ELDORADO BRASIL CELULOSE S.A.

Parent company and consolidated

financial statements

December 31, 2024

Contents

Management Report

We present the Management Report and Financial Statements of ("Eldorado" or "Company") for the year ended December 31, 2024. This report and the parent company and consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), in accordance with the accounting practices adopted in Brazil (BR GAAP) and accompanied by the Independent Auditors' Report.

Message from Management

Eldorado has maintained a solid competitive position, based on the quality of its products, its commitment to sustainable practices and the continuous search for efficiency in its operations. The results reflect the company's great ability to adapt to market conditions in a very uncertain and volatile global economic scenario.

In 2024, the company sold 1.758 billion tons of pulp, in line with annual production, 19% above nominal installed capacity. Eldorado sustained its exposure to the sanitary paper market, which continues to be one of the segments with the greatest growth prospects. This segment accounted for 64% of sales in the period.

On the industrial front, Eldorado Brasil achieved a new historical production record, totaling 1.786 billion tons of pulp in a year with a general maintenance stoppage. Moreover, it also kept the cash cost of production stable compared to the previous year, offsetting inflationary pressures.

Investments totaled R$ 1.073 billion, covering not only the maintenance of forestry, industrial and logistics activities, but also innovation and technology, including the inauguration of ELDTECH – Forestry Technology Center, which puts the company at the forefront of forestry innovation.

We ended the year with a total area of approximately 458,000 hectares, including productive areas and those earmarked for environmental conservation, reinforcing our commitment to the growth and expansion of the forestry base. Furthermore, even in the face of adverse weather conditions, such as a severe water deficit and rainfall 8% below the historical average in the region where the company operates, the productivity of planted forests remained at levels close to those recorded in the previous year. Innovative technologies and artificial intelligence have enabled more accurate monitoring, helping to quickly combat 190 outbreaks of fire, thus guaranteeing the protection of forestry assets and the environment.

Faced with logistics challenges, such as congestion at Brazilian ports and global conflicts, the company adjusted its strategy, transferring container shipments to breakbulk, maintaining the flexibility and integrity of the full supply chain. Moreover, in the first year of operation, our terminal in the Port of Santos brought gains in agility, autonomy and productivity.

The company's strong performance and solid free cash flow have contributed to renewing our commitment to investments in 2025, always aiming to increase operational competitiveness and the quality of deliveries to our clients.

Management
Eldorado Brasil Celulose

Industry scenario

In 2024, market dynamics varied according to geographical region. In Asia, growth potential remained high, mainly driven by new production capacities installed in the region, population growth and economic growth. However, the increase in inventories in 2023 has led to a slight reduction in demand for market pulp.

On the other hand, the European market recorded an increase in pulp demand in the first semester of 2024, compared to the second semester of 2023, due to logistics disruptions, strikes and relatively low levels of fiber availability in the region following the redirection of shipments from Europe to Asia at the end of 2023. In the second semester of the year, due to the lack of catalysts in the economy, demand was more subdued.

In North America, demand for sanitary papers (the type that consumes the most short fiber in the region) remained positive. Population and consumption growth, in line with the gradual decrease in the supply of local short fibers and the replacement of recycled fibers for virgin fibers, has kept this market resilient.

According to the consulting firm Hawkins Wright, global demand for market pulp dropped 1.3% in 2024, mainly in softwood, an adjustment after record growth of three million tons in 2023.

The paper market behaved differently depending on its end use. The printing and publishing market remained practically stable, with an estimated growth of 0.8%, driven by the expansion of demand in China due to new capacities, and by a positive restocking movement following a strong reduction in inventory levels in mature markets in 2023.

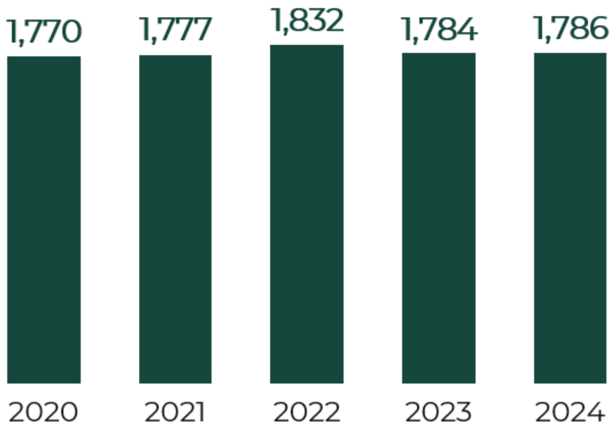
Demand for sanitary paper is expected to grow 2.5% globally in 2024, according to the PPPC consulting firm, following the expected positive growth trend. Unlike in previous years, much of the growth also took place in mature markets, which benefited from improved employment and purchasing power.

For the year 2025, we expect a pulp and paper market with solid and balanced fundamentals, in line with 2024, when supply shocks helped regulate the supply and demand equation. Logically, with different dynamics between regions, but with demand varying from stable to growing, with the highlight being temporary capacity closures in the paper market in China, allowing papermakers to start recovering their margins and pulp prices to recover. Replacement between fibers will continue as a trend, as will the replacement of "Single Use" plastic with pulp. Always mindful of the unexpected climatic and logistics factors that have intensified supply shocks year after year, we expect a behavior and relationship between the markets similar to that which occurred in 2024. As far as the long term is concerned, the sector remains on a positive and growing trend.

Relevant information for the year 2024

Operating performance

Production volume (thousand tons)



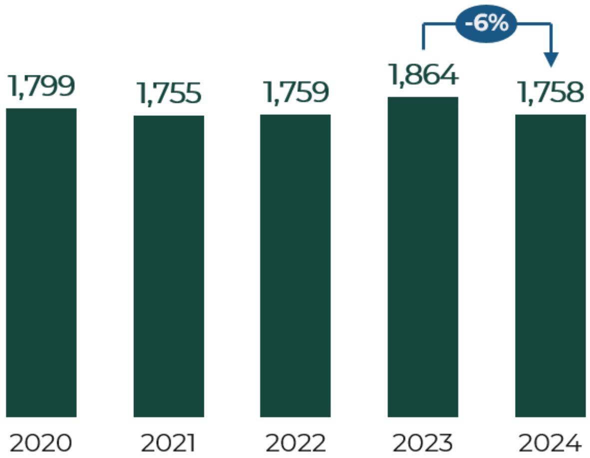
Eldorado reached another important milestone in 2024, achieving a production record in a year with scheduled maintenance stoppages. Annual production totaled 1,786 billion tons of pulp in 2024, 19% above the project's nominal capacity.

Eldorado improves its production every year and, as a result, consumes less water, electricity and chemicals, thus generating less effluents. An example of this is the reduction in specific water consumption, which reached 25.5 m^3/t compared to 34 m^3/t in the project, and the value achieved in chemical consumption, which reached 29.7 kg/t.

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

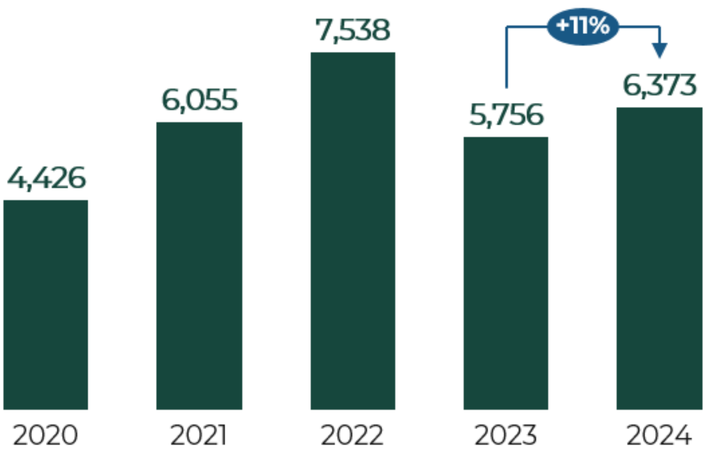
In 2024, 1.5 million MWh of energy were generated, of which 774,000 MWh were consumed by the plant itself, 450,000 MWh were sold to chemical input companies located within Eldorado's industrial complex and 340,000 MWh were destined for the domestic electricity system.

Volume of sales (thousand tons)



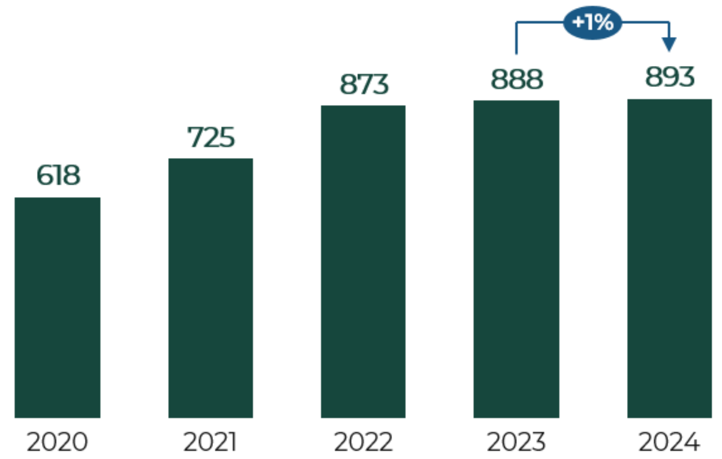
Sales volume dropped 6% compared to the previous year. The record performance in 2023 has significantly reduced the company's inventories. In 2024, sales were closer to production, without the boost of additional inventories.

Net revenue (R$ million)



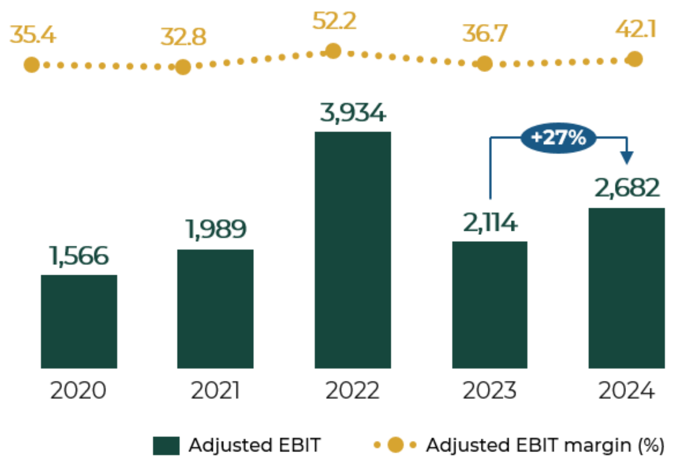
The company recorded net revenue of R$ 6,373 million, up 11% over the previous year, driven by higher sales prices and the appreciation of the US dollar in the period. The average net price of pulp sold by Eldorado in 2024 was US$ 654/t, accounting for an increase of US$ 53/t or 9% compared to 2023, in line with the international pulp price scenario.

Cash cost of production (R$ /ton)



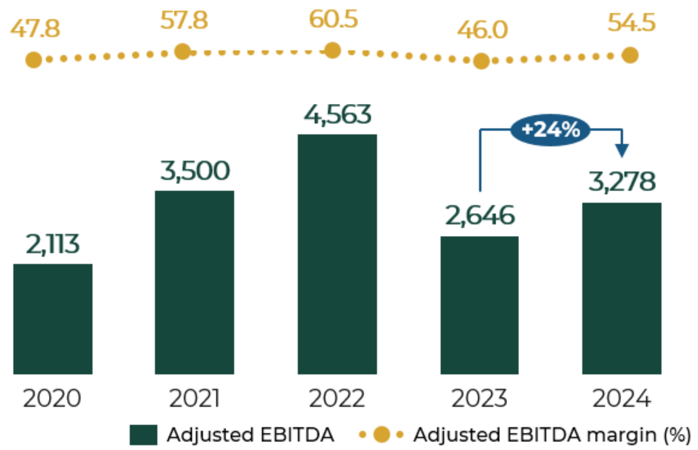
The cash cost of production for 2024 was R$ 893/t (US$ 166/t), stable compared to the previous year due to lower input costs, offsetting inflationary effects and the higher cost of timber.

Adjusted EBIT (R$ million) **and adjusted EBIT margin** (%)



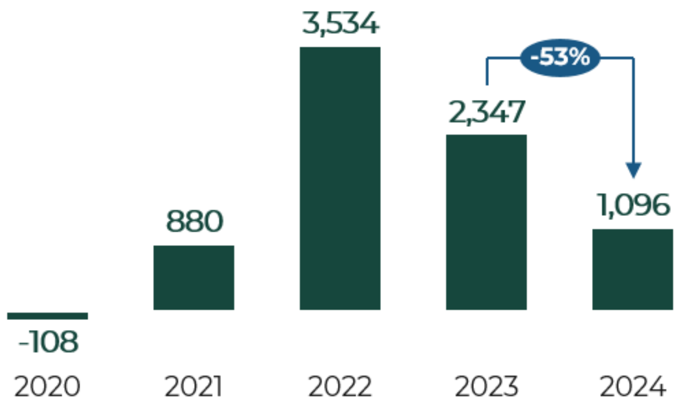
The company's adjusted EBIT reached R$ 2.682 billion in 2024, up 27% over the previous year. The result was boosted by the 9% increase in average pulp sales prices compared to 2023 and the devaluation of the real against the US dollar, which offset the increase in costs. The adjusted EBIT margin reached 42.1%, accounting for an increase of 5.4 percentage points.

Adjusted EBITDA (R$ million) **and Adjusted EBITDA Margin** (%)



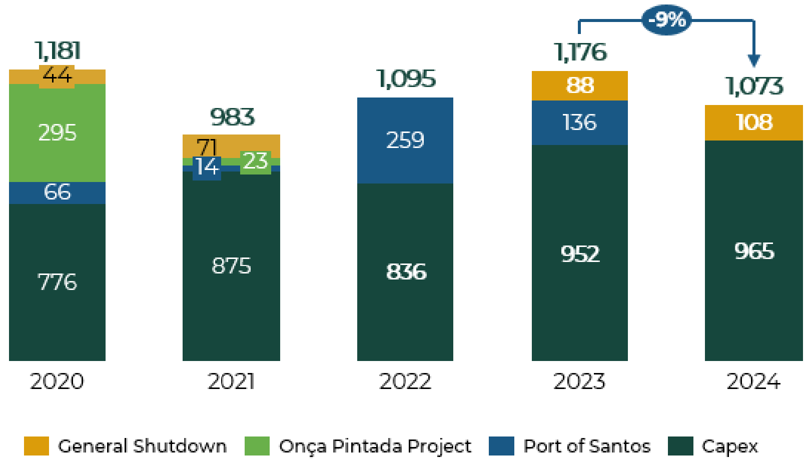
Adjusted EBITDA reached R$ 3.278 billion, up 24% over the previous year, explained by the effect of price and exchange rates, as mentioned above, and due to the greater use of own timber in the period.

Net Income (R$ million)



Net income for 2024 was R$ 1.096 billion, accounting for a decrease of R$ 2.347 billion in the previous year, mainly due to the reversal of gains made on hedging operations and the decrease in gains from the fair value adjustment of biological assets, reflecting the stability of timber prices compared to 2023.

Investments (R$ million)



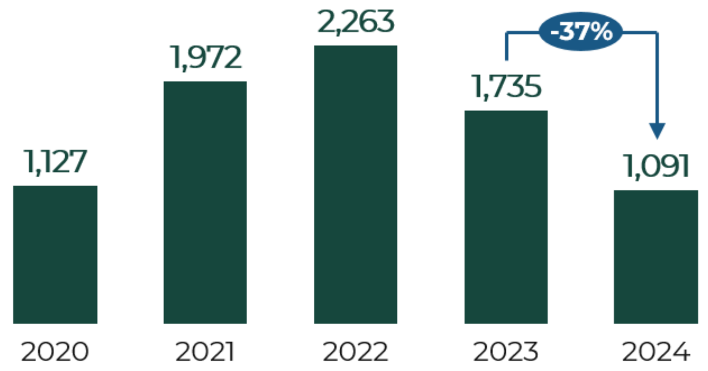
In 2024, the company invested a total of R$ 1.073 billion in maintaining its manufacturing, forestry and silviculture activities, maintaining the same level of investment as the previous year. Besides said investments, disbursements with leases totaled R$ 401 million, accounting for an increase of 15% over the previous year, driven by new forestry land lease agreements and the correction of the financial indices of lease agreements in general.

Stressing its commitment to innovation, Eldorado inaugurated the ELDTECH Forest Technology Center in October 2024, aimed at advancing research and development in strategic areas such as pest and disease management, soils and nutrition, meteorology and forest ecophysiology, forest genetic improvement, biotechnology and wood technology. ELDTECH consolidates the company as a benchmark for innovation in the forestry sector.

The company has also modernized its forestry operations, implementing high-speed connectivity made possible by low-orbit satellite antennas, allowing instant access to information and real-time monitoring, thus strengthening operational management even in remote areas. Currently, over 500 machines and vehicles operate with embedded solutions for continuous monitoring, optimizing efficiency, reducing losses and improving the use of equipment. In recognition, Eldorado received the "Outstanding Innovation Initiative" award and stood out in the Top Open Corps 2024 Ranking for its leading role in collaboration with startups and innovation in the forestry sector.

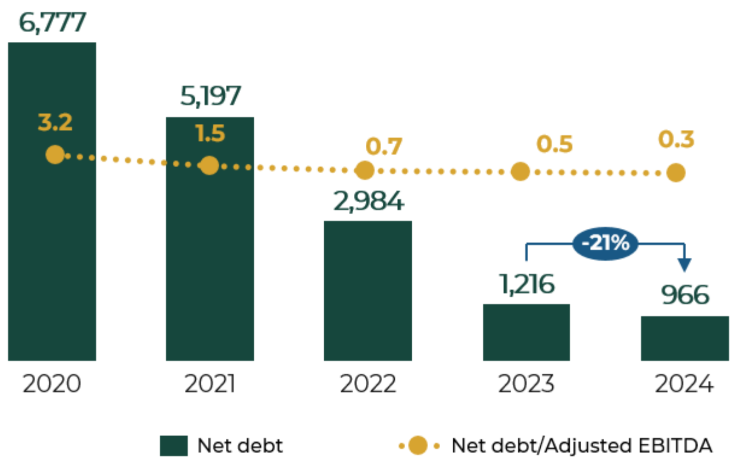
In August 2024, Eldorado inaugurated a pioneering clean energy generation system, becoming the only industry in the world to use treated effluents to reverse the flow of water and generate energy. The initiative, aligned with ESG practices, already supplies the company's administrative building.

Adjusted free cash flow (R$ million)



Adjusted Free Cash Flow totaled R$ 1.091 billion in 2024, compared to R$ 1.735 billion in 2023. Despite the increase in adjusted EBITDA, the negative impact of hedge operations, in contrast to the positive result recorded in the previous year, offset this gain.

Net debt (R$ million) **and leverage** (x)



Maintaining its focus on financial discipline, the company's net debt ended 2024 at R$ 966 million, down 21% compared to R$ 1.216 billion at the end of the previous year. In the third quarter, the company settled debentures as they matured and, throughout the year, it also brought forward the payment of more onerous debts, made possible by continued cash generation. The adjusted net debt/EBITDA ratio, measured in Reais, closed 2024 at 0.3 times compared to 0.5 times the previous year.

Sustainability (Environmental, Social and Governance)

Environmental and Social

Eldorado has maintained its growth and value creation strategy in line with its drivers: competitiveness, innovation, sustainability and valuing people. Sustainability and ESG criteria in general are a fundamental pillar of the business and permeate all the company's actions.

International certifications

In 2024, Eldorado underwent the Forest Stewardship Council® (FSC® - FSC-C113536) and PEFC Program for the Endorsement of Forest Certification Supervisory Audit, which assessed compliance with the Principles and Criteria of forest certifications in the management units, including new areas. Furthermore, the company's planted forests and environmental conservation areas contributed to the removal of approximately 2.2 million tons of CO_2 in the year, bringing the accumulated total to over 44 million tons of CO_2 removed since the start of operations, which is 12 times higher than the company's direct emissions in the same period. The company maintained excellence in the process and was recommended to keep the certificates.

Also in 2024, the FSC - Forest Stewardship Council (FSC-C113939), PEFC - Program for the Endorsement of Forest Certification and Controlled Wood Chain of Custody Supervision Audit evaluated processes at the plant in Três Lagoas (MS) and at the office in Dania Beach (Florida/USA). As a result of this audit, Eldorado also received a recommendation to maintain the certifications, guaranteeing that the forest management practices and traceability of our product to the end client meet the standards.

Furthermore, Eldorado also renewed its Halal certification, achieving 100% approval, which certifies that the company works within the precepts of Islam and offers products suitable for Islamic consumers, following the legal requirements and criteria established by the religion's jurisprudence.

Sustainability report

In 2024, Eldorado also released its 11th Sustainability Report, which brings together information on the environmental, social and governance areas, as well as the results and main highlights for the year. The report was built in accordance with the standards of the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB), aligned with the Sustainable Development Goals (SDGs) and complying with the UN Global Compact. The company strengthened its commitment to the Ten Principles of the Global Compact and advanced its sustainability agenda, improving communication with stakeholders and strengthening the management of economic, social and environmental themes. Annual Sustainability Report | Eldorado Brasil

In addition, the 12th Edition of the Public Summary of the Forest Management Plan was released, with information on the planning of forestry activities, describing the main objectives, responsibilities, resources and strategies for adopting responsible and sustainable practices. Forest Management Plan | Eldorado Brasil.

Relations with communities

Eldorado also adopts the premise of working closely with the communities in the regions where it operates. The purpose is to contribute to local social development – one of the priority topics of the ESG strategy, which structures the company's commitments to the socio-environmental and governance agenda. The company's sustainability area holds regular meetings with 15 communities and their surroundings in the state of Mato Grosso do Sul, in an active and transparent engagement with the people within the region, raising priority issues and establishing a positive agenda for its social action.

In 2024, Eldorado consolidated the Raízes Project in partnership with SENAR and Selvíria Municipal Government, aiming to support producers in the Alecrim, São Joaquim and Canoas settlements in the production of root crops, especially cassava. The partnership covers everything from soil preparation to the disposal and trading of tuber production.

Last year, the company also made progress with the "Eldorado Values at School" Program, fostering an exchange of knowledge, raising awareness and encouraging the adoption of sustainable practices among students in municipal schools in the municipalities of Três Lagoas and Paranaíba, in the state of Mato Grasso do Sul. The program seeks to inspire and raise awareness among future generations and educate elementary school students about Eldorado's operations, highlighting environmental actions such as the fundamental role of eucalyptus in preserving biodiversity and fighting climate change. Moreover, the project covers topics such as forest fire prevention, research and development, forestry assessment, renewable energy production and recruitment strategies and business organization.

Eldorado also made several transfers throughout the year, always focusing on health, education and community development, with an eye on local needs. The company consolidated its role as a transforming agent, acting responsibly and with solidarity to support the victims of the floods in Rio Grande do Sul by donating 10 tons of personal hygiene items and blankets, bringing comfort and dignity to families in emergency situations. The company also took part in the "Aquece MS" campaign, ensuring the distribution of 2,800 blankets to people in vulnerable situations, providing protection during the harsh winter. It also participated in the installation of a breastfeeding room at the Três Lagoas Regional Hospital, an initiative that welcomes mothers and babies, fostering a healthy and safe environment for breastfeeding. Eldorado also strengthened social projects in settlements by delivering supplies and equipment that foster local initiatives, promoting sustainable development and social inclusion, and awarded outstanding students from the Florestinha, Patrulha Mirim and Bombeiros do Amanhã educational projects with bicycles as a way of encouraging academic performance and youth protagonism. In addition to these actions, the company has carried out several one-off initiatives to meet the specific demands of the communities in which it operates.

The "Eldorado Sustainability Program" (PES) is aimed at society, communities and Eldorado Brasil employees. In 2024, PES reached over 94,000 people through direct actions and social media advertising. The environmental education actions reinforce Eldorado Brasil's commitment to sustainable development and the appreciation of its organizational culture, based on the ESG (Environmental, Social and Governance) principles, standing out in the promotion of the well-being of future generations and the search for socio-environmental balance.

Also last year, the AME (Friends of Eldorado) Volunteer Program carried out several successful actions, with records in all of them. One of the highlights was the SOS Rio Grande do Sul action, in which volunteers collected more than 7,000 items that were sent to the municipalities of Rio Grande do Sul affected by the floods in May. The program also promoted Easter campaigns, blood donation, visits to elderly homes, Children's Day and Christmas, benefiting communities in Santos, São Paulo and Três Lagoas.

Eldorado is also involved in economic and social development in Santos. In the integration of the port and the city of Santos, Eldorado is highlighted by three artistic panels over 10 meters high, painted and signed by the artist Jabah, representing the eucalyptus plantation, the forest and the Eldorado pulp mill, adding color and life to the port region.

Furthermore, in March 2024, the company handed over a new Basic Health Unit (UBS) in the Estuário district to Santos Municipal Government. Around 16,000 people living in the region benefit from quality pediatric, gynecological and dental care as part of the Family Health Strategy.

Other significant milestones include the construction of a footbridge, the Port's internal road and the Viaduct, which have increased the agility and safety of the Pulp Cluster. The footbridge offers safe and fast access to the port, and the 350-meter-long viaduct crosses 7 train lines, making traffic in the area easier.

Environment

With the purpose of always improving its environmental performance, Eldorado Brasil is committed to adopting stricter operating standards than those established by national legislation. The company removes 12 times more CO_2 than it emits, resulting in a negative carbon balance, a highlight in the market.

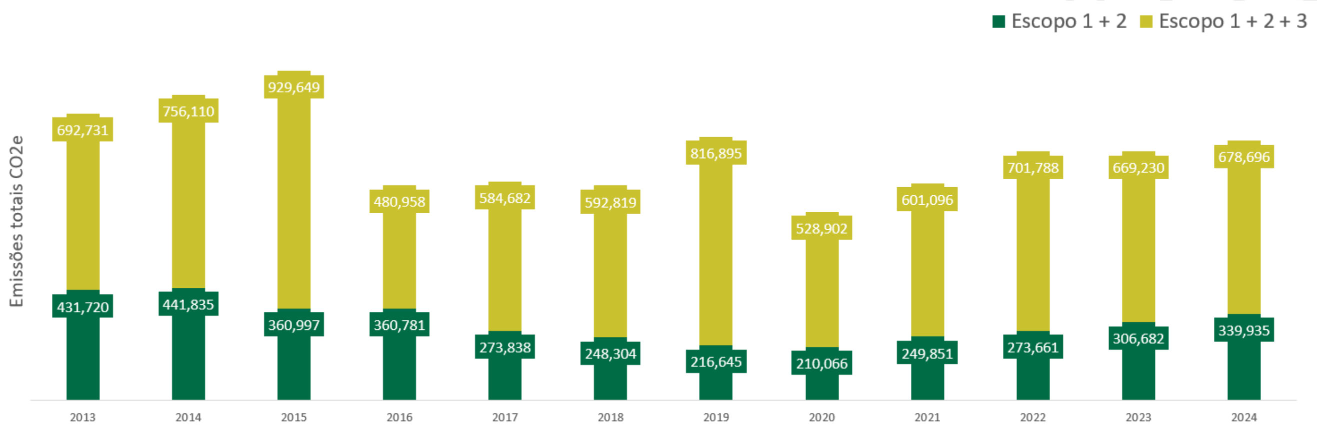
The company is also committed to carrying out studies into the use of renewable, less polluting fuels, and to replacing diesel with vehicular natural gas (CNG) in its transportation fleet, including hybrid and gas-only vehicles.

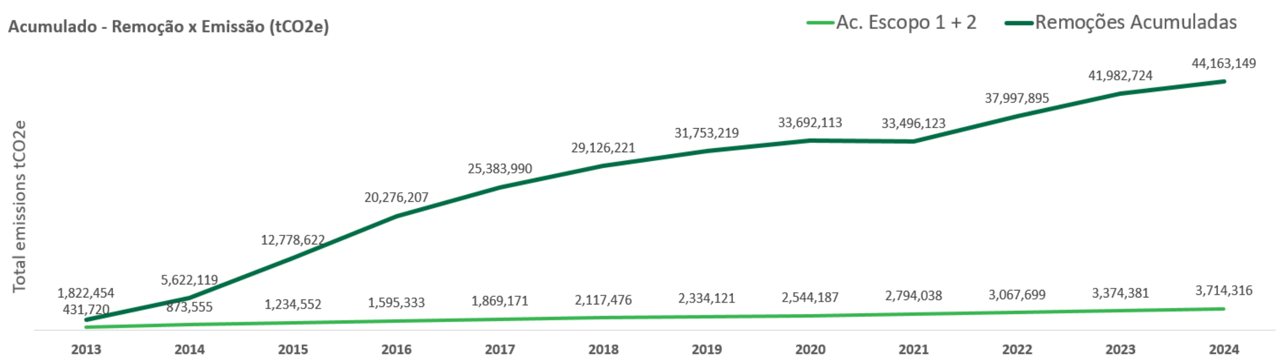
Due to the increase in operating activities, the company increased its Scope 1 emissions (306,078.158 tCO_2e, 13.25% more than in the previous cycle). The increase is due to the higher consumption of diesel oil, due to the expansion of operational activities, and fuel oil to run the boilers, due to the general plant shutdown.

The greenhouse gas emissions survey, responsible for consolidating emissions data, started to be evaluated by an external third-party audit in accordance with the guidelines of the GHG Protocol program in 2022. In this context, the company obtained the Gold Seal, which represents the highest level of recognition regarding the greenhouse gas inventory, according to the GHG Protocol Brazil program.

The inventory was evaluated by an entity accredited by Inmetro, following the standards established by ISO 14064, which validated good monitoring practices and transparency in the disclosure of data. Besides, Eldorado has implemented a system to monitor the main environmental indicators of GHG, waste, energy, water and effluents. The certification refers to the 2023 inventory and the company is already prepared for the new 2024 data cycle.

The demonstrative charts for 2024 are presented below. Absolute emissions recorded a slight increase, mainly influenced by emissions from the agricultural activities category, due to the increase in occurrences of forest fires as a result of the long drought in the state of Mato Grosso do Sul.





*The 2024 figures will be audited in the 2nd quarter of 2025 and may vary slightly.

Corporate Governance

Our People

Eldorado's success is driven by our People, who turn challenges into achievements and write our story every day. With over 5,000 employees, we cultivate a welcoming and inspiring environment, where talents grow and careers develop.

One of the highlights for the period was the 5.18% increase in the number of women in the company, an important step forward in the diversity agenda.

Our growth strategy is driven by four central pillars: competitiveness, sustainability, innovation and valuing people. These axes, present in all areas, are the backbone of a work culture that prioritizes innovation, environmental responsibility, efficiency and, above all, respect and appreciation for Our People.

Organizational culture also drives the creation and development of several internal programs. One of them is the Leadership Academy, which develops leaders to lead successful teams, creating a learning environment for the growth and continuous improvement of leadership skills at their various management levels. The main objective is to improve performance and productivity, ensuring that leaders and their teams achieve even more significant results. In 2024, we made important investments in leadership development, with 25 coordinators and specialists taking part in the Tactical Leadership Track, 162 participants (analysts, leaders, specialists, supervisors and technicians) in the Leaders of the Future Track, 28 participants (supervisors and leaders) in the I am a Leader Now Track and 26 pairs of mentors and mentees, made up of Eldorado leaders in the Mentoring Program.

Another significant initiative was the Culture Journey, which brought together 100 leaders with the purpose of strengthening and aligning the values, beliefs, non-beliefs, drivers, vision and mission that guide the company's behavior and strategic decisions. This journey creates an environment for reflection and the exchange of experiences, strengthening the leaders' connection with the organizational culture in a more meaningful and conscious manner. This meeting is held annually.

Compliance

Eldorado has made progress each year in its Compliance Program, with a commitment to fostering good practices to encourage everyone to act with integrity. The company and its leaders prioritize open dialogue with all our stakeholders and, year after year, new actions are created and improved to foster values, a culture of ethics, integrity, compliance and transparency in business.

In 2024, Eldorado's Compliance Program achieved full compliance in 180 items assessed by an external audit firm, following the best market practices and the ISO 37001 and 37301 resolutions.

Since March 2024, the company has also been part of the select group of organizations with the "Mais Integridade" (More Integrity) Seal from the Ministry of Agriculture and Livestock. This recognition is awarded to companies that incorporate social responsibility, a focus on environmental sustainability and ethical practices into their activities and internal and external policies. The Ethics Multipliers Program has also been a governance pillar at Eldorado. The initiative has been running for four years and has 66 employees selected for the two-year period 2024–2026, disseminating ethical values, fighting corruption and promoting transparency, in line with the UN Sustainable Development Goals (SDGs) and the Global Compact.

Moreover, Eldorado reinforces its culture of "Always Do the Right Thing" (slogan of the Compliance Program), with public commitments to integrity, such as the Business Movement for Integrity and Transparency and the Business Pact for Integrity and Against Corruption.

In 2024, the program also continued to promote several training courses focused on improving corporate governance and rules of behavior. The full network of Eldorado business partners received the Anti-Corruption Best Practices Training for the Agribusiness Industry, developed by Ação Coletiva and focused on preventing and fighting corruption in the industry.

The company also developed the Compliance Project in the Area, being structured to provide knowledge and information about the expected conduct and behavior of Eldorado employees who are more remote and have less internet access. Through interactive dynamics, employees discussed the importance of an ethical, fair, and respectful work environment to achieve the expected results.

The Agribusiness Anti-Corruption Collective Action, an initiative promoted by the UN Global Compact Brazil and of which Eldorado is a founding member, received the Outstanding Achievement Award from the Basel Institute on Governance in recognition of collective efforts to promote integrity, ethics and transparency in the agribusiness sector. This is the first time that a Brazilian initiative has received the award, thus demonstrating the importance that the industry and our company have given to the topic.

Relations with independent auditors

Eldorado informs that KPMG Auditores Independentes Ltda., responsible for auditing its financial statements, was not engaged in 2024 to provide services not related to external audit. The independent auditors' fees in 2024 totaled a net amount of R$ 2,098,656 for services performed in Brazil, the United States and China, and € 80.5 thousand in Austria.

Final considerations

Eldorado's progress in 2024 is the result of the daily efforts of the company's over five thousand employees working in Brazil and in offices abroad.

Eldorado would also like to thank its clients, suppliers and partners for helping to achieve these remarkable results. The company remains strongly committed to maintaining its leading position in the global market, with support from the pillars of sustainability, innovation, competitiveness and valuing people.

KPMG Auditores Independentes Ltda.
Rua Verbo Divino, 1400 - 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

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

(A free translation of the original report in Portuguese)

To the Shareholders, Board of Directors and Directors of

Eldorado Brasil Celulose S.A.

São Paulo – SP

Opinion

We have audited the parent company and consolidated financial statements of Eldorado Brasil Celulose S.A. ("Company"), identified as Parent company and Consolidated, respectively, comprising the balance sheets as of December 31, 2024 and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, as well as the corresponding notes, comprising the material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the parent company and consolidated financial position of Eldorado Brasil Celulose S.A. as of December 31, 2024, the parent company and consolidated performance of its operations and its parent company and consolidated cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

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

Key audit matters

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

Biological assets fair value measurement

See notes 7.h and 15 of the parent company and consolidated financial statements

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

Other matters - Statements of value added

The parent company and consolidated statement of value added (*DVA*) for the year ended December 31, 2024, prepared under responsibility of Company's management, and presented as supplementary information for IFRS purposes, have been subject to audit procedures jointly performed with the audit of Company’s parent company and consolidated financial statements. In order to form our opinion, we evaluated whether those statements are reconciled with the parent company and consolidated financial statements and accounting records, as applicable, and whether their format and contents are in accordance with criteria determined in the Technical Pronouncement CPC 09 - Statement of Added Value. In our opinion, the statements of added value have been fairly prepared, in all material respects, in accordance with the criteria determined by the aforementioned Technical Pronouncement, and are consistent with the overall parent company and consolidated financial statements.

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

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

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

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

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

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

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

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

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

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

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

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

- Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company`s and its subsidiaries internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of financial statements, including disclosures, and whether the parent company and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

São Paulo, February, 24, 2025.

KPMG Auditores Independentes Ltda.
CRC 2SP011428/O-6
(Original report in Portuguese signed by)
Leslie Nares Laurenti
Accountant CRC 1SP215906/O-1

(In thousands of reais)

		Parent Company			Consolidated
ASSETS	Notes	**2024**	**2023**	**2024**	**2023**
Current assets					
Cash and cash equivalents	9	933,338	916,360	1,181,898	1,407,283
Trade accounts receivable	10	1,382,719	868,311	1,561,627	1,133,769
Inventories	13	653,948	627,092	843,983	748,147
Recoverable taxes	14	41,666	80,382	43,688	84,347
Income tax and social contribution - current		-	-	28,575	13,895
Derivative financial instruments	8.4	16,190	149,695	16,190	149,695
Advances to suppliers	12	19,368	65,588	17,575	66,906
Other current assets		23,613	44,831	24,624	45,725
Total current assets		**3,070,842**	**2,752,259**	**3,718,160**	**3,649,767**
Non-current assets					
Recoverable taxes	14	15,355	15,572	15,670	15,959
Advances to suppliers	12	553,899	395,627	553,899	395,627
Derivative financial instruments	8.4	41,813	175,554	41,813	175,554
Loans with related parties	11.3	407,306	291,037	-	-
Income tax and social contribution - deferred	22.2	-	-	9,849	-
Other non-current assets		1,580	2,370	1,800	2,881
		1,019,953	**880,160**	**623,031**	**590,021**
Biological assets	15	5,060,580	4,748,287	5,060,580	4,748,287
Investments	16.2	957,564	2,108,742	-	-
Property, plant and equipment	17	5,055,079	4,983,149	5,384,341	5,323,027
Intangible assets	18	42,737	30,384	197,079	126,398
Rights of use	19.1	1,460,693	1,402,098	1,741,877	1,671,985
		12,576,653	**13,272,660**	**12,383,877**	**11,869,697**
Total non-current assets		**13,596,606**	**14,152,820**	**13,006,908**	**12,459,718**
Total assets		**16,667,448**	**16,905,079**	**16,725,068**	**16,109,485**

(In thousands of reais)

LIABILITIES	Notes	Parent Company 2024	Parent Company 2023	Consolidated 2024	Consolidated 2023
Current liabilities					
Suppliers	20	275,009	350,493	309,385	389,798
Loans and financing	21	575,948	1,188,827	575,948	1,188,827
Leases payable	19.2	165,463	146,141	228,451	191,174
Loans with related parties	11.4	916	1,068,046	-	-
Labor and social security obligations		280,113	225,013	291,851	232,873
Tax liabilities		20,051	15,867	15,422	17,381
Income tax and social contribution - current		72,243	-	72,288	-
Derivative financial instruments	8.4	-	3,968	-	3,968
Minimum mandatory dividends	24.5	274,487	-	274,487	-
Other current liabilities		12,914	24,757	128,839	88,410
Total current liabilities		**1,677,144**	**3,023,112**	**1,896,671**	**2,112,431**
Non-current liabilities					
Loans and financing	21	1,572,124	1,434,146	1,572,124	1,434,146
Loans with related parties	11.4	241,500	-	-	-
Leases payable	19.2	1,510,522	1,429,471	1,590,103	1,544,521
Income tax and social contribution - deferred	22.2	804,085	656,289	804,085	656,289
Provision for legal risks	23	31,705	42,205	31,717	42,244
Other non-current liabilities		9,842	30,727	9,842	30,725
Total non-current liabilities		**4,169,778**	**3,592,838**	**4,007,871**	**3,707,925**
Total liabilities		**5,846,922**	**6,615,950**	**5,904,542**	**5,820,356**
Shareholders' equity	24				
Share Capital		1,788,792	1,788,792	1,788,792	1,788,792
Profit reserves		8,492,766	8,232,269	8,492,766	8,232,269
Equity valuation adjustments		538,968	268,068	538,968	268,068
Total shareholders' equity		**10,820,526**	**10,289,129**	**10,820,526**	**10,289,129**
Total liabilities and shareholders' equity		**16,667,448**	**16,905,079**	**16,725,068**	**16,109,485**

(In thousands of reais)

		Parent Company		Consolidated	
	Notes	2024	2023	2024	2023
Net revenue	25	5,991,064	3,627,294	6,373,370	5,756,145
Cost of products sold	27	(2,686,560)	(2,521,401)	(2,796,271)	(2,649,276)
Gross income		**3,304,504**	**1,105,893**	**3,577,099**	**3,106,869**
Operating revenues (expenses)					
Administrative and general	27	(430,283)	(362,214)	(471,539)	(389,362)
With sales and logistics	27	(320,497)	(278,186)	(636,665)	(670,036)
Fair value of biological assets	15	44,051	594,570	44,051	594,570
Equity in net income of subsidiaries	16.2	(66,203)	1,540,613	-	-
Reversal (formation) of expected credit losses	10.2	1,440	203	15,426	(6,037)
Other operating revenues (expenses), net	28	(26,479)	(97,317)	(27,269)	(138,365)
Operating income (loss) before financial income (loss)		**2,506,533**	**2,503,562**	**2,501,103**	**2,497,639**
Net financial income (loss)	29				
Financial revenues		76,183	104,811	101,218	140,811
Financial expenses		(313,111)	(471,094)	(300,456)	(436,172)
Derivative financial instruments		(523,997)	464,943	(523,997)	464,943
Net exchange-rate change		(210,829)	200,287	(220,107)	199,820
Income before income tax and social contribution		**1,534,779**	**2,802,509**	**1,557,761**	**2,867,041**
Income tax and social contribution	22.1				
Current		(228,562)	(85,825)	(261,197)	(150,357)
Deferred		(210,709)	(369,489)	(201,056)	(369,489)
Net income for the year		**1,095,508**	**2,347,195**	**1,095,508**	**2,347,195**
Basic and diluted net earnings per share – in reais (R$)	24.8			**0.7181**	**1.5386**

(In thousands of reais)

	Parent Company and Consolidated	
	2024	2023
Net income for the year	**1,095,508**	**2,347,195**
Items that can be subsequently reclassified to income (loss):		
Foreign exchange differences on translation of foreign operations - Note 16.2	414,646	(137,522)
Adjustment of cash flow hedge	(217,797)	82,905
Deferred income tax/social contribution on cash flow hedge	74,051	(28,187)
Other comprehensive income, net of income tax and social contribution	**270,900**	**(82,804)**
Total comprehensive income for the year	**1,366,408**	**2,264,391**

(In thousands of reais)

		Profit reserves						Equity valuation adjustments			
	Share Capital	Legal reserve	Tax incentive reserve	Expansion reserve	Reserve for retained minimum mandatory dividends	Profit retention	Hedge accounting	Accumulated translation adjustments	Retained earnings	Total shareholders' equity
Balance at January 1, 2023	**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 year	-	-	-	-	-	-	-	-	2,347,195	2,347,195
Other comprehensive income for the year	-	-	-	-	-	-	54,718	(137,522)	-	(82,804)
Comprehensive income for the year	-	-	-	-	-	-	54,718	(137,522)	2,347,195	**2,264,391**
Formation of reserves	-	100,559	4,539	-	-	-	-	-	(105,098)	-
Profit retention - Note 24.6	-	-	-	-	-	2,242,097	-	-	(2,242,097)	-
Balance at December 31, 2023	**1,788,792**	**357,758**	**1,008,576**	**1,039,340**	**238,037**	**5,588,558**	**113,700**	**154,368**	**-**	**10,289,129**
Net income for the year	-	-	-	-	-	-	-	-	1,095,508	1,095,508
Other comprehensive income for the year	-	-	-	-	-	-	(143,746)	414,646	-	270,900
Comprehensive income for the year	-	-	-	-	-	-	(143,746)	414,646	1,095,508	**1,366,408**
Distribution of minimum mandatory dividends in 2023 - 24.5.1	-	-	-	-	-	(560,524)	-	-	-	**(560,524)**
Reversal of reserves	-	-	(2,438)	-	-	-	-	-	2,438	-
Mandatory minimum dividend 2024 - 24.5	-	-	-	-	-	-	-	-	(274,487)	**(274,487)**
Profit retention - Note 24.6	-	-	-	-	-	823,459	-	-	(823,459)	-
Balance at December 31, 2024	**1,788,792**	**357,758**	**1,006,138**	**1,039,340**	**238,037**	**5,851,493**	**(30,046)**	**569,014**	**-**	**10,820,526**

(In thousands of reais)

	Notes	Parent Company 2024	Parent Company 2023	Consolidated 2024	Consolidated 2023
Cash flow from operating activities:					
Net income for the year		**1,095,508**	**2,347,195**	**1,095,508**	**2,347,195**
Adjustments due to:					
Depreciation, amortization and depletion	27|28	771,307	668,634	782,427	711,086
Income (loss) from disposal of property, plant and equipment and biological assets	19|28	32,573	15,742	32,615	61,458
Fair value of biological assets	15	(44,051)	(594,570)	(44,051)	(594,570)
Income tax and social contribution - deferred	22.1	210,709	369,489	201,056	369,489
Income tax and social contribution - current	22.1	228,562	85,825	261,197	150,357
Financial charges - interest and exchange-rate change		503,946	146,975	484,904	(45,461)
Equity in net income of subsidiaries	16.2	66,203	(1,540,613)	-	-
Losses (gains) with derivatives	29	523,997	(464,943)	523,997	(464,943)
Provision for legal risks	23	14,564	28,652	14,613	28,769
(Reversal) formation of ICMS credit losses	28	(21,324)	508	(21,324)	508
Reversal of estimated inventory losses	13	(184)	(618)	(184)	(618)
Reversal (formation) of expected credit losses	10.2	(1,440)	(203)	(15,426)	6,037
		3,380,370	**1,062,073**	**3,315,332**	**2,569,307**
Decrease / (increase) in assets					
Trade accounts receivable		(282,839)	(70,640)	(88,147)	476,971
Inventories		40,547	9,886	84,019	130,910
Recoverable taxes		16,228	65,683	41,257	39,543
Advances to suppliers		62,974	17,574	66,085	16,257
Other current and non-current assets		17,899	11,421	18,368	12,047
		(145,191)	**33,924**	**121,582**	**675,728**
Increase / (decrease) in liabilities					
Suppliers		(75,484)	57,435	(129,338)	45,265
Labor and social security obligations		55,100	14,107	57,884	14,352
Tax liabilities		15,322	(3,491)	1,255	(29,071)
Payments for legal risks	23	(25,064)	(17,139)	(25,140)	(17,665)
Other current and non-current liabilities		(32,730)	11,251	(2,288)	(26,340)
		(62,856)	**62,163**	**(97,627)**	**(13,459)**
Cash generated by operating activities		**3,172,323**	**1,158,160**	**3,339,287**	**3,231,576**
Income tax and social contribution paid		(112,289)	(172,590)	(168,142)	(259,252)
Net cash generated in operating activities		**3,060,034**	**985,570**	**3,171,145**	**2,972,324**
Cash flow from investment activities:					
Increase in biological assets	15|31	(509,817)	(516,414)	(509,817)	(516,414)
Additions to property, plant and equipment and intangible assets	17|18	(533,398)	(511,678)	(597,925)	(659,912)
Cash received upon disposal of property, plant and equipment and biological assets	28	34,326	21,286	34,326	21,286
Loan granted to related parties	11.3	(88,000)	(157,000)	-	-
Dividends received	16.2	1,471,074	2,716,371	-	-
Net cash generated (invested) by (in) investment activities		**374,185**	**1,552,565**	**(1,073,416)**	**(1,155,040)**
Cash flow from financing activities:					
Loans and financing obtained	21.3	465,822	1,029,570	465,822	1,029,570
Amortization of loans and financing - principal	21.3	(1,221,348)	(2,567,637)	(1,221,348)	(2,567,637)
Amortization of loans and financing - interest	21.3	(269,933)	(347,741)	(269,933)	(347,741)
(Payment) Receipt of operations with derivatives		(446,442)	442,617	(446,442)	442,617
Amortization of related party loans - principal	11.4	(996,046)	-	-	-
Amortization of related party loans - interest	11.4	(41,243)	(51,554)	-	-
Payment of lease agreements	19.2	(347,527)	(300,152)	(400,961)	(349,347)
Payment of dividends	24.5.1	(560,524)	-	(560,524)	-
Net cash invested in financing activities		**(3,417,241)**	**(1,794,897)**	**(2,433,386)**	**(1,792,538)**
Exchange-rate change on cash		-	-	110,272	35,281
Net changes in cash and cash equivalents		**16,978**	**743,238**	**(225,385)**	**60,027**
Cash and cash equivalents at the beginning of the year		916,360	173,122	1,407,283	1,347,256
Cash and cash equivalents at the end of the year		933,338	916,360	1,181,898	1,407,283
Net changes in cash and cash equivalents		**16,978**	**743,238**	**(225,385)**	**60,027**

(In thousands of reais)

		Parent Company			Consolidated
		2024	2023	2024	2023
Revenues:					
Sale of goods, products and services	25	6,222,597	3,847,631	6,610,548	5,978,757
Transfers from construction of own assets		162,067	66,048	162,067	66,048
Reversal of expected credit losses	10.2	1,440	203	15,426	(6,037)
Other operating revenues, net		146	501,903	307	461,268
		6,386,250	**4,415,785**	**6,788,348**	**6,500,036**
Inputs acquired from third parties:					
Raw material and consumable items	27	(974,523)	(885,051)	(961,038)	(903,689)
Materials, energy, outsourced services and other		(1,134,561)	(879,466)	(1,561,936)	(1,283,797)
Reversal (formation) of ICMS credit losses	28	21,324	(508)	21,324	(508)
		(2,087,760)	**(1,765,025)**	**(2,501,650)**	**(2,187,994)**
Gross added value		**4,298,490**	**2,650,760**	**4,286,698**	**4,312,042**
Depreciation, amortization and depletion	27|28	(771,307)	(668,634)	(782,427)	(711,086)
		3,527,183	**1,982,126**	**3,504,271**	**3,600,956**
Added value received as transfer:					
Equity in net income of subsidiaries	16.2	(66,203)	1,540,613	-	-
Financial revenues and foreign exchange gain		348,652	770,041	357,303	805,574
Total added value payable		**3,809,632**	**4,292,780**	**3,861,574**	**4,406,530**
Distribution of added value:					
Personnel:					
Direct remuneration		329,779	307,936	344,528	321,558
Benefits		235,345	171,517	240,993	179,129
FGTS		25,779	24,028	25,779	24,443
		590,903	**503,481**	**611,300**	**525,130**
Taxes, rates and contributions:					
Federal		635,809	680,315	674,275	753,431
State		132,470	126,219	138,826	126,805
Municipal		-	-	4,112	1,850
		768,279	**806,534**	**817,213**	**882,086**
Third-party capital remuneration:					
Interest and exchange-rate change		1,308,369	450,432	1,277,429	405,406
Rents		45,552	183,384	47,959	234,862
Other		1,021	1,754	12,165	11,851
		1,354,942	**635,570**	**1,337,553**	**652,119**
Remuneration of own capital:					
Net income for the year		**1,095,508**	**2,347,195**	**1,095,508**	**2,347,195**
Total added value paid		**3,809,632**	**4,292,780**	**3,861,574**	**4,406,530**

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 (SP).

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 issuance of these financial statements was authorized by the Company's Board of Directors on February 24, 2025.

2. Basis of preparation

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

The parent company and consolidated financial statements were prepared and are being presented according to the accounting practices adopted in Brazil, including the pronouncements, interpretations and guidance issued by the Accounting Pronouncement Committee (CPC), as well as by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). They evidence all relevant information specific to the parent company and consolidated financial statements, and only such information, is consistent with the one used by the Management in its administration.

The material accounting policies applied in the preparation of these parent company and consolidated financial statements are presented in Note 7.

The parent company and consolidated financial statements were prepared considering the historical cost as value basis, that, in case of certain financial assets and liabilities, including derivative financial instruments and biological assets, their value is adjusted to reflect the fair value measurement.

The preparation of parent company and consolidated financial statements requires the use of certain critical accounting estimates. It requires the Management to exercise its judgment in the process of applying the Company's accounting policies. The areas requiring the highest level of judgment and having the highest complexity, and the areas where assumptions and estimates are significant for the parent company and consolidated financial statements are disclosed in Note 5.

All relevant information in parent company and consolidated financial statements, and only them, are being evidenced and correspond to that used by Management.

Statement of added value

The presentation of the parent company and Consolidated Statement of Added Value is required by Brazilian corporate law and the accounting practices adopted in Brazil applicable to publicly-held companies. The Statement of Added Value was prepared in accordance with the criteria defined in Technical Pronouncement CPC 09 (R1) - "Statement of Added Value". Since the presentation of this statement is not required by the IFRSs, it is presented as a supplementary information without prejudice of the set of financial statements.

(In thousands of reais)

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:

		Ownership interest	
Direct subsidiaries	**Country**	**2024**	**2023**
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 Intl. Finance GmbH	Austria	100%	100%
Cellulose Eldorado Asia	China	100%	100%

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

4. Changes in accounting policies and disclosures

4.1. New accounting standards and interpretations in force

The following standard amendments were adopted for the year started January 1, 2024:

- **Amendments to CPC 26/IAS 1 regarding non-current liabilities with covenants and classification of liabilities as current or non-current:** The amendments issued in October 2022 clarify that the covenants of loan and financing agreements that an entity must comply with only after the reporting date do not affect the classification of a liability as current or non-current on the reporting date. However, the covenants that the Company must comply with on or before the reporting date affect the classification as current or non-current, even if compliance with the covenants is only assessed after the entity's reporting date. As mentioned in Note 8.5, the Company discloses the covenants, with no changes having been made as of the date of publication.

- **Amendments to CPC 06 (R2)/IFRS 16 relating to lease liabilities on a sale and subsequent leaseback:** It requires a seller-lessee to subsequently measure lease liabilities arising from the Sale and Leaseback in such a way that it does not recognize any gain or loss related to the right of use it retains.

- **Amendments to CPC 26/IAS 1 and CPC 40/IFRS 7 Supplier financing agreements ("Drawee Risk"):** The amendments introduce new disclosures related to financing agreements with suppliers ("Drawee Risk"). These disclosures help users of financial statements to assess the effects of those arrangements on an entity's liabilities and cash flows and on the entity's exposure to liquidity risk. As disclosed in Note 20, the Company discloses its exposure to supplier financing agreements.

(In thousands of reais)

4.2. New accounting standards and interpretations not yet effective

In addition, the amendments listed in Item 4.1, IASB is working with the issue of new pronouncements and review of existing ones, which will only become effective on January 1, 2025, 2026 and 2027, with the convergence of the pronouncements issued by the CPC, as follows:

New standards or amendments	Effective date
OCPC 10: Carbon Credits (tCO_2e), Emission Allowances and Decarbonization Credits (CBIO)	January 01, 2025
Amendments to CPC 02 (R2) – Effects of Changes in Foreign Exchange Rates and Translation of Financial Statements and CPC 37 (R1) – First-time Adoption of International Accounting Standards	January 01, 2025
Amendments to CPC 18 (R3) – Investments in Associates, Subsidiaries and Joint Ventures and ICPC 09 – parent company Financial Statements, Separate Financial Statements, Consolidated Financial Statements and Application of the Equity Method	January 01, 2025
Classification and Measurement of Financial Instruments – Amendments to CPC 48/IFRS 9 and CPC 40/IFRS 7	January 01, 2026
IFRS 18: Presentation and disclosure in the financial statements	January 01, 2027
IFRS 19: Subsidiaries without Public Accountability: Disclosures	January 01, 2027

5. Critical estimates and judgments

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

Accounting estimates

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

- **Fair value of biological assets**

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

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

- Trends in forest assets, the timber market, the forest industry value chain, the business environment and the land market;

- Projection of the valuation approach of the potential business strategies for asset transactions, the valuation methods and the assumptions related to the asset and the valuation;

- Estimate the market value of the asset based on the results of previous activities.

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

Other information regarding the biological asset are disclosed in Note 15.

- **Discount rate for leases**

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

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

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

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

- **Deferred income tax and social contribution**

Deferred income tax and social contribution assets include a balance of R$ 427,733 in the parent company and R$ 441,643 in the consolidated, related to the accumulated tax loss and negative basis of social contribution generated by the parent company.

Considering the taxable income projections, estimated based on the multi-year plan approved by Management, and whose assumptions used to estimate the probability of realizing deferred tax assets consider the risks inherent to the business, the Company understands that the deferred tax asset is recoverable.

- **Fair value of derivative financial instruments**

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

- **Impairment loss on financial assets**

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

(i) Critical judgments in applying accounting policies

- **Note 14** – Recoverable ICMS: approval by the Government of the state of Mato Grosso do Sul – MS for the offsetting of ICMS credits with debts of the same nature, own and third parties, within the terms established in the monetization plan;

- **Notes 17 and 18-** Impairment of assets: internal and external evidence that may indicate the existence of non-recoverable losses.

6. Foreign currency translation

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

(i) Foreign currency transactions

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

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

(ii) Foreign operations

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

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

7. Description of material accounting policies

The material accounting policies applied in the preparation of these financial statements are summarized below. Those policies were consistently applied in the years presented, unless otherwise stated.

a. Consolidation basis

(i) Subsidiaries

The Company controls an entity when it is exposed to, or has a right over, the variable returns arising from its involvement with the entity and has the ability to affect those returns. The financial statements of the subsidiaries are included in the consolidated financial statements from the start date to the date such control ceases.

(ii) Transactions eliminated in the consolidation

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

b. Revenue

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

- Commercial discount: amount normally deducted from a base price to arrive at a final billing price, which considers factors such as volume, logistics cost and payment term;

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

The Company uses the five-phase model for revenue recognition, which provides: (i) identification of contracts with clients; (ii) identification of performance obligations provided for in contracts; (iii) determination of transaction price; (iv) allocation of the performance obligation transaction price provided for in the contracts; and (v) revenue recognition when the performance obligation is fulfilled.

For Pulp sales revenue, performance obligations consider the parameters provided for by the (i) International Commercial Terms (“Incoterms”), when aimed at the foreign market, and (ii) effective transit time, when aimed at the domestic market.

c. Financial instruments

(i) Initial recognition, derecognition and measurement

Financial assets and liabilities are initially recognized when the Company becomes a party to the instrument's contractual provisions. Trade accounts receivable and debt securities issued are initially recognized on the date that they are originated. Financial instruments are initially measured at fair value plus transaction costs which are directly attributed to its acquisition or issue.

Financial assets are derecognized when rights to receive cash flows have been expired or transferred, as long as the Company has transferred virtually all ownership risks and rewards.

The classification of financial instruments by category is disclosed in the Note 8.1.

(ii) Classification, subsequent measurement and gains and losses

The instruments are classified and measured as: i) amortized cost; ii) fair value through comprehensive income; and iii) fair value through profit or loss. These instruments are not subsequently reclassified unless the Company changes the business model for the management of financial instruments. In this case, all affected financial instruments are reclassified on the first day of the reporting period following the change in the business model.

- **Financial instruments measured at amortized cost**

In this category of disclosure, financial instruments must: i) are held within a business model whose purpose is to receive contractual cash flows; and ii) have contractual terms that generate, on specific dates, cash flows related to the payment of the principal value and interest on the principal value. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest revenues and expense, gains, foreign exchange losses, impairment and derecognition of financial instruments are recognized in the statement of income.

- **Financial instruments measured at fair value through comprehensive income**

In this category of disclosure, financial instruments must: i) be held within a business model whose purpose is achieved by both the receipt of contractual cash flows and the sale of financial assets; and ii) have contractual terms that generate, on specific dates, cash flows related to the payment of principal and interest on principal outstanding value. Fair value is determined as described in Note 8.2. Fair value hierarchy.

- **Financial instruments stated at fair value through profit or loss**

In this disclosure category, financial instruments which do not comply with measurement criteria at amortized cost and fair value through other comprehensive income are measured at fair value through profit or loss. Financial instruments at fair value through profit or loss are measured at the end of each reporting period, and any fair value gains or losses are recognized in profit or loss as long as they are not part of a designated hedge relationship as determined in Note 8.4.3. Hedge accounting.

(iii) Offsetting of financial instruments

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

(iv) Impairment of financial assets

- **Measurement of expected credit losses**

The Company evaluates, on a prospective basis, expected credit losses associated to financial assets recorded at amortized cost and fair value through other comprehensive income. Applied impairment methodology depends on whether significant increase in credit risk occurred or not.

For trade accounts receivable, the Company applies the simplified approach as permitted by IFRS 9/CPC 48 and, therefore, recognizes expected losses over useful life since initial recognition of receivables.

(v) Derivative financial instruments and hedge accounting

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

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

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

d. Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank demand deposits and short-term, highly liquid investments, readily convertible into cash and subject to insignificant risk of change in value.

e. Accounts receivable

Receivables are recorded at the nominal value invoiced on the date of sale, according to the normal course of the Company's operations, adjusted by the exchange rate change when denominated in foreign currency and, when applicable, deducted from estimated credit losses.

Expected credit losses are estimated using a provision matrix prepared based on the historical credit loss experience of the Company and its subsidiaries, adjusted on the basis of factors specific to debtors, general economic conditions and the assessment of current and projected conditions at the reporting date.

f. Inventories

Inventories are measured based on lower value between cost and net realizable value. Inventory costs are based on weighted average cost method. The cost of wood transferred from biological assets is measured at fair value, plus harvesting costs, freight and other expenses necessary to bring the wood to the point of consumption. Normal production losses are part of the production cost for the respective period, while abnormal losses, if any, are recognized in the cost of goods sold, without being recorded in inventories.

The Company recognizes the estimated loss due to the reduction of inventories to their net realizable value when it is lower than the cost. Losses on deteriorated items and low movement inventories are recognized when necessary. The net realizable value of pulp inventories is the net amount that the Company expects to realize from the sale of the inventory in the normal course of business.

g. Property, plant and equipment

(i) Recognition and measurement

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

Gains or losses on sale of write-off of a property, plant and equipment item are recognized in income (loss).

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

Maintenance expenditure for the shutdown is capitalized and depreciated over the period between the date of the shutdown and the estimated date of the next shutdown.

(ii) Depreciation

Depreciation is calculated based on the asset value, net of residual value, under the straight-line method over the estimated useful life of the asset based on the following rates:

	Annual weighted rates
IT equipment	20.9%
Vehicles and vessels	13.3–22.0%
Machinery and equipment	12.0%
Building and facilities	3.9–7.3%
Other	10.6–16.3%

Depreciation related to industrial and forestry assets comprise, the cost of production and the cost of biological assets, respectively. Land is not depreciated and other property, plant and equipment items are generally recognized in the statement of income.

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

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

(iii) Impairment

Every year, the company assesses its assets in order to identify whether there has been any indication that an asset may have been impaired and, if so, to estimate the recoverable value (impairment).

To calculate the recoverable amount, the Company determines the fair value and value in use of its assets, which are generally grouped into Cash Generating Units (CGUs), thus defined as the smallest group of assets that generates a cash flow largely independent of the cash flows generated by other assets or group of assets. An impairment loss is recognized in income (loss), if the book value of an asset exceeds its recoverable value.

h. Biological assets

Biological assets consist of renewable eucalyptus forests used in pulp production, measured at fair value, net of sales expenses. Depletion is measured based on the amount of wood harvested in relation to the projected amount of total wood production and assessed at the fair value of the biological asset being harvested.

Significant criteria and assumptions used to determine biological assets' fair values are shown in Note 15. The fair value measurement of biological assets carried out on a semi-annual basis, an interval considered sufficient so that there is no significant gap in the balance of fair value of biological assets recorded in the Company's financial statements.

The gain or loss in change in fair value for inventories of biological assets is recognized in income (loss) for the period in which it occurs in own caption.

i. Intangible assets

(i) Recognition and measurement

Intangible assets have defined useful life and are measured at cost, net of accumulated amortization and possible impairment losses.

The gain on the right to use the port handling concession represents the difference between the book value and the fair value calculated on the date the right to use was acquired by the Company.

(ii) Amortization

Amortization is recognized in the statement of income and is calculated based on the value of the asset, net of its residual value, using the straight-line method over the estimated useful life of the asset, based on the following rates:

	Annual weighted rates
IT Software	23.0%
Terminal concession	6.0%
Surplus for the right of use of the port concession	3.9%

j. Provision

Provision represents the present value of the expenses necessary to settle an obligation, net of tax effects, and are recognized when: (i) the Company has a present or non-formalized obligation because of past events; (ii) it is likely that an outflow of funds will be required to settle the obligation; and (iii) the amount may be reliably estimated. Obligations of a similar nature are grouped together and the probability of settling them is determined considering the set of obligations. A provision is recognized even if the likelihood of settlement related to any individual item is small. The present value is calculated using a discount rate that reflects the time value of money and the specific risks of the set of obligations. The increase in the obligation over time is recognized as a financial expense.

k. Income tax and social contribution

For Eldorado and subsidiaries in Brazil, the current and deferred income tax is calculated based on the rate of 15% on taxable income plus a surcharge of 10% on taxable income in excess of R$ 240 per annum and considers the offsetting of tax losses of prior years, limited to 30% of the taxable income.

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

For subsidiaries abroad, current tax is calculated based on the tax laws in force in the countries where the subsidiaries operate and generate taxable income.

The Company recorded the current and deferred income tax and social contribution in the income (loss). Deferred income tax and social contribution, related to items recognized in other comprehensive income, are recognized directly in this group.

(i) Deferred taxes

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

Deferred taxes are measured at tax rates expected to be applied to tax losses and temporary differences when they are reversed, based on laws enacted or substantively enacted up to the reporting date of parent company and consolidated financial statements.
Deferred tax assets and liabilities related to income taxes levied by the same tax authority are offset when there is a legal enforceable right to offset current tax assets and liabilities and refer to the same legal entity.

Deferred tax assets are recognized when it is likely that there are taxable income available which can be used and annually reviewed on the balance sheet date and reduced when it is no longer likely that the tax benefit will be realized.

(ii) Uncertainty on income tax treatments

Technical interpretation IFRIC 23/ICPC 22 –Uncertainty over income tax treatment, effective as of January 1, 2019, explains how to apply the recognition and measurement requirements when there is uncertainty over the treatments of income taxes. The uncertainty must be reflected in the measurement based on the approach that best estimates its resolution, considering (i) the most likely value or (ii) the expected value. The technical interpretation does not introduce new disclosures, but stresses the need to comply with existing disclosure requirements on (i) judgments made; (ii) assumptions or other estimates used; and (iii) the potential impact of uncertainties that are not reflected in the financial statements.

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

(iii) Application of the tax rules of the OECD Pillar Two model

The tax rules of the Pillar Two model, part of the OECD's BEPS (Base Erosion and Profit Shifting) initiatives, came into force on January 1, 2024 with the purpose of establishing a global minimum taxation system for multinational companies with annual turnover of over 750 million euros, promoting greater balance in international tax collection. The implementation of these rules had no tax impact on the company.

l. Leases

(i) Asset's right-of-use - lease

The Company adopted pronouncement CPC 06 (R2) / IFRS 16 - Leases for lease contracts with identifiable assets, whose use, economic benefits and other aspects provided for in the pronouncement are exclusive to the Company, regardless of the legal form of the agreement.

At the beginning of the lease contract, the Company recognizes an asset of right of use that represents its right to use the leased underlying asset throughout the entire lease term, and a lease liability that represents its obligation to make the lease payments. Service and supply agreements were treated as lease agreements when there is an identifiable asset.

The right-of-use asset is initially measured at the cost equivalent to the recognized lease liability, plus any initial direct costs. Depreciation is subsequently calculated using the straight-line method over the term of the lease.

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

(ii) Leases payable

Lease liabilities are initially measured at the present value of the lease payments payable over the lease term, plus other contractual obligations provided for in the contract.

The present value is calculated based on the company's incremental loan rate (discount rate), which is between 9.5% and 12.44%, depending on the term of each lease agreement. The adjustment to present value is appropriated monthly as financial interest in its correspondent line. The extended lease term was considered for contracts with an automatic renewal clause.

m. Segment reporting

Pulp is the only reportable segment. Revenues from electric power trading did not meet the quantitative criteria required by IFRS/CPC for reportable segments, so Management concluded that this segment must not be reported separately.

n. Government grants

The Company recorded a tax incentive reserve for a portion of net income arising from government grants, received through ICMS credits granted, arising from tax incentives granted by the Government of Mato Grosso do Sul. The incentives were granted in return for investments made in the construction of the industrial unit in the municipality of Três Lagoas, formation of biological assets and the generation of direct and indirect jobs. The credits granted are presented in the Company's statements of income under "other operating revenues (expenses), net".

o. Port concession

Through its subsidiary Eldorado Brasil Celulose Logística L ("EBLOG"), the company holds a concession for the operation of a port terminal, with operations beginning on July 1, 2023 and scheduled to end on November 5, 2049, covering the Port of Santos - SP. Property, plant and equipment are recognized in accordance with CPC 27/IAS - Property, plant and equipment, and the obligations assumed with the Concession Grantor and the right to exploit are recognized in accordance with CPC 06 (R2)/IFRS 16 - Leases, both of which are not within the scope of ICPC 01(R1)/IFRS 12 - Concession contracts, considering that there is no substantive control over who the port service should be provided and there is no substantive control over the price.

(In thousands of reais)

8. Management of financial risks and financial instruments

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

Risk management is carried out by the financial department, following the financial and market risk management policy, whose objective is to establish guidelines and best practices related to fundraising, foreign exchange, interest rates and related risks. The policy was updated and approved by the Board of Directors as of May 15, 2024.

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.

8.1. Financial instruments by category

	Consolidated	
	2024	**2023**
Amortized cost:		
Cash and cash equivalents	1,181,898	1,407,283
Trade accounts receivable	1,561,627	1,133,769
Other assets	26,424	48,606
Amortized cost - Assets	**2,769,949**	**2,589,658**
Fair value through other comprehensive income:		
Derivative financial instruments	58,003	325,110
Fair value through profit or loss:		
Derivative financial instruments	-	139
Assets	**2,827,952**	**2,914,907**
Amortized cost - Other financial liabilities:		
Loans and financing	2,148,072	2,622,973
Suppliers	309,385	389,798
Leases payable	1,818,554	1,735,695
Other liabilities	138,681	119,135
Amortized cost - Other financial liabilities	**4,414,692**	**4,867,601**
Fair value through profit or loss:		
Derivative financial instruments	-	3,968
Liabilities	**4,414,692**	**4,871,569**

8.2. 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 year ended December 31, 2024, 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 and in case of other financial instruments; the book value corresponds to a reasonable approximation of fair value.

8.3. Financial risk factors

The Company is exposed to the following financial risks:

a. Market risk;

   (i) Interest rate risk;
   (ii) Fisk of exchange rate;

b. Credit risk;

c. Liquidity risk.

a. Market risk

i. Interest rate risk

The sensitivity analysis regarding interest rate risk is performed for a 12-month period. The likely scenario is referenced by an external source, Focus and Bloomberg. The possible scenarios were calculated based on a 25% change, up or down, in relation to the probable scenario. Said analyses only cover the change in interest rates and keep all other variables constant. In this context, the estimate of possible impacts on the financial income (loss) was calculated in the table below:

(In thousands of reais)

Modality	Index	Rate	12/31/2024	Possible effect on the income (loss): Possible scenario -25%	Probable scenario (1)	Possible scenario 25%
Cash and cash equivalents	CDI	12.15%	903,253	101,616	135,488	169,360
Other non-current assets	TR	0.81%	1,799	26	34	43
Loans and financing	IPCA	4.83%	(608,123)	(22,759)	(30,345)	(37,932)
Loans and financing	SOFR	4.49%	(957,808)	(28,945)	(38,594)	(48,242)
Loans and financing	CDI	12.15%	(361,295)	(40,646)	(54,194)	(67,743)
Leases payable	IPCA	4.83%	(1,818,554)	(68,059)	(90,746)	(113,432)
Net exposure			**(2,840,728)**	**(58,767)**	**(78,357)**	**(97,946)**

(1). The probable scenarios were calculated, considering the following quotations for the risks: CDI – 15.00% / REF. RATE – 1.91% / IPCA – 4.99% / SOFR – 4.03%. Source: Focus and Bloomberg.

R$ 278,645 of cash and cash equivalents, exposed in foreign currencies, and R$ 220,846 of loans and financing, these amounts are pegged to fixed rates and do not present a future scenario of fluctuations.

ii. Foreign exchange rate risk

The sensitivity analysis regarding foreign exchange risk is performed for a 12-month period. The probable scenario is referenced by an external source - Focus, Bloomberg and BM&F. The possible scenarios were calculated based on a 10% change, either up or down, in relation to the probable scenario. Said analyses only cover the change in exchange-rate change and keep all other variables constant. In this context, the estimate of possible impacts on the financial income (loss) was calculated in the table below:

	2024				Possible effect on the income (loss)		
Exposure	**Currency**	**Foreign exchange rate**	**R$**	**Amount in foreign currency**	**Possible scenario -10%**	**Probable scenario (1)**	**Possible scenario 10%**
Cash and cash equivalents	US$	6.19	259,579	41,935	(25,161)	(7,968)	25,161
Cash and cash equivalents	EUR	6.44	12,664	1,966	(1,239)	(275)	1,239
Cash and cash equivalents	CNY	0.85	6,402	7,532	(611)	(295)	611
Trade accounts receivable	US$	6.19	1,366,725	220,796	(132,478)	(41,951)	132,478
Suppliers	US$	6.19	(11,675)	(1,886)	1,132	358	(1,132)
Suppliers	EUR	6.44	(636)	(99)	62	14	(62)
Loans and financing	US$	6.19	(1,430,644)	(231,122)	138,673	43,913	(138,673)
Loans and financing	CNY	0.85	(94,712)	(111,426)	9,035	4,367	(9,035)
Net exposure			**107,703**		**(10,587)**	**(1,837)**	**10,587**

(1). The probable scenarios were calculated, considering the following quotations for the risks: USD – 6.00 / EUR – 6.30 / CNY – 0.81. Source: Focus, Bloomberg and BM&F.

(In thousands of reais)

b. Credit risk

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

	Consolidated	
	2024	**2023**
Cash and cash equivalents	1,181,826	1,407,223
Trade accounts receivable	1,561,627	1,133,769
Derivative financial instruments	58,003	325,249
Total	**2,801,456**	**2,866,241**

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 refers to the possibility that the Company may not be able to meet its financial obligations as they become due. The chart below presents the amounts of the Company's financial liabilities, classified according to contractual maturities. These amounts represent the gross, undiscounted values, plus interest and exchange rate change and, therefore, cannot be reconciled with the values disclosed in the balance sheet.

					Consolidated
	≤01 year	**01–02 years**	**02–03 years**	**>03 years**	**Total**
Balance at December 31, 2024					
Loans and financing	676,661	1,497,825	279,867	-	2,454,353
Leases payable	352,376	408,443	374,455	2,704,045	3,839,319
Suppliers	309,385	-	-	-	309,385
Other liabilities	128,839	9,842	-	-	138,681
Total	**1,467,261**	**1,916,110**	**654,322**	**2,704,045**	**6,741,738**

(In thousands of reais)

8.4. Derivative financial instruments

8.4.1. Outstanding derivatives by contract type

Outstanding derivative positions are presented below:

		Parent Company and Consolidated			
		Notional value		Fair value	
Type of derivative	**Currency**	**2024**	**2023**	**2024**	**2023**
Operating hedge:					
Non-deliverable forward (US$) (i)	US$	-	500,000	-	(3,829)
Debt hedge - interest and foreign exchange rates					
Assets:					
Double index swap (iv)	R$	-	103,340	-	2,030
Debt hedge - interest rates:					
Assets:					
Swap IPCA for fixed rate (US$) (iii)	R$	500,000	500,000	595,163	627,662
Swap CDI for fixed rate (US$) (ii)	R$	-	700,000	-	743,187
		500,000	**1,200,000**	**595,163**	**1,370,849**
Liabilities:					
Swap IPCA for fixed rate (US$) (iii)	US$	88,221	88,221	(537,160)	(432,536)
Swap CDI for fixed rate (US$) (ii)	US$	-	124,643	-	(615,233)
		88,221	**212,864**	**(537,160)**	**(1,047,769)**
				58,003	**321,281**
Current assets				16,190	149,695
Non-current assets				41,813	175,554
Current liabilities				-	(3,968)
				58,003	**321,281**

The change in the fair value of derivatives for the year ended December 31, 2024 is related to the devaluation of the Real against the US dollar and 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 rate (Interbank deposit) curve obtained from B3. Next, the difference between this future exchange rate obtained and the contracted rate is calculated. The difference in rates is multiplied by the contracted notional and brought to present value by the future DI curve.

(In thousands of reais)

(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. 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. In the value of the short position in dollars, the discount is made using the exchange rate coupon curve. Both curves are obtained from B3. Next, 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. On the short position in dollars, the discount is made using the exchange rate coupon curve. Both curves are obtained from B3. Next, the difference between the two points is calculated.

(iv) CDI x fixed rate/USD double index swap. Positions in swaps exchanging the variation in the DI rate, plus a fixed rate, for an index of greater value between a fixed index in reais or a fixed index in dollars, plus interest. The aim is to reduce the effects of variations in DI interest rates.

8.4.2. Maturity schedule for fair value

The fair value maturity schedule is as follows:

	Consolidated	
	2024	**2023**
2024	-	145,727
2025	16,190	19,638
2026	23,099	85,478
2027	18,714	70,438
	58,003	**321,281**

8.4.3. Hedge accounting

a. Purpose and strategy of the risk management

The future revenues from pulp exports expose the Company to the risk of fluctuation in the exchange rate between the Brazilian Real (BRL) and the US Dollar (USD). The financial and market risk management policy allows the structuring of hedge accounting with the purpose of measuring and recognizing the results of derivative and non-derivative financial instruments – hedging instruments, in the same accounting year in which export revenues – hedged items, are recognized, to reduce volatility in the Company's results.

The Company designates the exchange-rate change component of currency and interest rate swaps for cash flow hedge accounting.

(In thousands of reais)

b. Hedging relationship and nature of hedged risk

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

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	12/22/2021
Maturity date	09/13/2027
Amount denominated in USD	88,221
Average parity USD x BRL	5.6676
Start date of hedge	12/22/2021

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-rate change on loans and financing is reclassified to the statement of income under "Net financial income (loss)". In the year ended December 31, 2024, the effectiveness tests demonstrated the effectiveness of the hedge implemented.

e. Accounting

	Effect in shareholders' equity (Hedge accounting)		
	2023	**Changes**	**2024**
Type of derivative			
Swap IPCA for fixed rate (US$)	73,815	(119,340)	(45,525)
Swap CDI for fixed rate (US$)	98,457	(98,457)	-
	172,272	**(217,797)**	**(45,525)**
Deferred income tax and social contribution	(58,572)	74,051	15,479
Net restatement of cash flow hedge	**113,700**	**(143,746)**	**(30,046)**

8.5. 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 manner.

(In thousands of reais)

(i) Covenants

The Company has a covenant in the Agribusiness Receivables Certificates (CRA) financing agreement, which includes the following compliance obligations:

Index	Parameter	Limit
Leveraging	Net debt[1]/*EBITDA*[2]	Up to 4.0×

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

[1] Net debt is the balance of loans and financing minus the balance of cash and cash equivalents on the covenant measurement date.

[2] EBITDA means Earnings Before Interest, Taxes, Depreciation and Amortization.

On December 31, 2024, the Company fully complied with the covenants linked to the CRA, assessed quarterly.

9. Cash and cash equivalents

9.1. Breakdown of balances

	Parent Company		Consolidated	
	2024	**2023**	**2024**	**2023**
Cash and cash equivalents	67	55	72	60
Banks – demand deposits (a)	37,072	37,639	266,538	494,957
Banks – interest earning bank deposits (a)(b)	896,199	95,754	915,288	129,354
National Financial Treasury Bills (a)(c)	-	782,912	-	782,912
	933,338	**916,360**	**1,181,898**	**1,407,283**

(a) The Company maintains its operations and financial funds distributed in financial institutions with credit risk compatible with its practices and risk management policy, according to the rating presented in Note 9.2.

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

(c) Brazilian Financial Treasury Bills are remunerated according to the Selic rate, with daily liquidity and maturities of between one and three years.

(In thousands of reais)

9.2. 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	
	2024	2023	2024	2023
AAA	-	-	1,909	974
AA-	-	-	-	4,560
A+	370,479	38,157	602,728	491,273
A	-	-	-	1,536
BBB	-	-	-	24,267
BB+	562,789	-	577,187	-
BB	2	873,043	1	879,507
BB-	-	5,054	-	5,055
B+	-	50	-	50
B-	1	1	1	1
	933,271	**916,305**	**1,181,826**	**1,407,223**

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

10. Trade accounts receivable

10.1. Breakdown of balances

	Parent Company		Consolidated	
	2024	2023	2024	2023
Clients:				
Domestic market	195,944	165,923	198,886	166,319
Foreign market	98,232	64,301	1,366,725	985,602
Related parties - Note 11.1	1,090,543	641,527	-	-
	1,384,719	**871,751**	**1,565,611**	**1,151,921**
Expected credit losses	(2,000)	(3,440)	(3,984)	(18,152)
	1,382,719	**868,311**	**1,561,627**	**1,133,769**
Balances by maturity:				
Falling due	1,357,503	826,120	1,324,841	945,728
Overdue 1–30 days	22,935	30,801	227,395	145,033
Overdue 31–60 days	2,281	10,154	3,887	11,351
Overdue 61–90 days	-	1,208	719	1,226
>90 days	-	28	4,785	30,431
	1,382,719	**868,311**	**1,561,627**	**1,133,769**

(In thousands of reais)

10.2. Changes in expected credit losses

	Parent Company		Consolidated	
	2024	2023	2024	2023
Balance at the beginning of the year	**(3,440)**	**(8,646)**	**(18,152)**	**(35,468)**
Formations	(1,591)	(3,247)	(4,598)	(19,944)
Reversals	2,277	3,450	19,270	13,907
Write-offs	754	5,003	754	23,146
Exchange-rate change	-	-	(1,258)	207
Balance at the end of the year	**(2,000)**	**(3,440)**	**(3,984)**	**(18,152)**

11.Related parties

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

11.1. Equity balances

		Parent Company		Consolidated	
	Modality	2024	2023	2024	2023
Balance with Controlling Shareholders:					
Controlling shareholders	Minimum mandatory dividends	(274,487)	-	(274,487)	-
		(274,487)	**-**	**(274,487)**	**-**
Balances with subsidiaries:					
Cellulose Eldorado Austria GmbH	Sales of pulp	533,949	266,135	-	-
Eldorado USA, Inc.	Sales of pulp	556,594	375,361	-	-
Eldorado Inti. Finance GmbH.	PPE (Export prepayment) (i)	(242,416)	(1,068,046)	-	-
Rishis Empreendimentos e Participações S.A.	Rendering of services	12,584	-	-	-
Eldorado Brasil Celulose Logística Ltda.	Loans (ii)	407,306	291,037	-	-
Eldorado Brasil Celulose Logística Ltda.	Rendering of services	-	31	-	-
Eldorado Brasil Celulose Logística Ltda.	Rendering of services	(11,858)	-	-	-
		1,256,159	**(135,482)**	**-**	**-**
Balance with other related parties:					
JBS	Sundry (iii)	(264)	(203)	(264)	(203)
Seara Alimentos	Consumables (iv)	(957)	(944)	(990)	(944)
		(1,221)	**(1,147)**	**(1,254)**	**(1,147)**
		980,451	**(136,629)**	**(275,741)**	**(1,147)**
Assets:					
Trade accounts receivable - Note 10.1		1,090,543	641,527	-	-
Advance to suppliers - Note 12		12,584	-	-	-
Loans with related parties		407,306	291,037	-	-
Liabilities:					
Suppliers – Note 20		(13,079)	(1,147)	(1,254)	(1,147)
Minimum mandatory dividends - Note 24.5		(274,487)	-	(274,487)	-
Loans with related parties		(242,416)	(1,068,046)	-	-
		980,451	**(136,629)**	**(275,741)**	**(1,147)**

(In thousands of reais)

11.2. Transactions in the year

		Parent Company		Consolidated	
	Modality	2024	2023	2024	2023
Transactions with subsidiaries:					
Cellulose Eldorado Austria GmbH	Sales of pulp	3,340,507	1,460,236	-	-
Eldorado USA, Inc.	Sales of pulp	1,265,049	898,863	-	-
Eldorado Inti. Finance GmbH	PPE (Export prepayment) (i)	(37,362)	(52,282)	-	-
Rishis Empreendimentos e Participações S.A.	Rendering of services	(33,659)	(13,801)	-	-
Eldorado Brasil Celulose Logística Ltda.	Rendering of services	(74,832)	(19,392)	-	-
		4,459,703	**2,273,624**	**-**	**-**
Related-party transactions:					
JBS	Sundry (iii)	(2,660)	(2,994)	(2,660)	(2,994)
Seara Alimentos	Consumables (iv)	(249)	(988)	(282)	(988)
		(2,909)	**(3,982)**	**(2,942)**	**(3,982)**
Total net income (loss)		**4,456,794**	**2,269,642**	**(2,942)**	**(3,982)**

(i) Export financing operation granted by Eldorado Intl. Finance GmbH, with maturity in June 2024, when was partially settled, as disclosed in Note 11.4 and the residual amount was extended for a term of two (2) years, with maturity in June 2026, remunerated at the market rate, plus exchange-rate change;
(ii) Loan agreement with the subsidiary Eldorado Brasil Celulose Logística Ltda., with a five-year term, expiring in November 2026;
(iii) Amounts payable on sundry transactions, including freight for transporting pulp, purchase of consumables and data center lease;
(iv) Amounts payable arising from the acquisition of consumables for use in the Eldorado's cafeteria.

11.3. Changes in loans with related parties – Eldorado Brasil Celulose Logística Ltda.

	Parent Company	
	2024	2023
Balance at the beginning of the year	**291,037**	**160,110**
Amount granted	88,000	157,000
Fair value	28,269	(26,073)
Balance at the end of the year	**407,306**	**291,037**

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

	Parent Company	
	2024	2023
Balance at the beginning of the year	**1,068,046**	**1,151,085**
Interest incurred	37,363	52,284
Settlement of principal	(996,046)	-
Settlement of interest	(41,243)	(51,554)
Exchange-rate change	174,296	(83,769)
Balance at the end of the year	**242,416**	**1,068,046**
Current	916	1,068,046
Non-current	241,500	-
	242,416	**1,068,046**

(In thousands of reais)

11.5. Management fees

The total management compensation, including the Board of Directors, Tax Council, and Executive Board, was approved by majority vote by the Board of Directors and the Company's Annual General Meeting held on April 30, 2024, in compliance with the provisions of the Bylaws, the shareholders' agreement, and Law 6.404/1976 for the topic. Amounts recognized in the income (loss) for the year are as follows:

	Parent Company		Consolidated	
	2024	2023	2024	2023
Benefits (a)	44,981	42,337	52,267	48,580
Private pension	545	523	635	596
	45,526	**42,860**	**52,902**	**49,176**

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

12. Advance to suppliers

	Parent Company		Consolidated	
	2024	2023	2024	2023
Advances to partners (a)	553,898	395,627	553,898	395,627
Advances on timber purchases	4,579	60,869	4,579	60,869
Advances for sundry services and materials	2,206	4,719	12,997	6,035
Advances to related parties - Note 11	12,584	-	-	-
	573,267	**461,215**	**571,474**	**462,533**
Current assets	19,368	65,588	17,575	66,906
Non-current assets	553,899	395,627	553,899	395,627
	573,267	**461,215**	**571,474**	**462,533**

(a) These refer to advances made to partners, in accordance with purchase contracts for future delivery, which will be due when the timber is physically received.

13. Inventories

	Parent Company		Consolidated	
	2024	2023	2024	2023
Warehouses (i)	260,876	238,700	261,278	239,080
Pulp	85,285	56,665	274,918	177,341
Wood for production	176,091	221,988	176,091	221,988
Industrial and forestry inputs (i)	131,696	109,739	131,696	109,738
	653,948	**627,092**	**843,983**	**748,147**

(i) Net balances of estimated losses of R$ 3,774 (R$ 3,958 in December 2023) arising from obsolete and slow-moving materials.

(In thousands of reais)

14. Recoverable taxes

	Parent Company		Consolidated	
	2024	**2023**	**2024**	**2023**
Recoverable ICMS	981,506	1,002,830	981,506	1,002,830
ICMS credit losses (i)	(981,506)	(1,002,830)	(981,506)	(1,002,830)
PIS and COFINS	34,893	7,044	34,975	7,504
Reimbursement of Export PIS and COFINS – reintegra	18,660	15,144	18,660	15,144
IRPJ/CSLL advances/withholdings	1,415	71,555	1,685	72,244
Other	2,053	2,211	4,038	5,414
	57,021	**95,954**	**59,358**	**100,306**
Current	41,666	80,382	43,688	84,347
Non-current	15,355	15,572	15,670	15,959
	57,021	**95,954**	**59,358**	**100,306**

(i) Estimated losses on ICMS credits

On November 18, 2021, the Company was notified by the Finance Department of the State of Mato Grosso do Sul (MS) to reverse, in the relevant tax records, of accumulated ICMS credits totaling R$ 505,054, on the grounds that they had been affected by statute of limitations, as provided for in Article 68 of State Law 1.810 (1997).

The company, duly supported by its legal advisors, has taken the necessary measures to ensure its right to maintain these credits, as well as obtaining a court injunction preventing the issuance of a tax assessment notice for non-compliance with the notification.

In light of the new circumstances brought about by the notification from the tax authorities of the State of Mato Grosso do Sul (MS), considering that: (a) the realization of credits depends on prior authorization from the tax authorities; (b) the tax authorization must be concurrent with the maturity of the tax debts against which the credits will be offset; (c) it is unlikely that the offsetting of ICMS credits will be allowed by the tax authorities while they are "sub judice"; and, (d) it is not possible to estimate the length of time for the judicial discussion on the matter; the Company understood that it would no longer be possible to secure authorization from the State to offset and/or transfer the ICMS credits within the terms set out in the monetization plan, and determined that the recoverable amount of the ICMS tax credits on December 31, 2021, either at value in use or at fair value, was zero, constituting, on that date, a provision for losses equivalent to the full amount of the credits.

The amount of ICMS credits consumed in the normal course of the Company's business in the year ended December 31, 2024 (Note 28 – Other operating revenues (expenses)) was R$ 21,324, and corresponds to the amount reversed from estimated losses on ICMS credits.

(In thousands of reais)

15. Biological assets

Changes in biological assets in the year ended December 31, 2024 are as follows:

	Parent Company and Consolidated	
	2024	**2023**
Balance at the beginning of the year	**4,748,287**	**3,802,426**
Cost applied in the formation of forests	707,796	702,224
Exhaustion of formed forests:	**(389,701)**	**(310,832)**
Exhaustion of costs	(208,062)	(158,709)
Depletion of adjustment to fair value	(181,639)	(152,123)
Other write-offs	(49,853)	(40,101)
Fair value adjustment, net of sales expenses	44,051	594,570
Balance at the end of the year	**5,060,580**	**4,748,287**

Aiming to recognize its biological assets at fair value, the Company used the Discounted Cash Flow (DCF) method to estimate the present value of the expected cash flows of the biological asset. Fair value measurements were categorized as Level 3 fair values.

In addition to operational restrictions and annual market demand, the volume of timber production considers forest productivity as measured by the Average Annual Increase (IMA), expressed in cubic meters per hectare per annum. The prices of standing timber (Eucalyptus), designated in R$/cubic meter, correspond to the average of the prices practiced in commercial transactions of timber in the Mato Grosso do Sul market, and are determined by market experts who considers a combination of external factors such as demand in the region, climatic events and prices practiced in the active market.

Costs consider all relevant expenses, including lease, cultivation and maintenance costs. Crop handling costs include expenses with fertilization, weed control, ant and other pest control, maintenance of roads and firebreaks, and other services necessary for the maintenance of planted forests.

Among the assumptions used in the calculation, wood prices, the discounted cash flow discount rate and the Tax Amortization Benefit (TAB) stand out. The discount rate corresponds to the Company's weighted average cost of capital.

Significant increases (decreases) in the uncut wood prices used in the valuation would result in an increase (decrease) in the measurement of the fair value of biological assets. On the other hand, a significant increase (decrease) in the discount rate would result in a decrease (increase) in the amounts measured.

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

	2024	**2023**
Area planted for the purpose of the biological asset (hectare)	270,786	266,939
Average annual increment (IMA) - m³/ hectare [(i)]	40.59	40.96
Discount rate (WACC without consumer price index) - %	7.33	8.02
Price of standing wood– R$/m³	148.00	148.00

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

(In thousands of reais)

	2024	2023
Price	-	778,052
Growth, WACC, IMA and other*.	44,051	(183,482)
	44,051	**594,570**

*Corresponds to adjustments arising from the harvest plan, changes in costs, among others.

16.Investments

16.1. Breakdown of investments and information on subsidiaries

	Percentage interest	Total assets	Capital	Shareholders' equity	Net revenue
Cellulose Eldorado Austria GmbH	100%	1,692,202	111	729,520	4,973,483
Eldorado Brasil Celulose Logística Ltda.	100%	778,016	154,888	215,585	71,638
Rishis Empreendimentos e Participações S.A.	100%	19,571	5,325	5,534	49,154

16.2. Changes in investments

	Cellulose Eldorado Austria Gmbh	Eldorado Brasil Celulose Logística Ltda.	Rishis Empreend. e Participações S.A.	Rishis Empreend. e Participações S.A. - Surplus	Total investments in subsidiaries
Balance at January 1, 2023	**3,118,783**	**179,651**	**90,304**	**8,157**	**3,396,895**
Write-off by amortization of surplus (i)	-	-	-	(954)	(954)
Dividends (ii)	(2,716,371)	-	-	-	(2,716,371)
Partial spin-off (iii)	-	84,888	(84,888)	-	-
Fair value of the intercompany loan (iv)	-	26,081	-	-	26,081
Net income (loss) for the year	1,593,076	(53,943)	(1,282)	-	1,537,851
Accumulated translation adjustment	(137,522)	-	-	-	(137,522)
Unearned income from inventories	2,762	-	-	-	2,762
Balance at December 31, 2023	**1,860,728**	**236,677**	**4,134**	**7,203**	**2,108,742**
Write-off by amortization of surplus (i)	-	-	-	(278)	(278)
Dividends (ii)	(1,471,074)	-	-	-	(1,471,074)
Fair value of the intercompany loan (iv)	-	(28,269)	-	-	(28,269)
Net income for the year	129,522	7,177	1,400	-	138,099
Accumulated translation adjustment	414,646	-	-	-	414,646
Unearned income from inventories	(204,302)	-	-	-	(204,302)
Balance at December 31, 2024	**729,520**	**215,585**	**5,534**	**6,925**	**957,564**

(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 5, 2049.

(ii) Dividends paid by the subsidiary Cellulose Eldorado Austria Gmbh to the parent company.

(iii) On June 30, 2023, the Extraordinary General Meeting of Rishis Empreendimentos e Participações S.A. approved the partial spin-off with transfer of shareholders’ equity equivalent to port operations, in the amount of R$ 84,888, corresponding to the net assets merged by Eldorado Brasil Celulose Logística Ltda.

(iv) The amount refers to the change between the nominal value and the present value of the loan agreement, calculated on the date of initial recognition for December 2024.

(In thousands of reais)

17. Property, plant and equipment

17.1. 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 January 1, 2023	353,415	44,579	101,556	2,944,208	1,304,866	120,990	4,869,614
Additions	443,855	95	67,008	606	-	114	511,678
Write-offs	-	(12)	(3,241)	(2,299)	-	(16)	(5,568)
Transfers	(456,729)	26,860	15,204	339,805	50,381	15,078	(9,401)
Depreciation	-	(11,354)	(40,763)	(266,001)	(61,238)	(3,818)	(383,174)
Balance at December 31, 2023	**340,541**	**60,168**	**139,764**	**3,016,319**	**1,294,009**	**132,348**	**4,983,149**
Cost	340,541	109,655	302,056	4,803,688	1,844,833	155,463	7,556,236
Accumulated depreciation	-	(49,487)	(162,292)	(1,787,369)	(550,824)	(23,115)	(2,573,087)
Additions	513,148	389	4,966	14,026	-	869	533,398
Write-offs	-	(130)	(432)	(10,461)	-	(121)	(11,144)
Transfers	(419,118)	(9,338)	17,379	290,479	89,510	4,606	(26,482)
Depreciation	-	(13,300)	(51,854)	(285,337)	(68,116)	(5,235)	(423,842)
Balance at December 31, 2024	**434,571**	**37,789**	**109,823**	**3,025,026**	**1,315,403**	**132,467**	**5,055,079**
Cost	434,571	100,436	312,687	5,053,943	1,934,346	160,457	7,996,440
Accumulated depreciation	-	(62,647)	(202,864)	(2,028,917)	(618,943)	(27,990)	(2,941,361)
Consolidated:							
Balance at January 1, 2023	373,260	45,041	101,556	2,947,408	1,305,800	121,295	4,894,360
Additions	459,385	199	69,517	606	2	845	530,554
Write-offs	-	(12)	(3,241)	(3,298)	(888)	(4,428)	(11,867)
Transfers	(492,104)	33,214	15,204	394,612	327,933	20,560	299,419
Exchange-rate change	-	(67)	-	-	(2)	(21)	(90)
Depreciation	-	(11,621)	(41,465)	(267,117)	(65,262)	(3,884)	(389,349)
Balance at December 31, 2023	**340,541**	**66,754**	**141,571**	**3,072,211**	**1,567,583**	**134,367**	**5,323,027**
Cost	340,541	118,438	304,565	4,862,351	2,122,604	158,168	7,906,667
Accumulated depreciation	-	(51,684)	(162,994)	(1,790,140)	(555,021)	(23,801)	(2,583,640)
Additions	513,393	489	4,966	16,024	-	882	535,754
Write-offs	-	(130)	(432)	(10,461)	-	(121)	(11,144)
Transfers	(419,355)	(8,320)	17,379	292,680	89,510	5,004	(23,102)
Exchange-rate change	-	61	-	-	-	151	212
Depreciation	-	(13,827)	(53,058)	(288,077)	(79,935)	(5,509)	(440,406)
Balance at December 31, 2024	**434,579**	**45,027**	**110,426**	**3,082,377**	**1,577,158**	**134,774**	**5,384,341**
Cost	434,579	109,652	315,196	5,114,950	2,211,890	163,359	8,349,626
Accumulated depreciation	-	(64,625)	(204,770)	(2,032,573)	(634,732)	(28,585)	(2,965,285)

(In thousands of reais)

17.2. 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 Eldorado 5.0".

17.3. Impairment loss

In the year ended December 31, 2024, there is no indication that an asset, or group of assets, may be impaired.

17.4. General shutdown

The general shutdown for plant maintenance, carried out in July 2024, totaled the amount of R$ 108,315, which is being depreciated over a period of 14 months, counted as of the date of capitalization.

17.5. Transfers

The balance of transfers come from (are destined to) works in progress in intangible assets – Note 18.

18. Intangible assets

18.1. Breakdown and changes in intangible assets

	Parent Company	Consolidated				
	IT Software	**Works in progress**	**Surplus for the right of use of the port concession**	**IT Software**	**Terminal concession**	**Total**
Balance at January 1, 2023	29,901	247,350	8,157	29,919	38,766	324,192
Additions	-	150,399	-	-	-	150,399
Write-offs	-	-	-	-	(35,617)	(35,617)
Transfers	9,401	(313,549)	-	14,059	71	(299,419)
Amortization	(8,918)	-	(954)	(8,983)	(3,220)	(13,157)
Balance at December 31, 2023	**30,384**	**84,200**	**7,203**	**34,995**	**-**	**126,398**
Cost	70,600	84,200	17,002	76,025	55,092	232,319
Accumulated amortization	(40,216)	-	(9,799)	(41,030)	(55,092)	(105,921)
Additions	-	62,171	-	-	-	62,171
Transfers	26,482	(3,394)	-	26,496	-	23,102
Amortization	(14,129)	-	(278)	(14,314)	-	(14,592)
Balance at December 31, 2024	**42,737**	**142,977**	**6,925**	**47,177**	**-**	**197,079**
Cost	97,082	142,977	17,002	101,769	-	261,748
Accumulated amortization	(54,345)	-	(10,077)	(54,592)	-	(64,669)

The additions to work in progress are related to investments in the construction in the surroundings of the Santos port terminal.

(In thousands of reais)

19. Rights-of-use and leases payable

19.1. Breakdown of right-of-use

	Land and land plots	Buildings	Vehicles	Forestry machinery, equipment and implements	Facilities and improvements (i)	Total
Parent Company						
Balance at January 1, 2023	923,330	813	26,608	1,319	-	952,070
Additions and readjustment of installments	709,060	-	10,770	-	-	719,830
Write-off or termination	(64,896)	(24)	(8,443)	(532)	-	(73,895)
Depreciation	(180,970)	(789)	(14,147)	(1)	-	(195,907)
Balance at December 31, 2023	**1,386,524**	**-**	**14,788**	**786**	**-**	**1,402,098**
Cost	1,939,457	4,591	44,123	5,647	-	1,993,818
Accumulated depreciation	(552,933)	(4,591)	(29,335)	(4,861)	-	(591,720)
Additions and readjustment of installments	286,792	1,498	-	-	-	288,290
Write-off or termination	(28,221)	(959)	-	(786)	-	(29,966)
Depreciation	(190,893)	(539)	(8,297)	-	-	(199,729)
Balance at December 31, 2024	**1,454,202**	**-**	**6,491**	**-**	**-**	**1,460,693**
Cost	2,154,155	-	44,123	-	-	2,198,278
Accumulated depreciation	(699,953)	-	(37,632)	-	-	(737,585)
Consolidated						
Balance at January 1, 2023	923,330	13,346	26,625	1,319	265,692	1,230,312
Additions and readjustment of installments	709,060	-	10,800	-	8,422	728,282
Write-off or termination	(64,896)	(12,343)	(8,443)	(532)	-	(86,214)
Exchange-rate change	-	-	(11)	-	-	(11)
Depreciation	(180,970)	(961)	(14,183)	(1)	(4,269)	(200,384)
Balance at December 31, 2023	**1,386,524**	**42**	**14,788**	**786**	**269,845**	**1,671,985**
Cost	1,939,457	5,788	44,348	5,647	274,116	2,269,356
Accumulated depreciation	(552,933)	(5,746)	(29,560)	(4,861)	(4,271)	(597,371)
Additions and readjustment of installments	286,792	3,179	-	-	20,651	310,622
Write-off or termination	(28,221)	(1,001)	-	(786)	-	(30,008)
Exchange-rate change	-	370	-	-	-	370
Depreciation	(190,893)	(833)	(8,297)	-	(11,069)	(211,092)
Balance at December 31, 2024	**1,454,202**	**1,757**	**6,491**	**-**	**279,427**	**1,741,877**
Cost	2,154,155	2,087	44,123	-	295,678	2,496,043
Accumulated depreciation	(699,953)	(330)	(37,632)	-	(16,251)	(754,166)

Of the total depreciation of the parent company and consolidated for the year, R$ 106,806 was considered as a cost applied to the formation of forests in biological assets (Note 15), the R$ 84,281 as advance to suppliers, R$ 8,163 as a cost applied to inventories (Note 13) and R$ 479 of the Parent Company and R$ 11,842 of the Consolidated, were recognized in the income (loss) for the year.

(i) The amounts for Facilities and Improvements refer to payments under the port lease agreement and the minimum contractual activity - MMC.

(In thousands of reais)

19.2. Changes in leases payable

	Parent Company		Consolidated	
	2024	2023	2024	2023
Balance at the beginning of the year	**1,575,612**	**1,068,563**	**1,735,695**	**1,253,990**
Additions and readjustments of installments (i)	288,290	719,830	310,622	728,282
Payments	(347,527)	(300,152)	(400,961)	(349,347)
Financial interest (ii)	193,400	169,910	206,621	198,343
Write-off or termination	(33,790)	(82,539)	(33,790)	(95,570)
Exchange-rate change	-	-	367	(3)
Balance at the end of the year	**1,675,985**	**1,575,612**	**1,818,554**	**1,735,695**
Current	165,463	146,141	228,451	191,174
Non-current	1,510,522	1,429,471	1,590,103	1,544,521
	1,675,985	**1,575,612**	**1,818,554**	**1,735,695**

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

(ii) Of the total financial interest for the year, in the parent company and consolidated, R$ 91,173 was considered as a cost applied to the formation of forests in biological assets (Note 15), R$ 100,470 as advance to suppliers (partnership agreements), R$ 1,653 as inventories. Additionally, R$ 104 in the parent company and R$ 13,325 in the consolidated were recognized in income (loss) for the year.

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

19.3. 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 table demonstrates this potential right:

	Parent Company		Consolidated	
	Nominal value	Adjusted to present value	Nominal value	Adjusted to present value
Amounts on December 31, 2023				
Leases payable consideration	3,170,648	1,575,612	3,351,894	1,735,695
Potential PIS/COFINS levied on contracts signed with legal entities	186,395	92,818	194,732	96,218
Amounts on December 31, 2024				
Leases payable consideration	3,612,460	1,675,985	3,839,320	1,818,554
Potential PIS/COFINS levied on contracts signed with legal entities	208,557	102,368	220,003	107,134

(In thousands of reais)

20.Suppliers

	Parent Company		Consolidated	
	2024	2023	2024	2023
In domestic currency:				
Third-parties (i)	253,265	339,254	295,821	366,272
Related parties - Note 11.1	13,079	1,147	1,254	1,147
	266,344	**340,401**	**297,075**	**367,419**
In foreign currency:				
Third parties	8,665	10,092	12,310	22,379
	275,009	**350,493**	**309,385**	**389,798**

(i) The balance of December 31, 2024 considers the amount of R$ 10,476 of operations with drawee risk, prepaid by suppliers with financial institutions in the parent company and in the consolidated (R$ 24,552 as of December 31, 2023). Such operations did not present relevant changes in the purchase conditions (term, payment flow and negotiated prices) in relation to the conditions usually practiced by the Company.

21. Borrowings and financings

21.1. Breakdown of loans and financing

	Parent Company and Consolidated			
Modality	**Average annual interest rate and commissions**	**Maturity**	**2024**	**2023**
In foreign currency:				
ACC (i)	SOFR + spread / fixed rate	Aug 2025–Sep 2026	537,861	333,559
Export prepayment (ii)	SOFR + spread / % CDI	July 2025–Sep 202	892,783	744,874
NCE (iii)	-	Feb 2024	-	96,826
CCB (vi)	fixed rate - 4.50% p.a.	Apr 2026	94,712	-
			1,525,356	**1,175,259**
In domestic currency:				
Export prepayment (ii)	% CDI	July 2025–Sep 2026	14,593	31,193
NCE (iii)	CDI + spread	Oct 2025	-	117,299
CRA (iv)	IPCA + 7.1945% p.a.	Sep 2026–Sep 2027	608,123	577,549
Debentures (v)	CDI + 3.00% p.a.	Sep 2024	-	721,673
			622,716	**1,447,714**
			2,148,072	**2,622,973**
Current			575,948	1,188,827
Non-current			1,572,124	1,434,146
			2,148,072	**2,622,973**

21.2. Maturity Schedule - non-current

The maturity schedule of loans and financing classified in non-current liabilities as of December 31, 2024 is as follows:

	2026	2027	Total
	1,274,215	297,909	1,572,124

(In thousands of reais)

21.3. Changes in loans and financing

	Parent Company and Consolidated	
	2024	**2023**
Balance at the beginning of the year	**2,622,973**	**4,330,365**
Funding	465,822	1,029,570
Interest incurred	253,499	372,119
Settlement of principal	(1,221,348)	(2,567,637)
Settlement of interest	(269,933)	(347,741)
Exchange-rate change	297,059	(193,703)
Balance at the end of the year	**2,148,072**	**2,622,973**

Interest payments are presented as a flow of financing activities in the statements of cash flows, as they are costs directly related to loans and financing.

21.4. Credit facilities

The Company uses trade finance lines and bilateral loans with banks to cover a possible working capital need and investments.

The credit facilities currently contracted are as follows:

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

(ii) Export prepayment (PPE) maturing in 2026. Transactions are restated by SOFR, plus a spread in case of financing in foreign currency and CDI percentage, in case of financing in domestic currency;

(iii) Export Credit Notes (NCE), maturing up to 2025, indexed to CDI. The notes were settled early in October 2024;

(iv) Simple, non-convertible, debentures, linked to Agribusiness Receivables Certificates – CRAs totaling R$ 500,000, due in September 2027 and indexed to IPCA + spread;

(v) Simple, non-convertible, debentures of R$ 700,000, due in September 2024, with interest rate indexed to IPCA + spread. The securities were settled at maturity.

(vi) Bank Credit Bill (CCB), issued in Chinese currency, in the amount of ¥ 108,069 (equivalent to R$ 75,000), with a fixed interest rate and maturing in 2026.

21.5. Loan guarantees

The loan and financing agreements outstanding as of December 31, 2024 and 2023 do not have guarantee clauses.

(In thousands of reais)

22. Current and deferred income tax and social contribution

22.1. Effective tax rate reconciliation:

	Parent Company		Consolidated	
	2024	2023	2024	2023
Income before taxes	**1,534,779**	**2,802,509**	**1,557,761**	**2,867,041**
Income tax and social contribution - nominal rate of 34%	(521,825)	(952,853)	(529,639)	(974,794)
Reconciliation to the effective rate:				
Equity in net income of subsidiaries	46,954	523,808	-	-
Reimbursement of Export PIS and COFINS – reintegra	1,708	894	1,708	894
Formation (reversal) of ICMS credit losses	7,250	(173)	7,250	(173)
Difference in tax base and nominal rates of subsidiaries abroad	-	-	61,688	499,994
Write-offs of assets	-	-	-	(14,295)
Other	26,642	(26,990)	(3,260)	(31,472)
Income tax and social contribution - Current and deferred	**(439,271)**	**(455,314)**	**(462,253)**	**(519,846)**
Current	(228,562)	(85,825)	(261,197)	(150,357)
Deferred	(210,709)	(369,489)	(201,056)	(369,489)
Income tax and social contribution - Current and deferred	**(439,271)**	**(455,314)**	**(462,253)**	**(519,846)**
Effective rate	**28.6%**	**16.2%**	**29.7%**	**18.1%**

22.2. Changes in deferred income tax and social contribution:

					Parent Company
	Balance at 01/01/2023	Tax additions (exclusions)	Balance at 12/31/2023	Tax additions (exclusions)	Balance at 12/31/2024
Tax loss [(i)]	**578,259**	**(39,616)**	**538,643**	**(110,910)**	**427,733**
Temporary credit differences:					
Unrealized exchange-rate change	172,539	(133,472)	39,067	42,449	81,516
Non-deductible provision	29,802	13,104	42,856	22,386	65,292
Unrealized profit	39,883	(939)	38,994	69,463	108,407
Tax overpayments – IRPJ/CSLL on Selic	4,794	-	4,794	-	4,794
	825,277	**(160,923)**	**664,354**	**23,388**	**687,742**
Temporary liability differences:					
Fair value of biological assets	(136,646)	(160,928)	(297,574)	48,363	(249,211)
Derivative financial instruments	(71,501)	(37,734)	(109,236)	89,515	(19,721)
Incentivized accelerated depreciation	(875,742)	(38,092)	(913,833)	(53,602)	(967,435)
Lease	-	-	-	(255,460)	(255,460)
	(1,083,889)	**(236,754)**	**(1,320,643)**	**(171,184)**	**(1,491,827)**
Deferred non-current liabilities	**(258,612)**	**(397,677)**	**(656,289)**	**(147,796)**	**(804,085)**

(i) As of December 31, 2024, the Company had a balance of tax loss and negative base of social contribution in the amount of R$ 1,258,038 (R$ 1,584,244 as of December 31, 2023).

(In thousands of reais)

Consolidated

	Balance at 01/01/2023	Tax additions (exclusions)	Balance at 12/31/2023	Tax additions (exclusions)	Balance at 12/31/2024
Tax loss [(i)]	**578,259**	**(39,616)**	**538,643**	**(97,000)**	**441,643**
Temporary credit differences:					
Unrealized exchange-rate change	172,539	(133,472)	39,067	42,449	81,516
Non-deductible provision	69,685	12,165	81,850	98,263	180,113
Tax overpayments – IRPJ/CSLL on Selic	4,794	-	4,794	-	4,794
	825,277	**(160,923)**	**664,354**	**43,712**	**708,066**
Temporary liability differences:					
Fair value of biological assets	(136,646)	(160,928)	(297,574)	48,363	(249,211)
Derivative financial instruments	(71,501)	(37,734)	(109,236)	89,515	(19,721)
Incentivized accelerated depreciation	(875,742)	(38,092)	(913,833)	(53,602)	(967,435)
Lease	-	-	-	(265,935)	(265,935)
	(1,083,889)	**(236,754)**	**(1,320,643)**	**(181,659)**	**(1,502,302)**
	(258,612)	**(397,677)**	**(656,289)**	**(137,947)**	**(794,236)**
Deferred non-current assets	-	-	-	9,849	9,849
Deferred non-current liabilities	(258,612)	(397,677)	(656,289)	(147,796)	(804,085)
	(258,612)	**(397,677)**	**(656,289)**	**(137,947)**	**(794,236)**

(i) As of December 31, 2024, the Company had a balance of tax loss and negative base of social contribution in the amount of R$ 1,298,950 (R$ 1,584,244 as of December 31, 2023).

(In thousands of reais)

23. Provision for legal risks

The Company, in the ordinary course of its business, is subject to environmental, civil, tax and labor lawsuits, 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 year:

	Environmental	Civil	Tax	Labor	Total
Parent Company					
Balance at January 1, 2023	367	1,628	-	28,697	30,692
Additions	9,252	401	4,459	15,681	29,793
Payments	-	(50)	-	(17,089)	(17,139)
Reversals	-	-	(4,459)	(175)	(4,634)
Restatements	270	366	-	2,857	3,493
Balance at December 31, 2023	**9,889**	**2,345**	**-**	**29,971**	**42,205**
Additions	-	2,559	-	11,570	14,129
Payments	-	(4,087)	-	(20,977)	(25,064)
Reversals	-	(385)	-	(4,899)	(5,284)
Restatements	1,357	113	-	4,249	5,719
Balance at December 31, 2024	**11,246**	**545**	**-**	**19,914**	**31,705**
Consolidated					
Balance at January 1, 2023	367	1,628	-	29,145	31,140
Additions	9,252	401	4,459	15,720	29,832
Payments	-	(50)	-	(17,615)	(17,665)
Reversals	-	-	(4,459)	(175)	(4,634)
Restatements	270	366	-	2,935	3,571
Balance at December 31, 2023	**9,889**	**2,345**	**-**	**30,010**	**42,244**
Additions	-	2,559	-	11,606	14,165
Payments	-	(4,087)	-	(21,053)	(25,140)
Reversals	-	(385)	-	(4,894)	(5,279)
Restatements	1,357	113	-	4,257	5,727
Balance at December 31, 2024	**11,246**	**545**	**-**	**19,926**	**31,717**

As of December 31, 2024, the Company presents the following contingencies, whose expected loss, assessed by Management and supported by its legal advisors, is classified as possible, and consequently, are not accrued:

	Parent Company		Consolidated	
Possible	**2024**	**2023**	**2024**	**2023**
Environmental	391	201	391	201
Civil	15,055	21,888	15,183	21,888
Labor	20,714	29,951	20,851	30,092
Tax	495,568	472,219	495,568	472,219
Administrative	266	110	266	110
	531,994	**524,369**	**532,259**	**524,510**

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, calculated on income earned in Austria and China in the calendar years 2018 and 2019 by its subsidiaries in Austria and China. Considering the legal increases, the assessed tax credit was R$ 489,197 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.

(In thousands of reais)

24. Shareholders' equity

24.1. Share Capital

Subscribed and paid-in capital, as of December 31, 2024 and December 31, 2023 totals R$ 1,788,792, comprising 1,525,558,419 common shares.

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

24.2. 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.

24.3. Tax incentive reserve

The tax incentive reserves are linked to investment grants provided by the Government of Mato Grosso do Sul in return for setting up and maintaining the industrial unit in the city of Três Lagoas. On December 31, 2024, the Company reversed the reserve balance of R$ 2,438.

24.4. 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.

24.5. Minimum mandatory 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 minimum mandatory dividends, which must not be lower, in each fiscal year, than 25% of adjusted net income, pursuant to Law 6404/1976, provided that if the retention is approved by all shareholders.

In the year ended December 31, 2024, based on Law 6404/1976 and the Company's Bylaws, the amount of minimum mandatory dividends was:

	Parent Company and Consolidated	
	Ownership interest	**12/31/2024**
J&F Investimentos S.A	50.59%	**138,863**
CA Investment (Brazil) S.A.	49.41%	**135,624**
Total	**100.00%**	**274,487**

(In thousands of reais)

24.5.1. Dividends paid

The Company's Annual General Meeting, held on April 30, 2024, decided to distribute the minimum mandatory dividends for 2023, in the amount of R$ 560,524, which will be settled on October 04, 2024.

24.6. Profit retention

As of December 31, 2024, pursuant to Article 196 of Law 6404/1976, management proposed retaining the remaining net income, after allocation to the legal reserve and tax incentive reserve, for use in capital investment projects.

24.7. 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$ 414,646 for the year ended December 31, 2024 (decreased by R$ 137,522 for the year ended December 31, 2023).

24.8. 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:

	Consolidated	
	2024	**2023**
Net income for the year	1,095,508	2,347,195
Total shares of the year	1,525,558	1,525,558
Basic and diluted earnings per share	**0.7181**	**1.5386**

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

25. Net revenue

	Parent Company		Consolidated	
	2024	**2023**	**2024**	**2023**
Domestic market	1,219,964	1,180,712	1,231,311	1,183,680
Foreign market	5,016,245	2,682,100	7,243,906	6,311,871
Deductions and rebates	(13,612)	(15,181)	(1,864,669)	(1,516,794)
Gross revenue	**6,222,597**	**3,847,631**	**6,610,548**	**5,978,757**
Sales taxes	(231,533)	(220,337)	(237,178)	(222,612)
Net revenue	**5,991,064**	**3,627,294**	**6,373,370**	**5,756,145**

(In thousands of reais)

26. Operating segments

26.1. Geographic segments

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

	Consolidated	
	2024	**2023**
Domestic market	**1,010,005**	**960,236**
Asia	2,514,984	2,157,685
North America	1,476,015	1,244,280
Europe	805,648	860,038
South America	328,398	285,900
Middle East	214,219	224,825
Africa	24,101	23,181
Foreign market	**5,363,365**	**4,795,909**
Net revenue	**6,373,370**	**5,756,145**

26.2. Information on main clients

In the sales made in the year ended December 31, 2024, two clients individually accounted for more than 10% of the Company's net revenue and, in the year 2023, one client individually accounted for more than 10% of the Company's net revenue.

26.3. Information on total non-current assets

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

	Consolidated	
	2024	**2023**
Brazil	13,003,868	12,458,251
Austria	250	365
USA	2,687	994
China	103	108
Total non-current assets	**13,006,908**	**12,459,718**

27. Costs and expenses by category and type

	Parent Company		Consolidated	
	2024	**2023**	**2024**	**2023**
Cost of products sold	(2,686,560)	(2,521,401)	(2,796,271)	(2,649,276)
Administrative and general expenses	(430,283)	(362,214)	(471,539)	(389,362)
Sales and logistics expenses	(320,497)	(278,186)	(636,665)	(670,036)
Total by category	**(3,437,340)**	**(3,161,801)**	**(3,904,475)**	**(3,708,674)**
Personnel expenses	(673,292)	(612,268)	(696,537)	(638,816)
Expenses with services, materials and transport	(976,776)	(956,610)	(1,418,339)	(1,404,197)
Depreciation, depletion and amortization	(771,028)	(667,680)	(782,148)	(710,132)
Raw material and consumable items	(974,523)	(885,051)	(961,038)	(903,689)
Other	(41,721)	(40,192)	(46,413)	(51,840)
Total by nature	**(3,437,340)**	**(3,161,801)**	**(3,904,475)**	**(3,708,674)**

(In thousands of reais)

28. Other operating revenues (expenses), net

	Parent Company		Consolidated	
	2024	2023	2024	2023
Reversal (formation) of ICMS credit losses - Note 14	21,324	(508)	21,324	(508)
Indemnities	(25,065)	(66,146)	(25,140)	(66,135)
Write-offs of property, plant and equipment and biological assets - Notes 15, 17 and 18(1)	(70,723)	(45,663)	(70,723)	(87,579)
Non-recoverable ICMS	(1,936)	(2,634)	(2,438)	(3,045)
Procedural contingencies	10,500	(11,513)	10,527	(11,103)
Sales of property, plant and equipment and biological assets	34,326	21,948	34,326	21,948
Depreciation and amortization	(279)	(954)	(279)	(954)
Other	5,374	8,153	5,134	9,011
	(26,479)	**(97,317)**	**(27,269)**	**(138,365)**

(1) Asset write-offs refer mainly to the write-off of forestry assets in the amount of R$ 49,853 (R$ 40,101 in December 2023), due to environmental accidents such as fires and water shortages

29. Net financial income (loss)

	Parent Company		Consolidated	
	2024	2023	2024	2023
Yield from interest earning bank deposits	69,345	103,276	94,384	139,278
Interest receivable	895	1,430	891	1,429
Other financial revenues	5,943	105	5,943	104
Financial revenues	**76,183**	**104,811**	**101,218**	**140,811**
Bank expenses	(148)	(1,714)	(285)	(1,871)
Interest payable	(292,103)	(451,430)	(268,315)	(406,371)
Other financial expenses	(20,860)	(17,950)	(31,856)	(27,930)
Financial expenses	**(313,111)**	**(471,094)**	**(300,456)**	**(436,172)**
Realized gains (losses)	(476,718)	442,617	(476,718)	442,617
Unrealized gains (losses)	(47,279)	22,326	(47,279)	22,326
Derivative financial instruments (1)	**(523,997)**	**464,943**	**(523,997)**	**464,943**
Loans and financing	(297,059)	193,703	(297,059)	193,703
Other assets and liabilities	86,230	6,584	76,952	6,117
Net exchange-rate change	**(210,829)**	**200,287**	**(220,107)**	**199,820**
Net financial income (loss)	**(971,754)**	**298,947**	**(943,342)**	**369,402**

(1) The change in the fair value of derivatives is related to the devaluation/valuation of the Real against the US dollar and changes between the restatement indices of contracts and fixed rate in USD.

(In thousands of reais)

30. Take-or-pay contracts

30.1. Chemical plants and gas distribution branch

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

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

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

The natural gas contract, with a term of twelve (12) years and in force since May 2016, has the following price per cubic meter of gas consumed:

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

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

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

As of December 31, 2024, the non-cancelable future minimum payments are as follows:

	Parent Company and Consolidated			
Year	**2025**	**2026**	**2027**	**2028**
Amounts	122,624	122,624	118,990	50,274

Amounts recognized in income (loss)

	Parent Company and Consolidated	
	2024	**2023**
Cost of goods sold	245,590	240,279

(In thousands of reais)

31. Non-cash transactions

Lease agreements refer mainly to land use rights 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 readjustments of installments	Right-of-use depreciation	Lease interest	Additions and readjustments of installments	Right-of-use depreciation	Lease interest
Inventories	-	8,163	1,653	-	8,163	1,653
Advances to suppliers	-	84,281	100,470	-	84,281	100,470
Biological assets	-	106,806	91,173	-	106,806	91,173
Rights-of-use	288,290	(199,250)	-	310,622	(199,250)	-
Leases payable	(288,290)	-	(193,296)	(310,622)	-	(193,296)

32. Insurance

The Company maintains a policy of contracting the following insurance coverage:

a) Operating risks with a maximum indemnity limit of US$ 488 million, equivalent to R$ 3,021 million on December 31, 2024, and in force until February 2025;

b) Insurance coverage for civil liability with a maximum indemnity limit of US$ 25 million, equivalent to R$ 154 million on December 31, 2024, and in force until August 2025;

c) Domestic transportation with a maximum indemnity limit of R$ 60 million and international transportation amounting US$ 15 million, equivalent to R$ 92 million on December 31, 2024, and in force until November 2025.

In addition to the aforementioned coverages, civil liability policies are maintained for executives and directors in amounts considered appropriate by the Board of Directors.

The Company's Management considers these amounts and insurance coverage to be sufficient to cover possible risks to its industrial assets, loss of profits and civil liability.

33. 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 twelve (12) 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.

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 April 9, 2024, the judgment of the preliminary injunction was completed prior to the appeal filed by the Popular Plaintiff, with the 3rd Panel of the Regional Federal Court of the 4th Region determining the following, in confirmation of the previous decisions handed down as of July 3, 2023 and January 17, 2024, and until the final judgment of the popular action: (i) the suspension of transfers of Eldorado shares issued by J&F on behalf of CA Investment, including any contracts ancillary to the main transaction, until permissions are presented by the National Institute of Colonization and Agrarian Reform (INCRA) and the National Congress, as required by Law 5709/1971 and Law 8629/1993; and (ii) the suspension of Decision A-14 issued in CCI Arbitration Case 23909/GSS/PFF, through which the Coordination Body was established in the Company, as well as the instruments and acts related to said decision. Moreover, administrative measures that indirectly transfer or anticipate the management power of Eldorado to CA Investment were also prohibited by the 3rd Panel of the Regional Federal Court of the 4th Region.

Statutory Executive Board

Carmine De Siervi Neto
Chief Executive Officer

Germano Aguiar Vieira
Chief Forestry Officer

Carlos Roberto de Paiva Monteiro
Chief Industrial Technical Officer

Rodrigo Libaber
Chief Sales Officer

Fernando Storchi
Chief Financial and Investor Relations Officer

Board of Directors

Aguinaldo Gomes Ramos Filho
Chairman of the Board of Directors

João Adalberto Elek Júnior
Board Member

Sérgio Longo
Board Member

Mauro Eduardo Guizeline
Board Member

Francisco de Assis e Silva
Board Member

Marcio Antonio Teixeira Linares
Board Member

Raul Rosenthal Ladeira de Matos
Board Member

Accountant

Euclydes Paula Santos Neto
CRC SP 322712/O