

# 3Q23 RESULTS

**Record production and sales volumes in the quarter, with strong operational performance.**

## **PRODUCTION VOLUME**

Production volume surpassed our all-time high, reaching 479 thousand tons, 2.8% and 0.6% higher than in 2Q23 and 3Q22, respectively.

## **SALES VOLUME**

Record sales volume, reaching 534 thousand tons, 12.7% and 10.8% higher than in 2Q23 and 3Q22, respectively.

## **ADJUSTED EBITDA**

Adjusted EBITDA was R\$546 million in 3Q23, with a margin of 39%, 20% and 62% lower than in 2Q23 and 3Q22, respectively.

## **NET DEBT**

Net debt ended 3Q23 at R\$1,537 million, 13% and 56% lower than in 2Q23 and 3Q22, respectively.



Indicators	3Q23	2Q23	3Q22	3Q23 vs. 2Q23	3Q23 vs. 3Q22	9M23	9M22	9M23 vs. 9M22
<b>Pulp Production</b> (thousand tons)	479	466	476	2.8%	0.6%	1,319	1,370	-3.7%
<b>Pulp Sales</b> (thousand tons)	534	474	482	12.7%	10.8%	1,395	1,366	2.1%
<b>Net Revenue</b> (R\$ million)	1,417	1,491	2,324	-5.0%	-39.0%	4,444	5,603	-20.7%
<b>Cash Cost</b> (R\$/ton)	875	860	933	1.7%	-6.2%	868	871	-0.3%
<b>Adjusted EBIT Margin<sup>1</sup></b> (%)	26.7%	29.9%	56.4%	-10.7%	-52.7%	36.6%	52.2%	-29.9%
<b>Adjusted EBITDA</b> (R\$ million)	546	680	1,430	-19.7%	-61.8%	2,176	3,346	-35.0%
<b>Adjusted EBITDA Margin</b> (%)	38.5%	45.6%	61.5%	-15.6%	-37.4%	49.0%	59.7%	-17.9%
<b>Net Financial Income (Expenses)</b> (including hedge) (R\$ million)	(350)	356	(78)	-198.3%	348.7%	112	(232)	-148.3%
<b>Exchange Variation</b> (R\$ million)	(81)	139	(116)	-158.3%	-30.2%	135	211	-36.0%
<b>Net Income</b> (R\$ million)	24	988	1,086	-97.6%	-97.8%	1,903	2,846	-33.1%
<b>Investments</b> (R\$ million)	233	317	264	-26.5%	-11.7%	881	701	25.7%
<b>Adjusted FCF</b> (R\$ million)	166	536	906	-69.0%	-81.7%	1,373	1,740	-21.1%
<b>Net Debt</b> (R\$ million)	1,537	1,756	3,479	-12.5%	-55.8%	1,537	3,479	-55.8%
<b>Net Debt with hedge MTM</b> (R\$ million)	1,230	1,288	3,312	-4.5%	-62.9%	1,230	3,312	-62.9%
<b>Net Debt with hedge MTM</b> (US\$ million)	246	267	613	-8.0%	-59.9%	246	613	-59.9%
<b>Net Debt/Adjusted EBITDA (R\$)</b>	0.45x	0.41x	0.84x	0.04x	-0.39x	0.45x	0.84x	-0.39x
<b>Net Debt/Adjusted EBITDA (US\$)</b>	0.46x	0.44x	0.82x	0.2x	-0.36x	0.46x	0.82x	-0.36x
<b>Net Debt w/ MTM/ Adjusted EBITDA (R\$)</b>	0.36x	0.30x	0.80x	0.06x	-0.44x	0.36x	0.80x	-0.44x

1- Adjustment to the effect of the biological asset

## EXECUTIVE SUMMARY

In 3Q23, the pulp market was marked by different dynamics in demand for hardwood pulp according to segment and region. Asia maintained high demand for eucalyptus pulp due to increased paper production arising from the entry of new capacities in several segments of the region. As for demand, toiler paper maintained its resistance, and the printing paper market was positively impacted due to seasonality in this period of the year. The increase in inventory by paper producers, which began early in 2Q23 and was driven by the price levels seen then, also continued in this period.

In North America, the toilet paper market remained solid, while demand for printing and writing papers continued reflecting the secular trend of decline in this segment. In Europe, in comparison with the performance seen in other regions, the demand for pulp remained weak in several segments, due to the lower consumption of end products. But the toilet paper market remained resilient and, at the end of the third quarter, it showed some signs of improvement.

As a consequence of the buoyant demand during the period, inventory levels of producers, as well as inventory levels in European and Chinese ports, reduced compared to last quarter.

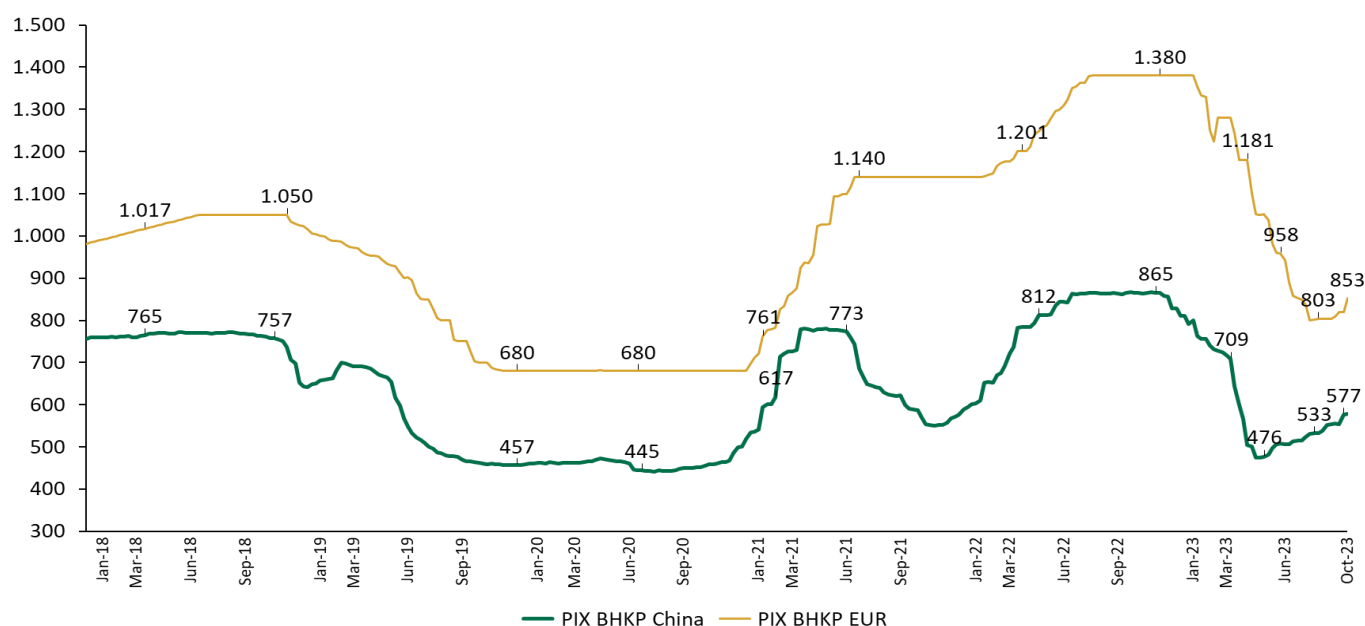
In this scenario, Eldorado recorded 534 thousand tons sold, an all-time high in the quarter, being 13% higher than the volume recorded last quarter, maintaining as a pillar of the commercial strategy, its focus on profitability and customer





diversification, both in the segments and regions where it operates, thus ensuring its solid sales performance. In 3Q23, the Company recorded an average net price of US\$515/t.

### PIX BHKP (US\$/TON)



Pulp production hit an all-time high of 479 thousand tons this quarter, and despite the record sales volume, gross revenue was R\$1,463 million, with a net revenue of R\$1,417 million, 5% lower than that of the previous quarter, due to lower pulp prices in the period.

Cash generation – measured by EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) – closed 3Q23 at R\$546 million, with a margin of 38.5%. The operating margin – measured by EBIT (Earnings Before Interest and Taxes) stood at 27%, positioning Eldorado as a benchmark company in terms of operational performance.

The cash cost of production closed the quarter at R\$875/ton, slightly up, mainly influenced by the wood mix with a higher share of third-party wood. Third-quarter free cash flow, even with its lower contribution in comparison with previous quarters, contributed to reducing net debt, which ended the quarter at R\$1,537 million, 13% lower than last quarter.

The Net Debt/Adjusted EBITDA ratio, despite the lower cash generation in the quarter, remained at 0.45x in BRL (Net Debt of 1,537 / LTM Adjusted EBITDA of 3,394 = 0.45) and at 0.46x (measured in USD).

In July, Eldorado inaugurated its new terminal port in Santos. It is the result of a total investment of around R\$500 million, and the operation allows the Company to maximize its export efficiency, doubling its export production capacity and reducing costs.



## PRODUCTION AND SALES

Pulp production hit an all-time high of 479 thousand tons this quarter, 2.8% and 0.6% higher than in 2Q23 and 3Q22, respectively.

Volume (thousand tons)	3Q23	2Q23	3Q22	3Q23 vs. 2Q23	3Q23 vs. 3Q22	9M23	9M22	9M23 vs. 9M22
<b>Production</b>	479	466	476	2.8%	0.6%	1,319	1,370	-3.7%
<b>Sales</b>	534	474	482	12.7%	10.8%	1,395	1,366	2.1%

On the commercial front, sales volume also hit an all-time high of 534 thousand tons, 12.7% and 10.8% higher than in 2Q23 and 3Q22, respectively. The increase was mainly due to the resumption of inventory replenishment at clients, mainly in Asia.

## NET REVENUE AND GROSS PROFIT

Net Revenue (R\$ million)	3Q23	2Q23	3Q22	3Q23 vs. 2Q23	3Q23 vs. 3Q22	9M23	9M22	9M23 vs. 9M22
<b>Total Net Revenue</b>	<b>1,417</b>	<b>1,491</b>	<b>2,324</b>	-5.0%	-39.0%	<b>4,443</b>	<b>5,603</b>	-20.7%
<b>Foreign Market</b>	1,226	1,266	2,026	-3.2%	-39.5%	3,732	4,852	-23.1%
<b>Domestic Market</b>	191	225	298	-15.1%	-35.9%	711	751	-5.3%
<b>Cost of Goods Sold - COGS</b>	(701)	(764)	(710)	-8.2%	-1.3%	(1,996)	(1,805)	10.6%
<b>COGS/ton (R\$/ton)</b>	1,313	1,612	1,473	-18.5%	-10.9%	1,431	1,321	8.3%
<b>Gross Profit</b>	<b>716</b>	<b>727</b>	<b>1,614</b>	-1.5%	-55.6%	<b>2,447</b>	<b>3,798</b>	-35.6%
<b>Gross Margin (%)</b>	50.5%	48.8%	69.4%	-	-	55.1%	67.8%	-

Net revenue ended 3Q23 at R\$1,417 million, 5.0% and 39.0% lower than in 2Q23 and 3Q22, respectively, mainly due to the drop in pulp prices throughout 2023, but offset by higher sales volume in the period. The average price closed at US\$515/t in 3Q23, down by 12% from the US\$587/t recorded in 2Q23, and by 41% compared to the same period a year ago.

The cost of goods sold per ton reduced by 18.5% and 10.9% over 2Q23 and 3Q22, respectively, due to improved prices, lower consumption of chemical inputs, and higher sales volume, with fixed costs diluted.

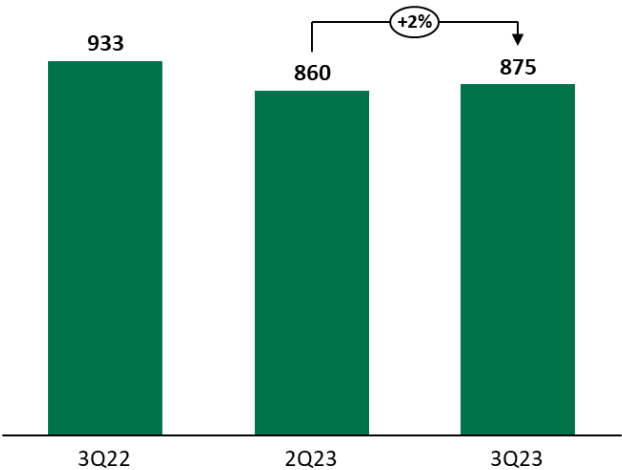
Gross profit ended the quarter at R\$716 million, 1.5% and 55.6% lower than in 2Q23 and 3Q22, respectively. Gross margin was 50.5% in the period, compared to 48.8% in the previous quarter.



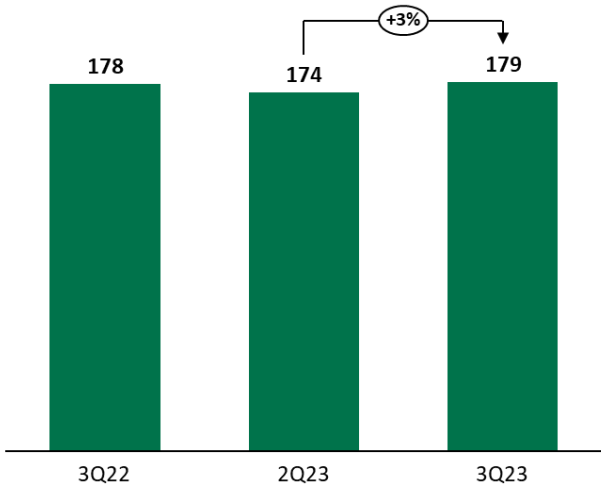
**CASH COST**

The cash cost of production without shutdown was R\$875/t (US\$179/t), 1.7% higher than 2Q23, due to higher consumption of third-party wood in the period, and 6.2% lower than in 3Q22, chiefly due to lower overall wood and input costs. The reduction in chemical input costs was mainly due to the drop in prices and lower consumption.

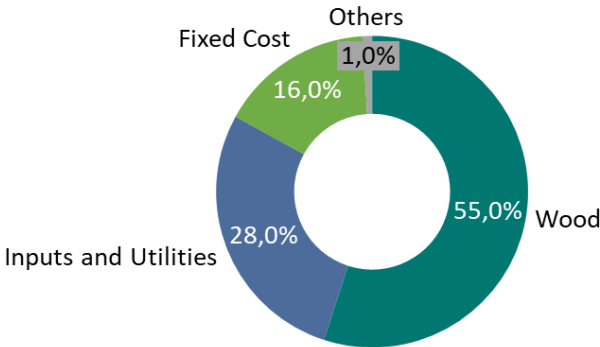
**Cash Cost (excluding shutdown) (R\$/ton)**



**Cash Cost (excluding shutdown) (US\$/ton)**



**3Q23 Cash Cost Breakdown**





## SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Operating income/expenses (R\$ million)	3Q23	2Q23	3Q22	3Q23 vs. 2Q23	3Q23 vs. 3Q22	9M23	9M22	9M23 vs. 9M22
<b>General and Administrative Expenses</b>	(122)	(82)	(76)	48.8%	60.5%	(280)	(204)	37.25%
<b>% of Net revenue</b>	8.6%	5.5%	3.3%	56.4%	160.6%	6.3%	3.6%	75.0%
<b>Selling and Logistics</b>	(175)	(195)	(232)	-10.3%	-24.6%	(505)	(698)	-27.65%
<b>% of Net revenue</b>	12.4%	13.1%	10.0%	-5.3%	24.0%	11.4%	12.5%	-8.8%
<b>Total</b>	(297)	(277)	(308)	7.2%	-3.6%	(785)	(902)	-12.97%

In 3Q23, general and administrative expenses totaled R\$122 million, 48.8% and 60.5% higher than in 2Q23 and 3Q22, respectively, due to increased charges, salary inflation adjustments and legal expenses in the period.

Selling and logistics costs totaled R\$175 million at the end of the period, 10.3% and 24.6% lower than in 2Q23 and 3Q22, respectively, due to lower petroleum prices and higher availability of containers and vessels – a trend that has sustained over the past quarters.

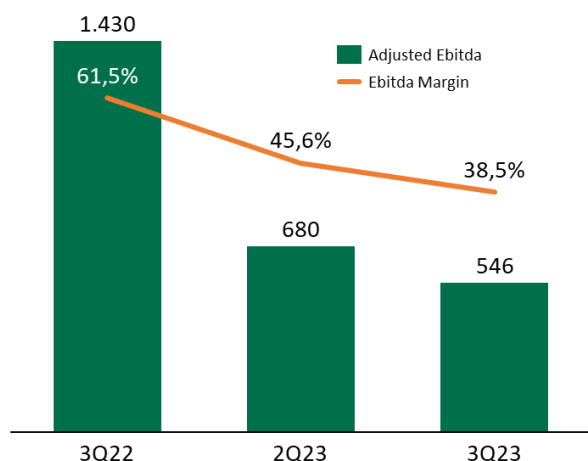
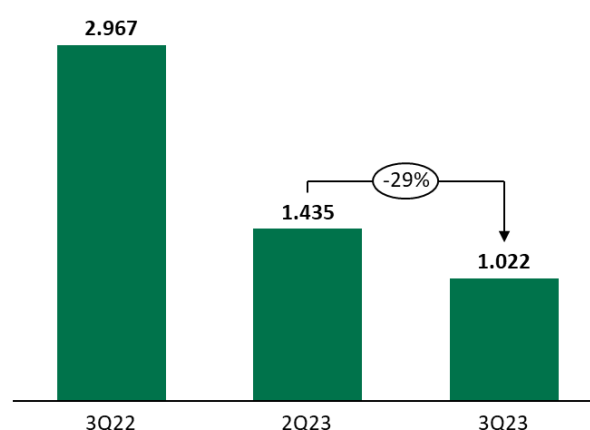
## ADJUSTED EBITDA

Adjusted EBITDA closed 3Q23 at R\$546 million, with a margin of 38.5%, 19.7% and 61.8% lower than in 2Q23 and 3Q22, respectively. Adjusted EBITDA per ton in the quarter was R\$1,022/t.

In 9M23, adjusted EBITDA was R\$2,176 million, down by 34.9% from the same period in the previous year. LTM EBITDA ended September at R\$3,394 million.

Adjusted EBITDA	3Q23	2Q23	3Q22	3Q23 vs. 2Q23	3Q23 vs. 3Q22	9M23	9M22	9M23 vs. 9M22
<b>EBIT</b>	378	815	1,311	-53.6%	-71.2%	1,997	3,173	-37.1%
<b>Adjusted EBITDA Margin<sup>1</sup>(%)</b>	26.7%	29.9%	56.4%	-10.7%	-52.7%	36.6%	52.2%	-29.9%
<b>Depreciation, Amortization, and Depletion</b>	130	241	127	-46.1%	2.4%	525	437	20.1%
<b>Fair Value Adjustment on Biological Assets</b>	-	(369)	-	-100.0%	N/A	(369)	(249)	48.2%
<b>Tax credit adjustments and other</b>	38	(7)	(8)	N/A	N/A	23	(16)	-243.8%
<b>Adjusted EBITDA</b>	<b>546</b>	<b>680</b>	<b>1,430</b>	<b>-19.7%</b>	<b>-61.8%</b>	<b>2,176</b>	<b>3,345</b>	<b>-34.9%</b>

1- Adjustment to the effect of the biological asset


**Adjusted EBITDA (R\$ million) and Adjusted EBITDA margin**

**Adjusted EBITDA per ton (R\$/ton)**


## FINANCIAL RESULT

Net financial expenses totaled R\$57 million, compared to R\$76 million in the previous quarter and R\$132 million in the same period of 2022. The 25.0% and 56.9% declines compared to previous quarters were mainly due to a lower debt balance. The variation in comparison with the previous quarter and against the same period of the previous year was related to the mark-to-market of hedge operations in the period.

The monetary and exchange variation was negative by R\$81 million in 3Q23, due to the 4% appreciation in the USD against the BRL in the quarter.

Financial Result (R\$ million)	3Q23	2Q23	3Q22	3Q23 vs. 2Q23	3Q23 vs. 3Q22	9M23	9M22	9M23 vs. 9M22
<b>Net Financial Expenses</b>	(57)	(76)	(132)	-25.0%	-56.8%	(236)	(410)	-42.4%
<b>Hedge Financial Instruments<sup>1</sup></b>	(293)	432	54	-167.8%	-642.6%	349	178	96.1%
<b>Net Financial Income (Expenses)</b> (including hedge)	(350)	356	(78)	-198.3%	348.7%	113	(232)	-148.7%
<b>Foreign Exchange Variation</b>	(81)	139	(116)	-158.3%	-30.2%	135	211	-36.0%
<b>(=) Financial Result</b>	(431)	495	(194)	-187.1%	122.2%	248	(21)	N/A
<b>Cost of Debt in US\$<sup>2</sup> (% p.a.)</b>	5.72%	6.14%	6.44%	-	-	5.72%	6.44%	-

1- Considers swap of interest rate and currency.

2 - Average cost of debt in USD considers swap of the BRL-denominated debt to USD.





## NET INCOME

Eldorado recorded net income of R\$24 million in 3Q23 vs. R\$988 million in 2Q23, mainly due to the lower financial result, related to the mark-to-market of hedge operations and the evaluation of biological assets carried out in the period, which caused the positive effect in 2Q23. Compared to the same period of the previous year, net income fell by 97.8%, mainly due to lower net revenue and the gains recorded in the hedge structures.

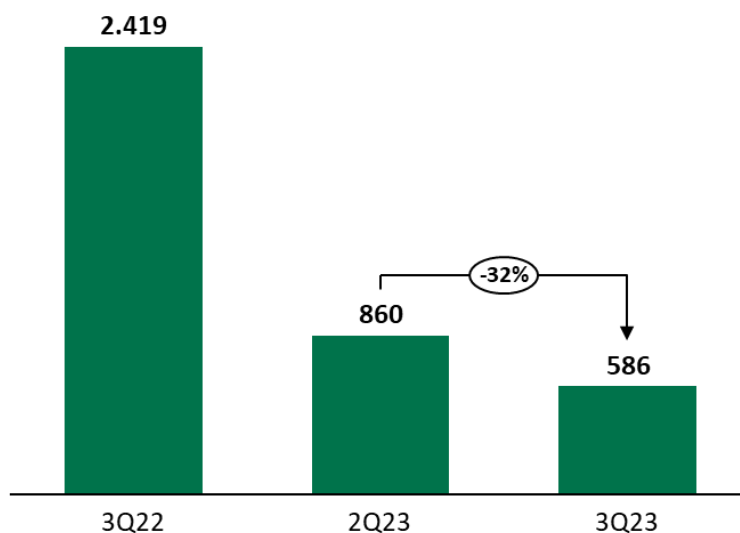
## OPERATING CASH GENERATION

Operating Cash Generation (R\$ million)	3Q23	2Q23	3Q22	3Q23 vs. 2Q23	3Q23 vs. 3Q22	9M23	9M22	9M23 vs. 9M22
Adjusted EBITDA	546	680	1,430	-19.7%	-61.8%	2,176	3,346	-34.9%
Maintenance Capex <sup>1</sup>	233	272	210	-14.3%	11.0%	745	507	46.9%
<b>Operating Cash Generation</b>	<b>313</b>	<b>408</b>	<b>1,220</b>	<b>-23.3%</b>	<b>-74.3%</b>	<b>1,431</b>	<b>2,838</b>	<b>-49.6%</b>
<b>Cash Generation per ton (R\$/ton)</b>	<b>586</b>	<b>860</b>	<b>2,531</b>	<b>-31.9%</b>	<b>-76.8%</b>	<b>1,026</b>	<b>2,078</b>	<b>-50.6%</b>

1 - Considers investments in the industrial and forestry areas.

Operating cash generation was R\$313 million, 23.3% and 74.3% lower than in 2Q23 and 3Q22, respectively, reflecting the more challenging environment for pulp prices across markets.

### Operating Cash Generation per ton (R\$/ton)

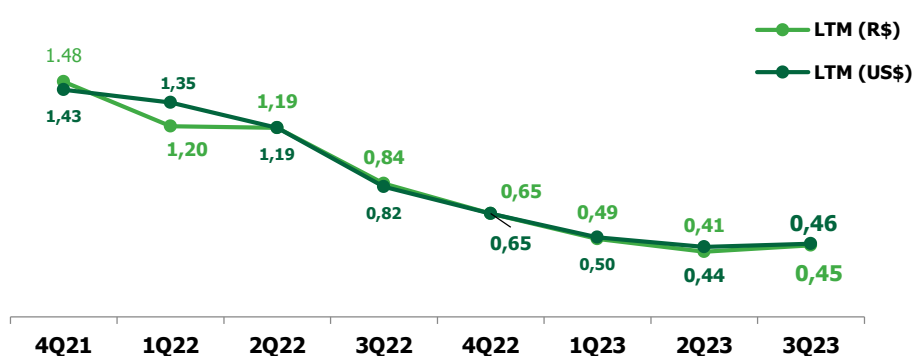






## INDEBTEDNESS

Financial leverage (net debt/adjusted EBITDA) closed 3Q23 at 0.45x, compared to 0.41x in 2Q23 and 0.84x in 3Q22.



The Company contracted FX hedge operations to change the debt index from BRL to USD and hedge the export cash flow. The fair value of the operations amounted to R\$307 million in 3Q23, compared to R\$469 million in 2Q23. Considering these debt-hedging operations, the debt profile will now be fully denominated in USD. Additionally, considering the market value of such hedge instruments, the leverage ratio fell to 0.36x in 3Q23.

Net debt, on September 30, 2023, was R\$1,537 million, declining by 12.5% and 55.8% from 2Q23 and 3Q22, respectively, due to debt amortization and prepayments during the previous quarters. Including the market value of the hedge structures, net debt totaled R\$1,230 million.

The Company denominates the foreign exchange component of interest hedge for cash flow hedge accounting.

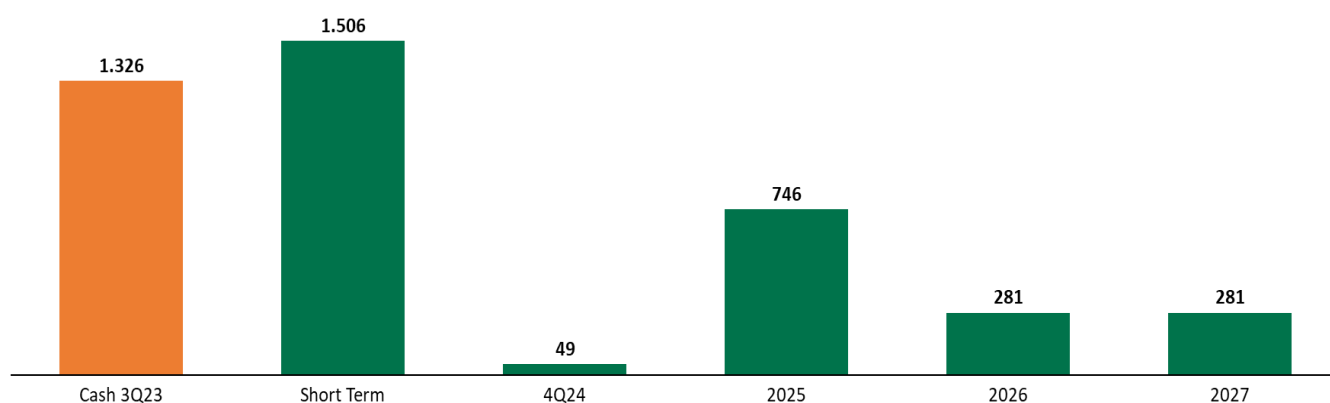


Indebtedness	3Q23	2Q23	3Q22	3Q23 vs. 2Q23	3Q23 vs. 3Q22
Gross Debt	2,863	3,637	4,785	-21.3%	-40.2%
Short-Term Debt	1,506	1,038	2,026	45.1%	-25.7%
Cash and Financial Investments	1,326	1,881	1,306	-29.5%	1.5%
Net Debt	1,537	1,756	3,479	-12.5%	-55.8%
Net Debt in US\$	307	364	644	-15.7%	-52.3%
MTM Derivatives	307	469	167	-34.5%	83.8%
Net Debt w/ MTM FX hedge	1,230	1,287	3,312	-4.4%	-62.9%
Net Debt w/ MTM hedge in US\$	246	267	613	-7.9%	-59.9%
Net Debt/Adjusted EBITDA (R\$)	0.45x	0.41x	0.84x	0.04x	-0.39x
Net Debt/Adjusted EBITDA (US\$)	0.46x	0.44x	0.82x	0.2x	-0.36x
Net Debt w/ MTM/ Adjusted EBITDA (R\$)	0.36x	0.30x	0.80x	0.06x	-0.44x

The Company's cash balance was R\$1,326 million or US\$265 million at the end of 3Q23, increasing by 29.5% from the previous quarter. Cash was applied to reduce the debt and make investments.

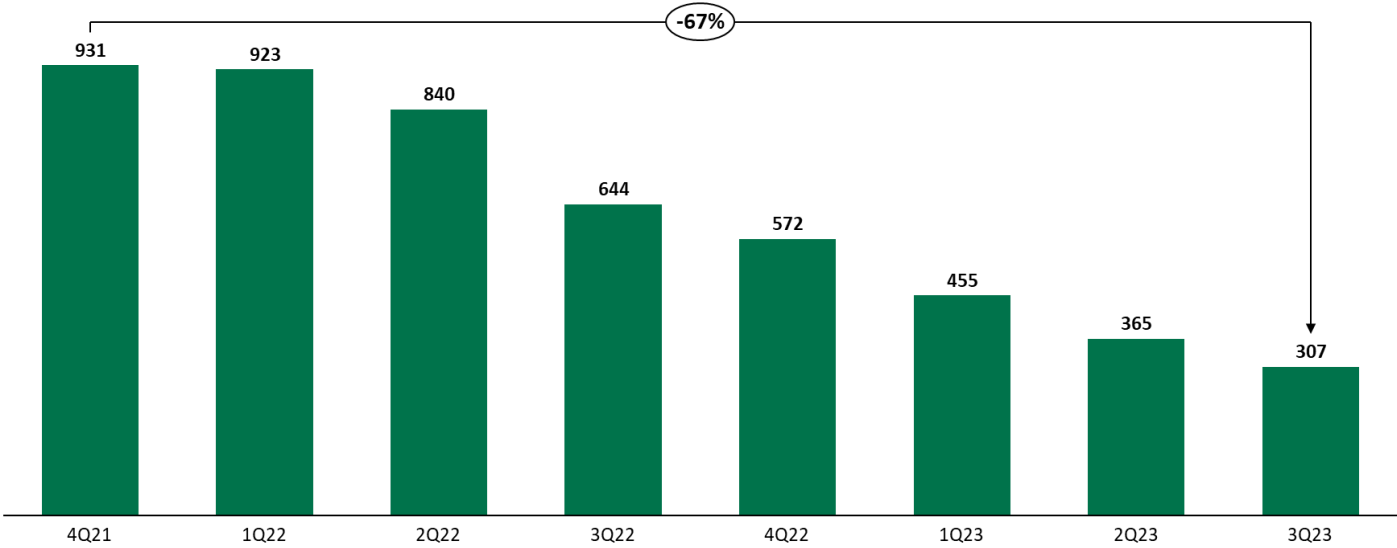
### Debt Schedule

(R\$ million)



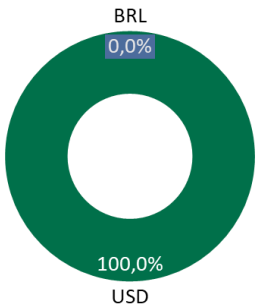


**Net Debt in US\$**  
(US\$ million)

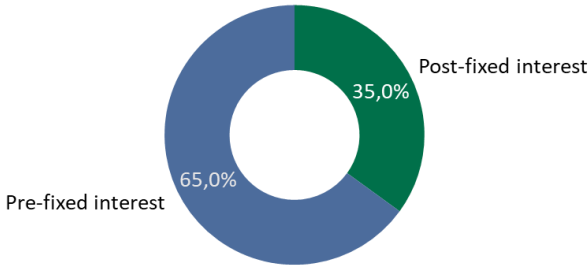


Our net debt denominated in USD ended the quarter at US\$307 million, maintaining a downward trend debt. The net debt position – considering FX hedge operations – was US\$246 million.

**Debt by Currency**



**Debt by Interest**



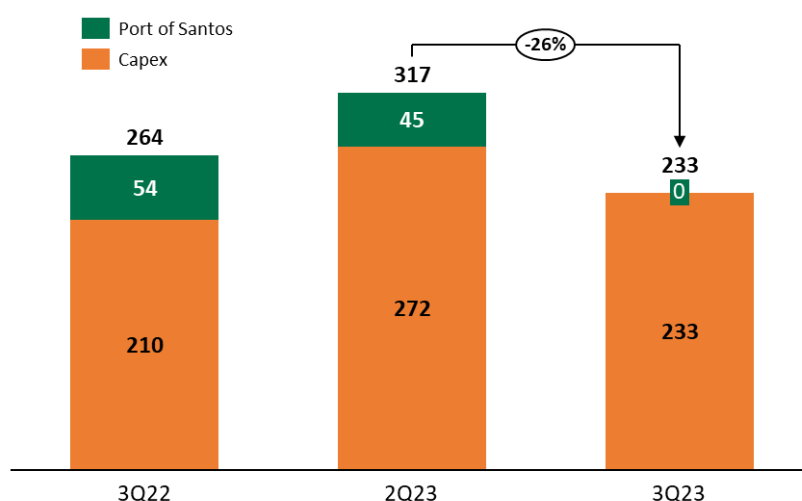




## INVESTMENTS

Investments in industrial and forestry maintenance and other projects totaled R\$233 million, 26% and 12% lower than in 2Q23 and 3Q22, respectively, due to the completion of investments in the Port of Santos and lower forestry activity in the period.

The new port terminal – one of the Company's main projects in the year – was concluded and inaugurated on July 31, 2023. With total investments of around R\$500 million, the operational startup of the new terminal increases Eldorado's logistical efficiency in pulp exports from the port of Santos.



## FREE CASH FLOW

Free Cash Flow closed the quarter at R\$166 million, 69% and 82% lower than in 2Q23 and 3Q22, respectively. The main variations in free cash flow were mainly related to the lower contribution of adjusted EBITDA, in comparison with the previous period, mainly due to an impact on reduced pulp prices, the return of working capital totaling R\$416 million, higher cash impact of financial expenses totaling R\$187 million compared to the R\$13 million recorded last quarter, and the negative effect of FX hedge and income tax expenses (both with negative effects in comparison with previous periods).



Free Cash Flow (R\$ million)	3Q23	2Q23	3Q22	9M23	9M22
Adjusted EBITDA	546	680	1,430	2,176	3,346
(-) Total CAPEX	(233)	(317)	(264)	(881)	(701)
(-/+ ) Working Capital	416	(3)	(25)	523	(470)
(-) Net Interest Paid	(187)	(13)	(201)	(334)	(377)
(+) Realized gains hedge structure	(157)	271	46	299	64
(-) Lease Agreements – IFRS 16*	(76)	(70)	(66)	(264)	(218)
(-) Income Tax and Social Contribution	(115)	(22)	(12)	(222)	(16)
(-/+ ) Other	(28)	(35)	(55)	(60)	(81)
<b>Free Cash Flow</b>	<b>166</b>	<b>491</b>	<b>853</b>	<b>1,237</b>	<b>1,547</b>
(+) Port of Santos (Eblog*)	-	45	54	136	194
<b>(=) Adjusted Free Cash Flow</b>	<b>166</b>	<b>536</b>	<b>907</b>	<b>1,373</b>	<b>1,741</b>

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

## EXCHANGE RATE

R\$/US\$	3Q23	2Q23	3Q22	3Q23 vs. 2Q23	3Q23 vs. 3Q22	9M23	9M22	9M23 vs. 9M22
Average Dollar	4.88	4.95	5.25	-1.4%	-7.0%	5.01	5.14	-2.5%
Closing Dollar	5.01	4.82	5.41	3.9%	-7.4%	5.01	5.41	-7.4%

Source: Central Bank of Brazil



## SUSTAINABILITY (ESG)

In the third quarter, Eldorado Brasil remained committed to the Sustainability agenda in its operations, with a focus on creating economic and socio-environmental value. These initiatives are always implemented through dialogue and engagement with all the company's stakeholders, with clarity and objectivity. In this period, the company underwent various audits, showing its excellence in all of them.

Eldorado renewed the Halal certification, and during the process, obtained full approval. Obtaining this seal means that the Company works under Islamic precepts and that our product is suitable for Islamic consumers, following legal requirements and criteria established under the jurisdiction of said religion.

The FSC Forest Stewardship Council® (FSC® - FSC-C113536) and Cerflor Forest Management Audit was also carried out in the period, and the auditors evaluated compliance of our forest management units with principles and criteria of forest certifications. In this cycle, principles previously defined for forest management were evaluated, in addition to new areas. As a result, the company reached "zero noncompliance" and no observations. This is unprecedented and shows the diligence and quality of Eldorado Brasil's teams.

We were unprecedentedly recommended for the Forest Certification for Ecosystem Services, a new certification category issued by the FSC®, ensuring that our areas provide critical services to maintain environmental resources. They include Biodiversity Conservation and Water Basin Services, both in AHCV - Areas of High Conservation Value, Swamp, and Carbon Sequestration and Storage across certified farms.

Still this quarter, in September, the Audit of Chain of Custody Supervision of the Forest Stewardship Council (FSC-C113939), the Programme for the Endorsement of Forest Certification - PEFC, and the Controlled Wood Standard were carried out at our Plant, in Três Lagoas, and at our office in Connecticut, United States (remotely). Eldorado obtained, once again, an excellent result, and we were recommended to maintain our certifications, confirming our forest management and product traceability practices, from the production of seedlings to the end customer.

Our commitment to the "Always Do the Right" culture (our Compliance Program slogan) is also communicated externally through public business integrity commitments. Eldorado is a signatory to the UN Global Compact, the Business Pact for Integrity and Against Corruption and the Business Movement for Integrity and Transparency, both initiatives of the Ethos Institute, in addition to the AgroÍntegro Registration, an initiative of the Ministry of Agriculture and Livestock – MAPA, which aims to recognize effective initial actions carried out by companies and agricultural cooperatives that demonstrate the implementation of integrity, ethics and transparency practices. Furthermore, Eldorado participates in and is one of the founders of the Agribusiness Collective Anti-corruption Action, an initiative of UN Global Compact Brazil that aims to change the culture and reputation of the sector, by promoting an ethical and honest business environment through improved practices and regulations. These actions reinforced the support provided by management in compliance matters, in addition to conveying a clear message to management and shareholders about compliance, integrity, honesty and ethics in business.





Thinking about the importance of ethics for Eldorado's business, the company decided to materialize ethics in agents called "Disseminators of Ethics." These disseminators are in charge of fostering an ethical culture and disseminating best practices across the company. They receive specific training to be able to perform their role, with lessons and reinforcement on compliance policies, Code of Conduct and Ethics, and correct use of the Ethics Line.

In light of all these achievements, Eldorado Brasil remains committed to ESG practices, increasingly achieving excellence in its processes.



## APPENDIX I

### Balance sheets (in thousands of Reais)

ASSETS				LIABILITIES			
	Consolidated				Consolidated		
	30/09/2023	30/06/2023	30/09/2022		30/09/2023	30/06/2023	30/09/2022
<b>Current assets</b>				<b>Circulante</b>			
Cash and cash equivalents	503.252	1.200.018	1.306.416	Suppliers	340.466	244.651	292.411
Interest earning bank deposits	823.070	680.857	-	Loans and financing	1.506.325	1.038.417	2.026.151
Trade accounts receivable	1.262.523	1.263.884	1.340.783	Leases payable	285.496	250.653	235.229
Inventories	781.830	792.806	745.121	Labor and social security obligations	229.560	189.331	235.708
Recoverable taxes	19.979	43.622	47.735	Tax liabilities	60.208	14.813	9.855
Income tax and social contribution - current	131.788	7.538	1.417	Income tax and social contribution - current	16.617	88.647	40.872
Derivative financial instruments	159.989	205.637	85.266	Derivative financial instruments	1.429	-	-
Advances to suppliers	83.644	101.865	69.337	Other current liabilities	120.272	64.334	92.910
Other current assets	25.719	51.696	68.509				
	<b>3.791.794</b>	<b>4.347.923</b>	<b>3.664.584</b>		<b>2.560.373</b>	<b>1.890.846</b>	<b>2.933.136</b>
<b>Non-current assets</b>				<b>Non-current liabilities</b>			
Recoverable taxes	38.870	22.125	56.442	Loans and financing	1.356.581	2.599.119	2.759.299
Advances to suppliers	365.361	327.969	240.063	Leases payable	1.425.295	1.306.916	913.257
Derivative financial instruments	147.766	263.338	81.639	Income tax and social contribution - deferred	545.148	596.288	218.906
Loans with related parties	3.134	4.052	7.038	Derivative financial instruments	-	-	-
	555.131	617.484	385.182	Provision for legal risks	32.232	35.764	32.294
				Other non-current liabilities	28.306	26.341	27.278
					<b>3.387.562</b>	<b>4.564.428</b>	<b>3.951.034</b>
Biological assets	4.410.877	4.308.094	4.037.646	<b>Shareholders' equity</b>			
Property, plant and equipment	5.307.226	5.023.802	4.812.370	Capital	1.788.792	1.788.792	1.788.792
Intangible assets	99.945	423.194	246.826	Profit reserves	5.889.613	5.889.613	2.354.717
Rights-of-use	1.659.778	1.522.486	1.149.753	Equity valuation adjustments	299.913	234.429	427.009
	<b>12.032.957</b>	<b>11.895.060</b>	<b>10.631.777</b>	Retained earnings	1.898.498	1.874.875	2.841.673
					<b>9.876.816</b>	<b>9.787.709</b>	<b>7.412.191</b>
<b>Total assets</b>	<b>15.824.751</b>	<b>16.242.983</b>	<b>14.296.361</b>	<b>Total liabilities and shareholders' equity</b>	<b>15.824.751</b>	<b>16.242.983</b>	<b>14.296.361</b>



## APPENDIX II

### Income statement and Adjusted EBITDA (In thousands of Reais)

	Consolidated							
	3Q23	2Q23	3Q22	3Q23 vs 2Q23	3Q23 vs 3Q22	9m23	9m22	9m23 vs 9m22
Net revenue	1.416.929	1.491.316	2.324.467	-5,0%	-39,0%	4.443.602	5.602.669	-20,7%
Cost of products sold	(701.311)	(764.203)	(709.742)	-8,2%	-1,2%	(1.996.363)	(1.804.311)	10,6%
<b>Gross income</b>	<b>715.618</b>	<b>727.113</b>	<b>1.614.725</b>	<b>-1,6%</b>	<b>-55,7%</b>	<b>2.447.239</b>	<b>3.798.358</b>	<b>-35,6%</b>
<b>Operating revenues (expenses)</b>								
Administrative and general	(121.571)	(81.825)	(75.660)	48,6%	60,7%	(280.148)	(203.547)	37,6%
With sales and logistics	(174.720)	(195.381)	(233.165)	-10,6%	-25,1%	(504.666)	(698.624)	-27,8%
Fair value of biological assets	-	368.877	-	-100,0%	n/a	368.877	248.708	48,3%
Expected credit losses	(4.523)	(4.198)	(1.463)	7,7%	209,2%	(3.141)	(4.552)	-31,0%
Other operating revenues, net	(37.016)	559	6.122	-6721,8%	-704,6%	(31.001)	32.750	-194,7%
<b>Operating income (loss) before financial income</b>	<b>377.788</b>	<b>815.145</b>	<b>1.310.559</b>	<b>-53,7%</b>	<b>-71,2%</b>	<b>1.997.160</b>	<b>3.173.093</b>	<b>-37,1%</b>
<b>Net financial income (loss)</b>								
Financial revenues	42.506	37.409	9.636	13,6%	341,1%	104.950	23.986	337,5%
Financial expenses	(99.856)	(113.430)	(141.875)	-12,0%	-29,6%	(341.296)	(435.107)	-21,6%
Derivative financial instruments	(292.657)	431.543	54.174	-167,8%	-640,2%	348.531	179.199	94,5%
Net foreign exchange rate	(81.202)	139.445	(115.828)	-158,2%	-29,9%	135.405	211.001	-35,8%
<b>Income before taxes</b>	<b>(53.421)</b>	<b>1.310.112</b>	<b>1.116.666</b>	<b>-104,1%</b>	<b>-104,8%</b>	<b>2.244.750</b>	<b>3.152.172</b>	<b>-28,8%</b>
<b>Income tax and social contribution</b>								
Current	37.883	(82.008)	(33.928)	-146,2%	-211,7%	(69.119)	(50.578)	36,7%
Deferred	39.161	(240.500)	3.508	-116,3%	1016,3%	(272.594)	(256.010)	6,5%
<b>Net income for the period</b>	<b>23.623</b>	<b>987.604</b>	<b>1.086.246</b>	<b>-97,6%</b>	<b>-97,8%</b>	<b>1.903.037</b>	<b>2.845.584</b>	<b>-33,1%</b>
<b>Basic and diluted net earnings per share - in reais (R\$)</b>	<b>0,02</b>	<b>0,65</b>	<b>0,71</b>			<b>1,25</b>	<b>1,87</b>	<b>-33,1%</b>
<b>Earnings before financial income/(expenses) and taxes</b>	<b>377.788</b>	<b>815.145</b>	<b>1.310.559</b>	<b>-53,7%</b>	<b>-71,2%</b>	<b>1.997.160</b>	<b>3.173.093</b>	<b>-37,1%</b>
Depreciation, amortization and depletion charges	130.462	240.828	127.792	-45,8%	2,1%	524.627	437.544	19,9%
Fair value of biological assets	-	(368.877)	-	-100,0%	n/a	(368.877)	(248.708)	48,3%
Return of reversible items - Rishis	37.770	-	-	n/a	n/a	37.770	-	n/a
Reversal of extemporaneous tax credits	-	-	(8.429)	n/a	-100,0%	(7.623)	(16.411)	-53,5%
PIS_COFINS extemporaneous	-	(6.632)	-	-100,0%	n/a	(6.632)	-	n/a
<b>Adjusted EBITDA</b>	<b>546.020</b>	<b>680.464</b>	<b>1.429.922</b>	<b>-19,8%</b>	<b>-61,8%</b>	<b>2.176.425</b>	<b>3.345.518</b>	<b>-34,9%</b>





## APPENDIX III

### Cash flow statements (in thousands of Reais)

	Consolidado							
	3T23	2T23	3T22	3T23 vs 2T22	3T23 vs 3T22	9m23	9m22	9m23 vs 9m22
<b>Cash flow from operating activities:</b>								
<b>Net income for the period</b>	23.623	987.606	1.086.246	-97,6%	-97,8%	1.903.037	2.845.584	-33,1%
<b>Adjustments to reconcile income (loss) to cash and cash equivalents generated by operating activities:</b>								
Depreciation, amortization and depletion	130.462	240.828	127.792	-45,8%	2,1%	524.627	437.544	19,9%
Income (loss) from disposal of property, plant and equipment and biological assets	38.532	(390)	(7.942)	-9980,0%	-585,2%	26.190	(18.682)	-240,2%
Fair value of biological assets	(1)	(368.877)	-	-100,0%	n/a	(368.878)	(248.708)	48,3%
Deferred income tax and social contribution	(39.161)	240.500	(3.508)	-116,3%	1016,3%	272.594	256.010	6,5%
Income tax and social contribution - current	(37.883)	82.008	33.928	-146,2%	-211,7%	69.119	50.578	36,7%
Financial charges - interest and exchange-rate change	40.391	(58.742)	236.672	-168,8%	-82,9%	21.371	155.650	-86,3%
Yield on interest earning bank deposit	(24.442)	(8.770)	(56.564)	178,7%	-56,8%	(33.212)	(58.078)	-42,8%
Net gain with derivatives	292.657	(431.542)	(72.450)	-167,8%	-503,9%	(348.531)	(179.199)	94,5%
Provision for legal risks	1.392	6.758	(432)	-79,4%	-422,2%	14.170	4.613	207,2%
Reversal of loss of ICMS credits	-	-	(8.429)	n/a	-100,0%	(7.623)	(16.411)	-53,5%
Reversal of estimated losses on inventories	249	(541)	-	-146,0%	n/a	(680)	-	n/a
Reversal of expected credit losses	26.137	(17.416)	1.463	-250,1%	1686,5%	3.141	4.552	-31,0%
	<b>451.956</b>	<b>671.422</b>	<b>1.336.776</b>	<b>-32,7%</b>	<b>-66,2%</b>	<b>2.075.325</b>	<b>3.233.453</b>	<b>-35,8%</b>
<b>Decrease/(increase) in assets:</b>								
Trade accounts receivable	140.022	(49.800)	(198.195)	-381,2%	-170,6%	316.299	(388.259)	-181,5%
Inventories	98.025	75.319	75.251	30,1%	30,3%	114.923	(37.952)	-402,8%
Recoverable taxes	(21.678)	(14.003)	2.480	54,8%	-974,1%	30.231	(9.174)	-429,5%
Advances to suppliers	19.870	(18.710)	(40.651)	-206,2%	-148,9%	(13.301)	(41.809)	-68,2%
Other current and non-current assets	22.041	(2.522)	65.767	-973,9%	-66,5%	31.712	(48.868)	-164,9%
<b>Decrease/(increase) in liabilities:</b>								
Suppliers	43.796	(1.990)	17.144	-2300,8%	155,5%	25.481	15.031	69,5%
Accounts payable to related parties	-	-	-	n/a	n/a	-	(141)	-100,0%
Labor and social security obligations	39.988	42.609	59.000	-6,2%	-32,2%	11.139	62.963	-82,3%
Tax obligations	24.086	(2.819)	(1.518)	-954,4%	-1686,7%	14.478	(583)	-2583,4%
Provision for legal risks	(4.922)	(4.691)	(1.117)	4,9%	340,6%	(13.077)	(7.236)	80,7%
Other current and non-current liabilities	54.449	(28.928)	(2.123)	-288,2%	-2664,7%	5.308	(12.900)	-141,1%
	<b>867.633</b>	<b>665.887</b>	<b>1.312.814</b>	<b>30,3%</b>	<b>-33,9%</b>	<b>2.598.518</b>	<b>2.764.525</b>	<b>-6,0%</b>
Income tax and social contribution paid	(115.209)	(22.456)	(12.678)	413,0%	808,7%	(222.297)	(16.344)	-1260,1%
<b>Net cash generated by operating activities</b>	<b>752.424</b>	<b>643.431</b>	<b>1.300.136</b>	<b>16,9%</b>	<b>-42,1%</b>	<b>2.376.221</b>	<b>2.748.181</b>	<b>-13,5%</b>
<b>Fluxo de caixa das atividades de investimentos</b>								
Increase in biological assets	(125.634)	(124.355)	(119.477)	1,0%	5,2%	(368.830)	(348.045)	6,0%
Additions to property, plant and equipment and intangible assets	(107.306)	(193.054)	(144.977)	-44,4%	-26,0%	(512.638)	(353.285)	45,1%
Cash received upon disposal of property, plant and equipment	3.506	1.783	11.571	96,6%	-69,7%	20.901	23.276	-10,2%
Financial investments, net	-	-	-	n/a	n/a	-	56.564	-
<b>Net cash generated (used) by/in investment activities</b>	<b>(229.434)</b>	<b>(315.626)</b>	<b>(252.883)</b>	<b>-27,3%</b>	<b>-9,3%</b>	<b>(860.567)</b>	<b>(621.490)</b>	<b>38,5%</b>
<b>Cash flow from financing activities:</b>								
Loans and financing obtained	175.181	11.459	675.416	1428,8%	-74,1%	764.919	864.263	-11,5%
Amortization of loans and financing - principal	(915.672)	(365.590)	(1.061.673)	150,5%	-13,8%	(2.055.915)	(2.109.730)	-2,6%
Amortization of loans and financing - interest	(186.901)	(12.592)	(200.454)	1384,3%	-6,8%	(334.357)	(376.655)	-11,2%
Interest earning bank deposits, net	(789.857)	-	-	n/a	n/a	(789.857)	238.168	-431,6%
Receipt of operations with derivatives	672.087	(672.087)	56.564	-200,0%	1088,2%	-	(79.703)	-100,0%
Amortization of related party loans - interest	(161.488)	274.835	63.865	-158,8%	-352,9%	299.263	63.865	368,6%
Payment of lease agreements	(75.708)	(70.208)	(65.965)	7,8%	14,8%	(264.151)	(218.426)	20,9%
<b>Net cash invested in financing activities</b>	<b>(1.282.358)</b>	<b>(834.183)</b>	<b>(532.247)</b>	<b>53,7%</b>	<b>140,9%</b>	<b>(2.380.098)</b>	<b>(1.618.218)</b>	<b>47,1%</b>
Exchange-rate change on cash	62.602	(23.631)	45.323	-364,9%	38,1%	20.440	7.999	155,5%
<b>Increase (decrease), net of cash and cash equivalents</b>	<b>(696.766)</b>	<b>(530.009)</b>	<b>560.329</b>	<b>31,5%</b>	<b>-224,3%</b>	<b>(844.004)</b>	<b>516.472</b>	<b>-263,4%</b>
Cash and cash equivalents at the beginning of the period	1.200.018	1.730.027	746.087			1.347.256	789.944	70,6%
Cash and cash equivalents at the end of the period	503.252	1.200.018	1.306.416			503.252	1.306.416	-61,5%
<b>Increase (decrease), net of cash and cash equivalents</b>	<b>(696.766)</b>	<b>(530.009)</b>	<b>560.329</b>			<b>(844.004)</b>	<b>516.472</b>	<b>-263,4%</b>



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