our Control Tower. Additionally, to improve the reliability of our inventory information, the warehouse management system (EWM) was implemented in 2020.

Forestry

Amid the global pandemic, the area's greatest challenges were to ensure the employees' safety, while maintaining production levels. The Forestry area followed all safety protocols, which allowed the continuity of operations, providing quality raw material for the industry, thus enabling high industrial production levels.

Eldorado maintained its forestry production base with around 230,000 hectares and more 143,000 hectares consisted of areas for preservation, conservation and other soil uses.

In terms of industrial inputs, the forest production was in line with factory demands.

As for harvesting, we ended the year with zero leave of absence as a result of occupational accidents and the greatest historical productivity, with 1,962 m^3 harvested per worker/month, up 10.2% over the previous record in 2017. These results allowed the production of over 6 million cubic meters for the third year in a row and more than 45 million cubic meters harvested since 2012. In 2020, we concluded the implementation of Colheita Digital (Digital Harvest), an embedded solution system that facilitated the control and management of operational indicators.

In 2020, the Infrastructure and Roads area fully operated with its own fleet. We built 1,490 km and maintained more than 1,560 km of roads on the farms where we operate, allowing a continuous flow of timber and machinery transport within our farms. In this area, we implemented the Roads Module in the Forest Management System (SGF), which enabled us to plan and monitor the operations in an integrated way, ensuring better control and management.

In forestry, we chose to suspend planting operations during the critical periods of the pandemic, so as to ensure the safety of our employees. This required a revision of our operational planning. We suspended employment contracts in accordance with the Federal Government incentive and granted vacation time to a large portion of our contingent staff. We renegotiated seedling supply with third parties and interrupted our fleet of tractors and equipment, maintaining them ready for the resumption of activities.

Biotechnology and Improvement research continue to advance, with the planting of 650 progenies and 402 clones under field testing, according to the scheduled initiatives of the Genetic Improvement Program (PMGF). We have also carried out considerably relevant works, such as the genotype interaction characterization vs. commercial clone environment based on inventory data; and started the "Genotyping", "Metagenomics" and "Pizarro" projects, which integrate biotechnology tools into genetic improvement strategies.

In the Ecophysiology and Meteorology area, we set up a network to monitor the sap flow of eucalyptus trees, accompanied by a thorough review of climate change scenarios in the short, medium and long term.

We calibrated forest nutrition and management, with a focus on micronutrients, aiming at improving forest stand trunks and reducing nutrient segregation. We have also physically characterized soils of various forest management units, defining 4 main units.

In the Measuring and Planning area, we moved forward with the Onça Pintada thermoelectric power plant's supply plan and the implementation of the Harvest Protocol in Areas with Increased Mortality. We developed the early versions of the Economic and Operational Decision-Making Simulator of Areas with Losses and of the Forestry Tactical Planning.

The forestry sector competitiveness continued to rise as a result of innovation and technology projects. We held the TechWeek, with the attendance of 14 telecom companies to present Eldorado's Forest Connectivity Project. We developed 13 connectivity proofs-of-concepts with LTE, satellite, optical fiber and digital radio solutions. In addition, we moved forward with Forestry Automation projects by implementing more than 10 Telemetry and Remote Sensing Proofs-of-Concept in the Forestry, Roads and Loading areas.

We expanded the fire monitoring coverage area by constructing 3 new towers. We have also implemented supplementary predictive fire risk monitoring systems via satellite.

In 2020, we reached the record of over 6,000,000 hours worked without occupational accidents resulting in leave of absence in the Office of Forest. We ended 2020 with the lowest number of occupational accidents resulting in leave of absence in the forest areas since the beginning of Eldorado operations, with a frequency rate of 0.67.

Finally, in order to continue our forestry, harvesting and timber transport operations, as well as to tackle the severity of the pandemic, we developed strict protocols to prevent contagion in the workplace.

We strictly follow the recommendations, ordinances and rules issued by competent bodies and municipal governments where we operate.

Financial

In 2020, we rolled over approximately R$2.5 billion in short-term debts and reduced net financial expenses by R$328 million. The Company amortized higher costs debts, mainly with BNDES, using free cash generation.

In spite of the exchange rate volatility, with depreciation above 30%, the leverage effect (net debt/EBITDA) closed 2020 at 3.14x over 2.94x in 2019 – one the lowest leverage levels of the sector in Brazil. Throughout 2020, the Company replaced its guarantees with BNDES, releasing industrial assets and equipment. It also sought to contract and renew its debts, remaining focused on liability management and lower financial expenses.

In the second half of 2020, the Bond issued in 2016 was considered short-term debt, raising indebtedness proportion for this profile. At the end of 2020, as a result of this effect, the Company presented a long-term debt proportion of 27% over the total debt.

Eldorado Brasil

Indebtedness (BRL/MM)	Dec/2020
Debt in BRL	**926**
Short term	353
Long term	574
Debt in USD	**6,801**
Short term	5,293
Long term	1,508
Gross Debt	**7,727**
Cash	950
Derivatives	-
Net Debt	**6,777**

In terms of operational cash generation, Eldorado maintained its operational efficiency, resulting in continuous free cash generation even amid continuous investments in industrial and forest operations.

EBITDA and Free Cash Flow (R$ millions)	4Q20	3Q20	4Q19	2020	2019
Operational Result	519	495	125	1,753	1,608
(+) Depreciation and amortization	120	105	91	396	408
(=) EBITDA	**639**	**600**	**216**	**2,149**	**2,016**
(-) Total Capex	(475)	(185)	(245)	(1,147)	(695)
(+/-) Working capital	235	0	234	362	344
(-) Interest paid	(146)	(168)	(564)	(553)	(981)
(-) Income tax and social contribution	(26)	(28)	(0)	(58)	(3)
Free Cash Flow	**226**	**218**	**(359)**	**753**	**681**
(+) Capex Onça Pintada Project	49	66	55	295	79
Adjusted Free Cash Flow	**275**	**285**	**(304)**	**1,047**	**760**

Environmental, Social and Governance (ESG)

Environmental and Social

Eldorado Brasil's growth strategy and value creation continues to be based on four pillars: competitiveness, innovation, sustainability and the value of people. As we work in a sector directly involved with the environment and natural resources, sustainability is a fundamental pillar of the business and permeates all the Company's actions. Environmental, Social and Governance (ESG) criteria establishes extremely positive social, environmental and governance values.

The Company showed excellent performance in the external audits of the forest certifications FSC® (FSC-C113536 and FSC-C113939) – Forest Stewardship Council®, which certifies the adoption of good and responsible forest management practices in an environmentally appropriate, socially beneficial and economically viable way, as well as the traceability across the production chain, and the Brazilian Forest Certification Program (CERFLOR), which guarantees sustainable forest management in accordance with the best practices in terms of prevention and mitigation of environmental and social impacts. We also maintain our certification issued by the Programme for the Endorsement of Forest Certification – PEFC. This NGO identifies the adoption of good practices that promote sustainable forest management. We ensure the maintenance of the HALAL certifications, which guarantees that our procedures and production processes are in accordance with the rules of the Islamic countries; and the KOSHER certification, which certificates that our manufactured products comply with Jewish dietary laws. This seal is globally recognized, ensuring the highest quality control standards.

In this same period, the Company disclosed its 7th Sustainability Report (reference year – 2019), in accordance with the Standards methodology of the Global Reporting Initiative (GRI-4). It also released its 7th full Greenhouse Gas (GHG) inventory under the GHG Protocol methodology. The Company's GHG emissions are low compared to its forests' atmosphere carbon sequestration, which captures CO_2 in volumes significantly higher than the emissions of all the Company's operations.

Eldorado Brasil's carbon chain is therefore negative, reaffirming its commitment to social and environmental responsibility.

Since its inception, Eldorado has been at the forefront of technological innovation in its production processes. The culture guiding the Company's actions encourages the monitoring of quality and the protection of its forests against fires and trespassing. Therefore, the Company maintains a monitoring system with state-of-the-art cameras rendering high-definition images. The system automatically detects fires, has automated alarms, 360-degree view and real-time monitoring operating 24/7. Eldorado Brasil has 12 observation towers distributed across its forest areas. All fire brigades are made up of several employees who are yearly trained in fire prevention, fire fighting and wildfire practices. The property security area also contributes to the prevention of fires by assigning security guards to monitor the forest areas. These professionals drive cars and motorcycles across these areas and make reports if they detect incidents. The Company also gave several lectures at regional schools on how to fight wildfires. It distributed instruction leaflets containing phone numbers to report potential fires and guidelines to prevent them to residents surrounding the farms.

In 2020, the Company became a signatory to the Global Compact, an initiative held by the United Nations (NU) aimed at encouraging and fostering sustainable and fair business practices around the world, committing to accelerating industry engagement and fulfilling the 2030 Agenda, whose main pillars are the 17 Sustainable Development Goals (SDGs). The Compact is currently the world's largest corporate sustainability initiative.

We distributed a Public Summary of the 2020 Forest Management Plan to local stakeholders and held 190 meetings with them, enabling shared sustainability among the Company, society and local communities.

We are quickly setting up the new Onça Pintada thermoelectric power plant, in the municipality of Três Lagoas, Mato Grosso do Sul state. The power will be generated from forest waste, such as roots, stumps and other eucalyptus by-products that do not result in pulp, making better use of trees, generating clean energy from a fully renewable source, in line with the value creation proposal linked to social and environmental responsibility.

The good practices and results achieved by Eldorado Brasil in 2019 and 2020 represent a significant milestone that will support the Company in fighting the COVID-19 pandemic – a disease that has caused profound effects on the citizens' lives, governments and companies worldwide. Since the beginning of this sanitary crisis, Eldorado Brasil has worked to mitigate the negative effects of COVID-19 on its employees, the communities where the Company operates and society as a whole. We ensured the safety our staff need to perform their functions by investing in personal protective equipment (PPE) and implementing biosecurity protocols developed together with industry experts in compliance with public authority guidelines. Eldorado also made substantial donations to municipalities in the states of Mato Grosso do Sul and São Paulo. It acquired and gave out food baskets, personal protective equipment (PPE), COVID-19 tests and invested more than R$13 million in the acquisition and donation of these items. On the one hand, we want to support the public healthcare system in fighting the toughest challenge of this century; on the other hand, we want to support the most vulnerable Brazilians so they can face the most acute stage of the economic and social crisis caused by the pandemic. These measures are the result of our commitment to the well-being of the communities where we operate. This commitment is expressed in solidarity, thanks to the efforts and work of our more than 4,000 employees who inspire us on a daily basis to build a stronger and more sustainable company. For this reason, we are confident that we will overcome this together.

Eldorado Brasil

Corporate Governance and Compliance

In line with the best market practices, Eldorado's Corporate Governance is composed of the Board of Directors, the Fiscal Council and the Executive Board. Eldorado adopts multiple measures to comply with article 42 of Decree 8.420/2015, which makes up the Company's integrity program that will be described below. Additionally, although the Company is not listed on B3, it is registered with the Brazilian Securities and Exchange Commission (CVM) as a publicly held company, category B, and follows corporate governance standards determined for companies that are part of the Novo Mercado segment:

- Share capital exclusively made up of common shares, being the issue of preferred shares prohibited, pursuant to Bylaws.

- Statutory provision that includes an arbitration clause stating that the Company, its shareholders, management and members of the fiscal council undertake to resolve, through an arbitration in the Market Arbitration Chamber, any disputes or controversies that may arise among them regarding the Bylaws, Brazilian Corporate Law and other applicable corporate and capital market rules.

The Company continued to invest in several compliance actions in 2020, reinforcing its commitment to ethics and compliance with the rules and standards applicable to its activities. Throughout the year, the Company continued to improve its Compliance Program, with a focus on actions to prevent, detect and correct potential irregularities, as well as to promote the ethical values, integrity, compliance and transparency of its business.

Besides updating the Code of Conduct and Ethics and continuing to encourage the use of the reporting channel (Eldorado Brasil Ethics Line), the Company informed of its compliance communication plan regularly, provided training in fighting moral and sexual harassment in the workplace, developed and updated specific internal policies and procedures and held internal communication campaigns to constantly reinforce the behavior the senior management expects from all employees.

The support of the Company's Management in the compliance work has proved to be increasingly important. The Ethics Line results show that the employees and third parties trust in the channel's efficiency and the importance the Company has given in addressing reports, seeking impartiality, confidentiality and informing the whistleblower of their developments. This advance was also proved by the result of the Ethical Culture and Compliance Perception survey conducted in 2020 with employees, which showed high internal perception levels as to Eldorado's ethical culture.

Also in 2020, the Company's Compliance Program was audited by an external auditor, who analyzed the program based on the best market practices, considering ISO 19600 (compliance management system) and ISO 37001 (anti-bribery management system) international standards. Of the nearly 200 analyzed items, the Company achieved 91% of conclusion and implementation of compliance functions and actions, according to the auditor's appraisal. In 2021, the Company expects to achieve 98% compliance with the analyzed items.

The Company continues to adhere to transparency and integrity commitments of Instituto Ethos de Empresas e Responsabilidade Social (Ethos Institute for Corporate Social Responsibility): Business Movement for Integrity and Transparency and Business Pact for Integrity and Against Corruption, which are initiatives to encourage the Brazilian private sector's commitment to fostering a socially responsible and sustainable business environment. The Company is also listed in the Cadastro Agroíntegro (Agribusiness Integrity Register, in English), an initiative of the Ministry of Agriculture, Livestock and Supply to recognize agricultural companies and co-ops that implement integrity, ethics and transparency practices.

Share Purchase and Sale Agreement

On September 2, 2017, J&F, Eldorado Brasil's parent company, entered into a share purchase and sale agreement for the sale of up to all its direct and indirect interest in the Company to CA Investment (Brazil) S.A., a company of the Paper Excellence group ("CA Investment"), for the total amount of R$15 billion, to be adjusted according to working capital and net debt, pursuant to the agreement ("Agreement").

The Agreement provided that the control of Eldorado could be transferred from J&F to CA in a period of up to twelve (12) months, if certain conditions precedent were met, which did not occur.

The parties disputed over why Eldorado's control was not transferred as provided for in the Agreement, and an arbitration dispute began in September 2018 before the International Chamber of Commerce (ICC).

On February 3, 2021, a judgment regarding the arbitration proceeding was rendered, granting CA Investment the right to conclude the transaction, provided that the seller's guarantees are effectively released, and the payment made.

On March 21, 2021, the Company was summoned of the decision rendered by the 2nd Business Court and of Disputes Related to Arbitration of the District of São Paulo (Vara Empresarial e de Conflitos Relacionados à Arbitragem da Comarca de São Paulo), in the arbitral award annulment proceeding filed by J&F Investimentos S.A. against the Company and CA Investment (Brazil) S.A., which determined the suspension of the effects of the arbitral award of February 3, 2021, until the manifestation of the defendants and the decision by this court on the subject.

As of March 31, 2021, the Company's ownership structure consisted of a 49.41% interest in CA Investment and a 50.59% interest in J&F, Eldorado's sole shareholders.

Closing Remarks

We thank our customers, suppliers, partners and tenants for their partnership and trust, and our employees, for their fierce determination and commitment to maintaining Eldorado Brasil as the sector's most competitive company.

ELDORADO BRASIL CELULOSE S.A.

Individual and consolidated financial statements
As December 31, 2020

Contents

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Independent auditors' report on the individual 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 individual and consolidated financial statements of Eldorado Brasil Celulose S.A. ("Company"), identified as Individual and Consolidated, respectively, comprising the statement of financial position as of December 31, 2020 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 individual and consolidated financial position of Eldorado Brasil Celulose S.A. as of December 31, 2020, the individual and consolidated performance of its operations and its individual 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 individual 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 individual and consolidated financial statements of the current year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and, we do not provide a separate opinion on these matters.

Measurement of fair value of biological assets

Notes 10 of the individual and consolidated financial statements

Key audit matter	How our audit addressed this matter
The Company measure its biological assets at fair value and this measurement requires significative judgment in the determination of the assumptions and estimates, which include, among others, the planted area, average cycle of forest formation until depletion, average annual increase in the volume of wood, wood average price and discount rate. Due to the degree of complexity and level of judgment used in measuring the fair value of biological assets, as well as the impact that any changes in the assumptions and significant estimates used could have on the individual 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 calculation of the fair value of biological assets. ▪ With the assistance of our corporate finance specialists, we have evaluated, the reasonableness of the main assumptions used to measure the biological assets fair value, such as the average cycle of forest formation until exhaustion, the average annual increase in the volume of wood and the discount rate, comparing with internal and external historical information available, as well as, we performed a sensitivity analysis over the key assumptions used. ▪ assessment of the reasonableness of the wood sales price premise, compared with market information. ▪ assessment of the adequacy of the disclosures listed in the explanatory notes to the financial statements Based on the audit procedures summarized above, we consider that the measurement of the biological assets, as well as the respective disclosures, are acceptable, in the context of the individual and consolidated financial statements taken as a whole, for the year ended December 31, 2020.

Realization of tax assets	
Note 9 of individual and consolidated financial statements	
Key audit matter	**How our audit addressed this matter**
The Company has recoverable taxes related to VAT (ICMS) accumulated over the last years from credits for the acquisition of inputs applied in the production process, acquisition of fixed assets and incentives granted by the government of the Mato Grosso do Sul state. The assessment of the recoverable value of these recoverable taxes requires significant judgments in determining relevant assumptions and estimates, which include, among others, the Vanguarda 2.0 project for the construction of a new production line, the offsetting of the credit balance of existing benefits by the state from Mato Grosso do Sul, the transfer of accumulated credits to suppliers located in the state of Mato Grosso do Sul for payments for acquisitions of fixed assets and the determination of suppliers involved in the supply of equipment to which credits may be transferred Due to the degree of judgments complexity used in assessing the recoverable value of these recoverable taxes, as well as the impact that any changes in the assumptions and significant estimates used could have on the individual and consolidated financial statements, we considered this a significant matter in our audit. .	Our audit procedures included, but were not limited to: ▪ With the assistance of our specialists in the infrastructure consultancy, we evaluate the Vanguarda 2.0 project considered for the construction of a new production line ▪ With the assistance of our tax specialists, we evaluate the adequacy of the alternatives that the management deemed applicable to the recovery of these taxes, such as approval of the offsetting of the credit balance of benefits already existing by the Mato Grosso do Sul state, the transfer of accumulated credits to suppliers located in the Mato Grosso do Sul state for the fixed assets payment and the definition of suppliers involved in the supply of equipment to which credits may be transferred. ▪ Assessment of the adequacy of the disclosures listed in the explanatory notes to the financial statements Based on the evidence obtained through the procedures summarized above, we consider that the realization of the recoverable taxes, as well as the respective disclosures, are acceptable, in the context of the individual and consolidated financial statements taken as a whole, for the year ended December 31, 2020

Going Concern	
Note 1 of individual and consolidated financial statements	
Key audit matter	**How our audit addressed this matter**
On December 31, 2020, the Company presents in its individual and consolidated financial negative working capital and loss. In order to assess the use of the going concern assumption when preparing the individual and consolidated financial statements for the year ended as of December 31, 2020, the Company, based on its assessment, concluded that there is no material uncertainty regarding its ability to continue operating for the foreseeable future.	Our audit procedures included, but were not limited to: ▪ Obtaining and analyzing the evaluation prepared by the Company regarding the uncertainties related to the ability to continue operating and the evaluation of the cash flow projections prepared by the Company and approved by the Board of Directors.

This assessment involves judgments and contains uncertainties related to the assumptions used to determine future cash flows and relevant macroeconomic and sectorial assumptions, such as forecasts of the dollar exchange rate and the price of pulp. This matter was considered as one of the main audit matters due to the judgment inherent in the process of determining the estimates and basic assumptions of this assessment, specifically those associated with the determination of cash flow projections, and the impact that any significant change in these assumptions could have. in the assessment of the assumption of business continuity and, consequently, in the individual and consolidated financial statements for the year ended December as of 31, 2020.	▪ With the assistance of our Corporate Finance specialists, we evaluated the main assumptions such as forecasts of the dollar exchange rate and the price of pulp, used in determining cash flow projections, considering realized results, external data and market conditions, as well as the consistency of the projections used by the Company used in the assessment of the assumption of operational continuity with the projections duly approved by the Board of Directors ▪ Assessment of the adequacy of the disclosures listed in the explanatory notes to the financial statements Based on the evidence obtained through the procedures summarized above, we consider acceptable the Company's judgment that there is no material uncertainty related to operating continuity, in the context of the individual and consolidated financial statements taken as a whole, for the year ended December 31, 2020.

Other matters -

Statements of added value

The individual and consolidated statement of added value (DVA) for the year ended December 31, 2020, 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 individual and consolidated financial statements. In order to form our opinion, we evaluated whether those statements are reconciled with the individual 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 value added 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 individual and consolidated financial statements.

Financial statement audit of comparative amounts

The individual and consolidated financial position of Eldorado Brasil Celulose S.A. as of December 31, 2019, the individual and consolidated performance of its operations and its individual and consolidated cash flows for the year then ended and explanatory notes presented as comparative amounts to the individual and consolidated financial statements, were audited by another auditor who expressed an unmodified opinion dated November 09, 2020. The comparative information of individual and consolidated statement of value added (DVA) for the year ended December 31, 2019, was subject to the same audit procedures by those auditors and, based on their procedures, expressed an unmodified opinion.

Other information accompanying individual and consolidated financial statements and the auditors' report

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

Our opinion on the individual 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 individual 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 individual 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 individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual 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 individual 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 individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual 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 individual 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 individual 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 individual 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual 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. 31, 2021

KPMG Auditores Independentes
CRC 2SP014428/O-6
(Original signed in Portuguese)
Leslie Nares Laurenti
Accountant CRC 1SP215906/O-1

ELDORADO BRASIL CELULOSE S,A,

Statements of financial position
As of and for the period ended December 31, 2020 and December 31, 2019
(In thousands of Brazilian Reais)

Assets

		Individual		Consolidated	
	Note	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Cash and cash equivalents	5.1	183,292	520,504	888,014	840,010
Financial investments	5.2	-	-	62,392	-
Trade receivables	6	490,832	448,727	712,377	509,269
Inventories	8	371,712	326,512	544,885	521,010
Current tax assets	9	182,101	207,691	190,506	210,200
Advances to suppliers		34,045	63,224	34,045	65,411
Other current assets		48,437	30,316	49,528	30,855
Total current assets		**1,310,419**	**1,596,974**	**2,481,747**	**2,176,755**
Financial investments	5.2	-	-	-	59,482
Non-current tax assets	9	1,040,225	1,049,860	1,040,225	1,049,860
Advances to suppliers		149,762	126,197	149,762	126,197
Deferred tax assets	19	286,114	50,818	286,114	50,818
Deposits, collateral and other		9,944	5,518	10,786	5,991
Other noncurrent assets		2,245	15,086	2,289	15,086
Biological assets	10	3,004,369	2,745,146	3,004,369	2,745,146
Investments	11	1,278,786	670,942	-	-
Right-of-use assets	14	683,532	614,583	927,413	617,694
Intangible assets	13	14,188	3,732	77,847	73,248
Property, plant and equipment	12	4,726,008	4,465,099	4,737,854	4,476,758
Total non-current assets		**11,195,173**	**9,746,981**	**10,236,659**	**9,220,280**
Total assets		**12,505,592**	**11,343,955**	**12,718,406**	**11,397,035**

Liabilities and equity

		Individual		Consolidated	
	Note	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Loans and borrowings	16	3,765,168	2,161,677	5,645,612	2,251,215
Trade payables	15	281,300	250,038	266,603	248,962
Lease liabilities	17	186,742	144,814	212,489	145,579
Loans and borrowings with related parties	7	1,887,692	93,776	-	-
Payroll and social charges	18	122,474	109,037	129,045	112,992
Current tax liabilities		29,041	32,221	34,456	42,301
Accounts payable to related parties	7	2,968	7,424	1,716	3,986
Other current liabilities		11,432	8,810	55,560	53,843
Total current liabilities		**6,286,817**	**2,807,797**	**6,345,481**	**2,858,878**
Loans and borrowings	16	2,081,345	3,108,352	2,081,345	4,561,269
Trade payables	15	523	2,617	523	2,617
Lease liabilities	17	555,118	501,138	708,797	503,585
Loans and borrowings with related parties	7	-	1,453,365	-	-
Contingencies	20	31,379	21,268	31,850	21,268
Total non-current liabilities		**2,668,365**	**5,086,740**	**2,822,515**	**5,088,739**
Share capital		1,788,792	1,788,792	1,788,792	1,788,792
Income reserves		1,471,044	1,579,455	1,471,044	1,579,455
Translation reserve		290,574	81,171	290,574	81,171
Total equity	21	**3,550,410**	**3,449,418**	**3,550,410**	**3,449,418**
Total liabilities and equity		**12,505,592**	**11,343,955**	**12,718,406**	**11,397,035**

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

ELDORADO BRASIL CELULOSE S.A.

Statements of income (loss)
As of and for the period ended December 31, 2020 and December 31, 2019
(In thousands of Brazilian Reais)

	Note	Individual		Consolidated	
		Dec/2020	Dec/2019	Dec/2020	Dec/2019
Net revenue	22	3,508,619	3,236,018	4,426,139	4,270,699
Cost of sales	24	(1,740,569)	(1,724,871)	(1,872,732)	(1,852,813)
Gross profit		**1,768,050**	**1,511,147**	**2,553,407**	**2,417,886**
Operating income/(expenses)					
Administrative and general expenses	24	(218,715)	(172,947)	(234,230)	(186,479)
Selling and logistics expenses	24	(259,622)	(247,206)	(666,500)	(527,656)
Fair value of biological assets	10	187,006	(81,663)	187,006	(81,663)
Equity accounting results	11	333,487	581,757	-	-
Provision for doubtful settlement credit	6	(6,135)	152	(27,103)	152
Other income (expense), net	26	(58,667)	(12,464)	(59,788)	(14,048)
Income before financial results and income taxes		**1,745,404**	**1,578,776**	**1,752,792**	**1,608,192**
Financial results	25				
Financial expenses		(588,700)	(963,150)	(598,400)	(977,160)
Financial income		10,199	50,229	14,390	54,395
Exchange rate variation, net		(1,461,652)	(137,983)	(1,462,235)	(138,313)
(Loss) / income before income taxes		**(294,749)**	**527,872**	**(293,453)**	**547,114**
Income taxes	19				
Current		(48,958)	-	(50,254)	(19,242)
Deferred		235,296	13,449	235,296	13,449
Net (loss) / income for the period		**(108,411)**	**541,321**	**(108,411)**	**541,321**
Earnings per share - basic and diluted - in reais				**(0.07)**	**0.35**

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

ELDORADO BRASIL CELULOSE S.A.

Statements of comprehensive income
As of and for the period ended December 31, 2020 and December 31, 2019
(In thousands of Brazilian Reais)

	Individual		Consolidated	
	Dec/2020	Dec/2019	Dec/2020	Dec/2019
Net (loss) / income for the period	**(108,411)**	**541,321**	**(108,411)**	**541,321**
Items that are or may be reclassified to (loss) / income				
Foreign currency translation differences	209,403	23,307	209,403	23,307
Total comprehensive income	**100,992**	**564,628**	**100,992**	**564,628**

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

ELDORADO BRASIL CELULOSE S.A.

Statements of changes in equity
As of and for the period ended December 31, 2020 and December 31, 2019
(In thousands of Brazilian Reais)

		Income reserves						
	Share capital	Legal reserve	Tax incentive reserve	Reserve for future expansion	Special reserve	Translation reserve	Accumulated losses	Total
Balance as at December 31, 2018	**1,788,792**	**9,432**	**998,160**	**22,906**	**-**	**57,864**	**-**	**2,877,154**
Net income for the period	-	-	-	-	-	-	541,321	**541,321**
Foreign currency translation differences	-	-	-	-	-	23,307	-	**23,307**
Legal reserve	-	27,066					(27,066)	**-**
Tax incentive reserve	-	-	4,620	-	-	-	(4,620)	**-**
Special reserve for non-distributed mandatory dividends 2019	-	-			7,636		-	**7,636**
Special reserve for non-distributed mandatory dividends 2020	-	-			127,409		(127,409)	**-**
Reserve for expansion	-	-	-	382,226	-	-	(382,226)	**-**
Balance as at December 31, 2019	**1,788,792**	**36,498**	**1,002,780**	**405,132**	**135,045**	**81,171**	**-**	**3,449,418**
Net loss for the period	-	-	-	-	-	-	(108,411)	**(108,411)**
Absortion of net losses	-	-	-	-	(108,411)	-	108,411	**-**
Foreign currency translation differences	-	-	-	-	-	209,403	-	**209,403**
Balance as at December 31, 2020	**1,788,792**	**36,498**	**1,002,780**	**405,132**	**26,634**	**290,574**	**-**	**3,550,410**

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

ELDORADO BRASIL CELULOSE S.A.

Statements of cash flows
As of and for the period ended December 31, 2020 and December 31, 2019
(In thousands of Brazilian Reais)

	Note	Individual		Consolidated	
		Dec/2020	Dec/2019	Dec/2020	Dec/2019
Cash flows from operating activities					
Net (loss) / income for the period		**(108,411)**	**541,321**	**(108,411)**	**541,321**
Adjustments:					
Depreciation and amortization		233,444	232,223	246,279	256,675
Depletion		146,074	145,087	150,179	150,733
Income (loss) on disposal fixed assets and biological assets		34,123	2,144	34,313	2,144
Change in fair value of biological assets	10	(187,006)	81,663	(187,006)	81,663
Deferred income taxes	19	(235,296)	(13,449)	(235,296)	(13,449)
Financial results - interest - leases		364	1,061	873	1,431
Financial results - interest and exchange rate variation	16.1	1,559,187	637,242	2,188,227	841,721
Financial results - interest and exchange rate variation - related parties		629,042	209,821	-	(244)
Clients - exchange rate variation		7,905	8,509	7,905	8,509
Provision of lawsuites		16,824	14,884	17,295	14,884
Equity accouting results	11	(333,487)	(581,757)	-	-
Impairment of trade receivables	6	6,135	152	27,103	152
		1,768,898	**1,278,901**	**2,141,461**	**1,885,540**
Decrease / (increase) in assets					
Trade receivables		(69,709)	772,904	(161,577)	148,960
Inventories		122,026	69,372	236,264	158,072
Tax assets		35,225	2,392	44,273	418
Advances to suppliers		6,303	(72,850)	8,494	(74,977)
Other current and non-current assets		(9,706)	16,547	(8,215)	9,574
Increase / (decrease) in liabilities					
Trade payables		185,973	166,781	25,065	142,345
Payroll and social charges		13,437	4,022	15,735	4,866
Current tax liabilities		39,809	(2,230)	32,311	2,492
Other current liabilities		(6,359)	(37,355)	(14,963)	(47,313)
Cash generated from operating activities		**2,085,897**	**2,198,484**	**2,318,848**	**2,229,977**
Income taxes paid		(42,989)	(2,427)	(58,027)	(2,676)
Net cash from operation activities		**2,042,908**	**2,196,057**	**2,260,821**	**2,227,301**
Cash flows from investing activities					
Additions to biological assets		(348,797)	(296,819)	(348,797)	(296,819)
Additions to property, plant and equipment and intangible assets	12 and 13	(543,675)	(393,892)	(546,361)	(398,129)
Cash received from disposal of property, plant and equipment		13,564	8,106	13,564	8,106
Acquisition of financial investments		(66,133)	-	-	-
Financial investments		-	160,621	15,518	180,250
Net cash used in investing activities		**(945,041)**	**(521,984)**	**(866,076)**	**(506,592)**
Cash flows from financing activities					
Loans and borrowings raised	16.1	651,035	3,347,741	651,035	3,347,741
Payment of loans and borrowings - principal	16.1	(1,258,846)	(3,662,816)	(1,385,374)	(3,753,546)
Payment of loans and borrowings - interest	16.1	(374,892)	(803,387)	(539,415)	(938,247)
Loans and borrowings raised - related parties	-	-	35,888	-	-
Payment of loans and borrowings - principal - related parties	-	(81,238)	(81,238)	-	-
Payment of loans and borrowings - interest - related parties		(209,439)	(135,993)	-	-
Payment of loans and borrowings – exchange rate variation - related parties		-	(12,450)	-	-
Payment of lease liabilities	17	(161,699)	(151,733)	(227,455)	(152,764)
Net cash used in financing activities		**(1,435,079)**	**(1,463,988)**	**(1,501,209)**	**(1,496,816)**
Net (decrease) increase in cash and cash equivalents		**(337,212)**	**210,085**	**(106,464)**	**223,893**
Cash and cash equivalents at beginning of period		520,504	310,419	840,010	610,591
Effects of exchange rate variation on cash and cash equivalents held		-	-	154,468	5,526
Cash and cash equivalents at end of period		**183,292**	**520,504**	**888,014**	**840,010**

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

ELDORADO BRASIL CELULOSE S.A.

Statements of value added
As of and for the period ended December 31, 2020 and December 31, 2019
(In thousands of Brazilian Reais)

	Individual		Consolidated	
	Dec/2020	Dec/2019	Dec/2020	Dec/2019
Revenues				
Sales of goods, products and services	3,642,864	3,383,819	4,561,764	4,419,899
Other operating income (expenses), net	147,841	(100,802)	147,014	(102,150)
Transfers related to the construction of own assets	49,013	22,262	49,013	22,262
Impairment of trade receivables	(6,135)	152	(27,103)	152
	3,833,583	**3,305,431**	**4,730,688**	**4,340,163**
Goods and services acquired from third parties				
Costs of sales	(798,875)	(748,434)	(905,987)	(837,451)
Materials, energy, third party services and others	(561,371)	(522,744)	(965,246)	(805,477)
Gross value added	**2,473,337**	**2,034,253**	**2,859,455**	**2,697,235**
Depreciation, amortization and depletion	(379,518)	(377,310)	(396,458)	(407,408)
Net value added produced	**2,093,819**	**1,656,943**	**2,462,997**	**2,289,827**
Value added received as transfer				
Equity accouting results	333,487	581,757	-	-
Financial income	190,294	114,996	196,422	241,716
Total value added to distribute	**2,617,600**	**2,353,696**	**2,659,419**	**2,531,543**
Personnel				
Direct compensation	190,607	202,540	203,957	212,534
Benefits	118,433	118,204	126,480	123,831
FGTS (Severance Pay Fund)	19,616	21,419	20,950	22,508
	328,656	**342,163**	**351,387**	**358,873**
Taxes, fees and contributions				
Federal	(56,421)	118,926	(53,214)	139,916
State	95,666	80,433	95,960	80,618
Municipal	-	-	1,380	1,419
	39,245	**199,359**	**44,126**	**221,953**
Third-party capital remuneration				
Interest	2,231,955	1,159,662	2,225,283	1,278,027
Leases	126,008	108,316	127,995	109,975
Others	147	2,875	19,039	21,394
	2,358,110	**1,270,853**	**2,372,317**	**1,409,396**
Remuneration of equity capital				
Net (loss) / income for the period	(108,411)	541,321	(108,411)	541,321
Value added distributed	**2,617,600**	**2,353,696**	**2,659,419**	**2,531,543**

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

1. Operations

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

The Company’s individual and consolidated financial statements for the period ended December 31, 2020 includes the Company and its subsidiaries. The Company and its subsidiaries are primarily involved in the production and sale of bleached short fiber eucalyptus pulp. The Company completed the construction of its plant in the municipality of Três Lagoas, state of Mato Grosso do Sul, and started production in December 2012.

The Company acknowledged a net loss for the year ended December 31, 2020 of R$ 108,411 (R$ 541,321 of net income for the year ended December 31, 2019) due to exchange variation on dollar debt impacting the line of net financial result.

The Company has current liabilities higher than current assets in the amount of R$ 4,976,398 as of December 31, 2020 (R$ 1,210,823 as of December 31, 2019). 9) in the Parent Company and in the amount of R$ 3,863,734 at December 31, 2020 (R$ 682,123 as of December 31, 2019) in the Consolidated.

In the year we presented negative net working capital due to the entry in the short term of bond's maturity, which expires in June 2021. This debt was issued to the institutional market in 2016 and has an amount of R$ 1,822,573.

Net operating cash flow is positive at R$ 2,042,908 at December 31, 2020 (R$ 2,196,057 at December 31, 2019) at parent company and positive of R$ 2,260,821 at December 31, 2020 (R$ 2,227,301 at December 31, 2019) in consolidated.

The individual and consolidated financial statements were prepared based on operational continuity, which assumes that the Company will meet its payment obligations arising from loans and financing according to the terms disclosed in note 16.

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

Within this context it is important to mention that in the fourth quarter of 2020, the Company refinanced a series of short-term debts and added new financing totaling R$ 711,291. As subsequent events, the Company refinanced and captured new financing in the first quarter of 2021 totaling approximately R$ 553.000.

Part of the debts maturing in the short term are due to PPE, ACE and ACC that are settled with the export of goods, for which the Company understands that it will be able to export, continuing its regular operations. These debts are passive to extend to the long term considering that export flows are established and with long-term relationships in the Asian, European and North American markets.

With the scenario of pulp supply more restricted than observed in previous quarters due to more heated seasonal demand, the beginning of price increase movement in the Asian market in November and December was observed.

This move quickly changed price scenarios in the other two major markets, the United States and Europe. In early 2021, the consolidation of this movement was observed with announcements followed by price increases, reaching USD 720 per ton announced in the first week of March 2021, compared to the average price of USD 462 per ton observed throughout 2020.

Management considers that this scenario will contribute significantly to the increase in the Company's free cash generation throughout 2021, and should allow the realization of settlement of part of the debts with operational cash generation. Despite the favorable scenario it will be necessary to seek the rollover of outstanding debts in the short term that does not have firm contracts to maintain operational activity, what we consider having good chances due to the history we have regarding these debt rolls.

When evaluating the more extended period, considering pulp prices and supply and demand dynamics, and the Company's global competitiveness, the risks of debt rollover reduce even more importantly due to the continuous reduction in leverage. This broader analysis reinforces the administration's confidence in the efficient refinancing of debts in the short term and maintenance of operational continuity.

a. Bidding of the Port of Santos

On August 28, 2020, the Company participated in Auction No. 001/2020 ("Auction"), held by the National Waterway Transport Agency - ANTAQ, to lease public areas and infrastructure for the movement and storage of general cargo, especially pulp, for a period of 25 (twenty-five) years, extended several times, on sole discretion of the Grantor, with the maximum limit of 70 (seventy) years, including the original period and all the extensions. The Company presented the winning proposal for the STS14 terminal, located in the Port of Santos, State of São Paulo, in the amount of R$ 250,000. On September 30, 2020, the result of the auction's trial was published in the Official Gazette, declaring that the Company won the event. On November 3, 2020, the Company paid the amount of R$ 62,500, equivalent to 25% of the grant value and on November 17, 2020, the Contract was signed by Eldorado

(In Thousands of Reais)

Brasil Celulose Logística Ltda, a wholly owned subsidiary of the Company. The balance of the grant amount will be paid in 5 annual installments.

The main effects on the financial statements for this transaction are described below:

Right-of-use assets (initial adoption)	(note 14)	239,872
Payments		(64,728)
Lease liabilities	(note 17)	175,144

b. Coronavirus update

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

2. List of subsidiaries

Subsidiaries		Ownership interest	
Direct	**Country of Incorporation**	**12/31/2020**	**12/31/2019**
Cellulose Eldorado Austria Gmbh	Austria	100%	100%
Rishis Empreendimentos e Participações S.A.	Brazil	100%	100%
Eldorado Brasil Celulose Logistica Ltda.	Brazil	100%	-
Indirect			
Eldorado USA Inc.	United States of America	100%	100%
Eldorado Intl. Finance Gmbh	Austria	100%	100%
Cellulose Eldorado Asia	China	100%	100%

See the accounting policies in note 4.a.

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

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

The individual and consolidated financial statements has been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and also in accordance to accounting practices adopted in Brazil (BR GAAP).

After consideration of the individual and consolidated financial statements by the Board of Directors at a meeting held on March 30, 2021, they were approved for issue by the Company.

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

b. Basis of measurement

The individual and consolidated financial statements have been prepared based on historical cost, with the exception of biological assets measured at fair value.

c. Use of estimates and judgments

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

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

(i) Judgments

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

- **Note 1 -** operational continuity: whether there are material uncertainties that may raise doubts about the entity's ability to continue operating;
- **Note 9 -** ICMS: to carry out the credit it will be necessary to homologate the State Government to transfer the credits to suppliers established in the State of Mato Grosso do Sul;
- **Note 10 -** biological assets: cut-off date, wood price and discount rate.

(ii) Uncertainties about assumptions and estimates

The information on uncertainties about assumptions and estimates that have a significant risk of resulting in a material adjustment in the period ended December 31, 2020 is included in the following notes:

- **Note 10 -** biological assets: discount rate;
- **Note 12 -** impairment testing: discount rate;
- **Note 17 -** leases liabilities: discount rate;
- **Note 19 -** recognition of deferred tax assets: availability of future taxable profits against which tax losses can be utilized;
- **Note 20 -** recognition and measurement of provisions and litigation risks: main assumptions on the probability and magnitude of the cash outflows.

d. Fair value measurement

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

- **Note 10 -** biological assets;
- **Note 28 -** financial instruments.

e. Functional and presentation currency

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

(i) Transactions in foreign currency

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

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

(ii) Foreign operations

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

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

4. Summary of significant accounting policies

The significant accounting policies applied in the preparation of this individual and consolidated financial statements are set out below. These policies have been applied consistently to all presented periods.

a. Basis of consolidation

(i) Subsidiaries

The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial information of subsidiaries is included in the consolidated financial statements from the control beginning date until the date that control ends.

(ii) Transactions eliminated on consolidation

Intragroup balances and transactions, and any unrealized income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

b. Revenue

Revenues are measured net of trade discounts and rebates:

- **Commercial discount:** discount usually deducted from a base price, to reach a final billing price. Taking into account factors such as volume, cost of delivery logistics and payment time agreed with the customer;
- **Performance rebate:** discount related to a goal of minimum volume achievement in a given period agreed in contract. The discount is provisioned during the agreed period and is only paid after confirmation of the minimum volume achievement;
- **Agents Commission:** for sales that are not direct, mediated by external sales representatives, a percentage (market average) is discounted on a given trade. Used in situations of more restricted credit, limited physical commercial presence, cultural or language barriers. Payment to agents is made only after confirmation of receipt of the final customer's open invoices.

c. Financial instruments

(i) Recognition and initial measurement

The Company recognizes the loans and financings and accounts receivable from clients on the date they are originated. All other financial instruments are recognized initially on the negotiation date in which the company becomes part of the contractual arrangements of the instrument.

A financial asset or financial liability is initially measured to its fair value, increased, to an item not measured at fair value through income or loss, the transaction costs that are directly attributed to its acquisition or emission. Accounts receivable from clients without a significant financial compound is measured initially on the operation price.

(ii) Classification and subsequent measurement

a) Financial assets

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

The financial assets are not reclassified subsequent to the initial recognition, unless that the Company changes the businesses model of the financial assets management, and in that case all the affected financial assets are reclassified on the first day of the presentation period after the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as measured at fair value through income or loss:

- it is held within a business model in objective is to hold assets to collect 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 principal amount outstanding.

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

b) Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as

consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.
The Company takes into consideration the contractual terms of the instrument to evaluate if the contractual cash flows are only payments of the principal and interests. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

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

c) Financial assets - subsequent measurement and incomes and losses

The transaction costs of the financial assets measured at fair value through income or loss, after the initial recognition, are recognized on the result when incurred.

The transaction costs of financial assets measured at amortized cost are subsequent measured at amortized cost using the effective interest method. The amortized cost is reduced by losses by reduction of the recoverable value lowers afterwards and can be objectively related to an event that occurred after the recognition of the reduction of recoverable value, the loss by interests, incomes and exchange losses and reduction on the recoverable value are recognized on income (loss). Any income or loss on the derecognition is recognized on the income (loss).

d) Financial liability - classification, subsequent measurement and incomes and losses

The financial liabilities were classified as measured at amortized cost or at fair value through income and loss. A financial liability is classified as measured at fair value through income and loss if it’s classified as held for trading, a derivative or designated as such on the initial recognition. Financial liabilities measured at fair value through income or loss are measured at fair value and net gains and losses, including interests, are recognized on income. Other financial liabilities are subsequent measured at amortized cost using the effective interests method. Interest expense, income or foreign exchange gain and losses are recognized on the income (loss). Any income or loss on the derecognition is also recognized in the income (loss).

(iii) Derecognition

a) Financial assets

The Company writes-off a financial asset when the contractual rights on the assets cash flows expire, or the rights to receive the contractual cash flows are transferred during a transaction in which substantially all the risks and benefits of the financial asset’s property are transferred, or doesn’t transfer nor retain substantially all risks and benefits of property and doesn't maintain control over the transferred asset.

b) Financial liabilities

The Company writes-off a financial liability when it has its contractual obligations removed, cancelled or expired. The Company also derecognizes a financial liability when the terms are modified and the cash flows of the modified liability are substantially different, if there’s a new financial liability based on the modified terms it’s recognized at fair value.

On the derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including transferred assets that don’t transit through cash or assumed liability) is recognized on income (loss).

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented on the balance sheet when, and only when, the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously. The Company doesn’t have any financial instrument that could be reclassified or compensated.

(v) Impairment of financial assets

a) Measurement of expected credit losses

The Company manages its client portfolio taking as basis specific rules for the acceptance of clients and establishing its respective credits limits, consistently realized through credits analysis periodically reviewed and collegiate discussions along with the credit committee. The Company has guarantees for mitigations of risks of default from its clients in higher risk markets, through its policies and credit committee, it constantly analyzes and monitors all credit limits granted and actively collects outstanding and/or overdue amounts in all markets in which it operates.

The bank deposits and financial investments are contracted with financial institutions considered by the company as highly rated institutions.

Estimated credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (meaning, the difference between the cash flows due to the company in accordance with the contract and the cash flows the company expects to receive).

Expected credit losses are discounted at the effective interest rate of the financial asset.

Receivables present the need for the creation of expected credit loss not only for customers in collection or judicial recovery, with low probability of credits recovery, but also considering the real and future probability of default on the entire portfolio.

b) Presentation of provision for expected credit losses on the balance sheet

The provision for financial assets losses measured at amortized cost is deducted from the assets' gross book value.

c) Write-off

When the Company considers that there's no reasonable expectations of recovering, the uncollectible balance s written-off. Afterwards write-off recognition, this could be reversed or reduced if can be objectively related to an event that occurred, this reversal is recognized is into income (loss). The Company doesn't expect any significant recovery of the written-off amounts. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Company procedures for recovery of amounts due.

d. Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of inventories is based on the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of standing timber transferred from biological assets is measured at the cost determined at the date of harvest.

e. Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are carried at the historical cost of acquisition or construction, less accumulated depreciation and any accumulated impairment losses.

Any gains or losses arising on the disposal or write-off of an item of Property, plant and equipment are recognized in income or loss.

Financial charges on borrowings that are directly attributable to the acquisition or construction of the assets are capitalized as part of the costs of these assets. Borrowing costs that are not directly related to the assets are capitalized based on an average funding rate on the balance of construction in progress. These costs are amortized over their estimated useful lives.

Maintenance expenditures related to general maintenance are capitalized when future economic benefits exceed the performance initially estimated for the asset and are depreciated over the remaining useful life of the related asset.

(ii) Depreciation

Depreciation is calculated based on the residual value using the straight-line method over the estimated useful life of each asset and is generally recognized in income or loss. Property, plant and equipment useful life is shown at note 12.

The Company depreciates its fixed assets in its entirety because its assets are acquired with the intention of use throughout its useful life, so the expected residual value for its fixed assets is zero at the end of its useful life.

It is not part of the Company's business strategy to sell fixed assets, if they occur, the assets are in the condition of unusable (non-operational), without conditions of use due to the severity of the operation (forestry, carrier and logistics).

The estimated useful life, residual values and depreciation methods are reviewed annually on each reporting date, and the effect of any changes in estimates is accounted for prospectively.

(iii) Impairment

On each reporting date, the balance of fixed assets and other assets is reviewed annually to identify evidence of non-recoverable losses, or whenever events or changes in circumstances indicate that the book value may not be recoverable. If there is such an indication, the recoverable amount of the asset is estimated.

For impairment tests, assets are grouped together into the smallest asset in the group, which generates cash inflows from use that are largely independent of cash inflows from other assets or CGUs.

The recoverable amount of an asset or CGU is the higher of the value in use and its fair value less costs to sell. The value in use is based on future cash flows, discounted at their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the specific risks of the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in income or loss.

f. Biological assets

Biological assets consist of renewable eucalyptus forests for pulp production used in paper making.

These assets are measured at their fair value minus the cost of sale - the impact of which reflects in the income statements for the period.

The Company evaluates every six months the value of its biological assets, because it understands that this procedure is sufficient to demonstrate the evolution of the fair value of forests.

Depletion is measured based on the quantity of wood harvested in comparison to the expected quantity from the forests.

g. Intangible

(i) Intangible assets

Terminal concession, software and appreciation for the right-of-use of the concession of port movements (difference between book values and the fair value calculated at the time of the negotiation), acquired by the Company have definite useful lives and are measured at cost, less accumulated amortization and any accumulated impairment losses.

(ii) Amortization

The amortization is calculated to amortize the cost of items of the intangible asset, less its estimated residual values, using the straight-line method based on the estimated useful lives of the items. The amortization is generally recognized in income or loss. Intangible useful life is show on note 13.

h. Provisions

A provision is recognized as a liability when the Company has present obligations that can be reliably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The finance costs incurred are recognized in income or loss.

i. Income tax and social contribution tax

Income tax and social contribution tax includes current and deferred income taxes, which are recognized in income or loss unless they are related to business combinations or items directly recognized in equity or in other comprehensive income.

Current and deferred income tax and social contribution tax are calculated based on the rates of 15%, plus a 10% surtax on taxable profit exceeding R$ 240 for income tax and 9% on taxable profit for social contribution tax on net income, and consider the offset of income tax and social contribution tax losses, limited to 30% of the taxable profit.

(i) Current taxes

Current tax is the estimated tax payable or to offset calculated on taxable income or loss for the year, as well as any adjustment to payable taxes from prior years. It is calculated based on the tax rates enacted, at the reporting date.

(ii) Deferred taxes

Deferred taxes are recognized for tax losses and temporary differences between the book values of assets and liabilities for accounting purposes and the corresponding amounts used for income tax purposes. Deferred tax is not recognized for the following temporary differences:

- The initial recognition of assets and liabilities in a transaction that is not a business combination and does not affect accounting or taxable income or loss;

- Differences related to investments in controlled companies, branches and associated companies, and in joint ventures considering that the Company is capable of controlling the moment of reversal and that such differences should not be reversed in the future;
- Deferred taxes are not recognized for taxable temporary differences resulting from the initial recognition of goodwill.

Deferred tax assets and liabilities are offset if there is a legal right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same entity subject to taxation.

Deferred tax assets are recognized as non-utilized tax losses, tax credits and deductible temporary differences, when it is probable that future taxable income will be available and against which they will be used. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that they will be realized.

The deferred tax is measured at the rates which are expected to be applied to temporary differences when they reverse, based on enacted or substantively enacted laws by the date of the individual and consolidated financial statements.

j. Leases

(i) Right to use leased assets

The Company and its subsidiaries adopted IFRS 16 / CPC 6 (R2) – Leases on January 1, 2019, considering as a basis of analysis the contracts with identifiable assets, whose control of the use of the asset, economic benefits, between other aspects provided for in the pronouncement, are exclusive to the Company and its subsidiaries, regardless of the legal form given to the contract. Service contracts and supply agreements were treated as leases when there is an identifiable asset.

At the date of the initial adoption, the Company and its subsidiaries used the modified retrospective approach, choosing to measure the cost of the right-of-use to the amount equivalent to the present value of the lease liability payable as from January 1, 2019, without restating comparative information.

The depreciation of the right-of-use is calculated based on the term of validity of each lease.

Lease agreements with a term of less than twelve months and an identifiable asset with a market value of less than twenty thousand Brazilian Reais were not included at the initial adoption of IFRS 16/CPC 6 (R2) – leases.

(ii) Lease liability

At the initial measurement of the lease liability was calculated based on the present value of the fixed lease payments that were not made until that date. The renewal period was considered for leases that has automatic renewal periods. The amounts of the installments payable were discounted by the incremental rate on loan (discount rate), plus other contractual obligations set forth in the lease agreements adjusted to the present value.

The Company and its subsidiaries opted to define a single discount rate for leases with similar characteristics, considering as a criterion for the definition of the discount rate the financial costs of loans and borrowings for the acquisition of similar assets.

The discount rate used for the calculation of the identified assets present value and, consequently, for the monthly appropriation of financial interest, is between 9.5% and 12.44%, in accordance with the term of each lease.

The value of the adjustment to the present value will be appropriated monthly as financial interest in the income (loss).

k. Uncertainty about the treatment of taxes on profit

The interpretation, in force from January 1, 2019, clarifies how to apply the recognition and measurement requirements when there is uncertainty about the treatment of taxes on profit.

Uncertainty should be reflected in the measurement to provide the best forecast of uncertainty resolution, based on the approach of (i) the most likely value or (ii) the expected value.

ICPC 22 / IFRIC 23 – Uncertainty about the treatment of taxes on profit does not introduce new disclosures, but reinforces 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 not reflected in the financial statements.

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

(In Thousands of Reais)

l. New standards, revisions and interpretations not yet adopted

There are no other standards that are not yet effective that would be expected to have a material impact on the Company's individual and consolidated financial statements.

m. Operating segments

Pulp is the only reportable segment. Revenue from the excess energy from the pulp production process are considered into pulp segment.

Reportable segment: Pulp - cultivation and management of forest resources, purchase of wood and manufacture of pulp.

n. Government grants

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

5. Cash and cash equivalents and financial investments

5.1. Cash and cash equivalents

	Individual		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Cash	41	32	45	35
Bank accounts (a)	18,747	187,889	553,739	507,392
Bank deposit certificate (b)	164,504	332,583	334,231	332,583
	183,292	**520,504**	**888,014**	**840,010**

(a) The Company maintains its financial operations diversified between banks with the objective of mitigating credit risk, with positions substantially concentrated in first-line financial institutions classified by the main credit rating agencies in the market;

(b) Local financial investments are of daily liquidity, allocated in Bank Deposit Certificate ("CBD") of financial institutions with the income accompanying the Interbank Deposit Certificate (CDI) interbank rate. The overseas applications are composed of time deposits of daily liquidity.

(In Thousands of Reais)

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

	Spot deposits and financial investments			
	Individual		Consolidated	
Risk classification [1]	12/31/2020	12/31/2019	12/31/2020	12/31/2019
AAA	-	-	1,925	3,002
A	-	-	4,715	3,031
A-	54,807	514,907	581,367	823,089
BBB +	-	-	-	3,263
BBB	-	-	1,916	-
brAAA	3	122	3	122
brAA	127,205	5,443	296,807	7,468
brA	100	-	100	-
brBB+	1,136	-	1,137	-
	183,251	**520,472**	**887,970**	**839,975**

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

5.2. Financial investments – current and non-current assets

	Consolidated	
	12/31/2020	12/31/2019
Bank of Brasil Paris (a)	62,392	59,482
	62,392	**59,482**
Current	62,392	-
Non-current	-	59,482
	62,392	**59,482**

(a) Funds in current account with Banco do Brasil Paris. These funds were given as guarantee to the Term Loan operation, as presented in note 16.2 (v), due in April / 2021.

6. Trade accounts receivables

	Individual		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Local	133,185	112,954	133,185	112,954
Foreign	357,647	335,773	579,192	396,315
	490,832	**448,727**	**712,377**	**509,269**

(In Thousands of Reais)

Aging of trade accounts receivables is as follows:

	Individual		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Not past due	478,301	332,948	634,159	448,255
Overdue up to 30 days	2,980	79,102	43,925	37,153
Overdue from 31 to 60 days	97	33,773	24,324	2,657
Overdue from 61 to 90 days	-	421	246	1,201
More than 90 days	9,454	2,483	9,723	20,003
	490,832	**448,727**	**712,377**	**509,269**

Expected credit loss

	Individual		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Beginning balance	(5,548)	(5,700)	(5,888)	(6,026)
Constitutions	(6,445)	-	(27,413)	-
Amounts written off	310	152	310	152
Exchange rate variation	-	-	(306)	(14)
Ending balance	**(11,683)**	**(5,548)**	**(33,297)**	**(5,888)**

The increase in value compared to 2019 refers to the loss of two customers located in Europe.

7. Related parties

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

(In Thousands of Reais)

Assets and liabilities
Receivable (payable)

		Individual		Consolidated	
Balance with subsidiaries	**Transaction**	**12/31/2020**	**12/31/2019**	**12/31/2020**	**12/31/2019**
Cellulose Eldorado Austria GmbH	Pulp sale	42,808	100,325	-	-
Cellulose Eldorado Austria GmbH	AFE (ii)	(45,590)	(123,134)	-	-
Cellulose Eldorado Austria GmbH	Costs transfer	(111)	(73)	-	-
Eldorado EUA Inc.	Pulp sale	277,441	206,044	-	-
Eldorado EUA Inc.	Costs transfer	(1,110)	(3,365)	-	-
Eldorado Intl. Finance GmbH	AFE (iii)	(1,842,102)	(1,424,007)	-	-
Eldorado Intl. Finance GmbH	Costs transfer	(31)	-	-	-
Rishis Empreend. e Partic.	Services	(31,499)	(24,240)	-	-
Net total payable to subsidiaries		**(1,600,194)**	**(1,268,450)**	**-**	**-**
Balances with controlling shareholders					
J&F Investimentos	Guarantee (i)	(1,631)	(3,986)	(1,631)	(3,986)
J&F Investimentos	Reimbursement (vi)	(85)	(52)	(85)	(52)
Total payable to controlling shareholders		**(1,716)**	**(4,038)**	**(1,716)**	**(4,038)**
Balances with Group companies					
JBS	Others (iv)	(80)	(809)	(80)	(809)
Seara Alimentos	Meals (v)	(536)	(26)	(536)	(26)
Total payable to Group companies		**(616)**	**(835)**	**(616)**	**(835)**
Total		**(1,602,526)**	**(1,273,323)**	**(2,332)**	**(4,873)**
Asset					
Trade receivables		320,249	306,369	-	-
Liabilities					
Trade payables		(32,115)	(25,127)	(616)	(887)
Loans and borrowings with related parties		(1,887,692)	(1,547,141)	-	-
Accounts payable to related parties		(2,968)	(7,424)	(1,716)	(3,986)
Total		**(1,602,526)**	**(1,273,323)**	**(2,332)**	**(4,873)**

(In Thousands of Reais)

Income (loss)
Revenues (expenses)

		Individual		Consolidated	
Transaction with subsidiaries	**Transaction**	**12/31/2020**	**12/31/2019**	**12/31/2020**	**12/31/2020**
Cellulose Eldorado Austria GmbH	Pulp sale	1,963,890	1,888,474	-	-
Cellulose Eldorado Austria GmbH	AFE (ii)	(10,493)	(14,711)	-	-
Eldorado EUA Inc.	Pulp sale	801,582	619,715	-	-
Eldorado Intl. Finance GmbH	AFE (iii)	(162,711)	(123,559)	-	-
Rishis Empreend. e Partic.	Services	(24,513)	(25,117)	-	-
Net revenues with subsidiaries		**2,567,755**	**2,344,802**	**-**	**-**
Transaction with controlling shareholders					
J&F Investimentos	Guarantee (i)	(13,891)	(43,126)	(13,891)	(43,126)
Total expenses with controlling shareholders		**(13,891)**	**(43,126)**	**(13,891)**	**(43,126)**
Transactions with Group companies					
JBS	Others (iv)	(13,453)	(16,152)	(13,453)	(16,152)
Seara Alimentos	Meals (v)	(220)	(561)	(220)	(561)
Flora Produtos de Higiene e Limpeza	Supplies (vii)	(520)	-	(520)	-
Total expenses with Group companies		**(14,193)**	**(16,713)**	**(14,193)**	**(16,713)**
Total income		**2,539,671**	**2,284,963**	**(28,084)**	**(59,839)**

- **(i)** Guarantee granted by the holding company J&F Investimentos S.A., to guarantee the financing operations that Eldorado has with financial institutions;
- **(ii)** Export financing operation (advances of foreign exchange contract) granted by Cellulose Eldorado Austria GmbH to Eldorado Brasil Celulose S.A. with a 5-year term, with an annual interest rate of 8.19% + exchange rate variation;
- **(iii)** Export financing operation (advances of foreign exchange contract) granted by Eldorado Intl. Finance GmbH for Eldorado Brasil Celulose S.A. with a 5-year term, with an annual interest rate of 8.875% + exchange rate variation;
- **(iv)** Amounts payable on transactions related with freight for pulp transportation, purchase of meals for use in the cafeteria and data center rental;
- **(v)** Purchase of meals for use in the cafeteria;
- **(vi)** Reimbursements for rentals and corporate expenses;
- **(vii)** Refers to the cleaning kit provided to employees in the prevention of COVID-19.

(In Thousands of Reais)

7.1. Key management personnel compensation

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

	Individual		Consolidated	
Benefits (a)	12/31/2020	12/31/2019	12/31/2020	12/31/2019
	24,450	22,161	30,186	25,731

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

8. Inventories

	Individual		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Seedlings	3,523	29	3,523	29
Raw materials (wood for production)	112,309	120,656	112,309	120,656
Pulp	47,562	40,649	220,544	234,961
Inputs	38,861	25,084	38,861	25,084
Supplies	169,457	140,094	169,648	140,280
	371,712	**326,512**	**544,885**	**521,010**

9. Recoverable taxes

	Individual		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
State VAT Tax (i)	1,109,054	1,120,141	1,110,837	1,120,309
Sale taxes (PIS and COFINS) (ii)	95,952	72,433	95,958	72,433
Reintegra	16,621	39,643	16,621	39,643
Withholding income tax (IRRF)	-	10,728	-	10,728
Corporate income tax (IRPJ) and social contribution tax (CSLL)	503	14,425	6,724	16,371
Others	196	181	591	576
	1,222,326	**1,257,551**	**1,230,731**	**1,260,060**
Current	182,101	207,691	190,506	210,200
Non-current	1,040,225	1,049,860	1,040,225	1,049,860
	1,222,326	**1,257,551**	**1,230,731**	**1,260,060**

(i) State VAT taxes ("ICMS")

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

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

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

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

(ii) offset ICMS's creditor balance to be approved by the State of Mato Grosso do Sul, with:

a. 100% of the differential ICMS of the rate calculated on entries from other states on acquisitions of fixed assets, consumables for which the Company already has authorization to compensate 50%; and
b. 100% of the ICMS due in the process of customs clearance of goods or goods imported from abroad (legal basis: Article 68, §5 and §8 of RICMS/MS and Term of Agreement 1171/2018).

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

During the year ended December 31, 2020, the Company compensated 14% of the current balance of ICMS credits, considered to consume, with:

(i) compensation of 50% of the rate differential payable from goods purchased from suppliers established outside the state of Mato Grosso do Sul;
(ii) reversal of credit granted 7% on exported volume (see explanatory note no. 26); and
(iii) operational consumption inherent to the production process.

(ii) PIS and COFINS

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

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

The realization of the balance considers:

(In Thousands of Reais)

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

10. Biological assets

Beginning and ending balances are presented as follows:

	Individual and consolidated	
	12/31/2020	**12/31/2019**
Beginning balance	2,745,146	2,668,744
Write off of forests damaged by fire (note 26)	(28,354)	
Change in fair value less cost to sell	187,006	(81,663)
Valuation applied to cost	*136,348*	*89,346*
Biological assets valuation	*50,658*	*(171,009)*
Harvested timber transferred to inventories	(273,891)	(162,042)
Cost of formation of biological asset	374,462	320,107
	3,004,369	**2,745,146**
Net effect on operating result	22,304	(171,009)

As of December 31, 2020, the Company had a production area of 230,990 hectares (229,729 hectares as of December 31, 2019), disregarding, among others, the areas of permanent preservation and legal reserve, in order to comply with current environmental legislation.

To measure the fair value for standing wood were categorized as fair Values of Level 3 based on the data of the evaluation techniques used.

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

The volume of tree production to be cut was estimated considering the average productivity in cubic meters of wood from each plantation per hectare at harvest time. This growth is represented by the Average Annual Increment (IMA) expressed in cubic meters per hectare / year. The costs of handling crops include expenses with fertilization, control of weeds, combating ants and other pests, maintenance of roads and fire breaks, and other services necessary for the maintenance of planted forests.

Among the assumptions used in the calculation, the sensitivity to the wood prices used in the valuation and the discount rate used in the discounted cash flow stand out. The average selling price for eucalyptus wood was estimated for the local market, adjusted to reflect the price of "standing" wood by region, which is impacted by the distance between the farm and the production unit and the discount rate corresponds to the weighted average cost of capital of the Company.

(In Thousands of Reais)

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.

In 2020, the Company adopted the weighted average price of Eucalyptus wood, calculated by Pöyry and published quarterly in the Radar bulletin, to select the price of "standing wood" as the basis for the regional market, both in the evaluation of biological assets and as a price reference in the new rural partnership contracts, since the Radar bulletin currently reflects with greater reliability the conditions of the regional market of Mato Grosso do Sul , where the Company's operations are located.

In relation to the discount rate, the significant effects of an increase (decrease) in the rate used to measure the fair value of biological assets would result in a decrease (increase) in the measured values.

The main inputs considered in estimating the fair value of biological assets were:

	12/31/2020	12/31/2019
Productive area (hectare)	230,990	229,729
Harvest area (hectare)	213,446	213,219
Average annual timber increment (AATI) - m^3 / hectare	32.16	34.80
Discount rate (WACC without consumer price index) -%	4.75	5.08
Timber market price - R$ / m^3	67.50	50.36

Changes in the fair value of biological assets are recognized as fair value of biological assets in the statements of income (loss).

The forests that make up the biological asset are subject to operational and environmental risks, such as fires, pests, diseases and climatic variations. The total area in 2020 was 2,497 ha and did not significantly impact the supply of wood to pulp in the short or long term. In 2020, there were extraordinary expenses with fire fighting due to atypical weather conditions (note 26).

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

(In Thousands of Reais)

11. Investments

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

Subsidiaries:	**Ownership interest**	**Total assets**	**Share capital**	**Equity**	**Revenue**	**Income (loss)**
Cellulose Eldorado Austria Gmbh	100%	3.472.673	111	1.110.876	3.678.203	331.812
Rishis Empreendimentos e Participações S.A.	100%	99.171	108.979	91.261	23.162	158
Eldorado Brasil Celulose Logística Ltda.	100%	288.293	66.133	66.133	-	-

Individual:	**Balance at 12/31/2019**	**Additions (disposals)**	**Cumulative translation adjustment**	**Unrealized income on inventories**	**Equity accounting results**	**Balance at 12/31/2020**
Cellulose Eldorado Austria Gmbh	568.144	-	209.403	1.517	331.812	**1.110.876**
Rishis Empreendimentos e Participações S.A.	91.103	-	-	-	158	**91.261**
Eldorado Brasil Celulose Logística Ltda.	-	66.133	-	-	-	**66.133**
Goodwill from port concession right-of-use	11.695	(1.179)	-	-	-	**10.516**
Total	**670.942**	**64.954**	**209.403**	**1.517**	**331.970**	**1.278.786**

The following table presents relevant information on investments in subsidiaries for the year ended December 31, 2019.

Subsidiaries:	**Ownership interest**	**Total assets**	**Share capital**	**Equity**	**Revenue**	**Income (loss)**
Cellulose Eldorado Austria Gmbh	100%	2.593.088	111	568.143	3.534.125	282.226
Rishis Empreendimentos e Participações S.A.	100%	99.529	108.979	91.103	23.729	(41)

Individual:	**Balance at 12/31/2018**	**Additions (disposals)**	**Cumulative translation adjustment**	**Unrealized income on inventories**	**Equity accounting results**	**Balance at 31/12/2019**

Subsidiaries:	Ownership interest	Total assets	Share capital	Equity	Revenue	Income (loss)
Cellulose Eldorado Austria Gmbh	(36.961)	-	23.307	299.572	282.226	**568.144**
Rishis Empreendimentos e Participações S.A.	91.144	-	-	-	(41)	**91.103**
Goodwill from port concession right-of-use	12.874	(1.179)	-	-	-	**11.695**
Total	**67.057**	**(1.179)**	**23.307**	**299.572**	**282.185**	**670.942**
Investments	104.018	(1.179)	23.307	299.572	245.224	**670.942**
Allowance for loss in subsidiaries	(36.961)	-	-	-	36.961	-
Total	**67.057**	**(1.179)**	**23.307**	**299.572**	**282.185**	**670.942**

Subsidiaries

Cellulose Eldorado Austria GmbH

In December 2012, were opened two units strategically, called Eldorado USA Inc. (United States) and Cellulose Eldorado Austria GmbH (Austria), in order to meet the demand for sales contracts signed in foreign markets and prospecting for new sales. Additionally, a commercial office was opened in China (Shanghai) in 2013, continuing with the Company's expansion and presence in the foreign market.

Eldorado Intl Finance GmbH is a company whose main purpose is the issuance of bonds on the international market, in order to separate this function from the other activities carried out by Eldorado's subsidiaries. The company was incorporated in February 2016, and started its activities in June 2016, with the issuance of the bonds.

Rishis Empreendimentos e Participações S.A.

Rishis Empreendimentos e Participações SA (Rishis) holds the rights and liabilities raising of the Agreement No. DP-DC 01/2005 (“Agreement”), entered into with Santos Port Authority - SPA (ex-CODESP) on December 2, 2005, valid until November 4, 2029.

It is situated in the polygonal of the organized port of Santos, in the region called as Outeirinhos. The permission to operate was published in the DOU (see "Executive Declaratory Act No. 30" on May 20, 2013).

(In Thousands of Reais)

Eldorado Brasil Celulose Logística Ltda.

Eldorado Brasil Celulose Logística Ltda. is the holder of the rights and obligations relevant to the area and public infrastructure for the movement and storage of general cargo, especially pulp, in terminal STS14 in the Port of Santos, arising from the Contract concluded with the Federal Union, National Agency for Watertransport - ANTAQ, Santos Port Authority - SPA on November 17, 2020, for a period of 25 (twenty-five) years, extendable successively, at the sole discretion of the Federal Union, up to the maximum limit of 70 (seventy) years, including the original term and all extensions.

Goodwill from port concession right-of-use

On December 31, 2020, the Company recorded a goodwill on the right-of-use the port area that is the main subject of a lease agreement that is being amortized over the time of the right-of-use, valid until November 4, 2029.

12. Property, plant and equipment

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

(In Thousands of Reais)

	Individual - 12/31/2019			
	Weighted annual depreciation rates	Cost	Accumulated depreciation	Net
Land	-	103,224	-	103,224
Buildings	3.58%	1,153,278	(239,224)	914,054
Leasehold improvements	10.00%	3,111	(1,880)	1,231
Facilities and improvements	5.47%	289,694	(76,209)	213,485
Furniture and fixtures	9.40%	9,965	(5,032)	4,933
Vehicles	20.59%	160,890	(110,981)	49,909
Technical and scientific equipment	11.55%	6,960	(4,373)	2,587
IT equipment	19.78%	67,757	(59,694)	8,063
Machinery and equipment	6.47%	3,747,017	(1,051,709)	2,695,308
Vessel and floating structures	20.00%	7	(2)	5
Eucalyptus matrices	20.00%	107	(63)	44
Assets under construction and advances	-	472,256	-	472,256
		6,014,266	**(1,549,167)**	**4,465,099**

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

(In Thousands of Reais)

	Consolidated - 12/31/2019			
	Weighted annual depreciation rates	Cost	Accumulated depreciation	Net
Land	-	103,224	-	103,224
Buildings	3.58%	1,153,278	(239,224)	914,054
Leasehold improvements	7.48%	3,367	(1,945)	1,422
Facilities and improvements	5.67%	289,746	(76,239)	213,507
Furniture and fixtures	9.44%	10,492	(5,355)	5,137
Vehicles	20.59%	161,029	(111,120)	49,909
Technical and scientific equipment	11.56%	6,974	(4,387)	2,587
IT equipment	19.81%	69,408	(60,852)	8,556
Machinery and equipment	6.49%	3,749,498	(1,052,482)	2,697,016
Vessel and floating structures	20.00%	7	(2)	5
Eucalyptus matrices	20.00%	107	(63)	44
Assets under construction and advances	-	481,297	-	481,297
		6,028,427	**(1,551,669)**	**4,476,758**

Reconciliation of carrying amounts

Individual

Movement	Balance at 12/31/2019	Additions	Disposals	Transfers	Depreciation	Balance at 12/31/2020
Land	103,224	-	-	-	-	103,224
Buildings	914,054	-	-	41,990	(40,357)	915,687
Leasehold improvements	1,231	-	-	135	(314)	1,052
Facilities and improvements	213,485	-	-	9,897	(12,846)	210,536
Furniture and fixtures	4,933	270	-	2,443	(959)	6,687
Vehicles	49,909	4,274	(1,496)	4,222	(15,977)	40,932
Technical and scientific equipment	2,587	115	-	2,717	(751)	4,668
IT equipment	8,063	752	(9)	16,481	(3,272)	22,015
Machinery and equipment	2,695,308	54,872	(4,703)	172,372	(189,807)	2,728,042
Vessel and floating structures	5	8	-	-	(2)	11
Eucalyptus matrices	44	-	-	-	(21)	23
Assets under construction	472,256	483,360	-	(262,485)	-	693,131
	4,465,099	**543,651**	**(6,208)**	**(12,228)**	**(264,306)**	**4,726,008**

(In Thousands of Reais)

Movement	Balance at 12/31/2018	Additions	Disposals	Transfers	Depreciation	Balance at 12/31/2019
Land	103,211	-	-	13	-	103,224
Buildings	951,439	41	-	2,429	(39,855)	914,054
Leasehold improvements	1,542	-	-	-	(311)	1,231
Facilities and improvements	225,042	29	-	1,255	(12,841)	213,485
Furniture and fixtures	4,661	504	-	655	(887)	4,933
Vehicles	29,427	39,902	(2,382)	1,563	(18,601)	49,909
Technical and scientific equipment	2,556	239	-	338	(546)	2,587
IT equipment	5,237	726	(49)	4,839	(2,690)	8,063
Machinery and equipment	2,745,219	17,097	(537)	89,506	(155,977)	2,695,308
Vessel and floating structures	7	-	-	-	(2)	5
Eucalyptus matrices	34	28	-	-	(18)	44
Assets under construction and advances	237,683	335,315	-	(100,742)	-	472,256
	4,306,058	393,881	(2,968)	(144)	(231,728)	4,465,099

Consolidated

Movement	Balance at 12/31/2019	Additions	Disposals	Transfers	Depreciation	Effect of movements in exchange rates	Balance at 12/31/2020
Land	103,224	-	-	-	-	-	103,224
Buildings	914,054	-	-	41,990	(40,357)	-	915,687
Leasehold improvements	1,422	-	-	135	(333)	-	1,224
Facilities and improvements	213,507	-	-	10,952	(12,851)	4	211,612
Furniture and fixtures	5,137	270	-	2,519	(1,006)	17	6,937
Vehicles	49,909	4,274	(1,496)	4,222	(15,977)	-	40,932
Technical and scientific equipment	2,587	116	-	2,717	(752)	-	4,668
IT equipment	8,556	883	(9)	16,611	(3,539)	107	22,609
Machinery and equipment	2,697,016	54,872	(4,893)	175,078	(190,047)	-	2,732,026
Vessel and floating structures	5	8	-	-	(2)	-	11
Eucalyptus matrices	44	-	-	-	(21)	-	23
Assets under construction	481,297	484,343	-	(266,739)	-	-	698,901
	4,476,758	544,766	(6,398)	(12,515)	(264,885)	128	4,737,854

(In Thousands of Reais)

Movement	Balance at 12/31/2018	Additions	Disposals	Transfers	Depreciation	Effect of movements in exchange rates	Balance at 12/31/2019
Land	103,211	-	-	13	-	-	103,224
Buildings	951,439	41	-	2,429	(39,855)	-	914,054
Leasehold improvements	1,752	-	-	-	(330)	-	1,422
Facilities and improvements	225,068	29	-	1,255	(12,846)	1	213,507
Furniture and fixtures	4,920	656	-	534	(984)	11	5,137
Vehicles	29,427	39,902	(2,382)	1,563	(18,601)	-	49,909
Technical and scientific equipment	2,556	239	-	338	(546)	-	2,587
IT equipment	5,479	1,014	(49)	4,959	(2,856)	9	8,556
Machinery and equipment	2,747,168	17,187	(537)	89,416	(156,218)	-	2,697,016
Vessel and floating structures	7	-	-	-	(2)	-	5
Eucalyptus matrices	34	28	-	-	(18)	-	44
Assets under construction and advances	243,737	339,022	-	(101,462)	-	-	481,297
	4,314,798	**398,118**	**(2,968)**	**(955)**	**(232,256)**	**21**	**4,476,758**

Assets under construction and advances

The amounts outstanding with assets under construction and advances for property, plant and equipment on December 31, 2020 are related to the structural improvements of the pulp mill and its surroundings, as well as, expenses with basic engineering, environmental licensing and infrastructure works for the construction of the new pulp production line Vanguarda Project 2.0, and the Electric Project – UTE Onça Pintada, which will have electric generation capacity from biomass from eucalyptus stumps and roots.

The Company's assets are pledged as collateral for its loans and borrowings up to the maximum limit of each of the debts borrowed (note 16).

13. Intangible

	Individual - 12/31/2020			
	Weighted annual amortization rates	Costs	Accumulated amortization	Net cost
Software	19.86%	31,741	(17,553)	14,188

(In Thousands of Reais)

	Individual - 12/31/2019			
	Weighted annual amortization rates	Costs	Accumulated amortization	Net cost
Software	20.03%	19,489	(15,757)	3,732

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

	Consolidated - 12/31/2019			
	Weighted annual amortization rates	Costs	Accumulated amortization	Net cost
Goodwill from port concession right-of-use (a)	6.94%	17,002	(5,307)	11,695
Software	20.03%	20,219	(16,349)	3,870
Terminal concession	8.60%	90,261	(32,578)	57,683
		127,482	**(54,234)**	**73,248**

Reconciliation of carrying amounts

Individual

Changes	Balance at 12/30/2019	Additions	Transfers	Amortization	Balance at 12/31/2020
Software	3,732	24	12,228	(1,796)	14,188

Changes	Balance at 12/31/2018	Additions	Transfers	Amortizations	Balance at 12/31/2019
Software	5,782	11	144	(2,205)	3,732

(In Thousands of Reais)

Consolidated

Changes	Balance at 12/30/2019	Additions	Transfers	Amortization	Balance at 12/31/2020
Goodwill from port concession right-of-use (a)	11,695	-	-	(1,179)	10,516
Software	3,870	24	12,265	(1,905)	14,254
Terminal concession	57,683	1,571	250	(6,427)	53,077
	73,248	**1,595**	**12,515**	**(9,511)**	**77,847**

Changes	Balance at 12/31/2018	Additions	Transfers	Amortization	Balance at 12/31/2019
Goodwill from port concession right-of-use (a)	12,874	-	-	(1,179)	11,695
Software	6,037	11	144	(2,322)	3,870
Terminal concession	63,225	-	811	(6,353)	57,683
	82,136	**11**	**955**	**(9,854)**	**73,248**

(a) Goodwill from port concession right-of-use (note 11).

14. Right-of-use assets

	Individual - 12/31/2020		
	Cost	**Accumulated depreciation**	**Net cost**
Right of use assets			
Land	851,157	(181,697)	669,460
Buildings	5,092	(2,675)	2,417
Vehicles	27,805	(21,565)	6,240
Machinery and forestry equipment	13,581	(8,166)	5,415
Facilities and improvements	201	(201)	-
Total	**897,836**	**(214,304)**	**683,532**

	Individual - 12/31/2019		
	Cost	**Accumulated depreciation**	**Net cost**
Right-of-use assets			
Land	675,032	(86,747)	588,285
Buildings	3,185	(1,108)	2,077
Vehicles	27,282	(8,344)	18,938
Machinery and forestry equipment	8,526	(3,243)	5,283
Facilities and improvements	201	(201)	-
Total	**714,226**	**(99,643)**	**614,583**

(In Thousands of Reais)

	Consolidated - 12/31/2020		
	Cost	Accumulated depreciation	Net
Right of use assets			
Land	851,157	(181,697)	669,460
Buildings	10,606	(4,330)	6,276
Vehicles	27,987	(21,596)	6,391
Machinery and forestry equipment	13,581	(8,166)	5,415
Facilities and improvements	240,073	(202)	229,871
Total	**1,143,404**	**(215,991)**	**927,413**

	Consolidated - 12/31/2019		
	Cost	Accumulated depreciation	Net
Right of use assets			
Land	675,032	(86,747)	588,285
Buildings	7,064	(1,875)	5,189
Vehicles	27,282	(8,344)	18,938
Machinery and forestry equipment	8,525	(3,243)	5,282
Facilities and improvements	201	(201)	-
Total	**718,104**	**(100,410)**	**617,694**

Reconciliation of carrying amounts:

Individual

Right of use assets	Balance at 12/31/2019	Additions	Disposals	Depreciation	Index Adjustment	Balance at 12/31/2020
Land	588,285	92,764	(50)	(95,721)	84,182	669,460
Buildings	2,077	2,085	-	(1,567)	(178)	2,417
Vehicles	18,939	4,350	(82)	(13,246)	(3,721)	6,240
Machinery and forestry equipment	5,282	25	(3,053)	(4,923)	8,084	5,415
Total	**614,583**	**99,224**	**(3,185)**	**(115,457)**	**88,367**	**683,532**

(In Thousands of Reais)

Right-of-use assets	Balance at 01/01/2019	Additions	Disposals	Depreciation	Index Adjustment	Balance at 12/31/2019
Land	651,641	-	-	(86,747)	23,391	588,285
Buildings	853	2,374	-	(1,108)	(43)	2,076
Vehicles	14,824	12,194	-	(8,344)	265	18,939
Machinery and forestry equipment	40,887	313	(31,257)	(8,730)	4,069	5,282
Facilities and improvements	150	-	-	(201)	51	-
Total	**708,355**	**14,881**	**(31,257)**	**(105,130)**	**27,733**	**614,583**

Consolidated

Right of use assets	Balance at 12/31/2019	Additions	Disposals	Depreciation	Index Adjustment	Effect of movements in exchange rates	Balance at 12/31/2020
Land	588,285	92,764	(50)	(95,721)	84,182	-	669,460
Buildings	5,188	2,085	-	(2,437)	1,390	50	6,276
Vehicles	18,939	4,531	(82)	(13,278)	(3,730)	11	6,391
Machinery and equipment forest implement	5,282	25	(3,053)	(4,923)	8,084	-	5,415
Facilities and improvements	-	239,871	-	-	-	-	229,871
Total	**617,694**	**339,276**	**(3,185)**	**(116,359)**	**89,926**	**61**	**927,413**

Right-of-use assets	Balance at 01/01/2019	Additions	Disposals	Depreciation	Index Adjustment	Effect of movements in exchange rates	Balance at 12/31/2019
Land	651,641	-	-	(86,747)	23,391	-	588,285
Buildings	4,667	2,374	-	(1,871)	(8)	26	5,188
Vehicles	14,824	12,194	-	(8,344)	265	-	18,939
Machinery and equipment forest implement	40,887	313	(31,257)	(8,730)	4,069	-	5,282
Facilities and improvements	150	-	-	(201)	51	-	-
Total	**712,169**	**14,881**	**(31,257)**	**(105,893)**	**27,768**	**26**	**617,694**

(a) The additions in 2020 refer to the costs related to the concession of the Terminal STS-14 whose auction was won by the subsidiary Eldorado Brasil Celulose Logística Ltda. Such costs refer to the award and costs to obtain the contract.

(In Thousands of Reais)

Of the depreciation amount of R$ 78,723 (R$ 66,246 as of December 31, 2019) is considered the cost of formation of the biological asset (explanatory note 10).

15. Trade payables

	Individual		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Supplies and services	86,727	60,262	71,029	57,483
Raw material	176,490	177,968	176,489	177,968
Others	18,606	14,425	19,608	16,128
	281,823	**252,655**	**267,126**	**251,579**
Current	281,300	250,038	266,603	248,962
Non-current	523	2,617	523	2,617
	281,823	**252,655**	**267,126**	**251,579**

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

16. Loans and borrowings

			Individual	
Financial category	**Average annual interest rate and commissions**	**Maturity**	**12/31/2020**	**12/31/2019**
FINAME - Project Finance	3% to 8% p.a.	July/2021 to July/2023	3,739	7,029
ACC - Exchange Contract Advance (i)	* Trade finance	January/2021 to November/2021	2,156,406	1,422,847
BNDES (ii)	TJLP + 2,83% p.a.	June/2022	179,266	294,146
BNDES (ii)	BNDES rate + 3,52% p.a.	July/2022	1,127,878	1,427,911
NCE (iii)	* Trade finance	February/2021 to September/2022	426,681	526,404
Working Capital (iv)	5,74% p.a. in dollars	December/2020	-	10,432
FINEM Florestal (vii)	TJLP + 3,48% p.a. / Selic + 3,58% p.a.	May/2025	214,629	208,571
Leasing (viii)	CDI + 4,06% p.a.	March/2024 to March/2025	26,702	25,642
CCB (ix)	7,5% to 9,0% p.a.	August/2022	75,192	125,853
PPE (x)	* Trade finance	August/2022	1,636,020	1,221,194
			5,846,513	**5,270,029**
Current			3,765,168	2,161,677
Non-current			2,081,345	3,108,352
			5,846,513	**5,270,029**

The maturity of non-current liabilities is as follows:

2022	1,855,737
2023	70,348

(In Thousands of Reais)

2024	110,308
2025	44,952
	2,081,345

Financial category	Average annual interest rate and commissions	Maturity	Consolidated 12/31/2020	12/31/2019
FINAME - Project Finance	3% to 8% p.a.	July/2021 to July/2023	3,739	7,029
ACC - Advance on Exchange Contract (i)	* Trade finance	January/2021 to November/2021	2,156,406	1,422,847
BNDES (ii)	TJLP + 2,83% p.a.	June/2022	179,266	294,146
BNDES (ii)	BNDES rate + 3,52% p.a.	July/2022	1,127,878	1,427,911
NCE (iii)	* Trade finance	February/2021 to September/2022	426,681	526,404
Working Capital (iv)	5,74% p.a. in dollars	December/2020	-	10,432
Term Loan (v)	LIBOR + 5% p.a.	April/2021	57,871	134,506
Bonds (vi)	8,625% p.a.	June/2021	1,822,573	1,407,949
FINEM Florestal (vii)	TJLP + 3,48% p.a. / Selic + 3,58% p.a.	May/2025	214,629	208,571
Leasing (viii)	CDI + 4,06% p.a.	March/2024 to March/2025	26,702	25,642
CCB (ix)	7,5% to 9,0% p.a.	August/2022	75,192	125,853
PPE (x)	* Trade finance	August/2022	1,636,020	1,221,194
			7,726,957	**6,812,484**
Current			5,645,612	2,251,215
Non-current			2,081,345	4,561,269
			7,726,957	**6,812,484**

The maturity of non-current liabilities is as follows:

2022	1,855,737
2023	70,348
2024	110,308
2025	44,952
	2,081,345

(*) The trade finance (ACC, PPE and NCE) have an average cost of 3.71% to 8.31% p.a

16.1. Reconciliation of movements of loans and borrowings

Individual	12/31/2020	12/31/2019
Beginning balance	**5,270,029**	**5,751,249**
Accrued interest	379,124	501,415
Accrued exchange rate variation	1,180,063	135,827
Loans and borrowings raised	651,035	3,347,741
Payments		
Principal	(1,258,846)	(3,662,816)
Interest	(374,892)	(803,387)
Ending balance	**5,846,513**	**5,270,029**

(In Thousands of Reais)

Consolidated	12/31/2020	12/31/2019
Beginning balance	**6,812,484**	**7,314,815**
Accrued interest	548,293	640,412
Accrued exchange rate variation	1,639,934	201,309
Loans and borrowings raised	651,035	3,347,741
Payments		
Principal	(1,385,374)	(3,753,546)
Interest	(539,415)	(938,247)
Ending balance	**7,726,957**	**6,812,484**

16.2. Available credit lines

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

The lines of credit currently contracted are as follows:

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

16.3. Contractual restrictions and covenants

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

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

(In Thousands of Reais)

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

(*) Net debt means, regarding the debtor and its subsidiaries, the aggregate value of the debtor's and its subsidiaries' debts from the date of verification/calculation, subtracted by the sum (without duplication) (a) of the aggregate amount of the cash and cash equivalents of the Debtor and its subsidiaries (on a consolidated basis), plus (b) the aggregate amount of all negotiable securities of the Debtor and its subsidiaries (on a consolidated basis) from the date of verification/verification, based on the lower value of: (A) face value, and (B) market value of the respective securities from the date of verification/calculation, as set forth in the debtor's consolidated balance sheet and Ebitda means earnings before interest, taxes, depreciation and amortization. In Portuguese "lucros antes de juros, impostos, depreciação e amortização" (known as lajida).

16.4. Loan guarantees

The loan and financing contracts with guarantees in the modalities of BNDES, FINEM Florestal and part of the ACC, Finame and NCE, are assured by a guarantee, a promissory note, pledge of forests or guarantee granted by the Individual J&F Investimentos SA. There are certain debts which are also guaranteed by amounts invested in financial investments according to note 5.2, in addition to fiduciary lien on machinery, endorsement, bank guarantee and promissory notes.

17. Lease liabilities

	Individual	
	12/31/2020	12/31/2019
Lease liabilities	1,103,855	978,377
Present value discount	(361,995)	(332,425)
	741,860	**645,952**
Current	186,742	144,814
Non-current	555,118	501,138
	741,860	**645,952**

	Consolidated	
	12/31/2020	12/31/2019
Lease liabilities	1,400,636	982,748
Present value discount	(479,350)	(333,584)
	921,286	**649,164**
Current	212,489	145,579
Non-current	708,797	503,585
	921,286	**649,164**

(In Thousands of Reais)

Reconciliation of carrying amounts:

	Individual	
	12/31/2020	12/31/2019
Beginning balance	**645,952**	-
Initial adoption	-	708,355
New leases	99,224	14,881
Payments	(161,699)	(151,733)
Interest (a)	73,640	78,797
Retirement or closure	(3,624)	(32,081)
Leases modification (b)	88,367	27,733
Ending balance	**741,860**	**645,952**

	Consolidated	
	12/31/2020	12/31/2019
Beginning balance	**649,164**	-
Initial adoption	-	712,168
New leases	339,276	14,881
Payments	(227,455)	(152,764)
Interest (a)	73,927	79,165
Retirement or closure	(3,624)	(32,081)
Leases modification (b)	89,926	27,767
Exchange rate variation	72	28
Ending balance	**921,286**	**649,164**

(a) In the financial interest total of R$ 65,732 (R$ 61,155 as of December 31, 2019) is considered the cost of formation of the biological asset (explanatory note 10).
(b) Refers to changes in existing contracts, either by price or term correction.

Lease liabilities are payable as follows:

	Individual	
Estimated lease payments	**12/31/2020**	**12/31/2019**
2020	-	154,047
2021	160,286	140,973
2022	153,645	124,037
2023	143,409	116,949
2024	137,874	115,268
2025 and thereafter	508,641	327,103
(-) NPV	(361,995)	(332,425)
Total	**741,860**	**645,952**

(In Thousands of Reais)

	Consolidated	
Estimated lease payments	**12/31/2020**	**12/31/2019**
2020	-	154,854
2021	202,524	141,764
2022	195,811	124,794
2023	185,414	117,603
2024	179,828	115,922
2025 and thereafter	637,059	327,811
(-) NPV	(479,350)	(333,584)
Total	**921,286**	**649,164**

Non-cash transactions:

Individual	**12/31/2020**	**12/31/2019**
Initial adoption	-	708,355
New leases	99,224	14,881
Retirement or closure	(3,624)	(32,081)
Leases modification	88,367	27,733

Consolidated	**12/31/2020**	**12/31/2019**
Initial adoption	-	712,168
New leases	339,276	14,881
Retirement or closure	(3,624)	(32,081)
Leases modification	89,926	27,767

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

Individual		**12/31/2020**
Cash flows	**Nominal**	**Adjusted to present value**
Lease payable	1,103,855	741,860
PIS/COFINS potential (9.25%) (1)	60,315	36,162

(1) Incident on contracts signed with legal entities

Individual		**12/31/2019**
Cash flow	**Nominal**	**Discounted value**
Lease payable	978,377	645,952
PIS/COFINS potential (9.25%) (1)	51,472	33,098

(1) Incident on contracts with companies.

Consolidated		**12/31/2020**
Cash flows	**Nominal**	**Adjusted to present value**
Lease payable	1,400,636	921,286
PIS/COFINS potential (9.25%) (1)	60,878	36,503

(1) Incident on contracts signed with legal entities

(In Thousands of Reais)

Consolidated		12/31/2019
Cash flow	**Nominal**	**Discounted value**
Lease payable	982,748	649,164
PIS/COFINS potential (9.25%) [1]	51,840	33,360

(1) Incident on contracts with companies.

18. Payroll and social charges payables

	Individual		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Salaries and social charges	23,775	20,362	25,582	22,187
Vacations, yearend bonus and social charges	38,216	32,180	38,929	32,820
Other accruals	60,483	56,495	64,534	57,985
	122,474	**109,037**	**129,045**	**112,992**

19. Income tax and social contributions

(a) Reconciliation of effective tax rate:

	Individual		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
(Loss) profit before taxes	(294.749)	527.872	(293.453)	547.114
Income taxes - nominal rate of 34%	**100.215**	**(179.476)**	**99.774**	**(186.019)**
Reconciliation of effective expenses:				
Equity accounting results net of taxes	113.386	197.797	-	-
Non-deductible expenses	(25.008)	(4.892)	(15.614)	(4.793)
Government grants	981	2.528	981	2.528
Leases	(6)	(348)	(57)	(388)
Tax effect of foreign subsidiaries	(4.134)	(1.211)	(4.134)	(1.211)
Rate difference of foreign subsidiaries	-	-	24.017	127.854
Rulings	-	-	74.083	55.981
Others	904	(949)	5.992	255
Current and deferred income taxes	**186.338**	**13.449**	**185.042**	**(5.793)**
Effective tax rate	**(63,22%)**	**2,55%**	**(63,06%)**	**(1,06%)**

(In Thousands of Reais)

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

Individual and Consolidated	12/31/2019	Additions	Deductions	12/31/2020
Tax losses (i)	665,823	-	(21,369)	644,454
Exchange rates variation effect	-	463,735	-	463,735
Operational accruals	29,529	1,445	-	30,974
Biological assets	(154,770)	(17,223)	-	(171,993)
Fiscal and financial depreciation	(489,764)	(191,292)	-	(681,056)
	50,818	**256,665**	**(21,369)**	**286,114**

(i) On December 31, 2020, the Company has an accumulated accounting loss balance that, adjusted with expenses and revenues not permitted by tax legislation for the purposes of calculating corporate income tax and social contribution on net income totals R$ 1,895,454.

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

	12/31/2020
	Individual and consolidated
2021	363,458
2022	159,788
2023	39,014
2024	221,295
2025	234,853
2026	120,755
	1,139,163

20. Provision for lawsuit

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

Individual

	12/31/2019	Additions	Write-off	Adjustment	12/31/2020
Environmental	320	-	-	8	328
Civil	6,832	74	(3,368)	3,334	6,872
Labor	12,976	16,197	(5,899)	(311)	22,963
Tax	1,140	-	(24)	100	1,216
	21,268	**16,271**	**(9,291)**	**3,131**	**31,379**

(In Thousands of Reais)

Consolidated

	12/31/2019	Additions	Write-off	Adjustment	12/31/2020
Environmental	320	-	-	8	328
Civil	6,832	74	(3,368)	3,334	6,872
Labor	12,976	16,668	(5,899)	(311)	23,434
Tax	1,140	-	(24)	100	1,216
	21,268	**16,742**	**(9,291)**	**3,131**	**31,850**

Individual and Consolidated

	12/31/2018	Additions	Write-off	Adjustment	12/31/2019
Environmental	274	-	-	46	320
Civil	4,582	4,112	(301)	(1,561)	6,832
Labor	3,447	11,667	(2,386)	248	12,976
Tax	864	329	(96)	43	1,140
	9,167	**16,108**	**(2,783)**	**(1,224)**	**21,268**

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

For lawsuits classified as possible losses, in the amount of R$ 536,767 in the Individual and R$ 537,205 in the Consolidated (R$ 703,149 as of December 31, 2019 in the Individual and Consolidated). The Company's accounting policy defines that no provision for losses has been recognized.

	Individual		Consolidated	
Possible	**12/31/2020**	**12/31/2019**	**12/31/2020**	**12/31/2019**
Environmental	9,693	3,828	9,693	3,828
Civil	389,290	541,836	389,300	541,836
Labor	32,987	47,969	33,415	47,969
Tax	7,724	16,910	7,724	16,910
Regulatory	97,073	92,606	97,073	92,606
	536,767	**703,149**	**537,205**	**703,149**

Nature of main contingencies

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

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

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

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

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

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

(ii) Sanctioning Administrative Procedure - CVM

On December 8, 2017, CVM Instituted CVM Administrative Procedure No. 5388/2017, which aims to determine the purchase of derivative dollar contracts on behalf of Eldorado Brasil S.A. and other companies that are members of its economic group, between May 5 and 17, 2017, using unfair practices, in alleged violation of item II, point "d" of CVM Instruction No. 8/1979. A proposal for a compromise and defence was presented in May 2018. Currently the process awaits consideration of the defense that aims to rule out the application of the penalty of fine, estimated at R $ 84.9 million. In the current phase of the process, the classification of the probability of loss is possible, without provision.

21. Equity

21.1. Share capital

The subscribed and paid-in capital on December 31, 2020 and December 31, 2019 is R$ 1,788,792 comprising 1,525,558,419 common shares.

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

21.2. Legal reserve

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

21.3. Tax benefits reserve

See accounting policy in note 4.n.

21.4. Reserve for expansion

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

21.5. Dividends

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

21.6. Cumulative translation adjustments

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

(In Thousands of Reais)

21.7. Earnings per share

Basic earnings per share

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

	12/31/2020	12/31/2019
(Loss) / income attributable to shareholders	(108,411)	541,321
Weighted-average number of ordinary shares – thousands	1,525,558	1,525,558
(Loss) / earnings per share in reais	(0.07)	0.35

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

22. Revenue

	Individual		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Sales				
Local market	694,946	776,618	694,946	776,618
Foreign market	2,957,502	2,648,387	4,616,415	4,456,287
Discount and rebates	(9,584)	(944)	(749,597)	(797,441)
	3,642,864	**3,424,061**	**4,561,764**	**4,435,464**
Sales tax	(134,245)	(188,043)	(135,625)	(164,765)
Net revenue	**3,508,619**	**3,236,018**	**4,426,139**	**4,270,699**

23. Operating Segments

a. Geographic information

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

Net revenue	12/31/2020	12/31/2019
Brazil	558,680	622,934
China	1,894,082	1,849,873
United States of America	717,932	584,687
Italia	211,956	354,031
Mexico	147,775	49,795
Canada	141,467	110,232
Germany	132,005	76,819
Argentina	96,317	75,091
United Arab Emirates	51,256	22,316
Slovenia	50,420	47,968
Austria	47,178	134,749

(In Thousands of Reais)

Net revenue	12/31/2020	12/31/2019
Sweden	44,775	46,583
Egypt	42,929	43,828
Others	289,367	251,793
	4,426,139	**4,270,699**

b. Information about the major customer

From total revenues of the period ended December 31, 2020, an individual customer represents more than 10% of the Company's revenue (as of December 31, 2019, an individual customer represents more than 10% of the Company's revenue).

c. Information about non-current assets

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

Non-current assets	12/31/2020	12/31/2019
Brazil	10,234,997	9,159,866
Austria	1,072	60,043
United States of America	463	248
China	127	123
	10,236,659	**9,220,280**

24. Cost and expenses by nature

	Individual		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Staff expenses	403,326	411,663	427,969	430,080
Services, material and transport	605,355	590,246	1,007,165	868,789
Depreciation, amortization and depletion	378,340	376,131	395,280	406,229
Raw material and supplies	798,875	748,434	905,987	837,451
Others	33,010	18,550	37,061	24,399
	2,218,906	**2,145,024**	**2,773,462**	**2,566,948**
Cost of sales	1,740,569	1,724,871	1,872,732	1,852,813
Administrative and general expenses	218,715	172,947	234,230	186,479
Selling and logistics expenses	259,622	247,206	666,500	527,656
	2,218,906	**2,145,024**	**2,773,462**	**2,566,948**

(In Thousands of Reais)

25. Net financial result

	Individual		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Interest income	1,899	1,821	2,571	4,452
Financial investment income	3,287	33,810	6,806	35,345
Other financial income	5,013	14,598	5,013	14,598
Financial income	**10,199**	**50,229**	**14,390**	**54,395**
Bank charges	(140)	(199)	(536)	(565)
Interest	(559,021)	(762,420)	(549,808)	(757,902)
Derivatives results	-	(134,295)	-	(134,295)
Guarantee and surety expenses	(25,770)	(59,962)	(25,770)	(59,962)
Other financial expenses	(3,769)	(6,274)	(22,286)	(24,436)
Financial expense	**(588,700)**	**(963,150)**	**(598,400)**	**(977,160)**
Loans and borrowings	(1,180,063)	(135,827)	(1,180,063)	(135,827)
Other assets and liabilities	(281,589)	(2,156)	(282,172)	(2,486)
Exchange rate variation, net	**(1,461,652)**	**(137,983)**	**(1,462,235)**	**(138,313)**
	(2,040,153)	**(1,050,904)**	**(2,046,245)**	**(1,061,078)**

26. Other operating income (expenses)

	Individual		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Write off of forests damaged by fire (note 10)	(28,354)	-	(28,354)	-
Tax asset write-off (a)	(14,605)	-	(14,605)	-
Contingencies expenses	(10,111)	(12,101)	(10,582)	(12,101)
Forest fire fighting	(4,998)	-	(4,998)	-
Non recoverable ICMS	(3,941)	(1,980)	(4,235)	(2,216)
Indemnities	(3,282)	(7,263)	(3,679)	(7,420)
PIS/COFINS credits (note 9)	-	9,051	-	9,051
Property, plant and equipment sales	10,451	2,653	10,695	2,653
Others	(3,827)	(2,824)	(4,030)	(4,015)
	(58,667)	**(12,464)**	**(59,788)**	**(14,048)**

(a) It’s concerning the tax credit incorrectly calculated in excess in 2014. The Company, despite the chances of success in the judiciary has opted to proceed the write-off, taking advantage of the financial benefits in the reduction of 95% of the fine amount payable, allowed by the legislation of REFIS of the State of Mato Grosso do Sul.

27. Insurance coverage

As of December 31, 2020, insurance coverage against operational risks in effect according the insurance policy from 08/15/2020 to 02/15/2022 comprises U$ 200,000 for property damage and U$ 210,000 for loss of profits. Coverage for civil liability is USD 25,000 valid from 08/15/2020 to 08/15/2021.

The risk assumptions adopted, given their nature, are not part of the scope of a review, and accordingly were not reviewed by the independent auditors.

28. Financial instruments

28.1 Financial risk management

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

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

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

a. Market risk

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

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

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

(In Thousands of Reais)

(i) Interest rate risk

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

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

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

The risk of exposure to the Company's interest rate is on loans and borrowings. The balances as of December 31, 2020 and December 31, 2019 are presented as follows:

	Individual		Consolidated	
Financial category	**12/31/2020**	**12/31/2019**	**12/31/2020**	**12/31/2019**
Loans and borrowings	5,846,513	5,270,029	7,726,957	6,812,484
Loans and borrowings with related parties	1,887,692	1,555,756	-	-
Cash and cash equivalents	(18,788)	(187,921)	(553,782)	(507,427)
Financial inverstments	(164,504)	(332,583)	(396,624)	(392,065)
	7,550,913	**6,305,281**	**6,776,551**	**5,912,992**

Sensitivity analysis

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

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

(In Thousands of Reais)

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

Individual

12/31/2020	Balance (R$)	Probable	Possible (25%)	Remote (50%)
Net exposure to interest rates	(7,550,913)	(6,644)	(6,307)	(12,615)

12/31/2019	Balance (R$)	Probable	Possible (25%)	Remote (50%)
Net exposure to interest rates	(6,305,281)	1,701	(8,611)	(17,221)

Consolidated

12/31/2020	Balance (R$)	Probable	Possible (25%)	Remote (50%)
Net exposure to interest rates	(6,776,551)	(6,856)	(6,765)	(13,530)

12/31/2019	Balance (R$)	Probable	Possible (25%)	Remote (50%)
Net exposure to interest rates	(5,912,992)	1,601	(4,643)	(9,287)

(ii) Foreign exchange risk

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

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

As of December 31, 2020, and December 31, 2019, the exchange rate risk is concentrated in: Cash and cash equivalents, financial investments, trade accounts receivables, trade accounts payable and loans and borrowings.

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

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

Individual and consolidated

	USD		R$	
Exposure	**12/31/2020**	**12/31/2019**	**12/31/2020**	**12/31/2019**
Cash and cash equivalents	6,405	46,020	33,284	185,492
Trade receivables	69,373	83,304	360,513	335,773
Trade payables	(2,050)	(149)	(10,653)	(603)
Loans and borrowings with related parties	(363,248)	(385,977)	(1,887,692)	(1,555,756)
Loans and borrowings	(946,813)	(1,012,823)	(4,920,304)	(4,082,384)
Net exposure to foreign exchange fluctuation	**(1,236,333)**	**(1,269,625)**	**(6,424,852)**	**(5,117,478)**

As of December 31, 2020, the price of the U.S. Dollar was R$ 5.1967 (as of December 31, 2019 the price of the U.S. Dollar was R$ 4.0307).

Sensitivity analysis

The information on the foreign exchange risk to which the company is exposed and the possible impacts on the result are presented below. The likely scenario is based on the consensus of the Focus report of January 8, 2021 with the exchange rate of 5.00 considered for December 31, 2021 and possible changes are presented classified as possible and remote, being 25% and 50% respectively in relation to those of the probable scenario. This analysis assumes that all other variables, in particular interest rates, remain constant and ignore any impact of planned sales and purchases.

Individual and consolidated

12/31/2020	**Balance (USD)**	**Balance (R$)**	**Probable**	**Possible (25%)**	**Remote (50%)**
Net exposure to exchange rate gains (losses)	**(1,236,333)**	**(6,424,852)**	**243,187**	**(1,302,230)**	**(2,847,646)**

12/31/2019	**Balance (USD)**	**Balance (R$)**	**Probable**	**Possible (25%)**	**Remote (50%)**
Net exposure to exchange rate gains (losses)	(1,269,625)	(5,117,478)	(62,593)	(1,279,369)	(2,558,739)

(iii) Price risk

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

(In Thousands of Reais)

Individual and Consolidated	12/31/2020	12/31/2019
Estimated value of contracts signed	1,685,873	2,194,352
Payments/prepayments done	(436,233)	(798,371)
	1,249,640	**1,395,981**

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

b. Credit risk

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

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

As of December 31, 2020, the book value of accounts receivable from the company's two most relevant clients (located in Asia) is R$ 155,708 (R$ 78,423 as of December 31, 2019).

Credit risk exposure

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

	Individual		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Cash and cash equivalents	183,292	520,504	888,014	840,010
Financial investments	-	-	62,392	59,482
Trade receivables	490,832	448,727	712,377	509,328
Total	**674,124**	**969,231**	**1,662,783**	**1,408,820**

(In Thousands of Reais)

c. Liquidity risk

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

The Company's approach to managing liquidity is to ensure cash and financial investments in order to meet its financial and operating commitments. The amount held in cash is intended to meet the liabilities of the normal course of its operations, while the surplus is invested in highly liquid financial investments contracted with highly rated institutions.

The Company's long-term debt is in the CCB modalities, with an average maturity of 1.6 years, Leasing with an average maturity of 1.8 years, BNDES and its subsidiaries - average maturity of 1.6 years, PPE average maturity of 1.2 years.

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

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

Individual	1 year or less	1-2 years	2-3 years	More than 3 years	Total
As of December 31, 2020					
Loans and borrowings	2,949,057	1,911,563	1,120,557	161,874	6,143,051
Trade payables	286,351	523	-	-	286,874
Loans and borrowings with related parties	1,960,051	-	-	-	1,960,051
Accounts payable to related parties	2,968	-;	-	-	2,968
Other current liabilities	5,628	-	-	-	5,628
	5,204,055	**1,912,086**	**1,120,557**	**161,874**	**8,398,572**
As of December 31, 2019					
Trade payables	250,038	2,094	523	-	252,655
Loans and borrowings	2,161,677	1,406,901	1,485,264	216,187	5,270,029
Loans and borrowings with related parties	93,776	1,453,365	-	-	1,547,141
Accounts payable to related parties	7,424	-	-	-	7,424
	2,512,915	**2,862,360**	**1,485,787**	**216,187**	**7,077,249**

(In Thousands of Reais)

Consolidated	1 year or less	1-2 years	2-3 years	More than 3 years	Total
As of December 31, 2020					
Loans and borrowings	4,905,465	1,911,563	1,120,557	161,874	8,099,459
Trade payables	271,654	523	-	-	272,177
Accounts payable to related parties	1,716	-	-	-	1,716
Other current liabilities	87,256	-	-	-	87,256
	5,266,091	**1,912,086**	**1,120,557**	**161,874**	**8,460,608**
As of December 31, 2019					
Trade payables	248,962	2,094	523	-	251,579
Loans and borrowings	2,251,215	2,859,818	1,485,264	289,175	6,885,472
Accounts payable to related parties	3,986	-	-	-	3,986
	2,504,163	**2,861,912**	**1,485,787**	**289,175**	**7,141,037**

d. Operational risks

Port use concession-right-of-use

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

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

Natural disasters and other risks

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

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

(In Thousands of Reais)

28.2 Fair values of financial instruments

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

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

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

		12/31/2020		12/31/2019	
Individual	**Hierarchy Level**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Assets					
Assets at amortized cost					
Cash and cash equivalents		183,292	183,292	520,504	520,504
Trade receivables		490,832	490,832	448,727	448,727
		674,124	**674,124**	**969,231**	**969,231**
Liabilities					
Liabilities at amortized cost					
Loans and borrowings	Level 2	5,846,513	5,904,693	5,270,029	5,270,029
Trade payables		281,823	281,823	252,655	252,655
Lease liabilities		741,860	741,860	645,952	645,952
Loans and borrowings with related parties		1,887,692	2,171,922	1,547,141	1,547,141
Accounts payable to related parties		2,968	2,968	7,424	7,424
Other current liabilities		11,433	11,433	8,810	8,810
		8,772,289	**9,114,699**	**7,732,011**	**7,732,011**

(In Thousands of Reais)

Consolidated		12/31/2020 Carrying amount	12/31/2020 Fair value	12/31/2019 Carrying amount	12/31/2019 Fair value
Assets					
Assets at amortized cost					
Cash and cash equivalents		888,014	888,014	840,010	840,010
Trade receivables		712,377	712,377	509,269	509,269
		1,600,391	**1,600,391**	**1,349,279**	**1,349,279**
Assets at fair value through income (loss)					
Financial investments	Level 2	62,392	62,392	59,482	59,482
		62,392	**62,392**	**59,482**	**59,482**
		1,662,783	**1,662,783**	**1,408,761**	**1,408,761**
Liabilities					
Liabilities at amortized cost					
Loans and borrowings	Level 2	7,726,957	7,823,970	6,812,484	6,885,472
Trade payables		267,126	267,126	251,579	251,579
Lease liabilities		921,286	921,286	649,164	649,164
Accounts payable to related parties		1,716	1,716	3,986	3,986
Other current liabilities		55,560	55,560	53,843	53,843
		8,972,645	**9,069,658**	**7,771,056**	**7,844,044**

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

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

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

(In Thousands of Reais)

29. Take or pay agreements

a. Chemical and oxygen plant and gas distribution line

(i) Future minimum lease payments

As of December 31, 2020, the minimum non-cancellable future payments are as follows:

	Individual and Consolidated	
	12/31/2020	12/31/2019
2020	-	74,725
2021	72,539	74,725
2022	72,082	74,725
2023	72,082	74,725
2024	72,082	74,725
2025 and thereafter	247,122	261,079
	535,907	**634,704**

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

	Individual and Consolidated	
	12/31/2020	12/31/2019
Expenses	158,027	145,855
	158,027	**145,855**

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

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

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

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

b. Thermoelectric power plant

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

30. Collaboration Agreement, Leniency Agreement and Internal Investigation

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

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

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

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

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

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

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

31. Share Purchase and Sale Agreement

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

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

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

32. Subsequent Events

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 21, 2021, the Company was subpoenaed for an injunction issued by the 2nd Business and Disputes Court Related to arbitration of the District of São Paulo, in the context of declaratory action for nullity of arbitration award, filed by J&F Investimentos S.A. in the face of the Company and CA Investment (Brazil) S.A., determining the suspension of the effects of the arbitral award of February 3, 2021, until the manifestation of the defendants and the decision by this judgment on the subject.

Statory Board

Carmine de Siervi Neto
President Director

Germano Aguiar Vieira
Forest Director

Carlos Roberto de Paiva Monteiro
Industrial Technical Director

Rodrigo Libaber
Commercial Director and Investor Relations

Fernando Storchi
Financial Director

Board of Directors

Sérgio Longo
Board of Directors President

João Adalberto Elek Júnior
Counselor

José Antonio Batista Costa
Counselor

Mauro Eduardo Guizeline
Counselor

Francisco de Assis e Silva
Counselor

Marcio Antonio Teixeira Linares
Counselor

Raul Rosenthal Ladeira de Matos
Counselor

Accountant

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