

ELDORADO BRASIL CELULOSE S.A.

Parent Company and consolidated interim
financial information
September 30, 2023



Eldorado
Brasil

Content

Report on the review of quarterly information.....	3
Balance sheets.....	5
Interim statements of income.....	7
Interim statements of comprehensive income.....	8
Interim statements of changes in shareholders' equity.....	9
Interim statements of cash flows.....	10
Interim statement of added values.....	11
Notes to the Parent Company and consolidated interim financial information.....	12



KPMG Auditores Independentes Ltda.
Rua Verbo Divino, 1400, Conjunto Térreo ao 801 - Parte,
Chácara Santo Antônio, CEP 04719-911, São Paulo - SP
Caixa Postal 79518 - CEP 04707-970 - São Paulo - SP - Brasil
Telefone +55 (11) 3940-1500
kpmg.com.br

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 September 30, 2023, which comprises the statement of financial position as of September 30, 2023 and the respective statements of income (loss), comprehensive income (loss) for the three and nine-month period then ended, changes in equity and cash flows for the nine-month period then ended, including the explanatory notes.

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

Scope of review

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



Conclusion on the individual and consolidated interim financial information

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

Other matters

Statements of Value Added

The interim financial information as referred to above includes individual and consolidated statements of value added (DVA) for the nine-month period ended September 30, 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, November 13, 2023

KPMG Auditores Independentes Ltda.

CRC 2SP-014428/O-6

Original report in Portuguese signed by

Leslie Nares Laurenti

Accountant CRC 1SP215906/O-1

Balance sheets

September 30, 2023 and December 31, 2022.

(In thousands of reais)

ASSETS	Notes	Parent Company		Consolidated	
		09/30/2023	12/31/2022	09/30/2023	12/31/2022
Current assets					
Cash and cash equivalents	5.1	261,443	173,122	503,252	1,347,256
Interest earning bank deposits	5.2	823,070	-	823,070	-
Trade accounts receivable	6	644,499	803,220	1,262,523	1,538,739
Inventories	8	640,831	585,501	781,830	832,361
Recoverable taxes	9	15,920	84,073	19,979	85,862
Income tax and social contribution - current		122,071	-	131,788	46
Derivative financial instruments	4.4.1	159,989	92,874	159,989	92,874
Advances to suppliers		82,552	65,323	83,644	65,323
Other current assets		24,273	53,900	25,719	55,370
Total current assets		2,774,648	1,858,013	3,791,794	4,017,831
Non-current assets					
Recoverable taxes	9	38,075	31,956	38,870	32,550
Advances to suppliers		365,361	249,151	365,361	249,151
Derivative financial instruments	4.4.1	147,766	123,531	147,766	123,531
Loans with related parties	7.1	269,824	160,110	-	-
Other non-current assets		2,612	4,697	3,134	5,158
		823,638	569,445	555,131	410,390
Biological assets	10	4,410,877	3,802,426	4,410,877	3,802,426
Investments	11	2,210,475	3,396,895	-	-
Property, plant and equipment	12	4,955,667	4,869,614	5,307,226	4,894,360
Intangible assets	13	26,730	29,901	99,945	324,192
Rights-of-use	14.1	1,387,792	952,070	1,659,778	1,230,311
		12,991,541	13,050,906	11,477,826	10,251,289
Total non-current assets		13,815,179	13,620,351	12,032,957	10,661,679
Total assets		16,589,827	15,478,364	15,824,751	14,679,510

See the accompanying notes to the Parent Company and consolidated interim financial information.

Balance sheets

September 30, 2023 and December 31, 2022.

(In thousands of reais)

	Notes	Parent Company		Consolidated	
		09/30/2023	12/31/2022	09/30/2023	12/31/2022
LIABILITIES					
Current liabilities					
Suppliers	15	287,260	293,058	340,466	297,175
Loans and financing	16	1,506,325	1,725,644	1,506,325	1,725,644
Leases payable	14.2	259,203	202,594	285,496	234,768
Loans with related parties	7.3	1,117,857	3,191	-	-
Labor and social security obligations		221,627	210,906	229,560	218,359
Tax liabilities		12,071	19,358	60,208	46,248
Income tax and social contribution - current		-	40,647	16,617	72,458
Derivative financial instruments	4.4.1	1,429	6,108	1,429	6,108
Other current liabilities		50,883	21,854	120,272	117,939
Total current liabilities		3,456,655	2,523,360	2,560,373	2,718,699
Non-current liabilities					
Loans and financing	16	1,356,581	2,604,721	1,356,581	2,604,721
Loans with related parties	7.3	-	1,147,894	-	-
Leases payable	14.2	1,294,427	865,969	1,425,295	1,019,222
Income tax and social contribution - deferred	17.2	545,148	258,612	545,148	258,612
Provision for legal risks	18	31,894	30,692	32,232	31,140
Other non-current liabilities		28,306	22,378	28,306	22,378
Total non-current liabilities		3,256,356	4,930,266	3,387,562	3,936,073
Total liabilities		6,713,011	7,453,626	5,947,935	6,654,772
Shareholders' equity	19				
Capital		1,788,792	1,788,792	1,788,792	1,788,792
Profit reserves		5,889,613	5,885,074	5,889,613	5,885,074
Equity valuation adjustments		299,913	350,872	299,913	350,872
Retained earnings		1,898,498	-	1,898,498	-
Total shareholders' equity		9,876,816	8,024,738	9,876,816	8,024,738
Total liabilities and shareholders' equity		16,589,827	15,478,364	15,824,751	14,679,510

See the accompanying notes to the Parent Company and consolidated interim financial information.

Interim statements of income

Three and nine-month periods ended September 30, 2023 and 2022

(In thousands of reais)



	Notes	Parent Company				Consolidated			
		07/01/2023– 09/30/2023	07/01/2022– 09/30/2022	01/01/2023– 09/30/2023	01/01/2022– 09/30/2022	07/01/2023– 09/30/2023	07/01/2022– 09/30/2022	01/01/2023– 09/30/2023	01/01/2022– 09/30/2022
Net revenue	20	910,366	1,090,861	2,599,311	2,900,913	1,416,929	2,324,467	4,443,602	5,602,669
Cost of products sold	22	(600,783)	(659,947)	(1,892,107)	(1,812,765)	(701,311)	(709,742)	(1,996,363)	(1,804,311)
Gross income		309,583	430,914	707,204	1,088,148	715,618	1,614,725	2,447,239	3,798,358
Operating revenues (expenses)									
Administrative and general	22	(113,821)	(71,577)	(263,305)	(191,626)	(121,571)	(75,660)	(280,148)	(203,547)
With sales and logistics	22	(72,688)	(73,810)	(197,415)	(252,129)	(174,720)	(233,165)	(504,666)	(698,624)
Fair value of biological assets	10	-	-	368,877	248,708	-	-	368,877	248,708
Equity in net income of subsidiaries	11.2	257,836	1,014,756	1,384,052	2,257,198	-	-	-	-
Expected credit losses	6.2	299	(2,023)	864	(1,587)	(4,523)	(1,463)	(3,141)	(4,552)
Other operating revenues (expenses), net	23	342	7,283	6,673	22,240	(37,016)	6,122	(31,001)	32,750
Operating income (loss) before financial income (loss)		381,551	1,305,543	2,006,950	3,170,952	377,788	1,310,559	1,997,160	3,173,093
Net financial income (loss)	24								
Financial revenues		36,242	11,018	73,377	27,389	42,506	9,636	104,950	23,986
Financial expenses		(106,044)	(146,467)	(369,293)	(457,440)	(99,856)	(141,875)	(341,296)	(435,107)
Derivative financial instruments		(292,657)	54,174	348,531	179,199	(292,657)	54,174	348,531	179,199
Net foreign exchange rate		(83,018)	(116,448)	135,906	206,576	(81,202)	(115,828)	135,405	211,001
Income (loss) before taxes		(63,926)	1,107,820	2,195,471	3,126,676	(53,421)	1,116,666	2,244,750	3,152,172
Income tax and social contribution	17.1								
Current		48,388	(25,082)	(19,840)	(25,082)	37,883	(33,928)	(69,119)	(50,578)
Deferred		39,161	3,508	(272,594)	(256,010)	39,161	3,508	(272,594)	(256,010)
Net income for the period		23,623	1,086,246	1,903,037	2,845,584	23,623	1,086,246	1,903,037	2,845,584
Basic and diluted net earnings per share – in reais (R\$)	19.8					0.0155	0.7120	1.2474	1.8653

See the accompanying notes to the Parent Company and consolidated interim financial information.

Interim statements of comprehensive income

Three and nine-month periods ended September 30, 2023 and 2022

(In thousands of reais)



	Parent Company				Consolidated			
	07/01/2023– 09/30/2023	07/01/2022– 09/30/2022	01/01/2023– 09/30/2023	01/01/2022– 09/30/2022	07/01/2023– 09/30/2023	07/01/2022– 09/30/2022	01/01/2023– 09/30/2023	01/01/2022– 09/30/2022
Net income for the period	23,623	1,086,246	1,903,037	2,845,584	23,623	1,086,246	1,903,037	2,845,584
Items that can be subsequently reclassified to income (loss):								
Foreign exchange differences on translation of foreign operations	88,737	90,146	(78,024)	(53,523)	88,737	90,146	(78,024)	(53,523)
Adjustment of cash flow hedge	(35,231)	(38,846)	41,008	38,126	(35,231)	(38,846)	41,008	38,126
Deferred income tax/social contribution on cash flow hedge	11,978	13,207	(13,943)	(12,963)	11,978	13,207	(13,943)	(12,963)
Other comprehensive income for the period, net of income tax and social contribution	65,484	64,507	(50,959)	(28,360)	65,484	64,507	(50,959)	(28,360)
Total comprehensive income for the period	89,107	1,150,753	1,852,078	2,817,224	89,107	1,150,753	1,852,078	2,817,224

See the accompanying notes to the Parent Company and consolidated interim financial information.

Interim statements of changes in shareholders' equity

Nine-month period ended September 30, 2023 and 2022

(In thousands of reais)



	Share Capital	Profit reserves					Equity valuation adjustments		Retained earnings	Total shareholders' equity
		Legal reserve	Tax incentive reserve	Expansion reserve	Reserve for retained minimum mandatory dividends	Profit reserves	Hedge accounting	Accumulated translation adjustments		
Balances at December 31, 2021	1,788,792	80,486	992,943	1,039,340	238,037	-	8,772	446,597	-	4,594,966
Net income for the year	-	-	-	-	-	-	-	-	2,845,584	2,845,584
Other comprehensive income for the period	-	-	-	-	-	-	25,163	(53,523)	-	(28,360)
Comprehensive income for the period	-	-	-	-	-	-	25,163	(53,523)	2,845,584	2,989,703
Tax incentive reserve	-	-	3,911	-	-	-	-	-	(3,911)	-
Balances at September 30, 2022	1,788,792	80,486	996,854	1,039,340	238,037	-	33,935	393,074	2,841,673	7,412,190
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
Net income for the period	-	-	-	-	-	-	-	-	1,903,037	1,903,037
Other comprehensive income for the period	-	-	-	-	-	-	27,065	(78,024)	-	(50,959)
Comprehensive income for the period	-	-	-	-	-	-	27,065	(78,024)	1,903,037	1,852,078
Tax incentive reserve	-	-	4,539	-	-	-	-	-	(4,539)	-
Balances at September 30, 2023	1,788,792	257,199	1,008,576	1,039,340	238,037	3,346,461	86,047	213,866	1,898,498	9,876,816

See the accompanying notes to the Parent Company and consolidated interim financial information.

Interim statements of cash flows

Nine-month period ended September 30, 2023 and 2022

(In thousands of reais)



	Notes	Parent Company		Consolidated	
		09/30/2023	09/30/2022	09/30/2023	09/30/2022
Cash flow from operating activities:					
Net income for the period		1,903,037	2,845,584	1,903,037	2,845,584
Adjustments to reconcile income to cash and cash equivalents generated by (used in) operating activities:					
Depreciation, amortization and depletion	22 23	496,762	433,986	524,627	437,544
Income (loss) from disposal of property, plant and equipment and biological assets		(15,411)	(18,716)	26,190	(18,682)
Fair value adjustment of biological assets	10	(368,878)	(248,708)	(368,878)	(248,708)
Deferred Income tax and social contribution	17	272,594	256,010	272,594	256,010
Income tax and social contribution – current	17	19,840	25,082	69,119	50,578
Financial charges - interest and exchange-rate change		150,348	242,821	21,371	155,649
Yield on interest earning bank deposit		(33,212)	(58,077)	(33,212)	(58,078)
Equity in net income of subsidiaries	11	(1,384,052)	(2,257,198)	-	-
Net gain with derivatives		(348,531)	(179,199)	(348,531)	(179,199)
Provision for legal risks	18	14,280	4,597	14,170	4,614
Reversal of loss of ICMS credits	23	(7,623)	(16,411)	(7,623)	(16,411)
Reversal of estimated losses on inventories	8	(680)	-	(680)	-
Reversal of expected credit losses	6.2	(864)	1,587	3,141	4,552
Fair value of loan		-	(9,574)	-	-
		697,610	1,021,784	2,075,325	3,233,453
Decrease / (increase) in assets and liabilities					
Trade accounts receivable		153,832	98,866	316,299	(388,259)
Inventories		13,698	(17,108)	114,923	(37,952)
Recoverable taxes		59,690	(9,107)	30,231	(9,174)
Advances to suppliers		(12,209)	(41,809)	(13,301)	(41,809)
Other current and non-current assets		31,700	(48,516)	31,712	(48,868)
Suppliers		(5,798)	(27,796)	25,481	15,031
Accounts payable to related parties		-	(141)	-	(141)
Labor and social security obligations		10,721	63,789	11,139	62,963
Tax liabilities		(7,287)	(1,189)	14,478	(583)
Provision for legal risks		(13,077)	(7,165)	(13,077)	(7,236)
Other current and non-current liabilities		34,981	(6,564)	5,308	(12,900)
		963,861	1,025,044	2,598,518	2,764,525
Cash generated by operating activities		963,861	1,025,044	2,598,518	2,764,525
Income tax and social contribution paid		(172,590)	(8,780)	(222,297)	(16,343)
Net cash generated by operating activities		791,271	1,016,264	2,376,221	2,748,182
Cash flow from investment activities:					
Increase in biological assets		(368,830)	(348,045)	(368,830)	(348,045)
Additions to property, plant and equipment and intangible assets		(379,603)	(202,974)	(512,638)	(353,285)
Cash received upon disposal of property, plant and equipment		20,901	23,276	20,901	23,276
Additions to investments		-	(569)	-	-
Loan agreements granted to related parties		(142,000)	(171,500)	-	-
Interest earning bank deposits, net		-	56,564	-	215,028
Dividends received	11.2	2,523,859	1,306,048	-	-
Net cash generated (used) by/in investment activities		1,654,327	662,800	(860,567)	(463,026)
Cash flow from financing activities:					
Loans and financing obtained	16.3	764,919	864,263	764,919	864,263
Amortization of loans and financing - principal	16.3	(2,055,915)	(2,109,730)	(2,055,915)	(2,109,730)
Amortization of loans and financing - interest	16.3	(334,357)	(376,655)	(334,357)	(376,655)
Receipt of operations with derivatives	24	299,263	63,865	299,263	63,865
Interest earning bank deposits, net		(789,857)	158,466	(789,857)	-
Amortization of related party loans - interest	7.3	(25,641)	(25,657)	-	-
Payment of lease agreements	14.2	(215,689)	(172,408)	(264,151)	(218,426)
Net cash invested in financing activities		(2,357,277)	(1,597,856)	(2,380,098)	(1,776,683)
Exchange-rate change on cash		-	-	20,440	7,999
Increase (decrease), net of cash and cash equivalents		88,321	81,208	(844,004)	516,472
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		261,443	383,097	503,252	1,306,416
Increase (decrease), net of cash and cash equivalents		88,321	81,208	(844,004)	516,472

See the accompanying notes to the Parent Company and consolidated interim financial information.

Interim statement of added value

Nine-month period ended September 30, 2023 and 2022
(In thousands of reais)



	Parent Company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Revenues:				
Sale of goods, products and services	2,763,821	3,086,020	4,609,530	5,763,406
Transfers from construction of own assets	48,689	18,822	48,689	18,822
Expected credit losses	864	(1,587)	(3,141)	(4,552)
Other operating revenues	370,835	260,020	333,477	270,812
	3,184,209	3,363,275	4,988,555	6,048,488
Inputs acquired from third parties:				
Raw material and consumable items	(686,682)	(739,651)	(699,597)	(717,431)
Materials, energy, outsourced services and other	(626,027)	(536,213)	(943,630)	(935,988)
Reversal of provision for impairment of asset values	7,623	16,411	7,623	16,411
	(1,305,086)	(1,259,453)	(1,635,604)	(1,637,008)
Gross added value	1,879,123	2,103,822	3,352,951	4,411,480
Depreciation, amortization and depletion	(496,761)	(433,986)	(524,627)	(437,544)
	1,382,362	1,669,836	2,828,324	3,973,936
Added value received as transfer:				
Equity in net income of subsidiaries	1,384,052	2,257,198	-	-
Financial revenues and foreign exchange gain	557,814	460,383	589,394	464,510
	1,941,866	2,717,581	589,394	464,510
Total added value payable	3,324,228	4,387,417	3,417,718	4,438,446
Distribution of added value:				
Personnel:				
Direct remuneration	230,948	227,489	240,144	239,722
Benefits	154,517	132,865	161,282	140,154
FGTS	18,434	18,410	18,736	19,420
	403,899	378,764	420,162	399,296
Taxes, rates and contributions:				
Federal	436,582	473,692	490,689	502,097
State	93,903	76,413	94,323	51,444
Municipal	-	-	1,170	16
	530,485	550,105	586,182	553,557
Third-party capital remuneration:				
Interest and exchange-rate change	351,963	496,207	316,377	459,416
Rents	133,258	116,674	182,782	163,022
Other	1,586	83	9,178	17,571
	486,807	612,964	508,337	640,009
Remuneration of own capital:				
Net income for the period	1,903,037	2,845,584	1,903,037	2,845,584
Total added value paid	3,324,228	4,387,417	3,417,718	4,438,446

See the accompanying notes to the Parent Company and consolidated interim financial information.

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



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 this financial information was authorized by the Company's Board of Directors as of November 13, 2023.

2. Preparation and presentation of Parent Company and consolidated interim financial information

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

The 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 information and only this one, is being evidenced and corresponds to this one 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 Parent Company 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:

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



- Description of significant accounting policies (Note 7);
- Financial instruments (Note 8);
- 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) and;
- Take or pay contracts (Note 29).

(c) Use of estimates and judgments

In the preparation of this Parent Company 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 Parent Company 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

The Parent Company and consolidated interim financial information is presented in reais (R\$), 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.

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



(i) Foreign currency transactions

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

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

(ii) Foreign operations

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

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

3. Consolidation

The Company consolidates all entities in which they retain control, i.e., when it is exposed to or is entitled to variable returns from its involvement in an investee and has the capacity to direct activities related of the investee.

The subsidiaries included in the consolidation are:

Direct subsidiaries	Country	Ownership interest	
		09/30/2023	12/31/2022
Cellulose Eldorado Austria GmbH	Austria	100%	100%
Rishis Empreendimentos e Participações S.A.	Brazil	100%	100%
Eldorado Brasil Celulose Logística Ltda	Brazil	100%	100%
Indirect subsidiaries			
Eldorado USA, Inc.	USA	100%	100%
Eldorado Inti. Finance GmbH	Austria	100%	100%
Cellulose Eldorado Asia	China	100%	100%

The accounting policies applied in the preparation of the consolidated financial statements are disclosed in the Parent Company 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, 2023.

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



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.

4.1. Financial instruments by category

	Consolidated	
	09/30/2023	12/31/2022
Amortized cost:		
Cash and cash equivalents	503,252	1,347,256
Interest earning bank deposits	823,070	-
Trade accounts receivable	1,262,523	1,538,739
Advances to suppliers	449,005	314,474
Other assets	28,853	60,528
	3,066,703	3,260,997
Fair value through other comprehensive income:		
Derivative financial instruments	307,755	216,405
Assets	3,374,458	3,477,402
Amortized cost:		
Loans and financing	2,862,906	4,330,365
Suppliers	340,466	297,175
Leases payable	1,710,791	1,253,990
Other liabilities	148,580	140,318
	5,062,743	6,021,848
Fair value through other comprehensive income:		
Derivative financial instruments	1,429	6,108
Liabilities	5,064,172	6,027,956

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 September 30, 2023, Company's derivative financial instruments are classified as level 2.

Operations with financial and derivative instruments are classified and recognized in the financial information of the Company and its subsidiaries. The estimated fair values of the derivative financial instruments are the same as the book values.

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



4.3. Financial risk factors

The Company is exposed to the following financial risks:

- 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 September 2023 and presenting the following likely impact scenario on the financial income (loss):

Type	Index	Rate	09/30/2023	Probable scenario	
				Rate	R\$ Gain (Loss)
Cash and cash equivalents	CDI	12.65%	947,773	11.75%	(8,530)
Other non-current assets	Ref. rate	2.10%	3,135	1.95%	(5)
Loans and financing	IPCA	5.00%	(562,996)	4.86%	788
Loans and financing	SOFR	5.31%	(388,708)	5.47%	(638)
Loans and financing	CDI	12.65%	(1,329,560)	11.75%	11,966
Leases payable	IPCA	5.00%	(1,710,791)	4.86%	2,395
Net exposure			(3,041,147)		5,976

The amounts of R\$ 378,549 of interest earning bank deposits abroad and cash deposits and R\$ 581,642 of loans and financing, are pegged to fixed 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:

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



Exposure	Currency	Foreign exchange rate	R\$	09/30/2023	Probable	
				Exposed amount	Probable foreign exchange rate	R\$ Gain (Loss)
Cash and cash equivalents	USD	5.01	365,648	73,019	4.95	(4,204)
Cash and cash equivalents	EUR	5.30	8,258	1,558	5.35	77
Cash and cash equivalents	CNY	0.69	4,643	6,769	0.68	(40)
Trade accounts receivable	USD	5.01	1,116,109	222,883	4.95	(12,838)
Suppliers	USD	5.01	(22,046)	(6,199)	4.95	(8,639)
Suppliers	EUR	5.30	(2,038)	(378)	5.35	16
Suppliers	GBP	6.12	(31)	(5)	6.19	-
Loans and financing	USD	5.01	(1,581,278)	(315,776)	4.95	18,187
Net exposure			(110,735)			(7,441)

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:

	Consolidated	
	09/30/2023	12/31/2022
Cash and cash equivalents	503,187	1,347,205
Interest earning bank deposits	823,070	-
Trade accounts receivable	1,262,523	1,538,739
Advances to suppliers	449,005	314,474
Derivative financial instruments	307,755	216,405
Total	3,345,540	3,416,823

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 a partial insurance policy for receivables in the domestic and foreign markets.

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.

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



Consolidated	≤01 year	01–02 years	02–03 years	>03 years	09/30/2023
Loans and financing	1,754,546	1,009,827	305,508	294,685	3,364,566
Leases payable	335,782	329,525	312,237	2,022,302	2,999,846
Suppliers	340,466	-	-	-	340,466
Other liabilities	120,272	28,306	-	-	148,578
Total	2,551,066	1,367,658	617,745	2,316,987	6,853,456

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	
		09/30/2023	12/31/2022	09/30/2023	12/31/2022
Operating hedge					
Non-deliverable forward (US\$)	US\$	1,800,000	500,000	29,505	(6,108)
Debt hedge					
Interest rate hedging					
Swap IPCA for fixed rate (US\$)	R\$	500,000	500,000	591,208	562,983
Swap CDI for fixed rate (US\$)	R\$	700,000	700,000	722,676	764,641
		1,200,000	1,200,000	1,313,884	1,327,624
Liabilities					
Swap IPCA for fixed rate (US\$)	US\$	88,221	88,221	(425,069)	(459,350)
Swap CDI for fixed rate (US\$)	US\$	124,643	124,643	(611,994)	(651,869)
		212,864	212,864	(1,037,063)	(1,111,219)
				306,326	210,297
Current assets				159,989	92,874
Non-current assets				147,766	123,531
Current liabilities				(1,429)	(6,108)
				306,326	210,297

Derivative contracts (NDF's) have financial investments linked to the operation, pursuant to Note 5.2.

The change in the fair value of derivatives for the period ended September 30, 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. On November 1, 2023, the Company settled the (notional) amount of US\$ 1.3 billion, relating to hedge operations through NDFs, pursuant to Note 4.4.1, with a realized loss of R\$ 28,956.

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



- (ii) Swap CDI x Fixed rate (USD): positions in conventional swaps by exchanging the change of the Interbank Deposit rate ("DI") for a fixed rate in US dollars ("USD"). The purpose is to change the debt ratio in Reais to USD, in line with the natural exposure of the Company's receivables in USD. 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 points 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 points is calculated.

4.4.2. Maturity schedule for fair value

The fair value maturity schedule is as follows:

	09/30/2023
2023	29,505
2024	129,055
2025	18,482
2026	76,349
2027	52,935
	306,326

4.4.3. Hedge accounting

a. Purpose and strategy of the risk management

The expected future revenues from exports of pulp 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 a

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



fixed rate in US dollars (USD), in line with the natural exposure of the Company's receivables in US dollars.

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	09/13/2027
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 September 30, 2023, effectiveness tests demonstrated that the implemented hedge accounting strategy is effective.

e. Accounting

Type of derivative	Effect in shareholders' equity (Hedge accounting)	
	09/30/2023	12/31/2022
Swap IPCA for fixed rate (US\$)	56,013	39,593
Swap CDI for fixed rate (US\$)	74,362	49,774
	130,375	89,367
Deferred income tax and social contribution	(44,328)	(30,285)
Net restatement of cash flow hedge	86,047	58,982

4.5. Capital management

Capital management is carried out through a continuous and prospective process of planning and monitoring 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.

(i) Covenants

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

Index	Parameter	Limit
-------	-----------	-------

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



BRL leveraging	Net debt/Ebitda*	Up to 4.0x
USD leveraging	Net debt/Ebitda*	Up to 4.0x

Leverage is measured by the Net Debt to EBITDA ratio and is performed semiannually and annually, 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 September 30, 2023, the Company achieved the financial ratios above.

5. Cash and cash equivalents and interest earning bank deposits

5.1. Cash and cash equivalents

	Parent Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Cash and cash equivalents	49	48	65	51
Banks - Demand deposits (a)	139,867	41,584	277,237	434,057
Banks - interest earning bank deposits (b)	121,527	131,490	225,950	913,148
	261,443	173,122	503,252	1,347,256

(a) 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 - item 5.3.

(b) Interest earning bank deposits have daily liquidity, invested in Bank Deposit Certificates ("CDBs") whose yield is linked to the Interbank Deposit Certificate ("CDI") rate.

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



5.2. Interest earning bank deposits

	Parent Company and Consolidated	
	09/30/2023	12/31/2022
National Financial Treasury Bills	823,070	-

The Treasury Bills (LFTNs) remuneration are indexed to the Selic variation and are linked to derivative contracts - NDF's – Note 4.4.1.(i).

5.3. Risk rating

The balances of demand deposits and interest earning bank deposits, distributed by the credit risk rating⁽¹⁾ of financial institutions with which the Company maintains a relationship, are as follows:

	Parent Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
AAA	-	-	1,087	2,030
AA -	-	-	4,632	-
A+	-	-	-	4,793
A	149,155	-	282,096	51
A-	-	70,154	-	777,993
BBB	-	-	25,066	86,798
BB	838,571	50,759	838,577	50,760
BB-	96,713	52,160	174,773	424,779
B-	25	1	26	1
	1,084,464	173,074	1,326,257	1,347,205

⁽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	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Clients				
Domestic market	162,855	293,872	163,781	293,872
Foreign market	80,035	23,665	1,116,109	1,280,335
Related parties	406,045	494,329	-	-
	648,935	811,866	1,279,890	1,574,207
Expected credit losses	(4,436)	(8,646)	(17,367)	(35,468)
	644,499	803,220	1,262,523	1,538,739
Balance by maturity:				
Falling due	621,838	788,438	1,123,187	1,287,655
Overdue (days):				
01-30	11,612	12,926	90,517	168,708
31-60	9,392	134	9,513	39,311
61-90	-	1,105	4,709	42,448
>90	1,657	617	34,597	617
	644,499	803,220	1,262,523	1,538,739

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



6.2. Changes in expected credit losses:

	Parent Company	Consolidated
Balance at December 31, 2022	(8,646)	(35,468)
Formations	(2,452)	(16,227)
Reversals	3,316	13,086
Write-offs	3,346	21,489
Exchange-rate change	-	(247)
Balance at September 30, 2023	(4,436)	(17,367)

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	Parent Company		Consolidated	
		09/30/2023	12/31/2022	09/30/2023	12/31/2022
<u>Balances with subsidiaries:</u>					
Cellulose Eldorado Austria GmbH	Sale of pulp	147,194	1,740	-	-
Eldorado USA, Inc.	Sale of pulp	258,851	492,589	-	-
Eldorado Inti. Finance GmbH	PPE (Export prepayment) (i)	(1,117,857)	(1,151,085)	-	-
Rishis Empreendimentos e Participações S.A.	Rendering of services	-	(33,059)	-	-
Eldorado Brasil Celulose Logística Ltda	Rendering of services	(5,280)	-	-	-
Eldorado Brasil Celulose Logística Ltda	Loan ^(iv)	269,824	160,110	-	-
		(447,268)	(529,705)	-	-
<u>Balance with controlling shareholders:</u>					
J&F Investimentos	Rentals	(68)	(64)	(68)	(64)
<u>Balance with other related parties:</u>					
JBS	Sundry (ii)	(216)	(273)	(216)	(273)
Seara Alimentos	Consumable items (iii)	(7)	(910)	(6)	(910)
		(223)	(1,183)	(222)	(1,183)
		(447,559)	(530,952)	(290)	(1,247)
<u>Assets:</u>					
Trade accounts receivable (Note 6.1)		406,045	494,329	-	-
Loans with related parties		269,824	160,110	-	-
<u>Liabilities:</u>					
Suppliers (Note 15)		(5,571)	(34,306)	(290)	(1,247)
Loans with related parties		(1,117,857)	(1,151,085)	-	-
		(447,559)	(530,952)	(290)	(1,247)

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



7.2. Transactions in the period

Type		07/01/2023– 09/30/2023	07/01/2022– 09/30/2022	01/01/2023– 09/30/2023	01/01/2022– 09/30/2022
Transactions with subsidiaries:					
Cellulose Eldorado Austria GmbH	Sale of pulp	416,183	413,192	1,017,432	1,176,209
Eldorado USA, Inc.	Sale of pulp	204,155	323,728	602,356	789,157
Eldorado Inti. Finance GmbH	PPE (Export prepayment) (i)	(12,816)	(13,779)	(39,306)	(40,002)
Rishis Empreendimentos e Participações S.A.	Rendering of services	-	(7,628)	(13,801)	(23,404)
Eldorado Brasil Celulose Logística Ltda	Rendering of services	(7,138)	-	(7,138)	-
		600,384	715,513	1,559,543	1,901,960
Other related-party transactions:					
JBS	Sundry (ii)	(648)	(1,729)	(2,394)	(5,977)
Seara Alimentos	Consumable items (iii)	(13)	(41)	(52)	(197)
		(661)	(1,770)	(2,446)	(6,174)
Total - Parent company		599,723	713,743	1,557,097	1,895,786
Other related-party transactions:					
JBS	Sundry (ii)	(648)	(1,729)	(2,394)	(5,977)
Seara Alimentos	Consumable items (iii)	(13)	(41)	(52)	(197)
Total Consolidated		(661)	(1,770)	(2,446)	(6,174)

- (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 change;
- (ii) Amounts payable on sundry transactions, including freight for transporting pulp, purchase of consumables and data center lease and corporate expenses;
- (iii) Amounts payable arising from the acquisition of consumables for use in the Eldorado's cafeteria;
- (iv) 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
Balance at December 31, 2022	1,151,085
Interest incurred	39,306
Settlement of interest	(25,641)
Exchange-rate change	(46,893)
Balance at September 30, 2023	1,117,857

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



7.4. Management fees

The total management compensation, including the Tax Council, was approved by majority vote by the Board of Directors and the Company's General Meeting, in compliance with the provisions of the Bylaws, the Company's Shareholders' Agreement and Law 6404/1976 for the topic.

	07/01/2023– 09/30/2023	07/01/2022– 09/30/2022	01/01/2023– 09/30/2023	01/01/2022– 09/30/2022
Parent Company:				
Benefits ^(a)	11,236	13,140	32,012	28,242
Private pension	120	109	359	307
	11,356	13,249	32,371	28,549
Consolidated:				
Benefits	12,758	14,564	36,698	32,703
Private pension	138	126	413	360
	12,896	14,690	37,111	33,063

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

8. Inventories

	Parent Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Warehouses	237,864	242,174	238,237	242,571
Pulp	79,590	63,756	220,216	310,219
Wood for production	223,369	166,157	223,369	166,157
Industrial and forestry inputs	100,008	113,414	100,008	113,414
	640,831	585,501	781,830	832,361

The amount of estimated losses in inventories in the nine-month period ended September 30, 2023 was R\$ 3,896 (R\$ 4,576 in December 2022) and refers mainly to warehouse materials and low turnover inventory.

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



9. Recoverable taxes

	Parent Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Value-Added Tax on Sales and Services - ICMS				
Recoverable ICMS	1,005,273	1,002,322	1,007,324	1,002,322
ICMS credit losses ⁽ⁱ⁾	(994,699)	(1,002,322)	(994,699)	(1,002,322)
	10,574	-	12,625	-
Other recoverable taxes:				
PIS and COFINS	14,297	72,250	15,898	73,634
Reintegra	15,698	32,328	15,698	32,328
IRPJ /CSLL	1,114	11,144	1,285	11,319
Recoverable Withholding income tax (IRRF)	12,045	97	12,682	526
Other	267	210	661	605
	53,995	116,029	58,849	118,412
Current	15,920	84,073	19,979	85,862
Non-current	38,075	31,956	38,870	32,550
	53,995	116,029	58,849	118,412

- (i) The Company reassesses the amount of ICMS credit losses annually or whenever there is evidence of significant change in estimates. The amount of ICMS credit losses reversed in the nine-month period ended September 30, 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 nine-month period ended September 30, 2023 are as follows:

	Parent company and Consolidated
Balance at December 31, 2022	3,802,426
Cost applied in the formation of forests	500,233
Exhaustion of formed forests	(260,660)
Fair value adjustment, net of sales expenses	368,878
Balance at September 30, 2023	4,410,877

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.

The assumptions considered in estimating the fair value of biological assets as of June 30, 2023 remained the same for disclosure in the period ended September 30, 2023:

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



	09/30/2023
Area planted for the purpose of the biological asset (hectare)	262,043
Average annual increment (IMA) - m ³ / hectare (i)	38.24
Discount rate (WACC without consumer price index) - %	8.12
Price of standing wood - R\$/m ³	109.30

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

	09/30/2023
Financial changes	199,869
Physical changes	169,009
	368,878

11. Investments

11.1. Breakdown of investments and information on subsidiaries

	Percentage interest	Total assets	Capital	Shareholders' equity	Net revenue
Cellulose Eldorado Austria GmbH	100%	2,361,987	111	1,945,290	3,463,479
Eldorado Brasil Celulose Logística Ltda	100%	696,652	154,888	253,611	6,887
Rishis Empreendimentos e Participações S.A.	100%	5,399	5,325	4,302	14,430

11.2. Changes in investments - Parent company

	Cellulose Eldorado Austria GmbH	Eldorado Brasil Celulose Logística Ltda.	Rishis Empreend. e Participações S.A.	Rishis Empreend. e Participações S.A. - surplus ⁽ⁱ⁾	Total investments in subsidiaries
Balance at December 31, 2022	3,118,783	179,651	90,304	8,157	3,396,895
Write-off by amortization of surplus	-	-	-	(885)	(885)
Dividends ⁽ⁱⁱⁱ⁾	(2,523,859)	-	-	-	(2,523,859)
Partial spin-off ^(iv)	-	84,888	(84,888)	-	-
Fair value of the intercompany loan ⁽ⁱⁱ⁾	-	32,295	-	-	32,295
Accumulated translation adjustment	(78,024)	-	-	-	(78,024)
Unearned income from inventories	27,478	-	-	-	27,478
Net income (loss) for the period	1,400,912	(43,223)	(1,114)	-	1,356,575
Balance at September 30, 2023	1,945,290	253,611	4,302	7,272	2,210,475

(i) The surplus arising from the right of use of the area in the port area, which is being amortized over the contractual term, in force until November 05, 2049.

(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

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



- (iv) On June 30, 2023, the Extraordinary General Meeting of Rishis Empreendimentos e Participações S.A. approved the spin-off of the portion of its net assets equivalent to port operations, in the amount of R\$ 84,888, which corresponds to the net assets merged by Eldorado Brasil Celulose Logística Ltda.

12. Property, plant and equipment

12.1. Breakdown and changes in property, plant and equipment

	Works in progress	IT equipment	Vehicles and vessels	Machinery and equipment	Building and facilities	Other	Total
Parent Company:							
Balance at 12/31/2022	353,415	44,579	101,556	2,944,208	1,304,866	120,990	4,869,614
Additions	312,420	66	66,982	100	-	35	379,603
Write-offs	-	(12)	(3,231)	(2,234)	-	(13)	(5,490)
Transfers	(125,782)	1,295	1,372	108,431	8,816	2,415	(3,453)
Depreciation	-	(8,482)	(28,884)	(197,821)	(46,562)	(2,858)	(284,607)
Balance at 09/30/2023	540,053	37,446	137,795	2,852,684	1,267,120	120,569	4,955,667
Cost	540,053	84,881	288,438	4,572,080	1,803,279	142,775	7,431,506
Accumulated depreciation	-	(47,435)	(150,643)	(1,719,396)	(536,159)	(22,206)	(2,475,839)
Balance at 09/30/2023	540,053	37,446	137,795	2,852,684	1,267,120	120,569	4,955,667
Consolidated:							
Balance at 12/31/2022	373,260	45,041	101,556	2,947,408	1,305,800	121,295	4,894,360
Additions	327,951	709	69,492	3,339	901	224	402,616
Write-offs	-	(264)	(3,231)	(6,486)	(1,789)	(435)	(12,205)
Transfers	(98,623)	7,395	1,373	163,253	231,759	3,853	309,010
Exchange-rate change	-	(106)	-	-	1	2	(103)
Depreciation	-	(8,582)	(29,286)	(198,280)	(47,406)	(2,898)	(286,452)
Balance at 09/30/2023	602,588	44,193	139,904	2,909,234	1,489,266	122,041	5,307,226
Cost	602,588	92,678	290,948	4,628,888	2,026,281	144,411	7,785,794
Accumulated depreciation	-	(48,485)	(151,044)	(1,719,654)	(537,015)	(22,370)	(2,478,568)
Balance at 09/30/2023	602,588	44,193	139,904	2,909,234	1,489,266	122,041	5,307,226

12.2. 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".

12.3. Provision for impairment

In the period ended September 30, 2023, there is no indication that an asset, or group of assets, may be impaired.

12.4. General shutdown

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

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



12.5. Return of assets – Rishis Empreendimentos e Participações S.A.

On August 21, 2023, the subsidiary Eldorado Brasil Celulose Logística Ltda. returned the area and assets, totaling R\$ 2,224, previously operated by Rishis Empreendimentos e Participações S.A., to the Santos Port Authority.

12.6. Port operation

Eldorado Brasil's port operation, which started in July 2023, holds, as of September 30, 2023, the amounts of R\$ 222,947 recorded in the buildings and facilities, R\$ 44,978 recorded in machinery and equipment, and R\$ 2,496 in IT equipment, to be reverted to the Concession Grantor. The assets will be depreciated over the term of the port concession lease agreement or their useful life, whichever is shorter.

12.7. Transfers

The main transfers in the Consolidated come from (are destined to) works in progress in intangible assets – Note 13.1.

13. Intangible assets

13.1. Breakdown and changes in intangible assets

	Terminal concession	IT Software	Surplus for the right of use of the port concession	Works in progress	Total
Parent Company:					
Balance at 12/31/2022	-	29,901	-	-	29,901
Amortization	-	(6,624)	-	-	(6,624)
Transfers	-	3,453	-	-	3,453
Balance at 09/30/2023	-	26,730	-	-	26,730
Cost	-	64,653	-	-	64,653
Accumulated depreciation	-	(37,923)	-	-	(37,923)
Balance at 09/30/2023	-	26,730	-	-	26,730
Consolidated:					
Balance at 12/31/2022	38,766	29,919	8,157	247,350	324,192
Amortization	(3,220)	(6,644)	(885)	-	(10,749)
Additions	15	14	-	131,137	131,166
Write-offs	(35,546)	(14)	-	-	(35,560)
Transfers	-	8,112	-	(317,216)	(309,104)
Balance at 09/30/2023	15	31,387	7,272	61,271	99,945
Cost	38,782	69,325	17,002	61,271	186,380
Accumulated depreciation	(38,767)	(37,938)	(9,730)	-	(86,435)
Balance at 09/30/2023	15	31,387	7,272	61,271	99,945

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



Transfers come from (to) works in progress in property, plant and equipment – Note 12.2.

Additions in works in progress, of R\$ 110,018 plus the amount of R\$ 21,119, which are non-cash effect, totaling R\$ 131,137 in the nine-month period ended September 30, 2023, 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 transfers, in the amount of R\$ 317,216, correspond to the assets that were transferred to property, plant and equipment when operations began, which took place in July 2023.

On August 21, 2023, the subsidiary Eldorado Brasil Celulose Logística Ltda. returned the area and assets, totaling R\$ 35,546 and previously operated by Rishis Empreendimentos e Participações S.A., to the Santos Port Authority.

14. Right-of-use and lease payable

14.1. Breakdown and changes in rights-of-use

	Land and land plots	Buildings	Vehicles	Forestry machinery, equipment and implements	Facilities and improvements (i)	Net
Parent Company:						
Balance at 12/31/2022	923,330	813	26,608	1,319	-	952,070
Depreciation	(135,569)	(679)	(10,553)	(1)	-	(146,802)
Additions and readjustment of installments	589,927	-	-	-	-	589,927
Write-offs	-	-	(7,403)	-	-	(7,403)
Balance at 09/30/2023	1,377,688	134	8,652	1,318	-	1,387,792
Cost	1,937,880	5,327	68,055	5,679	201	2,017,142
Accumulated depreciation	(560,192)	(5,193)	(59,403)	(4,361)	(201)	(629,350)
Balance at 09/30/2023	1,377,688	134	8,652	1,318	-	1,387,792
Consolidated:						
Balance at 12/31/2022	923,330	13,344	26,626	1,319	265,692	1,230,311
Depreciation	(135,568)	(865)	(10,582)	(1)	(2,175)	(149,191)
Additions and readjustment of installments	589,928	-	-	-	8,452	598,380
Write-offs	-	(12,318)	(7,404)	-	-	(19,722)
Balance at 09/30/2023	1,377,690	161	8,640	1,318	271,969	1,659,778
Cost	1,937,882	6,540	68,256	5,679	274,347	2,292,704
Accumulated depreciation	(560,192)	(6,379)	(59,616)	(4,361)	(2,378)	(632,926)
Balance at 09/30/2023	1,377,690	161	8,640	1,318	271,969	1,659,778

Of the total depreciation for the period, the amount of R\$ 73,403 was considered as a cost applied to the formation of forests in biological assets (Note 10), the amount of R\$ 62,523 was considered as an advance to suppliers (partnership agreements), R\$ 10,405 was considered as a cost applied to inventories (Note 8) and R\$ 29 was capitalized as construction in progress (Note 12).

(i) The values for Facilities and Improvements refer to the initial grant payments, the monthly lease installments and the Minimum Contractual Handling – MMC

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



14.2. Changes in lease payable

	Parent Company	Consolidated
Balance at December 31, 2022	1,068,563	1,253,990
Additions and readjustments of installments (a)	589,927	598,380
Payments	(215,689)	(264,151)
Financial interest (b)	118,233	143,058
Write-off or termination	(7,403)	(20,452)
Exchange-rate change	(1)	(34)
Balance at September 30, 2023	1,553,630	1,710,791
Current	259,203	285,496
Non-current	1,294,427	1,425,295
Balance at September 30, 2023	1,553,630	1,710,791

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

(b) Of the total financial interest of the Consolidated, the amount of R\$ 58,001 was considered as a cost applied to the formation of forests in biological assets (Note 14), R\$ 58,707 was considered as advance to suppliers (partnership agreements) and R\$ 21,119 was considered as additions to intangible assets and R\$ 1,486 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.

14.3. 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 on September 30, 2023:

	Parent Company		Consolidated	
	Nominal value	Adjusted to present value	Nominal value	Adjusted to present value
Leases payable consideration	1,894,449	1,553,630	2,136,259	1,710,791
Potential PIS/COFINS (9.25%) levied on contracts signed with legal entities	175,237	143,711	197,604	158,248

15. Suppliers

	Parent Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
<u>In domestic currency:</u>				
Third-parties ⁽¹⁾	280,618	256,291	315,989	263,753
Related parties	5,571	34,306	290	1,247
<u>In foreign currency:</u>				
Third parties	1,071	2,461	24,187	32,175
	287,260	293,058	340,466	297,175

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



- (i) The balance of September 30, 2023 considers the amount of R\$ 16,475 (R\$ 5,784 as of December 31, 2022) of operations with drawee risk in the parent company and in the consolidated. Such operations did not present relevant changes in the purchase conditions (term, payment flow and negotiated prices) in relation to those usually practiced by the Company.

16. Loans and financing

16.1. Breakdown of loans and financing

Type	Average annual interest rate and commissions	Maturity	Parent company and Consolidated	
			09/30/2023	12/31/2022
In foreign currency:				
ACC ⁽ⁱ⁾	SOFR + spread	Jan 2024–Nov 2024	707,134	1,329,316
PPE ⁽ⁱⁱ⁾	SOFR + spread	Nov 2023–Aug 2025	773,992	1,520,957
NCE ⁽ⁱⁱⁱ⁾	-	Feb 2024	100,152	-
			1,581,278	2,850,273
In domestic currency:				
FINAME	Fixed rate - 3.00% p.a.	-	-	249
PPE ⁽ⁱⁱ⁾	% CDI	Nov 2023–Aug 2025	16,678	-
NCE ⁽ⁱⁱⁱ⁾	% CDI	Feb 2024	7,334	202,570
Leasing ^(iv)	CDI + 3.49% p.a.	-	-	13,506
CRA ^(v)	IPCA + 7.1945% p.a.	Sep 2026–Sep 2027	562,996	546,487
Debentures ^(vi)	CDI + 3.00% p.a.	Sep 2024	694,620	717,280
			1,281,628	1,480,092
			2,862,906	4,330,365
Current				
			1,506,325	1,725,644
Non-current				
			1,356,581	2,604,721
			2,862,906	4,330,365

16.2. Maturity Schedule - non-current

The maturity schedule of loans and financing classified in non-current liabilities as of September 30, 2023 is as follows:

Year	2024	2025	2026	2027	Total
	49,424	745,907	280,625	280,625	1,356,581

16.3. Changes in loans and financing

	Parent company and Consolidated
Balance at December 31, 2022	4,330,365
Funding	764,919
Interest incurred	297,286
Amortization of principal	(2,055,915)
Amortization of interest	(334,357)
Exchange-rate change	(139,392)
Balance at September 30, 2023	2,862,906

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



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 investments, broken down as follows:

- (i) Financing of working capital through Advances on Foreign Exchange Contracts (ACCs);
- (ii) Export prepayment (PPE) maturing from November 2023 to August 2025. Transactions are restated by 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, with interest in domestic currency 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

As of September 30, 2023, the Company does not have guarantee clauses in its outstanding loan and financing agreements.

Notes to the Parent Company and consolidated interim financial information

As of September 30, 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			
	07/01/2023– 09/30/2023	07/01/2022– 09/30/2022	01/01/2023– 09/30/2023	01/01/2022– 09/30/2022
Income (loss) before taxes	(63,926)	1,107,820	2,195,471	3,126,676
Income tax and social contribution - nominal rate of 34%	21,735	(376,658)	(746,460)	(1,063,069)
Reconciliation to the effective rate:				
Equity in net income of subsidiaries	87,665	345,017	470,578	767,447
Reversal of ICMS credit losses	-	2,866	2,592	5,580
Reintegra	245	1,562	648	2,031
Other	(22,096)	5,639	(19,792)	6,919
Income tax and social contribution – Current and deferred	87,549	(21,574)	(292,434)	(281,092)
Current	48,388	(25,082)	(19,840)	(25,082)
Deferred	39,161	3,508	(272,594)	(256,010)
Income tax and social contribution – Current and deferred	87,549	(21,574)	(292,434)	(281,092)
Effective rate	-	1.95%	13.32%	8.99%

	Consolidated			
	07/01/2023– 09/30/2023	07/01/2022– 09/30/2022	01/01/2023– 09/30/2023	01/01/2022– 09/30/2022
Income (loss) before taxes	(53,421)	1,116,666	2,244,750	3,152,172
Income tax and social contribution - nominal rate of 34%	18,163	(379,667)	(763,215)	(1,071,739)
Reconciliation to the effective rate:				
Reversal of ICMS credit losses	-	2,866	2,592	5,580
Reintegra	244	1,562	648	2,031
Difference in tax base and nominal rates of subsidiaries abroad	98,779	336,069	453,128	746,618
Write-off of assets	(12,842)	-	(12,842)	-
Other	(27,300)	8,750	(22,024)	10,922
Income tax and social contribution – Current and deferred	77,044	(30,420)	(341,713)	(306,588)
Current	37,883	(33,928)	(69,119)	(50,578)
Deferred	39,161	3,508	(272,594)	(256,010)
Income tax and social contribution – Current and deferred	77,044	(30,420)	(341,713)	(306,588)
Effective rate	-	2.72%	15.22%	9.73%

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



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

	Balance at 12/31/2022	Tax additions (exclusions)	Balance at 09/30/2023
Tax loss	578,259	(9,937)	568,322
Temporary credit differences:			
Unrealized foreign exchange	172,539	(119,100)	53,439
Non-deductible provision	69,685	7,582	77,267
Tax overpayments – IRPJ/CSLL on Selic	4,794	-	4,794
	247,018	(111,518)	135,500
Temporary liability differences:			
Fair value of biological assets	(136,646)	(99,540)	(236,186)
Derivative financial instruments	(71,501)	(32,650)	(104,151)
Incentivized accelerated depreciation	(875,742)	(32,891)	(908,633)
	(1,083,889)	(165,081)	(1,248,970)
Net value	(258,612)	(286,536)	(545,148)

(i) As of September 30, 2023, the Company had a balance of tax loss and negative base of social contribution in the amount of R\$ 1,671,535 (R\$ 1,700,761 as of December 31, 2022).

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, to which, based on its legal advisors' opinion, assesses the expectation of the outcome aiming at determining the risk of loss, which is reflected in the formation of a provision for contingencies, which presented the following changes in the period:

	Consolidated					Parent Company
	Environmental	Civil	Tax	Labor	Total	Total
Balance at December 31, 2022	367	1,629	-	29,144	31,140	30,692
Additions	-	401	4,459	11,034	15,894	15,882
Write-offs	-	(50)	(4,459)	(13,164)	(17,673)	(17,523)
Restatements	259	286	-	2,326	2,871	2,843
Balance at September 30, 2023	626	2,266	-	29,340	32,232	31,894

As of September 30, 2023, the Company has contingencies whose expected loss, assessed by management and supported by its legal advisors, is classified as possible, with the following breakdown:

Possible	Parent Company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Environmental	9,241	12,229	9,241	12,229
Civil	705,615	639,025	705,615	639,025
Labor	34,724	43,831	35,123	43,874
Tax	459,497	6,749	459,497	6,749
Regulatory	-	113,247	-	113,247
Administrative	75	73	75	73
	1,209,152	815,154	1,209,551	815,197

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



Provision is 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\$ 672,607 as of September 30, 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.

On June 28, 2023, a Tax Assessment Notice was drawn up by the Brazilian Federal Revenue Service on the grounds that the Company had failed to pay Corporate Income Tax and Social Contribution on Net Income on profits earned by its subsidiaries in Austria and China in the calendar years 2018 and 2019. Considering the legal increases, the assessed tax credit was R\$ 430,062 and, in the opinion of the legal advisors and Management, the risks of loss according to the type of the ongoing matter, are classified as possible.

Regulatory contingencies were no longer considered as a possible loss following the start of the PAS judgment by the CVM Board, in which a majority was formed to acquit Eldorado.

19. Shareholders' equity

19.1. Capital

Subscribed and paid-in capital, as of September 30, 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 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 September 30, 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.

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



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 net income, which remained, 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 information of subsidiaries abroad into the Company's functional currency, were reduced by R\$ 78,024 for the period ended September 30, 2023 (increased by R\$ 154,707 for the year ended December 31, 2022).

19.8. Earnings (loss) 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:

	07/01/2023– 09/30/2023	07/01/2022– 09/30/2022	01/01/2023– 09/30/2023	01/01/2022– 09/30/2022
Net income for the period	23,623	1,086,246	1,903,037	2,845,584
Total shares of the period	1,525,558	1,525,558	1,582,558	1,525,558
Basic and diluted earnings per share	0.0155	0.7120	1.2474	1.8653

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

20. Net revenue

	Parent Company			
	07/01/2023– 09/30/2023	07/01/2022– 09/30/2022	01/01/2023– 09/30/2023	01/01/2022– 09/30/2022
Domestic market	244,299	369,068	885,996	924,244
Foreign market	717,488	804,164	1,893,491	2,172,181
Deductions and rebates	(5,651)	(14,042)	(15,666)	(22,901)
Gross revenue	956,136	1,159,190	2,763,821	3,073,524
Sales taxes	(45,770)	(68,329)	(164,510)	(172,611)
Net revenue	910,366	1,090,861	2,599,311	2,900,913

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



	Consolidated			
	07/01/2023– 09/30/2023	07/01/2022– 09/30/2022	01/01/2023– 09/30/2023	01/01/2022– 09/30/2022
Domestic market	245,961	369,067	887,691	924,247
Foreign market	1,560,406	2,564,563	4,969,541	6,283,059
Deductions and rebates	(343,028)	(540,409)	(1,247,702)	(1,430,719)
Gross revenue	1,463,339	2,393,221	4,609,530	5,776,587
Sales taxes	(46,410)	(68,754)	(165,928)	(173,918)
Net revenue	1,416,929	2,324,467	4,443,602	5,602,669

21. Operating segments

21.1. Geographic segments

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

	Consolidated			
	07/01/2023– 09/30/2023	07/01/2022– 09/30/2022	01/01/2023– 09/30/2023	01/01/2022– 09/30/2022
Domestic market	189,023	300,377	711,120	751,023
Asia	608,563	815,505	1,663,080	1,886,329
North America	297,288	511,943	958,811	1,298,097
Europe	188,501	529,570	677,375	1,217,351
South America	88,278	98,944	242,089	236,039
Middle East	41,324	38,832	168,909	112,447
Africa	3,952	29,296	22,218	101,383
Foreign market	1,227,906	2,024,090	3,732,482	4,851,646
Net revenue	1,416,929	2,324,467	4,443,602	5,602,669

21.2. Information on main clients

In the nine-month period sales, ended on September 30, 2023 and 2022, only one client, Parent Companyly, represented more than 10% of the Company's net revenue.

21.3. Information on total non-current assets

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

	Consolidated	
	09/30/2023	12/31/2022
Brazil	12,031,635	10,660,639
Austria	405	473
USA	797	438
China	120	129
Total non-current assets	12,032,957	10,661,679

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



22. Costs and expenses per function and nature

	Parent Company			
	07/01/2023– 09/30/2023	07/01/2022– 09/30/2022	01/01/2023– 09/30/2023	01/01/2022– 09/30/2022
Cost of products sold	600,783	659,947	1,892,107	1,812,765
Administrative and general expenses	113,821	71,577	263,305	191,626
Sales and logistics expenses	72,688	73,810	197,415	252,129
Total according to the role	787,292	805,334	2,352,827	2,256,520
Personnel expenses	167,570	172,141	459,637	450,201
Expenses with services, materials and transport	240,910	202,563	683,225	596,235
Depreciation, exhaustion and amortization	112,480	124,838	495,877	432,602
Raw material and consumable items	256,379	291,347	686,682	739,651
Other	9,953	14,445	27,406	37,831
Total by nature	787,292	805,334	2,352,827	2,256,520

	Consolidated			
	07/01/2023– 09/30/2023	07/01/2022– 09/30/2022	01/01/2023– 09/30/2023	01/01/2022– 09/30/2022
Cost of products sold	701,311	709,742	1,996,363	1,804,311
Administrative and general expenses	121,571	75,660	280,148	203,547
Sales and logistics expenses	174,720	233,165	504,666	698,624
Total according to the role	997,602	1,018,567	2,781,177	2,706,482
Personnel expenses	180,711	179,517	478,408	472,702
Expenses with services, materials and transport	393,995	315,458	1,043,356	993,538
Depreciation, exhaustion and amortization	130,167	127,495	523,742	436,160
Raw material and consumable items	274,859	335,233	699,597	717,431
Other	17,870	60,864	36,074	86,651
Total by nature	997,602	1,018,567	2,781,177	2,706,482

23. Other operating revenues (expenses), net

	Parent Company			
	07/01/2023– 09/30/2023	07/01/2022– 09/30/2022	01/01/2023– 09/30/2023	01/01/2022– 09/30/2022
Reversal of ICMS credit losses	-	8,429	7,623	16,411
Indemnities	(4,554)	(2,967)	(12,841)	(9,461)
Non-recoverable ICMS	(1,032)	(1,152)	(1,829)	(3,972)
Procedural contingencies	3,434	1,519	(1,202)	2,567
Sales and write-offs of property, plant, and equipment	3,055	8,103	15,913	18,477
Depreciation and amortization	(295)	(295)	(885)	(1,381)
Other	(266)	(6,354)	(106)	(401)
	342	7,283	6,673	22,240

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



	Consolidated			
	07/01/2023– 09/30/2023	07/01/2022– 09/30/2022	01/01/2023– 09/30/2023	01/01/2022– 09/30/2022
Reversal of ICMS credit losses	-	8,429	7,623	16,411
Indemnities	(4,867)	(2,973)	(13,219)	2,418
Non-recoverable ICMS	(1,114)	(2,343)	(2,144)	(5,367)
Procedural contingencies	3,531	1,548	(1,092)	2,622
Write-offs of assets (Notes 12 and 13)	(37,770)	-	(37,770)	-
Sales of property, plant, and equipment	3,055	8,104	15,913	18,443
Depreciation and amortization	(295)	(295)	(885)	(1,381)
Other	444	(6,348)	573	(396)
	(37,016)	6,122	(31,001)	32,750

24. Net financial income (loss)

	Parent Company			
	07/01/2023– 09/30/2023	07/01/2022– 09/30/2022	01/01/2023– 09/30/2023	01/01/2022– 09/30/2022
Yield on interest earning bank deposit	35,847	5,052	72,267	15,298
Interest receivable	376	362	1,030	1,289
Other financial revenues	19	5,604	80	10,802
Financial revenues	36,242	11,018	73,377	27,389
Sundry bank expenses	(887)	-	(1,547)	-
Interest payable	(100,106)	(141,303)	(352,831)	(447,529)
Other financial expenses	(5,051)	(5,164)	(14,915)	(9,911)
Financial expenses	(106,044)	(146,467)	(369,293)	(457,440)
Realized gains	(161,488)	45,589	299,263	63,865
Unrealized gains	(131,169)	8,585	49,268	115,334
Derivative financial instruments	(292,657)	54,174	348,531	179,199
Loans and financing	(69,462)	(98,333)	139,391	134,408
Other assets and liabilities	(13,556)	(18,115)	(3,485)	72,168
Net foreign exchange rate	(83,018)	(116,448)	135,906	206,576
Net financial income (loss)	(445,477)	(197,723)	188,521	(44,276)

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



	Consolidated			
	07/01/2023– 09/30/2023	07/01/2022– 09/30/2022	01/01/2023– 09/30/2023	01/01/2022– 09/30/2022
Yield on interest earning bank deposit	42,112	8,059	103,842	21,099
Interest receivable	376	731	1,029	1,657
Other financial revenues	18	846	79	1,230
Financial revenues	42,506	9,636	104,950	23,986
Sundry bank expenses	(937)	-	(1,662)	-
Interest payable	(90,853)	(127,579)	(317,144)	(407,549)
Other financial expenses	(8,066)	(14,296)	(22,490)	(27,558)
Financial expenses	(99,856)	(141,875)	(341,296)	(435,107)
Realized gains	(161,488)	45,589	299,263	63,865
Unrealized gains	(131,169)	8,585	49,268	115,334
Derivative financial instruments	(292,657)	54,174	348,531	179,199
Loans and financing	(69,462)	(98,333)	139,391	134,408
Other assets and liabilities	(11,740)	(17,495)	(3,986)	76,593
Net foreign exchange rate	(81,202)	(115,828)	135,405	211,001
Net financial income (loss)	(431,209)	(193,893)	247,590	(20,921)

25. Take or pay contracts

25.1. Chemical plants and gas distribution branch

There was no change in the take or pay contract characteristics and indices listed in Note 29.1 of the financial statements for the year ended December 31, 2022.

As of September 30, 2023, the non-cancelable future minimum payments are as follows:

	Parent Company and Consolidated 09/30/2023
2023	27,419
2024	111,676
2025	111,676
2026	111,676
>2027	159,850
	522,297

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



Amounts recognized in income (loss):

	Parent Company and Consolidated			
	07/01/2023– 09/30/2023	07/01/2022– 09/30/2022	01/01/2023– 09/30/2023	01/01/2022– 09/30/2022
Cost of products sold	62,325	66,386	179,796	182,737

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:

	Parent Company			Consolidated		
	Additions and readjustment of installments	Right-of-use depreciation	Lease interest	Additions and readjustment of installments	Right-of-use depreciation	Lease interest
Inventories	-	10,405	1,486	-	10,405	1,486
Advances to suppliers	-	62,523	58,707	-	62,523	58,707
Biological assets	-	73,403	58,001	-	73,403	58,001
Rights-of-use	589,927	(146,802)	-	598,380	(147,009)	-
Property, plant and equipment	-	29	-	-	29	-
Intangible assets	-	-	-	-	-	21,119
Leases payable	(589,927)	-	(118,233)	(598,380)	-	(118,368)

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.

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 arbitration award.

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



On July 29, 2022, the Judge of the 2nd Corporate and Arbitration Related Disputes Court of the Central Court of the District of São Paulo - SP denied the request made by J&F 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 the conclusion of the judgment.

On May 19, 2023, a class action was filed by Mr. Luciano José Buligon ("Popular Plaintiff") against Eldorado, Paper Excellence BV, CA Investment, J&F, the National Institute of Colonization and Agrarian Reform – INCRA and the Federal Government, requesting recognition of the full nullity of the share transfer regarding the shares of Eldorado to CA Investment, due to non-compliance with the provisions of Federal Law 5709/71 and Law 8629/93, as well as Decree 74965/74, with a request for urgent protection. On July 03, 2023, within the scope of the Federal Regional Court of the 4th Region, a request for advance relief was granted prior to the appeal filed by the Popular Plaintiff, determining the suspension of acts of transfer of Eldorado shares owned by J&F on behalf of CA Investment, until permissions are presented by INCRA and the National Congress, as required by Law 5709/71 and Law 8629/93.

Notes to the Parent Company and consolidated interim financial information

As of September 30, 2023

In thousands of reais, unless otherwise indicated



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 and Logistics 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