

**ELDORADO BRASIL CELULOSE S.A.**

**Parent Company and consolidated interim  
financial information**

**March 31, 2023**

# ELDORADO BRASIL CELULOSE S.A.

Parent Company and consolidated interim financial information

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## Report on review of interim financial information

*(A free translation of the original report in Portuguese)*

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

### **Introduction**

We have reviewed the accompanying individual and consolidated interim financial information of Eldorado Brasil Celulose S.A. (the "Company") contained in the Quarterly Information Form (ITR) for the quarter ended March 31, 2023, which comprises the statement of financial position as of March 31, 2023 and the respective statements of income, comprehensive income for the three-month period then ended, changes in equity and cash flows for the three period then ended, including the explanatory notes.

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

### **Scope of review**

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



**Conclusion on the individual and consolidated interim financial information**

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

**Other matters**

**Statements of Value Added**

The interim financial information as referred to above includes individual and consolidated statements of value added (DVA) for the three-month period ended March 31, 2023, prepared under the responsibility of the Company's management, presented as supplementary information for the purposes of IAS 34. The financial information were submitted to the review procedures followed together with the review of the Quarterly Information, in order to form our conclusion whether these statements are reconciled to the interim financial information and to the accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that Statement of Value Added has not been prepared, in all material respects, in accordance with requirements described at the Technical Pronouncement and consistent with the individual and consolidated interim financial information taken as a whole.

São Paulo, May 12, 2023

KPMG Auditores Independentes Ltda.  
CRC 2SP-014428/O-6

Original report in Portuguese signed by

Leslie Nares Laurenti  
Accountant CRC 1SP215906/O-9

# ELDORADO BRASIL CELULOSE S.A.

## Balance sheets

In thousands of reais

### Assets

	Note	Parent company		Consolidated	
		03/31/2023	12/31/2022	03/31/2023	12/31/2022
<b>Current</b>					
Cash and cash equivalents	5.1	947,825	173,122	1,730,027	1,347,256
Trade accounts receivable	6	633,603	803,220	1,279,706	1,538,739
Inventories	8	681,320	585,501	933,238	832,361
Recoverable taxes	9	17,037	84,073	20,572	85,862
Income tax and social contribution - current		22,716	-	22,762	46
Derivative financial instruments	4.4.1	98,213	92,874	98,213	92,874
Advances to suppliers		83,167	65,323	83,273	65,323
Other current assets		47,849	53,900	49,405	55,370
<b>Total current assets</b>		<b>2,531,730</b>	<b>1,858,013</b>	<b>4,217,196</b>	<b>4,017,831</b>
<b>Non-current</b>					
<b>Long-term assets</b>					
Recoverable taxes	9	42,240	31,956	42,903	32,550
Advances to suppliers		290,021	249,151	290,021	249,151
Derivative financial instruments	4.4.1	157,391	123,531	157,391	123,531
Loans with related parties	7.1	222,143	160,110	-	-
Other non-current assets		3,201	4,697	3,730	5,158
		<b>714,996</b>	<b>569,445</b>	<b>494,045</b>	<b>410,390</b>
Biological assets	10	3,859,173	3,802,426	3,859,173	3,802,426
Investments	11	2,962,867	3,396,895	-	-
Property, plant and equipment	12	4,928,865	4,869,614	4,968,188	4,894,360
Intangible assets	13	28,622	29,901	384,427	324,192
Rights-of-use	14.1	1,033,938	952,070	1,312,898	1,230,311
<b>Total non-current assets</b>		<b>13,528,461</b>	<b>13,620,351</b>	<b>11,018,731</b>	<b>10,661,679</b>
<b>Total assets</b>		<b>16,060,191</b>	<b>15,478,364</b>	<b>15,235,927</b>	<b>14,679,510</b>

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

# ELDORADO BRASIL CELULOSE S.A.

## Balance sheets

In thousands of reais

### Liabilities and shareholders' equity

	Note	Parent company		Consolidated	
		03/31/2023	12/31/2022	03/31/2023	12/31/2022
<b>Current</b>					
Suppliers	15	268,787	293,058	270,986	297,175
Loans and financing	16	1,384,428	1,725,644	1,384,428	1,725,644
Leases payable	14.3	213,331	202,594	234,335	234,768
Loans with related parties	7.3	16,420	3,191	-	-
Labor and social security obligations		142,287	210,906	146,834	218,359
Tax obligations		11,462	19,358	19,649	46,248
Income tax and social contribution - current		-	40,647	57,000	72,458
Derivative financial instruments	4.4.1	-	6,108	-	6,108
Other current liabilities		19,614	21,854	99,661	117,939
<b>Total current liabilities</b>		<b>2,056,329</b>	<b>2,523,360</b>	<b>2,212,893</b>	<b>2,718,699</b>
<b>Non-current</b>					
Loans and financing	16	2,656,017	2,604,721	2,656,017	2,604,721
Loans with related parties	7.3	1,117,688	1,147,894	-	-
Leases payable	14.3	958,833	865,969	1,095,218	1,019,222
Deferred income tax and social contribution	17.2	337,202	258,612	337,202	258,612
Provision for legal risks	18	33,221	30,692	33,696	31,140
Other non-current liabilities		23,110	22,378	23,110	22,378
<b>Total non-current liabilities</b>		<b>5,126,071</b>	<b>4,930,266</b>	<b>4,145,243</b>	<b>3,936,073</b>
<b>Shareholders' equity</b>					
Share Capital	19	1,788,792	1,788,792	1,788,792	1,788,792
Retained earnings reserves		5,889,613	5,885,074	5,889,613	5,885,074
Equity valuation adjustments		312,117	350,872	312,117	350,872
Retained earnings		887,269	-	887,269	-
<b>Total shareholders' equity</b>		<b>8,877,791</b>	<b>8,024,738</b>	<b>8,877,791</b>	<b>8,024,738</b>
<b>Total liabilities and shareholders' equity</b>		<b>16,060,191</b>	<b>15,478,364</b>	<b>15,235,927</b>	<b>14,679,510</b>

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

# ELDORADO BRASIL CELULOSE S.A.

## Statement of income

Periods ended March 31

In thousands of reais, unless otherwise indicated

	Note	Parent company		Consolidated	
		03/31/2023	03/31/2022	03/31/2023	03/31/2022
<b>Net revenue</b>	20	733,326	726,484	1,535,357	1,444,308
<b>Cost of goods sold</b>	22	(538,305)	(522,930)	(530,849)	(522,864)
<b>Gross income</b>		<b>195,021</b>	<b>203,554</b>	<b>1,004,508</b>	<b>921,444</b>
<b>Operating revenues/(expenses)</b>					
With sales and logistics	22	(55,497)	(85,901)	(134,565)	(209,263)
Administrative and general	22	(72,606)	(48,184)	(76,752)	(52,809)
Expected credit losses	6	315	1,298	5,580	1,310
Equity in net income of subsidiaries	11.2	728,864	595,723	-	-
Other operating revenues, net	23	5,651	6,597	5,452	6,508
<b>Operating income (loss) before financial income (loss)</b>		<b>801,748</b>	<b>673,087</b>	<b>804,223</b>	<b>667,190</b>
<b>Net financial income (expenses)</b>	24				
Financial revenues		14,023	5,946	25,035	7,143
Financial expenses		(138,762)	(148,034)	(128,008)	(138,457)
Derivative financial instruments		209,646	72,138	209,646	72,138
Net exchange-rate change		78,419	690,387	77,161	694,129
<b>Income before taxes</b>		<b>965,074</b>	<b>1,293,524</b>	<b>988,057</b>	<b>1,302,143</b>
<b>Income tax and social contribution</b>	17.1				
Current		(2,011)	-	(24,994)	(8,619)
Deferred		(71,255)	(237,299)	(71,255)	(237,299)
<b>Net income for the period</b>		<b>891,808</b>	<b>1,056,225</b>	<b>891,808</b>	<b>1,056,225</b>
<b>Basic and diluted net earnings per share - in reais (R\$)</b>	19.8			<b>0.5846</b>	<b>0.6924</b>

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

# ELDORADO BRASIL CELULOSE S.A.

## Statement of comprehensive income

Periods ended March 31

In thousands of reais

	Parent company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
<b>Net income for the year</b>	<b>891,808</b>	<b>1,056,225</b>	<b>891,808</b>	<b>1,056,225</b>
<b>Items that can be subsequently reclassified to income (loss):</b>				
Foreign exchange differences on translation of foreign operations	(52,996)	(343,213)	(52,996)	(343,213)
Adjustment of cash flow hedge	21,577	186,679	21,577	186,679
Deferred income tax on cash flow hedge	(7,336)	(63,470)	(7,336)	(63,470)
<b>Other comprehensive income for the period, net of income tax</b>	<b>(38,755)</b>	<b>(220,004)</b>	<b>(38,755)</b>	<b>(220,004)</b>
<b>Total comprehensive income for the period</b>	<b>853,053</b>	<b>836,221</b>	<b>853,053</b>	<b>836,221</b>

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



# ELDORADO BRASIL CELULOSE S.A.

## Statements of changes in shareholders' equity

Periods ended March 31

In thousands of reais

	Retained earnings reserves					Equity valuation adjustments				Total
	Share Capital	Legal reserve	Tax incentive reserve	Expansion reserve	Reserve for minimum mandatory retained dividends	Profit retention	Hedge accounting	Accumulated translation adjustments	Retained earnings	
Balances at December 31, 2021	1,788,792	80,486	992,943	1,039,340	238,037	-	8,772	446,597	-	4,594,967
Comprehensive income for the period										
Net income for the period	-	-	-	-	-	-	-	-	1,056,225	1,056,225
Other comprehensive income for the period	-	-	-	-	-	-	123,209	(343,213)	-	(220,004)
Total comprehensive income for the period, net of taxes	-	-	-	-	-	-	123,209	(343,213)	1,056,225	836,221
Balances at March 31, 2022	1,788,792	80,486	992,943	1,039,340	238,037	-	131,981	103,384	1,056,225	5,431,188
Balances at December 31, 2022	1,788,792	257,199	1,004,037	1,039,340	238,037	3,346,461	58,982	291,890	-	8,024,738
Comprehensive income for the period										
Net income for the period	-	-	-	-	-	-	-	-	891,808	891,808
Other comprehensive income for the period	-	-	-	-	-	-	14,241	(52,996)	-	(38,755)
Total comprehensive income for the period, net of taxes	-	-	-	-	-	-	14,241	(52,996)	891,808	853,053
Tax incentive reserve	-	-	-	-	-	-	-	-	-	-
	-	-	4,539	-	-	-	-	-	(4,539)	-
Balances at March 31, 2023	1,788,792	257,199	1,008,576	1,039,340	238,037	3,346,461	73,223	238,894	887,269	8,877,791

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

# ELDORADO BRASIL CELULOSE S.A.

## Statement of cash flows

Periods ended March 31

In thousands of reais

	Note	Parent company		Consolidated	
		03/31/2023	03/31/2022	03/31/2023	03/31/2022
<b>Cash flow from operating activities:</b>					
Net income for the period		891,808	1,056,225	891,808	1,056,225
<b>Adjustments to reconcile income (loss) to cash and cash equivalents generated by operating activities:</b>					
Depreciation and amortization	22 e 23	74,428	65,422	83,194	70,588
Depletion	22	66,111	101,159	70,143	104,949
Income (loss) from disposal of property, plant and equipment and biological assets		(11,952)	(2,479)	(11,952)	(2,479)
Deferred income tax and social contribution	17.1	71,255	237,299	71,255	237,299
Income tax and social contribution - current	17.1	2,011	-	24,994	8,619
Financial charges - interest - leases		18	36	185	163
Financial charges - interest and exchange-rate change		41,318	(484,423)	41,318	(484,423)
Financial charges - interest and exchange-rate change - related parties		(16,977)	(173,493)	(13,036)	(187,209)
Financial charges - interest and exchange-rate change - interest earning bank deposits		-	5,816	-	5,816
Financial charges - interest on loan - related parties		(8,051)	-	-	-
Clients - exchange-rate change		11,255	28,645	11,255	28,645
Provision for legal risks	18	5,993	2,544	6,020	2,476
Net gain with derivatives	24	(209,646)	(46,981)	(209,646)	(46,981)
Reversal of estimated losses with ICMS credits	9 e 23	(7,623)	(2,271)	(7,623)	(2,271)
Estimated loss on inventory		(388)	-	(388)	-
Equity in net income of subsidiaries	11.2	(728,864)	(595,723)	-	-
Expected credit losses	6.2	(315)	(1,298)	(5,580)	(1,310)
		<b>180,381</b>	<b>190,478</b>	<b>951,947</b>	<b>790,107</b>
<b>Decrease / (increase) in assets</b>					
Trade accounts receivable		158,676	286,295	226,077	30,294
Inventories		(34,639)	(43,415)	(58,421)	(56,873)
Recoverable taxes		67,295	(7,538)	65,912	(6,302)
Advances to suppliers		(14,355)	(62,543)	(14,461)	(62,543)
Other current and non-current assets		7,548	4,111	12,193	3,855
<b>Increase / (decrease) in liabilities</b>					
Suppliers		(24,271)	23,337	(16,325)	99,401
Accounts payable to related parties		-	(141)	-	(141)
Labor and social security obligations		(68,619)	(28,521)	(71,458)	(31,437)
Tax obligations		(7,896)	665	(6,789)	2,189
Provision for legal risks	18	(3,464)	(2,630)	(3,464)	(2,630)
Other current and non-current liabilities		(1,479)	(7,437)	(20,213)	(17,076)
<b>Cash generated by operating activities</b>		<b>259,177</b>	<b>352,661</b>	<b>1,064,998</b>	<b>748,844</b>
Income tax and social contribution paid		(68,293)	-	(84,632)	(2,774)
<b>Net cash generated by operating activities</b>		<b>190,884</b>	<b>352,661</b>	<b>980,366</b>	<b>746,070</b>
<b>Cash flow from investment activities:</b>					
Increase in biological assets		(118,841)	(110,412)	(118,841)	(110,412)
Additions to property, plant and equipment and intangible assets	12.2 e 13.2	(151,555)	(43,559)	(212,278)	(78,068)
Cash received upon disposal of property, plant and equipment		15,612	2,237	15,612	2,237
Loan granted to the subsidiaries		(97,000)	(63,000)	-	-
Interest earning bank deposits, net		-	44,781	-	44,781
Dividends received	11.2	1,152,619	-	-	-
<b>Net cash invested in investment activities</b>		<b>800,835</b>	<b>(169,953)</b>	<b>(315,507)</b>	<b>(141,462)</b>
<b>Cash flow from financing activities:</b>					
Loans and financing obtained	16.3	578,279	42,678	578,279	42,678
Amortization of loans and financing - principal	16.3	(774,653)	(186,926)	(774,653)	(186,926)
Amortization of loans and financing - interest	16.3	(134,864)	(110,079)	(134,864)	(110,079)
Receipt of operations with derivatives	24	185,916	-	185,916	-
Payment of lease agreements	14.3	(71,694)	(55,886)	(118,235)	(99,809)
<b>Net cash invested in financing activities</b>		<b>(217,016)</b>	<b>(310,213)</b>	<b>(263,557)</b>	<b>(354,136)</b>
Effects of exchange-rate change on cash		-	-	(18,531)	(117,677)
<b>Net decrease (increase) in cash and cash equivalents</b>		<b>774,703</b>	<b>(127,505)</b>	<b>382,771</b>	<b>132,795</b>
Cash and cash equivalents at the beginning of the period		173,122	301,889	1,347,256	789,944
Cash and cash equivalents at the end of the period		947,825	174,384	1,730,027	922,739
<b>Net decrease (increase) in cash and cash equivalents</b>		<b>774,703</b>	<b>(127,505)</b>	<b>382,771</b>	<b>132,795</b>

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

# ELDORADO BRASIL CELULOSE S.A.

## Statement of added value

Periods ended March 31

In thousands of reais

	Parent company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
<b>Revenues</b>				
Sale of goods, products and services	798,544	774,621	1,600,971	1,492,862
Other operating revenues	(950)	8,432	(943)	8,486
Transfers from construction of own assets	13,229	3,474	13,229	3,474
Reversal of expected credit losses	315	1,298	5,580	1,310
	<b>811,138</b>	<b>787,825</b>	<b>1,618,837</b>	<b>1,506,132</b>
<b>Inputs acquired from third parties</b>				
Cost of products, goods, and services rendered	(184,533)	(182,064)	(174,092)	(169,842)
Materials, energy, outsourced services and other	(177,899)	(151,688)	(205,677)	(231,213)
Reversal to loss of asset values	7,623	2,271	7,623	2,271
<b>Gross added value</b>	<b>456,329</b>	<b>456,344</b>	<b>1,246,691</b>	<b>1,107,348</b>
<b>Depreciation, amortization and depletion</b>	<b>(140,539)</b>	<b>(166,581)</b>	<b>(153,337)</b>	<b>(175,537)</b>
<b>Net added value produced by the Entity</b>	<b>315,790</b>	<b>289,763</b>	<b>1,093,354</b>	<b>931,811</b>
<b>Added value received as transfer</b>				
Equity in net income of subsidiaries	728,864	595,723	-	-
Financial revenues and foreign exchange gain	302,088	(107,852)	311,842	(106,537)
<b>Total added value payable</b>	<b>1,346,742</b>	<b>777,634</b>	<b>1,405,196</b>	<b>825,274</b>
<b>Distribution of added value</b>				
<b>Personnel</b>				
Direct remuneration	65,331	66,670	62,656	71,122
Benefits	45,181	30,788	46,239	32,845
FGTS	5,956	5,764	5,956	6,149
	<b>116,468</b>	<b>103,222</b>	<b>114,851</b>	<b>110,116</b>
<b>Taxes, duties and contributions</b>				
Federal	127,175	290,913	150,544	300,202
State	35,917	19,295	36,067	19,437
Municipal	-	-	396	418
	<b>163,092</b>	<b>310,208</b>	<b>187,007</b>	<b>320,057</b>
<b>Third-party capital remuneration</b>				
Interest and exchange-rate change	132,922	(730,096)	119,525	(747,667)
Rentals	42,405	38,046	89,275	82,183
Other	47	29	2,730	4,360
	<b>175,374</b>	<b>(692,021)</b>	<b>211,530</b>	<b>(661,124)</b>
<b>Remuneration of own capital</b>				
Net income for the period	891,808	1,056,225	891,808	1,056,225
<b>Total added value paid</b>	<b>1,346,742</b>	<b>777,634</b>	<b>1,405,196</b>	<b>825,274</b>

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

# ELDORADO BRASIL CELULOSE S.A.

## Notes to the Parent Company and consolidated interim financial information

March 31, 2023

In thousands of reais, unless otherwise indicated

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### 1. Operations

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

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

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

The issue of these financial statements was authorized by the Company’s Board of Directors as of May 12, 2023.

### 2. Preparation and presentation of individual and consolidated interim financial information

#### (a) Statement of conformity (in relation to IFRS standards and CPC standards)

Parent Company and consolidated interim financial information was prepared in accordance with IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB) and CPC 21 - Interim Financial Reporting issued by Accounting Pronouncement Committee.

Management states that all significant information specific to financial statements and only them, are being evidenced and correspond to those used by it in its management.

#### (b) Measuring basis

The interim financial information was prepared based on accounting practices and policies consistent with those adopted for preparation of financial statements as of December 31, 2022 and should be read with these statements.

Information from notes which did not suffer material changes compared to those included in the financial statements for the year ended December 31, 2022 were not fully reproduced in this quarterly information. Certain information was included to explain the main events and transactions that took place, in order to provide an understanding of the changes in the Company's financial position and operating performance since the disclosure of financial statements at December 31, 2022.

The change for the year ended December 31, 2022 is presented in the individual and consolidated annual financial statements for the period then ended, published on March 15, 2023.

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

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- Description of significant accounting policies (Note 7);
- Trade accounts receivable (Note 10);
- Recoverable taxes (Note 13);
- Biological assets (Note 14);
- Property, plant and equipment (Note 16);
- Intangible assets (Note 17);
- Right-of-use and leases payable (Note 18);
- Loans and financing (Note 20);
- Income tax and social contribution - current and deferred (Note 21);
- Provision for lawsuit risks (Note 22);
- Shareholders' equity (Note 23);
- Financial instruments (Note 8) and;
- Take or pay contracts (Note 29).

### (c) Use of estimates and judgments

In the preparation of this individual and consolidated interim financial information, in accordance with IFRS and CPC standards, Management used judgments, estimates and assumptions that affect the application of accounting principles and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

These estimates and assumptions are reviewed in a continuous manner, and such reviews are recognized on a prospective basis.

There was no change of any nature in Management's estimates and judgments in relation to those used and disclosed in the individual and consolidated annual financial statements as of December 31, 2022.

### (d) Measurement of fair value

When measuring fair value of an asset or liability, the Company uses observable market data as much as possible. Further information about the assumptions made in measuring fair values is included in the following notes:

- **Note 10** - Biological assets;
- **Note 4** - Financial instruments.

### (e) Functional and presentation currency

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

#### (i) Foreign currency transactions

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

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

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### (ii) Foreign operations

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

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

### 3. Consolidation

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

The subsidiaries included in the consolidation are:

<u>Direct subsidiaries</u>	<u>Country</u>	<u>Ownership interest</u>	
		<u>03/31/2023</u>	<u>12/31/2022</u>
Cellulose Eldorado Austria GmbH	Austria	100%	100%
Rishis Empreendimentos e Participações S.A.	Brazil	100%	100%
Eldorado Brasil Celulose Logistica Ltda.	Brazil	100%	100%
<u>Indirect subsidiaries</u>			
Eldorado USA Inc.	USA	100%	100%
Eldorado Intl. Finance GmbH	Austria	100%	100%
Cellulose Eldorado Ásia	China	100%	100%

The accounting policies applied in the preparation of the consolidated financial statements are disclosed in the individual and consolidated annual financial statements as of December 31, 2022.

### 4. Management of financial risks and financial instruments

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

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

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

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### 4.1. Financial instruments by category

	<u>03/31/2023</u>	<u>Consolidated 12/31/2022</u>
<b>Assets</b>		
<b><u>Amortized cost:</u></b>		
Cash and cash equivalents	1,730,027	1,347,256
Trade accounts receivable	1,279,706	1,538,739
Advances to suppliers	373,294	314,474
Other assets	53,135	60,528
	<u>3,436,162</u>	<u>3,260,997</u>
<b><u>Fair value through other comprehensive income:</u></b>		
Derivative financial instruments	255,604	216,405
	<u>3,691,766</u>	<u>3,477,402</u>
<b>Liabilities</b>		
<b><u>Amortized cost:</u></b>		
Loans and financing	4,040,445	4,330,365
Suppliers	270,986	297,175
Leases payable	1,329,553	1,253,990
Other liabilities	122,771	140,317
	<u>5,763,755</u>	<u>6,021,847</u>
<b><u>Fair value through other comprehensive income:</u></b>		
Derivative financial instruments	-	6,108
	<u>5,763,755</u>	<u>6,027,955</u>

### 4.2. Fair value hierarchy

Assets and liabilities measured at fair value in the balance sheet are calculated based on valuation techniques determined from inputs classified into the following hierarchy levels:

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

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

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

In the period ended March 31, 2023, Company's derivative financial instruments are classified as level 2.

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

### 4.3. Financial risk factors

The Company is exposed to the following financial risks:

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

### a. Market risk

#### i. Interest rate risk

The interest rate risk on financial assets and liabilities, except derivative instruments, is calculated based on market indicators for March 2023 and presenting the following likely impact scenario on the financial income (loss):

Type	Index	Rate	03/31/2023	Likely scenario	
				Rate	R\$ Gain (Loss)
Cash and cash equivalents	CDI	13.75%	677,094	12.75%	(6,771)
Other non-current assets	Ref. rate	0.24%	151	0.22%	(0)
Loans and financing	Libor	4.86%	(907,501)	5.00%	(1,289)
Loans and financing	IPCA	5.36%	(546,638)	5.96%	(3,280)
Loans and financing	SOFR	4.87%	(498,813)	4.88%	(65)
Loans and financing	CDI	13.75%	(1,450,893)	12.75%	14,509
Leases payable	IPCA	5.36%	(1,329,553)	5.96%	(7,977)
<b>Net exposure</b>			<b>(4,056,153)</b>		<b>(4,873)</b>

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

The amounts of R\$ 1,052,933 of interest earning bank deposits abroad and cash deposits and R\$ 636,600 of loans and financing, are subject to fixed interest rates and do not present a future scenario of fluctuations.

#### ii. Exchange rate risk

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



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Exposure	Currency	Exchange rate	R\$	03/31/2023	Likely scenario	
				Exposed amount	Exchange rate	R\$ Gain (Loss)
Cash and cash equivalents	USD	5.0804	1,044,409	205,576	5.2500	34,865
Cash and cash equivalents	EUR	5.5244	3,630	657	5.7088	121
Cash and cash equivalents	CNY	0.7394	4,895	6,620	0.7641	163
Trade accounts receivable	USD	5.0804	1,047,445	206,174	5.2500	34,967
Suppliers	USD	5.0804	(7,866)	(1,548)	5.2500	(263)
Suppliers	EUR	5.5244	(8,055)	(1,458)	5.7088	(269)
Suppliers	GBP	6.2845	(94)	(15)	6.4943	(3)
Loans and financing	USD	5.0804	(2,784,652)	(548,117)	5.2500	(92,961)
<b>Operating exposure</b>			<b>(700,288)</b>	<b>(132,111)</b>		<b>(23,379)</b>

### b. Credit risk

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

	<u>03/31/2023</u>	<u>12/31/2022</u>
Cash and cash equivalents	1,730,004	1,347,205
Trade accounts receivable	1,279,706	1,538,739
Advances to suppliers	373,294	314,474
Derivatives receivable	255,604	216,405
<b>Total</b>	<b><u>3,638,608</u></b>	<b><u>3,416,823</u></b>

Client credit risk, except for the receivables from related parties for which risks on its realization are not identified, is centrally managed by Eldorado, pursuant to control procedures established by the Company, in accordance with management of credit risk and client collection. Credit limits are previously established for all clients based on internal rating criteria. Outstanding trade notes are monitored frequently and, where necessary, an expected credit loss is recognized at each closing period.

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

### c. Liquidity risk

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

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

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Consolidated	≤ 1 year	01-02 years	02-03 years	≥ 03 years	Total
March 31, 2023					
Loans and financing	2,291,273	54,510	1,575,845	577,225	4,498,853
Leases payable	248,861	304,689	290,797	1,532,887	2,377,234
Suppliers	270,986	-	-	-	270,986
Other liabilities	99,662	23,109	-	-	122,771
<b>Total</b>	<b>2,910,782</b>	<b>382,308</b>	<b>1,866,642</b>	<b>2,110,112</b>	<b>7,269,844</b>

### 4.4. Derivative financial instruments

#### 4.4.1. Outstanding derivatives by contract type

Outstanding derivative positions are presented below:

Type of derivative	Currency	Parent company and Consolidated			
		Notional value		Fair value	
		03/31/2023	12/31/2022	03/31/2023	12/31/2022
<b>Operating hedge</b>					
Non deliverable forward (US\$)	US\$	500,000	500,000	10,011	(6,108)
<b>Debt hedge</b>					
<b>Interest rate hedging</b>					
Swap IPCA for fixed rate (US\$)	R\$	500,000	500,000	580,338	562,983
Swap CDI for fixed rate (US\$)	R\$	700,000	700,000	732,850	764,641
		1,200,000	1,200,000	1,313,188	1,327,624
<b>Liabilities</b>					
Swap IPCA for fixed rate (US\$)	US\$	88,221	88,221	(440,922)	(459,350)
Swap CDI for fixed rate (US\$)	US\$	124,643	124,643	(626,673)	(651,869)
		212,864	212,864	(1,067,595)	(1,111,219)
				255,604	210,297
Current assets				98,213	92,874
Non-current assets				157,391	123,531
Current liabilities				-	(6,108)
				255,604	210,297

The change in the fair value of derivatives for the period ended March 31, 2023 is related to the appreciation of the Real against the US dollar in addition to the changes between the restatement indices of contracts and fixed rate in USD.

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

- (i) *Non-Deliverable Forward ("NDF")*: Short positions in US\$ futures contracts with the objective of hedging the cash flow from exports against valuation of real in relation to dollar. The fair value of futures contracts is determined using the forward exchange rates for the maturities through the exchange coupon curves and the future DI curve obtained from B3. Next, the difference between this future exchange rate obtained and the contracted rate is calculated. The difference in rates is multiplied by the contracted notional and brought to present value by the future DI curve.
- (ii) *Swap CDI x Fixed rate (USD)*: positions in conventional swaps by exchanging the change of the Interbank Deposit rate ("DI") for a fixed rate in US dollars ("USD"). The purpose is to

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change the debt ratio in Reais to USD, in line with the natural exposure of the Company's receivables in USD. The future value of the two swap legs is estimated based on market interest rates for the currency in which the swap leg is denominated. The present value of the asset position in Reais is measured through a discount using the future DI curve, and the liability position in Dollars. The discount is made based on the exchange coupon curve, obtained from B3. Then the difference between the two legs is calculated.

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

### 4.4.2. Maturity schedule for fair value

The fair value maturity schedule is as follows:

	<u>03/31/2023</u>
2023	58,090
2024	84,604
2025	16,494
2026	54,708
2027	41,708
	<u>255,604</u>

### 4.4.3. Hedge accounting

#### a. Purpose and strategy of the risk management

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

#### b. Hedging relationship and nature of hedged risk

The Company adopts a cash flow hedge, as defined in IFRS 9 and CPC 48, with the nature of the hedged risk being the exchange-rate change of expected revenues in US dollars, which are related to Swap contracts, which exchange the change of "DI" and "IPCA" rates in *reais* (R\$) by at a fixed rate in US dollars (USD), in line with the natural exposure of the Company's receivables in US dollars.

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### c. Identification of hedge instrument

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

Type	Swap
Start date of Contract	10/14/2021
Maturity date	9/13/2027
Amount denominated in USD	212,864
Average parity USD x R\$	5.6374
Start date of hedge	10/14/2021

### d. Effectiveness of the hedge relationship

The Company assesses the effectiveness of its hedging strategy by comparing changes in the fair value of the hedging instrument with changes in the fair value of the hedged item, in relation to the hedged risk. If the hedging relationship does not prove to be effective, within the limits established in relation to the desired hedge, the ineffective portion of the effects of exchange change on loans and financing is reclassified to the statement of income under “Net financial income (loss)”. In the period ended March 31, 2023, effectiveness tests demonstrated that the implemented hedge accounting strategy is effective.

### e. Accounting

Type of derivative	Effect in shareholders' equity	
	03/31/2022	12/31/2022
Swap IPCA for fixed rate (US\$)	50,949	39,593
Swap CDI for fixed rate (US\$)	59,995	49,774
	<b>110,944</b>	<b>89,367</b>
Deferred income tax and social contribution	(37,721)	(30,385)
Cash flow hedge net restatement	<b>73,223</b>	<b>58,982</b>

## 4.5. Capital management

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

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

Capital management is carried out at consolidated level.

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### (i) Covenants

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

Index	Parameter	Limit
BRL leveraging	Net debt <sup>1</sup> / EBITDA <sup>2</sup>	Up to 4.0x
USD leveraging	Net debt <sup>1</sup> / EBITDA <sup>2</sup>	Up to 3.5x

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

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

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

On March 31, 2023, the Company achieved the financial ratios above.

## 5. Cash and cash equivalents

### 5.1. Breakdown of balances

	Parent Company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Cash and cash equivalents	21	48	23	51
Banks - demand deposits (a)	286,477	41,584	703,225	434,057
Banks - interest earning bank deposits (b)	661,327	131,490	1,026,779	913,148
	<u>947,825</u>	<u>173,122</u>	<u>1,730,027</u>	<u>1,347,256</u>

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

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

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

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Risk rating <sup>(1)</sup>	Cash deposits and interest earning bank deposits			
	Parent Company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
AAA	-	-	4,119	2,030
AA-	-	-	4,895	-
A+	-	-	-	4,793
A	401,579	-	821,925	51
A-	-	70,154	-	777,993
BBB	-	-	59,042	86,798
BB	167	50,759	168	50,760
BB-	546,047	52,160	839,844	424,779
B-	11	1	11	1
	<b>947,804</b>	<b>173,074</b>	<b>1,730,004</b>	<b>1,347,205</b>

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

## 6. Trade accounts receivable

### 6.1. Breakdown of balances

	Parent Company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Domestic market	240,745	293,872	240,745	293,872
Foreign market	397,842	517,994	1,047,445	1,280,335
Expected credit losses	(4,984)	(8,646)	(8,484)	(35,468)
	<b>633,603</b>	<b>803,220</b>	<b>1,279,706</b>	<b>1,538,739</b>

The outstanding balance is as follows:

	Parent Company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Undue	619,879	788,438	1,170,199	1,287,655
Overdue (days):				
01-30 days	10,940	12,926	92,298	168,708
31-60 days	1,127	134	15,545	39,311
61-90 days	-	1,105	10	42,448
≥90 days	1,657	617	1,654	617
	<b>633,603</b>	<b>803,220</b>	<b>1,279,706</b>	<b>1,538,739</b>

### 6.2. Changes in expected credit losses:

	Parent Company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Balance at the beginning of the period	(8,646)	(7,548)	(35,468)	(30,121)
Formations	(3,032)	(3,203)	(6,159)	(13,611)
Reversals	3,347	1,882	11,739	3,539
Write-off	3,347	-	21,280	-
Exchange-rate change	-	223	124	4,725
Balance at the end of the period	<b>(4,984)</b>	<b>(8,646)</b>	<b>(8,484)</b>	<b>(35,468)</b>

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### 7. Related parties

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

#### 7.1. Asset balances

	Type	Balances receivable (payable)			
		Parent Company		Consolidated	
		03/31/2023	12/31/2022	03/31/2023	12/31/2022
<b>Balances with subsidiaries</b>					
Cellulose Eldorado Áustria GmbH	Sale of pulp	6,255	1,740	-	-
Eldorado EUA Inc.	Sale of pulp	331,054	492,589	-	-
Eldorado Intl. Finance GmbH	PPE (Export prepayment) (i)	(1,134,108)	(1,151,085)	-	-
Rishis Empreend. e Partic.	Rendering of services	(15,418)	(33,059)	-	-
Eldorado Brasil Logística Ltda.	Loan (v)	222,143	160,110	-	-
		<u>(590,074)</u>	<u>(529,705)</u>	<u>-</u>	<u>-</u>
<b>Balances with controlling shareholders</b>					
J&F Investimentos	Other	(68)	(64)	(68)	(64)
<b>Balances with other related parties</b>					
JBS	Other (iv)	(166)	(273)	(166)	(273)
Seara Alimentos	Consumable items (iii)	-	(910)	-	(910)
		<u>(166)</u>	<u>(1,183)</u>	<u>(166)</u>	<u>(1,183)</u>
		<u>(590,308)</u>	<u>(530,952)</u>	<u>(234)</u>	<u>(1,247)</u>
<b>Assets</b>					
Trade accounts receivable		337,309	494,329	-	-
Loans with related parties		222,143	160,110	-	-
<b>Liabilities</b>					
Suppliers - Note 15		(15,652)	(34,306)	(234)	(1,247)
Loans with related parties		(1,134,108)	(1,151,085)	-	-
<b>Net total</b>		<u>(590,308)</u>	<u>(530,952)</u>	<u>(234)</u>	<u>(1,247)</u>

#### 7.2. Transactions in the period

	Type	Revenues (expenses)			
		Parent Company		Consolidated	
		03/31/2023	03/31/2022	03/31/2023	03/31/2022
<b>Transactions with subsidiaries:</b>					
Cellulose Eldorado Áustria GmbH	Sale of pulp	172,218	280,717	-	-
Eldorado EUA Inc.	Sale of pulp	170,505	169,116	-	-
Eldorado Intl. Finance GmbH	PPE (Export prepayment) (i)	(13,441)	(13,308)	-	-
Rishis Empreend. e Partic.	Rendering of services	(7,030)	(7,292)	-	-
		<u>322,252</u>	<u>429,233</u>	<u>-</u>	<u>-</u>
<b>Related-party transactions:</b>					
JBS	Other (ii)	(1,101)	(1,811)	(1,101)	(1,811)
Seara Alimentos	Consumable items (iii)	-	(65)	-	(65)
		<u>(1,101)</u>	<u>(1,876)</u>	<u>(1,101)</u>	<u>(1,876)</u>
<b>Total net income (loss)</b>		<u>321,151</u>	<u>427,357</u>	<u>(1,101)</u>	<u>(1,876)</u>

- (i) Export financing operation granted by Eldorado Intl. Finance GmbH, with a five-year term, maturing in June 2024, remunerated at the market rate, plus exchange variance;
- (ii) Amounts payable on sundry transactions, including freight for transporting pulp, purchase of consumables and data center lease;

# ELDORADO BRASIL CELULOSE S.A.

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- (iii) Amounts payable arising from the acquisition of consumables for use in the Eldorado's cafeteria;
- (iv) Reimbursements of rents and corporate expenses;
- (v) Loan agreement with the subsidiary Eldorado Brasil Logística Ltda., with a five-year term, expiring in November 2026.

### 7.3. Changes in loans with related parties - Eldorado.Intl.Finance GmbH

	Parent Company	
	03/31/2023	12/31/2022
Balance at the beginning of the period	1,151,085	1,231,122
Interest incurred	13,441	53,782
Exchange-rate change	(30,418)	(80,861)
Settlement of interest	-	(52,958)
<b>Balance at the end of the period</b>	<b>1,134,108</b>	<b>1,151,085</b>
Current	16,420	3,191
Non-current	1,117,688	1,147,894
	<b>1,134,108</b>	<b>1,151,085</b>

### 7.4. Management fees

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

	Parent Company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Benefits (a)	10,232	5,549	11,801	7,127
Private pension	120	94	138	113
	<b>10,352</b>	<b>5,643</b>	<b>11,939</b>	<b>7,240</b>

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

### 8. Inventories

	Parent Company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Maintenance supplies	235,276	242,174	235,660	242,571
Pulp	131,968	63,756	383,502	310,219
Wood	191,097	166,157	191,097	166,157
Operating supplies	122,979	113,414	122,979	113,414
	<b>681,320</b>	<b>585,501</b>	<b>933,238</b>	<b>832,361</b>



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The amount of estimated losses in inventories in the three-month period ended March 31, 2023 was R\$ 4,188 (R\$ 4,576 in December 2022) and refer mainly to warehouse materials and low turnover inventory.

### 9. Recoverable taxes

	Parent Company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
<b>Value-added tax on sales and services (ICMS):</b>				
Recoverable ICMS	994,699	1,002,322	994,699	1,002,322
Estimated losses with ICMS credits (i)	(994,699)	(1,002,322)	(994,699)	(1,002,322)
	-	-	-	-
<b>Other recoverable taxes:</b>				
PIS & Cofins Taxes	16,046	72,250	18,739	73,634
Reintegra	31,533	32,328	31,533	32,328
Income tax and social contribution	1,106	11,144	1,277	11,319
Recoverable withholding income tax (IRRF)	10,373	97	10,876	526
Other	219	210	1,050	605
	<b>59,277</b>	<b>116,029</b>	<b>63,475</b>	<b>118,412</b>
Current	17,037	84,073	20,572	85,862
Non-current	42,240	31,956	42,903	32,550
	<b>59,277</b>	<b>116,029</b>	<b>63,475</b>	<b>118,412</b>

- (i) The amount of estimated losses with ICMS credits reversed in the three-month period ended March 31, 2023 was R\$ 7,623 (R\$ 28,438 in December 2022) and corresponds to ICMS credits consumed in the normal course of the Company's business. See Note 23 - Other operating revenues (expenses), net.

### 10. Biological assets

Changes in biological assets in the three-month period ended March 31, 2023 are as follows:

	Consolidated	
	03/31/2023	12/31/2022
Balance at the beginning of the period	3,802,426	3,493,833
Cost applied in the formation of forests	163,646	670,951
Exhaustion of formed forests	(106,899)	(300,543)
Fair value adjustment, net of sales expenses	-	(61,815)
<b>Balance at the end of the period</b>	<b>3,859,173</b>	<b>3,802,426</b>

The forests comprising the biological asset are subject to operational and environmental risks, such as fires, pests, diseases and climate changes, which can affect the balance of ecosystems and consequently the productivity of planting.

Management understood that it was not necessary to reassess the biological assets as of March 31, 2023, since there was no significant change in relation to the last measurement of fair value, which took place in the year ended December 31, 2022.

# ELDORADO BRASIL CELULOSE S.A.

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The main assumptions considered in estimating the fair value of biological assets in the second semester of 2022 were as follows:

Area planted for the purpose of the biological asset (hectare)	249,161
Average annual increment (IMA) - m <sup>3</sup> / hectare (i)	37.09
Discount rate (WACC without consumer price index) - %	7.60
Price of standing wood - R\$/m <sup>3</sup>	95.70

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

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### 11. Investments

#### 11.1. Breakdown of investments and information on subsidiaries

	Percentage interest	Total assets	Capital	Shareholders' equity	Net revenue	Net income (loss) for the period
Cellulose Eldorado Austria Gmbh	100%	3,174,990	111	2,649,817	1,145,039	653,665
Eldorado Brasil Celulose Logística Ltda.	100%	598,894	70,000	214,899	0	7,770
Rishis Empreend. e Participações S.A.	100%	100,155	108,979	90,289	6,646	15

#### 11.2. Changes in investments - Parent company

Investments in subsidiaries	Balance at 12/31/2022	Write-off	Dividends (iii)	Fair value of the intercompany loan (ii)	Accumulated translation adjustment	Equity in net income of subsidiaries		Balance at 03/31/2023
						Unearned income from inventories	Net income (loss) for the period	
Cellulose Eldorado Austria Gmbh	3,118,783	-	1,152,619	-	52,996	82,984	653,665	2,649,817
Eldorado Brasil Celulose Logística Ltda.	179,651	-	-	43,018	-	-	7,770	214,899
Rishis Empreend. e Participações S.A.	90,304	-	-	-	-	-	15	90,289
Rishis Empreend. e Participações S.A. - goodwill (i)	8,157	295	-	-	-	-	-	7,862
<b>Total investments in subsidiaries</b>	<b>3,396,895</b>	<b>295</b>	<b>1,152,619</b>	<b>43,018</b>	<b>52,996</b>	<b>82,984</b>	<b>645,880</b>	<b>2,962,867</b>

(i) On March 31, 2023, the Company records the capital gain on the acquisition of its subsidiary in the amount of R\$ 7,862 (R\$ 8,157 as of December 31, 2022), arising from the right of use of an area in the port zone, object of the lease agreement, which is being amortized over the right of use period, effective until November 4, 2029.

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

(iii) Dividends distributed by subsidiary Cellulose Eldorado Austria Gmbh were fully received on March 24, 2023.

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### 12. Property, plant and equipment

#### 12.1. Breakdown of property, plant and equipment

	Annual weighted depreciation rates	03/31/2023			12/31/2022		
		Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
<b><u>Parent Company:</u></b>							
Lands and land plots	-	103,335	-	103,335	103,335	-	103,335
Building and facilities	3.4-5.4%	1,800,058	(505,378)	1,294,680	1,794,463	(489,597)	1,304,866
Machinery and equipment	5.8%	4,556,755	(1,582,668)	2,974,087	4,471,763	(1,527,555)	2,944,208
Vehicles and vessels	13.3-20.1%	234,927	(132,385)	102,542	229,314	(127,758)	101,556
IT equipment	19.3%	123,548	(81,256)	42,292	123,039	(78,460)	44,579
Works in progress	-	395,190	-	395,190	353,415	-	353,415
Other	9.2-20.0%	37,070	(20,331)	16,739	37,135	(19,480)	17,655
		<b>7,250,883</b>	<b>(2,322,018)</b>	<b>4,928,865</b>	<b>7,112,464</b>	<b>(2,242,850)</b>	<b>4,869,614</b>
<b><u>Consolidated:</u></b>							
Lands and land plots	-	103,335	-	103,335	103,335	-	103,335
Building and facilities	3.4-5.4%	1,801,177	(505,580)	1,295,597	1,795,584	(489,784)	1,305,800
Machinery and equipment	5.9%	4,561,631	(1,584,422)	2,977,209	4,476,639	(1,529,231)	2,947,408
Vehicles and vessels	13.3-20.1%	234,927	(132,385)	102,542	229,314	(127,758)	101,556
IT equipment	19.3%	125,937	(83,251)	42,686	125,463	(80,422)	45,041
Works in progress	-	429,789	-	429,789	373,260	-	373,260
Other	8.6-20.0%	37,989	(20,959)	17,030	38,058	(20,098)	17,960
		<b>7,294,785</b>	<b>(2,326,597)</b>	<b>4,968,188</b>	<b>7,141,653</b>	<b>(2,247,293)</b>	<b>4,894,360</b>

# ELDORADO BRASIL CELULOSE S.A.

## Notes to the Parent Company and consolidated interim financial information

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### 12.2. Changes in property, plant and equipment

	Balance at 12/31/2022	Changes in the three-month period ended March 31, 2023					Balance at 03/31/2023
		Additions	Write-offs	Transfers	Depreciation	Exchange-rate change	
<b>Parent Company:</b>							
Lands and land plots	103,335	-	-	-	-	-	103,335
Building and facilities	1,304,866	-	-	5,595	(15,781)	-	1,294,680
Machinery and equipment	2,944,208	5,565	(1,579)	86,038	(60,145)	-	2,974,087
Vehicles and vessels	101,556	11,055	(2,073)	105	(8,101)	-	102,542
IT equipment	44,579	15	(2)	498	(2,798)	-	42,292
Works in progress	353,415	134,916	-	(93,141)	-	-	395,190
Other	17,655	4	(6)	26	(940)	-	16,739
	<b>4,869,614</b>	<b>151,555</b>	<b>(3,660)</b>	<b>(879)</b>	<b>(87,765)</b>	<b>-</b>	<b>4,928,865</b>
<b>Consolidated:</b>							
Lands and land plots	103,335	-	-	-	-	-	103,335
Building and facilities	1,305,800	-	-	5,595	(15,798)	-	1,295,597
Machinery and equipment	2,947,408	5,565	(1,579)	86,038	(60,223)	-	2,977,209
Vehicles and vessels	101,556	11,055	(2,073)	105	(8,101)	-	102,542
IT equipment	45,041	15	(2)	498	(2,857)	(9)	42,686
Works in progress	373,260	149,670	-	(93,141)	-	-	429,789
Other	17,960	4	(6)	26	(953)	(1)	17,030
	<b>4,894,360</b>	<b>166,309</b>	<b>(3,660)</b>	<b>(879)</b>	<b>(87,932)</b>	<b>(10)</b>	<b>4,968,188</b>

# **ELDORADO BRASIL CELULOSE S.A.**

## **Notes to the Parent Company and consolidated interim financial information**

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### **12.3. Works in progress**

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

### **12.4. Provision for impairment**

In the period ended March 31, 2023, there is no indication that an asset, or group of assets, may be impaired.

### **12.5. Assets pledged as collateral**

Some of the Company’s assets are pledged as collateral for loans and financing, up to the maximum limit of each debt assumed (Note 16.5).

### **12.6. General shutdown**

The general plant maintenance shutdown, carried out in January 2023, totaled R\$ 87,642, and will be depreciated over a period of 15 months.

# ELDORADO BRASIL CELULOSE S.A.

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### 13. Intangible assets

#### 13.1. Breakdown of intangible assets

	Annual weighted rates of amortization	03/31/2023			12/31/2022		
		Net	Accumulated amortization	Net	Net	Accumulated amortization	Net
<b><u>Parent Company:</u></b>							
Software	19.6%	62,079	(33,457)	28,622	61,200	(31,299)	29,901
<b><u>Consolidated:</u></b>							
Goodwill for the right of use of the port concession	6.9%	17,002	(9,140)	7,862	17,002	(8,845)	8,157
Software	19.6%	62,845	(34,207)	28,638	61,966	(32,047)	29,919
Terminal concession	8.6%	90,638	(53,482)	37,156	90,638	(51,872)	38,766
Works in progress	-	310,771	-	310,771	247,350	-	247,350
		<b>481,256</b>	<b>(96,829)</b>	<b>384,427</b>	<b>416,956</b>	<b>(92,764)</b>	<b>324,192</b>

## ELDORADO BRASIL CELULOSE S.A.

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#### 13.2. Changes in intangible assets

	Balance at 12/31/2022	Changes in the three-month period ended 03/31/2023			03/31/2023
		Additions	Transfers	Amortization	
<b><u>Parent Company:</u></b>					
Software	29,901	-	879	(2,158)	28,622
<b><u>Consolidated:</u></b>					
Goodwil for the right of use of the port concession	8,157	-	-	(295)	7,862
Software	29,919	-	879	(2,160)	28,638
Terminal concession	38,766	-	-	(1,610)	37,156
Works in progress	247,350	63,421	-	-	310,771
	<b>324,192</b>	<b>63,421</b>	<b>879</b>	<b>(4,065)</b>	<b>384,427</b>

Transfers come from works in progress in property, plant and equipment - Note 12.2.

Additions in works in progress, of R\$ 63,421 in the three-month period ended March 31, 2023, which correspond to assets reversible to the Concession Grantor at the end of the concession, are related to investments in construction and equipment of the STS14 terminal at the Port of Santos, which will be used in the pulp handling and storage operation. The start-up of operations is scheduled for June 2023.



# ELDORADO BRASIL CELULOSE S.A.

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### 14. Right-of-use and lease payable

#### 14.1. Breakdown of right-of-use

	03/31/2023			12/31/2022		
	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
<b><u>Parent Company:</u></b>						
Lands and land plots	1,493,259	(476,889)	1,016,370	1,347,955	(424,625)	923,330
Buildings	5,327	(4,765)	562	5,327	(4,514)	813
Vehicles	68,055	(52,367)	15,688	75,458	(48,850)	26,608
Forestry machinery, equipment and implements	5,679	(4,361)	1,318	5,679	(4,360)	1,319
Facilities and improvements	201	(201)	-	201	(201)	-
	<b>1,572,521</b>	<b>(538,583)</b>	<b>1,033,938</b>	<b>1,434,620</b>	<b>(482,550)</b>	<b>952,070</b>
<b><u>Consolidated:</u></b>						
Lands and land plots	1,493,259	(476,889)	1,016,370	1,347,955	(424,625)	923,330
Buildings	13,607	(8,210)	5,397	21,121	(7,775)	13,346
Vehicles	68,250	(52,558)	15,692	75,653	(49,028)	26,625
Forestry machinery, equipment and implements	5,679	(4,362)	1,317	5,679	(4,361)	1,318
Facilities and improvements	274,324	(202)	274,122	265,894	(202)	265,692
	<b>1,855,119</b>	<b>(542,221)</b>	<b>1,312,898</b>	<b>1,716,302</b>	<b>(485,991)</b>	<b>1,230,311</b>

## ELDORADO BRASIL CELULOSE S.A.

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#### 14.2. Changes in right-of-use

	Changes in the three-month period ended December 31, 2023				Balance at 03/31/2023
	Balance at 12/31/2022	Additions and readjustments of installments	Write-offs	Depreciation	
<b><u>Parent Company:</u></b>					
Lands and land plots	923,330	145,304	-	(52,264)	1,016,370
Buildings	813	-	-	(251)	562
Vehicles	26,608	(7,403)	-	(3,517)	15,688
Forestry machinery, equipment and implements	1,319	-	-	(1)	1,318
	<u>952,070</u>	<u>137,901</u>	<u>-</u>	<u>(56,033)</u>	<u>1,033,938</u>
<b><u>Consolidated:</u></b>					
Lands and land plots	923,330	145,304	-	(52,264)	1,016,370
Buildings	13,346	-	(7,513)	(436)	5,397
Vehicles	26,625	(7,403)	-	(3,530)	15,692
Forestry machinery, equipment and implements	1,318	-	-	(1)	1,317
Facilities and improvements	265,692	8,430	-	-	274,122
	<u>1,230,311</u>	<u>146,331</u>	<u>(7,513)</u>	<u>(56,231)</u>	<u>1,312,898</u>

Of the total depreciation for the period, the amount of R\$ 25,070 was considered as a cost applied to the formation of forests in biological assets (Note 10), the amount of R\$ 27,319 was considered as an advance to suppliers (partnership agreements), R\$ 3,468 was considered as a cost applied to inventories (Note 8) and R\$ 29 was capitalized as construction in progress (Note 12).

# ELDORADO BRASIL CELULOSE S.A.

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### 14.3. Changes in lease payable

	Changes in the three-month period ended March 31, 2023	
	Parent Company	Consolidated
	03/31/2023	03/31/2023
Balance at the beginning of the period	1,068,563	1,253,990
Additions and readjustments of installments	137,901	146,330
Payments	(71,694)	(118,235)
Financial interest (b)	37,394	55,013
Write-off or termination	-	(7,545)
Balance at the end of the period	<u>1,172,164</u>	<u>1,329,553</u>
Current	213,331	234,335
Non-current	958,833	1,095,218
	<u>1,172,164</u>	<u>1,329,553</u>

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

(b) Of the Parent Company's total financial interest, the amount of R\$ 19,735 was considered as a cost applied to the formation of forests in biological assets (Note 14), R\$ 17,040 was considered as advance to suppliers (partnership agreements) and R\$ 601 was considered in inventories and property, plant and equipment.

The schedule of future lease disbursements, not discounted to present value, is disclosed in Note 4.3 c.

### 14.4. Potential right to recoverable PIS/COFINS

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

March 31, 2023	Parent Company		Consolidated	
	Nominal value	Adjusted to present value	Nominal value	Adjusted to present value
Cash flows				
Leases payable consideration	2,140,335	1,172,164	2,377,234	1,329,553
Potential PIS/COFINS (9.25%) levied on contracts signed with legal entities	197,981	108,425	219,894	122,984

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### 15. Suppliers

	Parent Company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
<b><u>In domestic currency:</u></b>				
Related parties – Note 7	15,652	34,306	234	1,247
Third parties (i)	252,068	256,291	254,737	263,753
<b><u>In foreign currency:</u></b>				
Third parties	1,067	2,461	16,015	32,175
	<b>268,787</b>	<b>293,058</b>	<b>270,986</b>	<b>297,175</b>

(i) The balance of March 31, 2023 considers the amount of R\$ 15,827 of operations with forfeiting at in the Parent company and in the consolidated (R\$ 5,784 as of December 31, 2022). Such operations did not present relevant changes in the purchase conditions (term, payment flow and negotiated prices) in relation to those usually practiced by the Company.

### 16. Loans and financing

#### 16.1. Breakdown of loans and financing

Type	Average annual rate of interest and commissions	Maturity	Parent company and Consolidated	
			03/31/2023	12/31/2022
<b><u>In foreign currency</u></b>				
ACC (i)	LIBOR/SOFR + 5.06–5.61% p.a.	Ago 2023–Nov 2024	1,223,279	1,329,316
Export prepayment (ii)	SOFR + 3.65% p.a. and LIBOR + 4.00% a.a.	Nov2023–Apr2025	1,459,765	1,508,260
NCE (iii)		Feb 2024	101,608	-
			<b>2,784,652</b>	<b>2,837,576</b>
<b><u>In local currency</u></b>				
FINAME	Fixed rate - 3.00% p.a.	Mar 2023	-	249
Export prepayment (ii)	CDI %	July 2024–Mar 2025	15,756	12,697
NCE (iii)	CDI %	Feb 2024	1,565	202,570
Lease (iv)	CDI + 3.50% p.a.	Mar2024–Mar2025	-	13,506
CRA (vi)	IPCA + 7.1945% p.a.	Sep2026–Sep2027	546,638	546,487
Debentures (fourth issue) (vii)	CDI + 3.00% p.a.	Sep 2024	691,834	717,280
			<b>1,255,793</b>	<b>1,492,789</b>
			<b>4,040,445</b>	<b>4,330,365</b>
Current			1,384,428	1,725,644
Non-current			2,656,017	2,604,721
			<b>4,040,445</b>	<b>4,330,365</b>

#### 16.2. Maturity Schedule - non-current

The maturity schedule of loans and financing classified in non-current liabilities as of March 31, 2023 is as follows:

Year	2024	2025	2026	2027	Total
Values	1,511,973	599,262	272,391	272,391	2,656,017

# ELDORADO BRASIL CELULOSE S.A.

## Notes to the Parent Company and consolidated interim financial information

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### 16.3. Changes in loans and financing

	Changes in the period ended 03/31/2023
	<u>Parent company and Consolidated</u>
Balance at the beginning of the period	4,330,365
Funding	578,279
Interest incurred	119,813
Exchange-rate change	(78,495)
Settlement of principal	(774,653)
Settlement of interest	(134,864)
Balance at the end of the period	<u>4,040,445</u>

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

### 16.4. Company's credit facilities

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

The credit facilities currently contracted are as follows:

- (i) Financing of working capital through Advances on Foreign Exchange Contracts (ACCs);
- (ii) Export prepayment (PPE) maturing in 2025. Transactions are restated by Libor 1M and SOFR, plus a spread and CDI percentage;
- (iii) Export Credit Notes (NCE) raised in May and June 2021 and settled in January 2023. NCE in dollars, maturing in February 2024, indexed to the CDI rate;
- (iv) Financing of machinery and equipment through leases denominated in Reais. These contracts were early settled in March 2023.
- (v) Simple, non-convertible, debentures, linked to Agribusiness Receivables Certificates - CRAs, in the amount of R\$ 500,000, due in September 2027 and indexed to IPCA + spread;
- (vi) Simple, non-convertible, debentures in the amount of R\$ 700,000 thousand, due in September 2024, with interest rate indexed to IPCA + spread;

### 16.5. Loan guarantees

For ACC loans and financing agreements, pledges of forests are offered as collateral.

# ELDORADO BRASIL CELULOSE S.A.

## Notes to the Parent Company and consolidated interim financial information

March 31, 2023

In thousands of reais, unless otherwise indicated

### 17. Current and deferred income tax and social contribution

#### 17.1. Effective tax rate reconciliation:

	Parent Company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Income before provision for income tax and social contribution	965,074	1,293,524	988,057	1,302,143
Income tax and social contribution - nominal rate of 34%	(328,125)	(439,799)	(335,940)	(442,729)
<b>Reconciliation for actual expense:</b>				
Equity in net income of subsidiaries	247,814	202,546	-	-
Estimated losses on ICMS credits	2,592	772	2,592	772
Government grant	1,543	-	1,543	-
Reintegra	151	187	151	187
Difference in tax base and nominal rates of subsidiaries abroad	-	-	233,616	191,815
Other	2,759	(1,006)	1,788	4,037
<b>(Current and deferred) income tax and social contribution</b>	<b>(73,266)</b>	<b>(237,300)</b>	<b>(96,249)</b>	<b>(245,918)</b>
Current	(2,011)	-	(24,994)	(8,619)
Deferred	(71,255)	(237,300)	(71,255)	(237,299)
	<b>(73,266)</b>	<b>(237,300)</b>	<b>(96,249)</b>	<b>(245,918)</b>
Effective rate	7.59%	18.35%	9.74%	18.89%

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

	Parent company and Consolidated			
	12/31/2022	Additions	Deductions	03/31/2023
Tax loss (i)	578,259	-	(2,154)	576,105
<b>Temporary credit differences</b>				
Unrealized exchange-rate change	172,539	-	(53,826)	118,713
Non-deductible provisions	69,685	-	(21,220)	48,465
IR/CS on Selic of tax overpayment	4,794	-	-	4,794
	<b>825,277</b>	<b>-</b>	<b>(77,200)</b>	<b>748,077</b>
<b>Temporary liability differences</b>				
Biological assets	136,646	-	(21,191)	115,455
Hedge - MTM Derivatives	71,501	15,404	-	86,905
Incentivized accelerated depreciation	875,742	7,177	-	882,919
	<b>1,083,889</b>	<b>22,581</b>	<b>(21,191)</b>	<b>1,085,279</b>
<b>Net value</b>	<b>(258,612)</b>	<b>(22,581)</b>	<b>(56,009)</b>	<b>(337,202)</b>

(i) As of March 31, 2023, the Company had a balance of tax loss and negative base of social contribution in the amount of R\$ 1,694,426 (R\$ 1,700,761 as of December 31, 2022).

# ELDORADO BRASIL CELULOSE S.A.

## Notes to the Parent Company and consolidated interim financial information

March 31, 2023

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### 18. Provision for legal risks

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

	Environmental	Civil	Labor	Net exposure	
				Parent Company	Consolidated
Balance at December 31, 2022	367	1,628	28,697	30,692	31,140
Addition of new lawsuits	-	381	5,142	5,523	5,535
Write-offs	-	(25)	(3,439)	(3,464)	(3,464)
Restatements	7	36	427	470	485
Balance at March 31, 2023	374	2,020	30,827	33,221	33,696

As of March 31, 2023, the Company has contingencies whose expected loss is evaluated by the Management and supported by legal advisors, classified as possible in the amount of R\$ 837,761 in the Parent Company and R\$ 838,000 in the Consolidated (As of December 31, 2022, the amount was R\$ 815,154 in the Parent Company and R\$ 815,197 in the Consolidated), broken down as follows:

Possible	Parent Company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Environmental	12,666	12,229	12,666	12,229
Civil	661,707	639,025	661,707	639,025
Labor	41,048	43,831	41,287	43,874
Tax	9,020	6,749	9,020	6,749
Regulatory	113,247	113,247	113,247	113,247
Administrative	73	73	73	73
	<u>837,761</u>	<u>815,154</u>	<u>838,000</u>	<u>815,197</u>

Provisions are not formed for contingencies classified as a possible loss.

The civil lawsuits involving EGTM Navegações Ltda., which demands reparation for damages due to alleged breaches of contract, are estimated as possible losses and had their value adjusted to R\$ 641,303 as of March 31, 2023 (R\$ 619,468 as of December 31, 2022). There was no significant change in the nature and amounts of other contingencies for the period.

### 19. Shareholders' equity

#### 19.1. Share Capital

Subscribed and paid-in capital, as of March 31, 2023 and December 31, 2022 totals R\$ 1,788,792, comprising 1,525,558,419 common shares.

The Company's shareholding structure is as follows: 49.41% owned by CA Investment and 50.59% held by J&F, the sole shareholders of Eldorado.

#### 19.2. Legal reserve

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

# ELDORADO BRASIL CELULOSE S.A.

## Notes to the Parent Company and consolidated interim financial information

March 31, 2023

In thousands of reais, unless otherwise indicated

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the limit of 20% of the capital.

### 19.3. Tax incentive reserve

The Company recorded a tax incentive reserve in the amount of R\$ 4,539 as of March 31, 2023, equivalent to the portion of net income linked to investment grants, granted under the terms of the law, by the Government of Mato Grosso do Sul (MS) in return for the implementation and maintenance of the industrial unit in the city of Três Lagoas. The recognition of credits was presented in the Company's statement of income under "net revenue".

### 19.4. Expansion reserve

Under the terms of the bylaws, all the net income that remains after the formation of the legal reserve, reserve for tax incentives and allocation for minimum mandatory dividends, will be allocated to the formation of a reserve for expansion, which will have the purpose of financing the investment in operating assets, up to the limit of 100% of the subscribed capital.

### 19.5. Dividends

Pursuant to Law 6404/1976 and the Company's Bylaws, the balance of net income remaining after offsetting accumulated losses, allocations to the legal reserve, reserve for contingencies and tax incentive reserve, is allocated to the payment of mandatory minimum dividends, which must not be lower, in each year, than 25% of adjusted net income, pursuant to Law 6404/1976.

### 19.6. Profit retention

As of December 31, 2022, pursuant to Article 196 of Law 6.404/1976, management proposed retaining the remaining net income, after allocation to the legal reserve and tax incentive reserve, for use in capital investment projects.

### 19.7. Accumulated translation adjustments

The accumulated translation adjustments, which represent the differences in the translation of the financial statements of subsidiaries abroad into the Company's functional currency, were reduced by R\$ 52,996 for the period ended March 31, 2023 (increased by R\$ 154,707 for the year ended December 31, 2022).

### 19.8. Earnings per share - basic and diluted

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

	<u>03/31/2023</u>	<u>03/31/2022</u>
Income attributable to shareholders	891,807	1,056,225
Total shares of the period - thousands	1,525,558	1,525,558
Basic and diluted earnings per share	0.5846	0.6924

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



# ELDORADO BRASIL CELULOSE S.A.

## Notes to the Parent Company and consolidated interim financial information

March 31, 2023

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### 20. Net revenue

	Parent Company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Gross sales				
Domestic market	360,882	262,362	360,885	262,361
Foreign market	440,115	513,848	1,726,058	1,661,292
Deductions and rebates	(2,453)	(1,589)	(485,972)	(430,791)
	<u>798,544</u>	<u>774,621</u>	<u>1,600,971</u>	<u>1,492,862</u>
Sales taxes	(65,218)	(48,137)	(65,614)	(48,554)
Net revenue	<u>733,326</u>	<u>726,484</u>	<u>1,535,357</u>	<u>1,444,308</u>

### 21. Operating segments

#### 21.1. Geographic segments

Consolidated net revenue, distributed based on the geographic location of clients is as follows:

Net revenue	03/31/2023	03/31/2022
Domestic market	<u>295,203</u>	<u>215,219</u>
Foreign market		
Asia	438,884	477,822
North America	372,178	388,343
Europe	284,849	240,061
South America	86,480	53,535
Middle East	43,213	37,950
Africa	14,550	31,378
	<u>1,240,154</u>	<u>1,229,089</u>
	<u>1,535,357</u>	<u>1,444,308</u>

#### 21.2. Information on main clients

In the three-month period sales, ended on March 31, 2023 and 2022, only one client, individually, represented more than 10% of the Company's net revenue.

# ELDORADO BRASIL CELULOSE S.A.

## Notes to the Parent Company and consolidated interim financial information

March 31, 2023

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### 21.3. Information on total non-current assets

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

Non-current assets	Consolidated	
	03/31/2023	12/31/2022
Brazil	11,017,708	10,660,639
Austria	422	473
USA	487	438
China	114	129
	<u>11,018,731</u>	<u>10,661,679</u>

### 22. Costs and expenses by category and type

	Parent Company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Cost of goods sold	538,305	522,930	530,849	522,864
Sales and logistics expenses	55,497	85,901	134,565	209,263
Administrative and general expenses	72,606	48,184	76,752	52,809
	<u>666,408</u>	<u>657,015</u>	<u>742,166</u>	<u>784,936</u>
Personnel expenses	134,555	124,677	133,309	132,204
Expenses with services, materials and transport	198,455	174,725	274,026	297,017
Depreciation, exhaustion and amortization	140,244	166,286	153,042	175,242
Raw material and consumable items	184,533	182,064	174,092	169,842
Other	8,621	9,263	7,697	10,631
	<u>666,408</u>	<u>657,015</u>	<u>742,166</u>	<u>784,936</u>

### 23. Other operating revenues (expenses), net

	Parent Company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Reversal for estimated losses with ICMS credits - see Note 9 (i)	7,623	2,271	7,623	2,271
Sales of property, plant, and equipment	12,469	9,248	12,469	9,248
Procedural contingencies	(2,530)	86	(2,556)	154
Non-recoverable ICMS	(510)	(1,579)	(510)	(1,722)
Indemnities	(3,746)	(2,968)	(3,747)	(2,982)
Depreciation and amortization	(295)	(295)	(295)	(295)
Other	(7,360)	(166)	(7,532)	(166)
	<u>5,651</u>	<u>6,597</u>	<u>5,452</u>	<u>6,508</u>

# ELDORADO BRASIL CELULOSE S.A.

## Notes to the Parent Company and consolidated interim financial information

March 31, 2023

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### 24. Net financial income (expenses)

	Parent Company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Asset interest	8,398	301	346	301
Yield from interest earning bank deposits	5,613	5,640	24,677	6,837
Other financial revenues	12	5	12	5
<b>Financial revenues</b>	<b>14,023</b>	<b>5,946</b>	<b>25,035</b>	<b>7,143</b>
Bank expenses	(47)	(29)	(88)	(73)
Liability interest	(133,923)	(145,828)	(120,463)	(132,280)
Other financial expenses	(4,792)	(2,177)	(7,457)	(6,104)
<b>Financial expenses</b>	<b>(138,762)</b>	<b>(148,034)</b>	<b>(128,008)</b>	<b>(138,457)</b>
Realized gains	187,918	-	187,918	-
Unrealized gains	21,728	72,138	21,728	72,138
<b>Derivative financial instruments</b>	<b>209,646</b>	<b>72,138</b>	<b>209,646</b>	<b>72,138</b>
Loans and financing	78,495	613,929	78,495	613,929
Other assets and liabilities	(76)	76,458	(1,334)	80,200
<b>Net foreign exchange rate</b>	<b>78,419</b>	<b>690,387</b>	<b>77,161</b>	<b>694,129</b>
	<b>163,326</b>	<b>620,437</b>	<b>183,834</b>	<b>634,953</b>

### 25. Take or pay contracts

#### 25.1. Chemical plants and gas distribution branch

There was no change in the take or pay contracts, as well as their characteristics and indexes, listed in Note 29.1 of the financial statements for the year ended December 31, 2022.

As of March 31, 2023, the non-cancelable future minimum payments are as follows:

	Parent company and Consolidated
	03/31/2023
2023	90,690
2024	120,920
2025	120,920
2026	120,920
>2027	177,156
	<b>630,606</b>

Amounts recognized in income (loss):

	Parent company and Consolidated	
	03/31/2023	03/31/2022
Cost of goods sold	52,261	52,209

# ELDORADO BRASIL CELULOSE S.A.

## Notes to the Parent Company and consolidated interim financial information

March 31, 2023

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### 26. Non-cash transactions

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

March 31, 2023	Parent Company			
	Additions and readjustment of installments	Write-off or termination	Depreciation from right-of-use	Lease interest
Inventories	-	-	(3,468)	(601)
Advances to suppliers	-	-	(27,319)	(17,040)
Biological assets	-	-	(25,070)	(19,735)
Rights-of-use	137,901	-	56,033	-
Property, plant and equipment	-	-	(29)	-
Leases payable	(137,901)	-	-	-
				Consolidated
March 31, 2023	Additions and readjustment of installments	Write-off or termination	Depreciation from right-of-use	Lease interest
Inventories	-	-	(3,468)	(601)
Advances to suppliers	-	-	(27,319)	(17,040)
Biological assets	-	-	(25,070)	(19,735)
Rights-of-use	146,330	(7,513)	56,230	-
Property, plant and equipment	-	-	(29)	-
Intangible assets	-	-	-	(17,452)
Leases payable	(146,330)	7,513	-	-

### 27. Share Purchase and Sale Agreement

On September 2, 2017, J&F Investimentos S.A. (“J&F”) entered into a share purchase and sale agreement for the disposal of the totality of its direct and indirect shareholding interest in the Company (Share Purchase and Sale Agreement) to CA Investment (Brazil) S.A., a company belonging to the Paper Excellence group (“CA Investment”).

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

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

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

# ELDORADO BRASIL CELULOSE S.A.

## Notes to the Parent Company and consolidated interim financial information

March 31, 2023

In thousands of reais, unless otherwise indicated

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

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

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

# **ELDORADO BRASIL CELULOSE S.A.**

Notes to the Parent Company and consolidated interim financial information

March 31, 2023

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## **Statutory Executive Board**

**Carmine de Siervi Neto**  
Chief Executive Officer

**Germano Aguiar Vieira**  
Chief Forestry Officer

**Carlos Roberto de Paiva Monteiro**  
Chief Industrial Technical Officer

**Rodrigo Libaber**  
Chief Sales Officer

**Fernando Storchi**  
Chief Financial and Investor Relations Officer

## **Board of Directors**

**Aguinaldo Gomes Ramos Filho**  
Chairman of the Board of Directors

**João Adalberto Elek Júnior**  
Board Member

**Sérgio Longo**  
Board Member

**Mauro Eduardo Guizeline**  
Board Member

**Francisco de Assis e Silva**  
Board Member

**Marcio Antonio Teixeira Linares**  
Board Member

**Raul Rosenthal Ladeira de Matos**  
Board Member

## **Accountant**

**Euclides Paula Santos Neto**  
CRC SP 322712/O