

## Summary

### Company Information

Capital Composition	1
---------------------	---

### Parent Company Financial Statements

Balance Sheet Assets	2
----------------------	---

Balance Sheet Liabilities	3
---------------------------	---

Statement of Profit (loss)	4
----------------------------	---

Statement of Comprehensive Income (loss)	5
--	---

Statement of Cash Flows	6
-------------------------	---

#### Statement of changes in Equity

DMPL - 01/01/2021 to 09/30/2021	8
---------------------------------	---

DMPL - 01/01/2020 to 09/30/2020	9
---------------------------------	---

Statement of Added Value	10
--------------------------	----

### Consolidated Financial Statements

Balance Sheet Assets	11
----------------------	----

Balance Sheet Liabilities	12
---------------------------	----

Statement of Profit (loss)	13
----------------------------	----

Statement of Comprehensive Income (loss)	14
--	----

Statement of Cash Flows	15
-------------------------	----

#### Statement of changes in Equity

DMPL - 01/01/2021 to 09/30/2021	16
---------------------------------	----

DMPL - 01/01/2020 to 09/30/2020	17
---------------------------------	----

Statement of Added Value	18
--------------------------	----

Performance Comment	19
---------------------	----

Notes to the Financial Statements	47
-----------------------------------	----

### Reports and Statements

Special Review Report - No Disclaimer	109
---------------------------------------	-----

Executive Directors' Statement on the interim financial statements	110
--	-----

Executive Directors' Statement on the independent auditors' report	111
--	-----

## Company Information/Capital Composition

<b>Number of shares (In Thousands)</b>	<b>Current Quarter 09/30/2021</b>
<b>Paid Up Capital</b>	
Common Shares	256,720
Preferred Shares	0
<b>Total</b>	<b>256,720</b>
<b>Treasury Shares</b>	
Common Shares	2,376
Preferred Shares	0
<b>Total</b>	<b>2,376</b>

**Parent Company Financial Statements Balance Sheet - Assets****(All amounts in Thousands of Reais)**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 09/30/2021</b>	<b>Previous Year 12/31/2020</b>
1	Total Assets	2,099,981	1,819,064
1.01	Current Assets	797,163	751,697
1.01.01	Cash and Cash Equivalents	21,705	35,709
1.01.02	Financial Investments	321,457	291,972
1.01.02.03	Financial Investments evaluated at amortized cost	321,457	291,972
1.01.02.03.02	Financial Investments	321,457	291,972
1.01.03	Accounts Receivable	278,360	201,399
1.01.03.01	Trade accounts receivables	278,360	201,399
1.01.04	Inventories	108,020	92,838
1.01.06	Recoverable Taxes	17,138	73,165
1.01.08	Other Current Assets	50,483	56,614
1.01.08.02	Discontinued Operations Assets	41,200	41,200
1.01.08.02.01	Non-current Assets Held for Sale	41,200	41,200
1.01.08.03	Others	9,283	15,414
1.01.08.03.01	Other Assets	9,283	15,414
1.02	Non-current Assets	1,302,818	1,067,367
1.02.01	Long - term receivables	148,392	106,146
1.02.01.04	Accounts Receivable	7,065	4,173
1.02.01.04.01	Trade accounts receivables	2,622	4,173
1.02.01.04.02	Other Accounts Receivable	4,443	0
1.02.01.06	Biological Assets	107,133	73,985
1.02.01.10	Other Non-current assets	34,194	27,988
1.02.01.10.03	Recoverable Taxes	8,472	27,438
1.02.01.10.04	Judicial deposits	525	550
1.02.01.10.05	Income Tax and Social Contribution Recoverable	25,197	0
1.02.02	Investments	177,823	168,165
1.02.02.01	Equity Investments	156,412	146,624
1.02.02.02	Investment Properties	21,411	21,541
1.02.03	Property, plant and equipment	839,192	652,318
1.02.03.01	Property, plant and equipment in operation	816,512	631,138
1.02.03.02	Right to use assets – lease	22,680	21,180
1.02.03.02.01	Right to use assets	22,680	21,180
1.02.04	Intangible assets	137,411	140,738
1.02.04.01	Intangible assets	137,411	140,738

**Parent Company Financial Statements Balance Sheet - Liabilities****(All amounts in Thousands of Reais)**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 09/30/2021</b>	<b>Previous Year 12/31/2020</b>
2	Total Liabilities	2,099,981	1,819,064
2.01	Current Liabilities	345,664	286,946
2.01.01	Social and labor obligations	52,726	44,838
2.01.01.01	Social Obligations	52,726	44,838
2.01.01.01.01	Social security obligations	52,726	44,838
2.01.02	Trade payables	145,391	119,861
2.01.03	Tax obligations	44,810	33,550
2.01.03.01	Federal tax obligations	31,985	22,723
2.01.03.01.01	Income Tax and Social Contribution payable	8,867	2,985
2.01.03.01.02	Tax installments	8,904	8,830
2.01.03.01.03	Other federal taxes	14,214	10,908
2.01.03.02	State tax obligations	12,724	10,750
2.01.03.02.02	Value-added Tax on Sales and Services (ICMS) payable	12,724	10,750
2.01.03.03	City tax obligations	101	77
2.01.03.03.01	Service Tax payable	101	77
2.01.04	Loans and financing	76,471	55,451
2.01.04.01	Loans and financing	65,403	43,483
2.01.04.02	Debentures	11,068	11,968
2.01.05	Other obligations	26,266	33,246
2.01.05.02	Others	26,266	33,246
2.01.05.02.01	Dividends and interest on capital payable	358	10,467
2.01.05.02.04	Other accounts payable	17,317	12,428
2.01.05.02.05	Advances from customers	3,663	6,377
2.01.05.02.06	Lease liabilities	4,928	3,974
2.02	Non-current liabilities	800,076	745,964
2.02.01	Loans and financing	559,268	532,781
2.02.01.01	Loans and financing	659	35,912
2.02.01.02	Debentures	558,609	496,869
2.02.02	Other obligations	29,495	36,669
2.02.02.02	Others	29,495	36,669
2.02.02.02.03	Tax installments	9,781	16,039
2.02.02.02.04	Other taxes payable	835	3,442
2.02.02.02.05	Other accounts payable	59	59
2.02.02.02.06	Lease liabilities	18,820	17,129
2.02.03	Deferred taxes	192,192	158,844
2.02.03.01	Deferred income tax and social contribution	192,192	158,844
2.02.04	Provisions	19,121	17,670
2.02.04.01	Provisions for civil, labor and tax risks	19,121	17,670
2.03	Equity	954,241	786,154
2.03.01	Share capital	543,934	543,934
2.03.02	Capital reserves	960	960
2.03.04	Profit reserves	59,540	86,501
2.03.05	Retained earnings	201,758	0
2.03.06	Equity valuation adjustments	148,049	154,759

**Parent Company Financial Statements - Statement of Profit (loss)****(All amounts in Thousands of Reais)**

Code	Description	Current quarter 07/01/2021 to 09/30/2021	Accumulated current Year 01/01/2021 to 09/30/2021	Accumulated prior quarter last year 07/01/2020 to 09/30/2020	Accumulated – prior Year 01/01/2020 to 09/30/2020
3.01	Revenue from sales of goods and/or services	430,831	1,187,747	260,369	735,867
3.02	Cost of sales	-254,733	-747,961	-180,414	-503,485
3.02.01	Changes in the fair value of biological assets	11,549	24,091	1,973	6,865
3.02.02	Cost of goods sold	-266,282	-772,052	-182,387	-510,350
3.03	Gross Profit	176,098	439,786	79,955	232,382
3.04	Operating income (expenses)	-49,476	-114,952	-35,687	-108,720
3.04.01	Selling expenses	-28,969	-76,922	-24,218	-67,139
3.04.02	General and administrative expenses	-17,788	-52,817	-15,421	-47,490
3.04.03	Impairment losses on trade receivables	-106	-26	51	-742
3.04.04	Other operating revenue	0	0	6,315	6,673
3.04.05	Other operating expenses	-5,158	-5,904	0	0
3.04.06	Equity method investees	2,545	20,717	-2,414	-22
3.05	Profit (Loss) before financial income (expenses) and taxes	126,622	324,834	44,268	123,662
3.06	Net financial (cost) income	-9,033	-32,753	-12,233	-49,271
3.06.01	Financial income	23,587	39,900	13,866	23,473
3.06.02	Financial expenses	-32,620	-72,653	-26,099	-72,744
3.07	Operating profit (loss) before taxes	117,589	292,081	32,035	74,391
3.08	Income tax and social contribution	-19,994	-70,092	-6,477	-15,547
3.08.01	Current	-3,205	-36,744	-7,179	-14,802
3.08.02	Deferrend	-16,789	-33,348	702	-745
3.09	Net income (loss) from continuing operations	97,595	221,989	25,558	58,844
3.11	Profit (loss) for the period	97,595	221,989	25,558	58,844
3.99	Earnings (loss) per share - (reais / share)				
3.99.01	Basic earnings (loss) per share				
3.99.01.01	Common shares	0.3837	0.8728	0.1094	0.314
3.99.01.02	Preferred shares	0	0	0.1094	0.314

**Parent company financial statements / Statement of comprehensive income (loss)****(All amounts in thousands of Reais)**

Code	Description	Current quarter 07/01/2021 to 09/30/2021	Accumulated current Year 01/01/2021 to 09/30/2021	Accumulated prior quarter last year 07/01/2020 to 09/30/2020	Accumulated – prior Year 01/01/2020 to 09/30/2020
4.01	Income (loss) for the period	97,595	221,989	25,558	58,844
4.03	Comprehensive income (loss) for the period	97,595	221,989	25,558	58,844

**Parent Company financial statements / Statement of cash flows - Indirect Method****(All amounts in thousands of Reais)**

Code	Description	Accumulated current	Accumulated – prior
		year 01/01/2021 to 09/30/2021	year 01/01/2020 to 09/30/2020
6.01	Net cash provided by (used in) operating activity	275,054	130,085
6.01.01	Cash from operations	352,610	161,343
6.01.01.01	Profit (loss) before income tax and social contribution (LAIR)	292,081	74,391
6.01.01.02	Changes in Fair Value of Biological Assets	-24,091	-6,865
6.01.01.03	Depreciation, amortization and depletion	54,349	50,343
6.01.01.05	Income/loss in the sale of property, plant and equipment	-2,775	-1,297
6.01.01.06	Equity method investees	-20,717	22
6.01.01.07	Provision/reversal for civil, labor and tax risks	2,620	-2,183
6.01.01.08	Provision for impairment of trade receivables	-133	872
6.01.01.10	Management profit sharing not paid	9,804	1,129
6.01.01.11	Exchange-rate change and interest on loans, financing and debentures	40,382	63,732
6.01.01.12	Interest on lease liabilities	1,592	1,488
6.01.01.14	Interest on restricted account investment	0	-97
6.01.01.15	Exclusion of ICMS from PIS and COFINS basis	-502	-20,192
6.01.02	Changes in assets and liabilities	-77,556	-31,258
6.01.02.01	Trade receivables	-71,631	-19,473
6.01.02.02	Inventories	-15,182	-3,067
6.01.02.03	Recoverable taxes	74,595	48,592
6.01.02.04	Other assets	1,713	21,545
6.01.02.05	Trade payables	14,080	6,611
6.01.02.06	Fornecedores	17,381	-24,267
6.01.02.07	Social charges and social security obligations	-1,916	7,368
6.01.02.08	Advances from customers	-2,714	-1,306
6.01.02.09	Tax liabilities	-4,695	7,825
6.01.02.10	Other accounts payable	3,971	-999
6.01.02.11	Payment of interest on loans, financing and debentures	-37,217	-63,080
6.01.02.12	Payment of interest on lease liabilities	-1,592	-1,553
6.01.02.13	Tax paid (Income tax and social contribution)	-54,349	-9,454
6.02	Net cash provided by use in investing activities	-266,683	-315,694
6.02.01	Acquisition of property, plant and equipment	-227,954	-35,421
6.02.02	Acquisition of biological assets	-10,026	-9,432
6.02.03	Acquisition of intangible asset	-693	-3,250
6.02.04	Capital injection	-2,852	0
6.02.06	Receipt upon disposal of assets	4,626	2,094
6.02.07	Financial Investments	-29,485	-290,947
6.02.08	Advance for future capital increase	-299	-8,000
6.02.12	Banks – restricted account	0	29,262
6.03	Net cash provided by financing activities	-22,375	171,022
6.03.01	Payments of dividends and interest on shareholder's equity	-64,262	-10,634
6.03.02	Payment of lease liabilities	-2,455	-1,849
6.03.03	Issuance of debentures (Net of funding costs)	59,547	0
6.03.04	Loans obtained	26,256	57,908
6.03.05	Loans and debentures paid	-41,461	-256,442
6.03.06	Paid-up capital	0	405,000

**Parent Company financial statements / Statement of cash flows - Indirect Method****(All amounts in thousands of Reais)**

<b>Code</b>	<b>Description</b>	<b>Accumulated current Year 01/01/2021 to 09/30/2021</b>	<b>Accumulated – prior Year 01/01/2020 to 09/30/2020</b>
6.03.07	Costs with share issuance	0	-22,961
6.05	(Decrease) in cash and cash equivalents	-14,004	-14,587
6.05.01	Cash and cas equivalents at the beginning of the period	35,709	78,318
6.05.02	Cash and cash equivalents at the end of the period	21,705	63,731

**Parent Company Financial Statements / Statement of changes in Equity - 01/01/2021 to 09/30/2021****(All amounts in thousands of Reais)**

Code	Description	Share Capital	Capital reserves, share options and treasury shares	Profit reserves	Accumulated earnings/ losses	Other Comprehensive income (loss)	Equity
5.01	Opening balance	543,934	960	86,501	0	154,759	786,154
5.03	Adjusted opening balance	543,934	960	86,501	0	154,759	786,154
5.04	Capital transactions with shareholders	0	0	-24,576	-29,326	0	-53,902
5.04.06	Dividends	0	0	-24,576	-29,326	0	-53,902
5.05	Total comprehensive income (loss)	0	0	0	228,699	-6,710	221,989
5.05.01	Profit (loss) for the period	0	0	0	221,989	0	221,989
5.05.02	Other comprehensive income (loss)	0	0	0	6,710	-6,710	0
5.05.02.06	Realization – deemed cost	0	0	0	6,710	-6,710	0
5.06	Internal changes in equity	0	0	-2,385	2,385	0	0
5.06.04	Realized profit reserve - biological assets	0	0	-2,385	2,385	0	0
5.07	Closing Balance	543,934	960	59,540	201,758	148,049	954,241

**Parent Company Financial Statements / Statement of changes in Equity - 01/01/2020 to 09/30/2020****(All amounts in thousands of Reais)**

Code	Description	Share Capita	Capital reserves, share options and treasury shares	Profit reserves	Accumulated earnings/ losses	Other Comprehensive income (loss)	Equity
5.01	Opening balance	161,895	960	11,918	-1,992	163,704	336,485
5.03	Adjusted opening balance	161,895	960	11,918	-1,992	163,704	336,485
5.04	Capital transactions with partners	382,039	0	-8,894	0	0	373,145
5.04.01	Capital increase	405,000	0	0	0	0	405,000
5.04.07	Interest on equity	0	0	-8,894	0	0	-8,894
5.04.08	Costs with share issuance	-22,961	0	0	0	0	-22,961
5.05	Total comprehensive income (loss)	0	0	0	65,553	-6,709	58,844
5.05.01	Profit (loss) for the period	0	0	0	58,844	0	58,844
5.05.02	Other comprehensive income (loss)	0	0	0	6,709	-6,709	0
5.05.02.06	Realization – deemed cost	0	0	0	6,709	-6,709	0
5.06	Internal changes in equity	0	0	-1,839	1,839	0	0
5.06.04	Realized profit reserve - biological assets	0	0	-1,839	1,839	0	0
5.07	Closing Balance	543,934	960	1,185	65,400	156,995	768,474

**Parent Company Financial Statements / Statement of Added Value****(All amounts in thousands of Reais)**

Code	Description	Accumulated current	Accumulated – prior
		year 01/01/2021 to 09/30/2021	year 01/01/2020 to 09/30/2020
7.01	Revenues	1,543,003	952,101
7.01.01	Sales of goods and/or services	1,517,891	930,519
7.01.02	Other revenues	24,979	22,454
7.01.04	Provision/reversal for impairment of trade receivables Inputs	133	-872
7.02	purchased from third parties	-876,255	-529,899
7.02.01	Cost of sales	-664,565	-358,994
7.02.02	Materials, electricity, outsourced services and other Gross value	-211,690	-170,905
7.03	added	666,748	422,202
7.04	Retentions	-30,258	-43,478
7.04.01	Depreciation, amortization and depletion	-54,349	-50,343
7.04.02	Other	24,091	6,865
7.04.02.01	Changes in the fair value of biological assets	24,091	6,865
7.05	Net value added generated	636,490	378,724
7.06	Value added received through transfer	60,617	23,451
7.06.01	Equity in the results of subsidiaries	20,717	-22
7.06.02	Financial income	39,900	23,473
7.07	Total added value to be distributed	697,107	402,175
7.08	Distribution of added value	697,107	402,175
7.08.01	Personnel	135,627	120,413
7.08.01.01	Direct remuneration	104,495	94,201
7.08.01.02	Benefits	25,546	21,119
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	5,586	5,093
7.08.02	Taxes, duties and contributions	239,190	133,618
7.08.02.01	Federal	160,628	88,849
7.08.02.02	State	77,096	43,088
7.08.02.03	Municipal	1,466	1,681
7.08.03	Third-party capital remuneration	78,200	77,623
7.08.03.01	Interest	72,653	72,744
7.08.03.02	Rentals	5,547	4,879
7.08.04	Remuneration of own capital	231,084	67,392
7.08.04.03	Income/(loss) for the period - withheld	231,084	67,392
7.08.05	Other	13,006	3,129
7.08.05.01	Management profit sharing	13,006	3,129

**Consolidated Financial Statements - Assets Balance Sheet****(All amounts in thousands of Reais)**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 09/30/2021</b>	<b>Previous Year 12/31/2020</b>
1	Total Assets	2,094,360	1,814,117
1.01	Current Assets	818,868	771,598
1.01.01	Cash and Cash Equivalents	41,720	54,260
1.01.02	Financial Investments	321,457	291,972
1.01.02.03	Financial Investments evaluated at amortized cost	321,457	291,972
1.01.02.03.02	Financial Investments	321,457	291,972
1.01.03	Accounts Receivables	278,677	202,470
1.01.03.01	Trade accounts receivables	278,677	202,470
1.01.04	Inventories	109,131	92,977
1.01.06	Recoverable Taxes	17,164	73,167
1.01.08	Other Current Assets	50,719	56,752
1.01.08.02	Discontinued Operations Assets	41,200	41,200
1.01.08.02.01	Non-current Assets Held for Sale	41,200	41,200
1.01.08.03	Others	9,519	15,552
1.01.08.03.01	Other Assets	9,519	15,552
1.02	Non-current Assets	1,275,492	1,042,519
1.02.01	Long-term receivables	259,522	210,218
1.02.01.04	Accounts Receivable	7,092	4,200
1.02.01.04.01	Trade accounts receivable	2,622	4,173
1.02.01.04.02	Other accounts receivable	4,470	27
1.02.01.06	Biological Assets	217,900	177,684
1.02.01.10	Other Non-current assets	34,530	28,334
1.02.01.10.03	Recoverable Taxes	8,472	27,448
1.02.01.10.04	Judicial deposits	861	886
1.02.01.10.05	Income Tax and Social Contribution Recoverable	25,197	0
1.02.02	Investments	21,411	21,541
1.02.02.02	Investment Properties	21,411	21,541
1.02.03	Property, plant and equipment	857,148	670,022
1.02.03.01	Property, plant and equipment in operation	834,468	648,842
1.02.03.02	Right to use assets - lease	22,680	21,180
1.02.03.02.01	Right to use assets	22,680	21,180
1.02.04	Intangible assets	137,411	140,738
1.02.04.01	Intangible assets	137,411	140,738

**Consolidated Financial Statements - Liabilities Balance Sheet****(All amounts in thousands of Reais)**

<b>Code</b>	<b>Description</b>	<b>Current Quarter 09/30/2021</b>	<b>Previous Year 12/31/2020</b>
2	Total Liabilities	2,094,360	1,814,117
2.01	Current Liabilities	334,813	277,356
2.01.01	Social and labor obligations	53,692	45,448
2.01.01.01	Social Obligations	53,692	45,448
2.01.01.01.01	Social security obligations	53,692	45,448
2.01.02	Trade payables	132,746	109,095
2.01.03	Tax obligations	45,276	33,800
2.01.03.01	Federal tax obligations	32,441	22,971
2.01.03.01.01	Income Tax and Social Contribution payable	9,174	3,114
2.01.03.01.02	Tax installments	8,904	8,830
2.01.03.01.03	Other federal taxes	14,363	11,027
2.01.03.02	State tax obligations	12,724	10,741
2.01.03.02.02	Value-added Tax on Sales and Services (ICMS) payable	12,724	10,741
2.01.03.03	City tax obligations	111	88
2.01.03.03.01	Service Tax payable	111	88
2.01.04	Loans and financing	76,471	55,466
2.01.04.01	Loans and financing	65,403	43,498
2.01.04.02	Debentures	11,068	11,968
2.01.05	Other Obligations	26,628	33,547
2.01.05.02	Others	26,628	33,547
2.01.05.02.01	Dividends and interest on capital payable	358	10,467
2.01.05.02.04	Other accounts payable	17,621	12,699
2.01.05.02.05	Advances from customers	3,721	6,407
2.01.05.02.06	Lease liabilities	4,928	3,974
2.02	Non-current liabilities	805,302	750,601
2.02.01	Loans and financing Loans and financing	559,268	532,781
2.02.01.01	financing	659	35,912
2.02.01.02	Debentures	558,609	496,869
2.02.02	Other Obligations	29,495	36,669
2.02.02.02	Others	29,495	36,669
2.02.02.02.03	Tax installments	9,781	16,039
2.02.02.02.04	Other taxes payable	835	3,442
2.02.02.02.05	Other accounts payable	59	59
2.02.02.02.06	Lease liabilities	18,820	17,129
2.02.03	Deferred taxes	196,950	163,111
2.02.03.01	Deferred income tax and social contribution	196,950	163,111
2.02.04	Provisions	19,589	18,040
2.02.04.01	Provisions for civil, labor and tax risks	19,589	18,040
2.03	Equity	954,245	786,160
2.03.01	Share capital	543,934	543,934
2.03.02	Capital reserves	960	960
2.03.04	Profit reserves	59,540	86,501
2.03.05	Retained earnings	201,758	0
2.03.06	Equity valuation adjustments	148,049	154,759
2.03.09	Non-controlling interests	4	6

**Consolidated Financial Statements - Statement of Profit (Loss)****(All amounts in thousands of Reais)**

Code	Description	Current quarter 07/01/2021 to 09/30/2021	Accumulated current year 01/01/2021 to 09/30/2021	Accumulated prior quarter last year 07/01/2020 to 09/30/2020	Accumulate-prior year 01/01/2020 to 09/30/2020
3.01	Revenue from sales of goods and/or services	432,468	1,191,766	261,363	738,670
3.02	Cost of sales	-252,571	-727,815	-183,550	-504,612
3.02.01	Changes in the fair value of biological assets	14,855	40,735	733	8,819
3.02.02	Cost of goods sold	-267,426	-768,550	-184,283	-513,431
3.03	Gross Profit	179,897	463,951	77,813	234,058
3.04	Operating Income (expenses)	-53,278	-138,767	-34,177	-111,058
3.04.01	Selling expenses	-29,593	-78,419	-24,485	-67,647
3.04.02	General and administrative expenses	-18,482	-54,482	-15,943	-48,950
3.04.03	Impairment losses on trade receivables	-56	24	-67	-1,137
3.04.04	Other operating revenue	0	0	6,318	6,676
3.04.05	Other operating expenses	-5,147	-5,890	0	0
3.05	Profit (Loss) before financial income (expenses) and taxes	126,619	325,184	43,636	123,000
3.06	Net financial (cost) income	-8,828	-32,379	-11,303	-48,096
3.06.01	Financial income	23,794	40,322	13,877	23,516
3.06.02	Financial Expenses	-32,622	-72,701	-25,180	-71,612
3.07	Operating profit (loss) before taxes	117,791	292,805	32,333	74,904
3.08	Income tax and social contribution	-20,196	-70,816	-6,775	-16,060
3.08.01	Curren	-3,310	-36,977	-7,521	-15,273
3.08.02	Deferred	-16,886	-33,839	746	-787
3.09	Net income (loss) from continuing operations	97,595	221,989	25,558	58,844
3.11	Profit (loss) for the period	97,595	221,989	25,558	58,844
3.11.01	Attributable to owners of the Parent Company	97,595	221,989	25,558	58,844
3.99	Earnings (loss) per share - (reais / share)				
3.99.01	Basic earnings (loss) per share				
3.99.01.01	Common shares	0.3837	0.8728	0.1094	0.314
3.99.01.02	Preferred shares	0	0	0.1094	0.314

**Consolidated financial statements / Statement of comprehensive income (loss)****(All amounts in thousands of Reais)**

<b>Code</b>	<b>Description</b>	<b>Current quarter 07/01/2021 to 09/30/2021</b>	<b>Accumulated current year 01/01/2021 to 09/30/2021</b>	<b>Accumulated prior quarter last year 07/01/2020 to 09/30/2020</b>	<b>Accumulate-prior year 01/01/2020 to 09/30/2020</b>
4.01	Income (loss) for the period	97,595	221,989	25,558	58,844
4.03	Comprehensive income (loss) for the period	97,595	221,989	25,558	58,844
4.03.01	Attributable to owners of the Parent Company	97,595	221,989	25,558	58,844

**Consolidated financial statements / Statement of cash flows - Indirect method****(All amounts in thousands of reais)**

Code	Description	Accumulated current	Accumulated – prior
		year 01/01/2021 to 09/30/2021	year 01/01/2020 to 09/30/2020
6.01	Net cash provided by (used in) operating activities	275,664	144,630
6.01.01	Cash from operations	370,064	165,276
6.01.01.01	Profit (loss) before income tax and social contributions (LAIR)	292,805	74,904
6.01.01.02	Changes in Fair Value of Biological Assets	-40,735	-8,819
6.01.01.03	Depreciation, amortization and depletion	66,816	55,497
6.01.01.05	Income/(loss) in the sale of property, plant and equipment	-2,775	-1,296
6.01.01.07	Provision for civil, labor and tax risks	2,928	-2,225
6.01.01.08	Provision for impairment of trade receivables	-251	1,151
6.01.01.10	Management profit sharing not paid	9,804	1,129
6.01.01.11	Exchange-rate change and interest on loans, financing and debentures	40,382	63,736
6.01.01.12	Interest on lease liabilities	1,592	1,488
6.01.01.14	Interest on restricted account investment	0	-97
6.01.01.15	Exclusion of ICMS from PIS e COFINS basis	-502	-20,192
6.01.02	Change in assets and liabilities	-94,400	-20,646
6.01.02.01	Trade receivables	-70,759	-19,185
6.01.02.02	Inventories	-16,154	-3,512
6.01.02.03	Recoverable Taxes	74,579	48,593
6.01.02.04	Other assets	1,615	21,320
6.01.02.06	Trade payables	14,641	-5,705
6.01.02.07	Social charges and social security obligations	-1,560	7,546
6.01.02.08	Advances from customers	-2,686	-1,324
6.01.02.09	Tax liabilities	-3,782	7,961
6.01.02.10	Other accounts payable	3,794	-1,583
6.01.02.11	Payment of interest on loans, financing and Debentures	-37,217	-63,080
6.01.02.12	Payment of interest on lease liabilities	-1,592	-1,553
6.01.02.13	Taxes paid (Income tax and social contribution)	-55,279	-10,124
6.02	Net cash provided by use in investing activities	-265,814	-310,017
6.02.01	Acquisition of property, plant and equipment	-228,659	-35,434
6.02.02	Acquisition of biological assets	-11,603	-11,742
6.02.03	Acquisition of intangible assets	-693	-3,250
6.02.06	Receipt upon disposal of assets	4,626	2,094
6.02.07	Financial Investments	-29,485	-290,947
6.02.12	Banks - restricted account	0	29,262
6.03	Net cash provided by financing activities	-22,390	170,989
6.03.01	Payments of dividends and interest on shareholder's equity	-64,262	-10,634
6.03.02	Payment of lease liabilities	-2,455	-1,849
6.03.03	Issuance of debentures (Net of funding costs)	59,547	0
6.03.04	Loans obtained	26,256	57,908
6.03.05	Loans and debentures paid	-41,476	-256,475
6.03.06	Paid-up capital	0	405,000
6.03.07	Costs with issue of shares	0	-22,961
6.05	Increase (Decrease) in cash and cash equivalents	-12,540	5,602
6.05.01	Cash and cash equivalents at the beginning of the period	54,260	80,822
6.05.02	Cash and cash equivalents at the end of the period	41,720	86,424

**Consolidated financial statements / Statement of changes in equity - 01/01/2021 à 09/30/2021****(All amounts in thousands of Reais)**

Code	Description	Share Capital	Capital reserves, share options and treasury shares	Profit reserves	Accumulated earnings/losses	Other Comprehensive income (loss)	Equity	Non-controlling interests	Consolidated Equity
5.01	Opening balance	543,934	960	86,501	0	154,759	786,154	6	786,160
5.03	Adjusted opening balance	543,934	960	86,501	0	154,759	786,154	6	786,160
5.04	Capital transactions with shareholders	0	0	-24,576	-29,326	0	-53,902	-2	-53,904
5.04.06	Dividends	0	0	-24,576	-29,326	0	-53,902	0	-53,902
5.04.08	Non-controlling capital dilution	0	0	0	0	0	0	-2	-2
5.05	Total comprehensive income (loss)	0	0	0	228,699	-6,710	221,989	0	221,989
5.05.01	Profit (loss) for the period	0	0	0	221,989	0	221,989	0	221,989
5.05.02	Other comprehensive income (loss)	0	0	0	6,710	-6,710	0	0	0
5.05.02.06	Realization – deemed cost	0	0	0	6,710	-6,710	0	0	0
5.06	Internal changes in equity	0	0	-2,385	2,385	0	0	0	0
5.06.04	Realized profit reserve - biological assets	0	0	-2,385	2,385	0	0	0	0
5.07	Closing Balance	543,934	960	59,540	201,758	148,049	954,241	4	954,245

**Consolidated Company Financial Statements / Statement of changes in Equity- 01/01/2020 to 09/30/2020****(All amounts in thousands of Reais)**

Code	Description	Share Capital	Capital reserves, share options and treasury shares	Profit reserves	Accumulated earnings/losses	Other Comprehensive income (loss)	Equity	Non-controlling interests	Consolidated Equity
5.01	Opening balance	161,895	960	11,918	-1,992	163,704	336,485	6	336,491
5.03	Adjusted opening balance	161,895	960	11,918	-1,992	163,704	336,485	6	336,491
5.04	Capital transactions with shareholders	382,039	0	-8,894	0	0	373,145	0	373,145
5.04.01	Capital increase	405,000	0	0	0	0	405,000	0	405,000
5.04.07	Interest on equity	0	0	-8,894	0	0	-8,894	0	-8,894
5.04.08	Costs with share issuance	-22,961	0	0	0	0	-22,961	0	-22,961
5.05	Total comprehensive income (loss)	0	0	0	65,553	-6,709	58,844	0	58,844
5.05.01	Profit (loss) for the period	0	0	0	58,844	0	58,844	0	58,844
5.05.02	Other comprehensive income (loss)	0	0	0	6,709	-6,709	0	0	0
5.05.02.06	Realization – deemed cost	0	0	0	6,709	-6,709	0	0	0
5.06	Internal changes in equity	0	0	-1,839	1,839	0	0	0	0
5.06.04	Realized profit reserve - biological assets	0	0	-1,839	1,839	0	0	0	0
5.07	Closing Balance	543,934	960	1,185	65,400	156,995	768,474	6	768,480

**Consolidated Financial Statements - Statement of Added Value****(All amounts in Thousands of Reais)**

<b>Code</b>	<b>Description</b>	<b>Accumulated Current year 01/01/2021 to 09/30/2021</b>	<b>Accumulated – prior year 01/01/2020 to 09/30/2020</b>
7.01	Revenues	1,547,422	954,813
7.01.01	Sales of goods and/or services	1,522,184	933,497
7.01.02	revenues	24,987	22,467
7.01.04	Provision/reversal for impairment of trade receivables	251	-1,151
7.02	Inputs purchased from third parties	-852,644	-521,635
7.02.01	Cost of sales	-642,794	-347,522
7.02.02	Materials, electricity, outsourced services and other	-209,850	-174,113
7.03	Gross value added	694,778	433,178
7.04	Retentions	-26,081	-46,678
7.04.01	Depreciation, amortization and depletion	-66,816	-55,497
7.04.02	Other	40,735	8,819
7.04.02.01	Changes in the fair value of biological assets	40,735	8,819
7.05	Net value added generated	668,697	386,500
7.06	Value added received through transfer	40,322	23,516
7.06.02	Financial income	40,322	23,516
7.07	Total added value to be distributed	709,019	410,016
7.08	Distribution of added value	709,019	410,016
7.08.01	Personnel	144,326	127,560
7.08.01.01	Direct remuneration	109,500	98,556
7.08.01.02	Benefits	28,991	23,675
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	5,835	5,329
7.08.02	Taxes, duties and contributions	242,350	135,389
7.08.02.01	Federal	163,696	90,552
7.08.02.02	State	77,109	43,090
7.08.02.03	Municipal	1,545	1,747
7.08.03	Third-party capital remuneration	78,253	76,546
7.08.03.01	Interest	72,701	71,612
7.08.03.02	Rentals	5,552	4,934
7.08.04	Remuneration of own capital	231,084	67,392
7.08.04.03	Income/(loss) for the period – withheld	231,084	67,392
7.08.05	Other	13,006	3,129
7.08.05.01	Management profit sharing	13,006	3,129

## Performance Comment

### COMMENTS ON THE COMPANY'S PERFORMANCE ON THE THIRD QUARTER OF 2021

The consolidated interim financial statements were prepared in accordance with Accounting Pronouncement Council CPC 21 (R1) and with IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB).

### Irani records Adjusted EBITDA of R\$ 140,316 thousand in 3Q21, an increase of 152.2% in relation to 3Q20

KEY INDICATORS – CONSOLIDATED <sup>1</sup>	3Q21	2Q21	3Q20	Chg. - 3Q21/ 2Q21	Chg. - 3Q21/ 3Q20	9M21	9M20	Chg. - 9M21/ 9M20	LTM20	LTM20	Chg. LTM21/ LTM20
<b>Economic and Financial (R\$ thousand)</b>											
Net Operating Revenue	432,468	403,137	261,363	7.3%	65.5%	1,191,766	738,670	61.3%	1,482,701	971,642	52.6%
Domestic Market	367,448	340,612	220,764	7.9%	66.4%	1,005,602	590,888	70.2%	1,259,274	794,754	58.4%
Foreign Market	65,020	62,525	40,599	4.0%	60.2%	186,164	147,782	26.0%	223,427	176,888	26.3%
Gross Profit (inclusive*)	179,897	153,696	77,813	17.0%	131.2%	463,951	234,058	98.2%	555,209	299,604	85.3%
(*) Change in fair value of biological assets	14,855	14,069	733	5.6%	1926.6%	40,735	8,819	361.9%	50,290	9,495	429.6%
<b>Gross Margin</b>	<b>41.6%</b>	<b>38.1%</b>	<b>29.8%</b>	<b>3.5 p.p.</b>	<b>11.8 p.p.</b>	<b>38.9%</b>	<b>31.7%</b>	<b>7.2 p.p.</b>	<b>37.4%</b>	<b>30.8%</b>	<b>6.6 p.p.</b>
Operating Result before Taxes and Interest	117,791	91,843	32,333	28.3%	264.3%	292,805	74,904	290.9%	327,815	26,876	1119.7%
<b>Operating Margin</b>	<b>27.2%</b>	<b>22.8%</b>	<b>12.4%</b>	<b>4.4 p.p.</b>	<b>14.8 pp.</b>	<b>24.6%</b>	<b>10.1%</b>	<b>14.5 p.p.</b>	<b>22.1%</b>	<b>2.8%</b>	<b>19.3 p.p.</b>
Profit	97,595	67,691	25,558	44.2%	281.9%	221,989	58,844	277.3%	255,906	72,998	250.6%
<b>Net Margin</b>	<b>22.6%</b>	<b>16.8%</b>	<b>9.8%</b>	<b>-1.5 p.p.</b>	<b>5.5 p.p.</b>	<b>18.6%</b>	<b>8.0%</b>	<b>8.0 p.p.</b>	<b>17.3%</b>	<b>7.5%</b>	<b>7.6 p.p.</b>
Adjusted EBITDA of continuing operation <sup>2</sup>	140,316	119,076	55,637	17.8%	152.2%	359,740	163,455	120.1%	422,164	244,102	72.9%
<b>Adjusted EBITDA margin</b>	<b>32.4%</b>	<b>29.5%</b>	<b>21.3%</b>	<b>2.9 p.p.</b>	<b>11.1 p.p.</b>	<b>30.2%</b>	<b>22.1%</b>	<b>8.1 p.p.</b>	<b>28.5%</b>	<b>25.1%</b>	<b>3.4 p.p.</b>
Net debt (R\$ million)	272.6	259.6	263.0	5.0%	3.6%	272.6	263.0	3.6%	272.6	263.0	3.6%
Net debt/Adjusted EBITDA (x)	0.65	0.77	1.10	-15.6%	-40.9%	0.65	1.10	-40.9%	0.65	1.10	-40.9%
<b>Operating Data (t)</b>											
<b>Corrugated Cardboard Packaging (PO)</b>											
Production/Sales	39,823	40,518	43,167	-1.7%	-7.7%	120,883	113,229	6.8%	163,093	152,371	7.0%
<b>Packaging Paper</b>											
Production	74,000	73,996	75,211	0.0%	-1.6%	223,697	217,837	2.7%	299,131	291,739	2.5%
Sales	31,966	30,634	31,923	4.3%	0.1%	93,731	103,007	-9.0%	126,334	135,987	-7.1%
Domestic Market	28,124	26,137	25,351	7.6%	10.9%	81,105	77,818	4.2%	109,222	106,200	2.8%
Foreign market	3,842	4,497	6,572	-14.6%	-41.5%	12,626	25,189	-49.9%	17,112	29,787	-42.6%
<b>RS Forestry and Resins</b>											
Production	4,097	3,928	3,644	4.3%	12.4%	12,215	11,400	7.1%	15,422	14,179	8.8%
Sales	4,009	3,786	3,146	5.9%	27.4%	12,280	11,084	10.8%	15,138	14,147	7.0%
Domestic Market	130	99	137	31.3%	-5.1%	329	323	1.9%	503	402	25.1%
Foreign market	3,879	3,687	3,009	5.2%	28.9%	11,951	10,761	11.1%	14,635	13,745	6.5%

<sup>1</sup> Excluding discontinued operation in 2019 used for comparative purposes.

<sup>2</sup> EBITDA (earnings before interest, tax, depreciation and amortization) - see the chapter in this release.

- Net revenue in 3Q21 recorded an increase of 65.5% compared to 3Q20 and 7.3% compared to 2Q21, mainly due to the good sales performance and prices in the segments in which the Company operates. Regarding sales, the Packaging Paper segment and the RS Forestry and Resins segment recorded an increase in volumes, while the Corrugated Cardboard Packaging segment (PO) recorded a small decrease in volume compared to 2Q21. In relation to sales prices, all the Company's segments presented an increase in the average prices practiced in this quarter in relation to the previous quarter and compared to 3Q20.
- The sales volume of the Corrugated Cardboard Packaging segment in the 3Q21 decreased 7.7% when compared to 3Q20 and 1.7%, when compared to 2Q21, totaling 39.8 thousand tons. The

## Performance Comment

Packaging Paper segment totaled 32.0 thousand tons, stable when compared to 3Q20, and increased 4.3% when compared to 2Q21, in line with the availability of the products available for sale in the segment. The RS Forestry and Resins segment recorded an increase of 27.4% in volumes when compared to 3Q20, and of 5.9% in comparison to 2Q21, reaching 4.0 thousand tons.

- Gross profit in 3Q21 increased by 131.2% compared to 3Q20 and 17.0% when compared to 2Q21. The growth in 3Q21 is related to the revenue increase and the positive change in the fair value of biological assets, coupled with the stability and cost reduction of raw materials in the period, such as old corrugated containers, which recorded a price reduction.
- Sales expenses totaled R\$ 29,593 thousand in 3Q21, accounting for an increase of 20.9% when compared to 3Q20 and of 17.4% in relation to 2Q21, representing 6.8% of consolidated net revenue, lower than the 9.4% recorded in 3Q20 and higher than 6.3% in 2Q21. Administrative expenses totaled R\$ 18,482 thousand in 3Q21, an increase of 15.9% compared to 3Q20 and a decrease of 2.8% when compared to 2Q21, representing 4.3% of consolidated net revenue (6.1% in 3Q20 and 4.7% in 2Q21).
- In 3Q21, the net profit (loss) was R\$ 97,595 thousand, in comparison to the profit of R\$ 25,558 thousand in 3Q20 and R\$ 67,691 thousand in 2Q21. The main impacts on profit for this quarter were related to the growth in net sales revenue and in gross margin. Also in this quarter, the Company recorded the amount of R\$ 25,197 thousand referring to the non-levy of corporate income tax (IRPJ) and social contribution on net income (CSLL) on the SELIC rate in the repetition of undue payments, which contributed to the growth of the profit presented.
- Adjusted EBITDA in 3Q21 totaled R\$ 140,316 thousand, with a margin of 32.4%, 152.2% higher than that recorded in 3Q20, which was R\$ 55,637 thousand, with a margin of 21.3%, and 17.8% higher when compared to 2Q21, which was R\$ 119,076 thousand, with a margin of 29.5%. This expressive growth in EBITDA is justified by the growth in net revenue and the better margins for all Company's segments in the period.
- The Net Debt/EBITDA ratio was 0.65 times in September 2021, against 0.77 times at the end of June 2021. The improvement in the indicator is due to the increase of 25.1% in EBITDA LTM (in the last 12 months), despite the 5% increase in net debt due to the negative free cash flow for the period due to the disbursements of investment made in Gaia Platform.

## Performance Comment

- The cash position at the end of September 2021 was R\$ 363,177 thousand (composed of financial investments, cash and cash equivalents) and 88% of the gross debt is denominated in the long term, 96% denominated in Reais and 4% denominated in foreign currency.
- Gaia Platform: the 1st cycle investments of Gaia Platform are being made and the schedules are up to date. Contracting of investment packages is ongoing and disbursements for 3Q21 totaled R\$ 96,355 thousand, reaching R\$ 187,379 thousand in the accumulated. On September 22, 2021, the Board of Directors of the Company approved the 2nd investment cycle that will comprise the Gaia Platform, with an estimated investment of R\$ 92,237 thousand.
- At the Board of Directors' meeting held on September 27, 2021, the Company's Repurchase Shares Program was approved, with the objective of maximizing the generation of value for shareholders through an efficient management of the capital structure. The program became effective as of October 1, 2021, with a purchase limit of up to 8,216,880 common shares, accounting for 7.76% of the total outstanding common shares issued by the Company.
- The first Irani Investor Day was held on October 7, 2021. The event was attended by directors, who spoke about the Company's moves, strategy, results, ESG initiatives and investments. The event was held online and live and the recording is available on the IR website ([Access link](#)).

## Highlights of 3Q21

3Q21 was characterized by instability in the international and domestic market. The pace of vaccination accelerated throughout the world and in Brazil, but the consequences of the pandemic on the economy are still being felt. There was a disruption in the supply chain of some materials and supply of electric power in the world that affected growth expectations, especially in China, as well as inflation rates that rose. Brazil also faces the uncertainties brought about by the political and fiscal scenario, as well as the increase in interest rates, which caused additional volatility.

According to Empapel, shipping of corrugated cardboard in tons recorded a 2.5% decrease in 3Q21 compared to 3Q20, with 1,007 thousand tons. In the accumulated for the nine-month period of 2021, shipping of cardboard was 7.2% higher than in the first nine-month period of 2020. The increased use of paper packaging for the food sector, e-commerce, product delivery and for exports has created a favorable environment for the corrugated cardboard and paper packaging sector. The volume decrease in 3Q21 is mainly due to the strong comparison base in 3Q20, which represented the recovery of the industry after the worst moment of the pandemic.

## Performance Comment

Irani's net revenue in 3Q21 grew 65.5% in relation to 3Q20, reflecting the good performance of sales and prices in the segments in which the Company operates, particularly the significant increase in prices in all segments in relation to 3Q20. The domestic market accounted for 85% of the Company's sales, while the foreign market reached 15%.

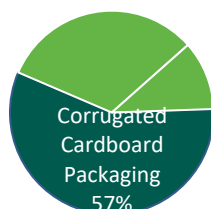
The Corrugated Cardboard Packaging Segment (PO) represented in 3Q21 57% of Irani's net revenue, the Packaging Paper Segment represented 32% and the RS Forestry and Resins Segment, 11%.

Irani ended the quarter with Net Revenue of R\$ 432,468 thousand, Net Profit of R\$ 97,595 thousand and Adjusted EBITDA of R\$ 140,316 thousand. The net debt/EBITDA ratio (operating leverage) was 0.65 times and the cash position was R\$ 363,177,000. As of September 30, 2021, the gross indebtedness totaled R\$ 635,739 thousand, 88% of which maturing in the long term and 96% in local currency.

### 1. OPERATING PERFORMANCE

#### 1.1 Corrugated Cardboard Packaging Segment (PO)

Revenue Contribution 3Q21



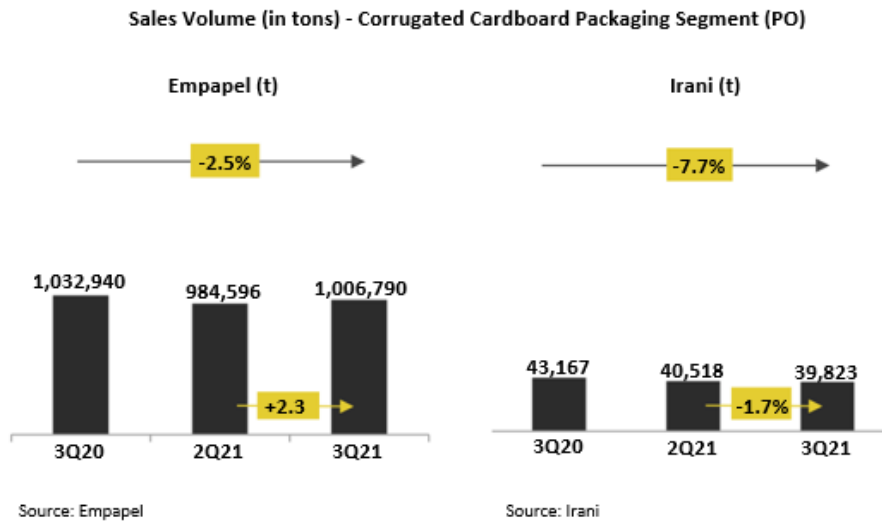
The sales volume of corrugated cardboard packaging in the Empapel Market in tons, as presented in the charts below, decreased 2.5% in 3Q21 when compared to 3Q20, as did the sales volume performance in the Irani Market, which decreased 7.7%, totaling 39,823 tons. Compared to 2Q21, Empapel Market increased 2.3%, while Irani Market decreased 1.7%.

In tons, Irani's market share in the Corrugated Cardboard Packaging Segment was 4.0% in 3Q21, 4.2% in 3Q20 and 4.1% in 2Q21.

The box sales volume in 3Q21 of the Irani Market recorded a decrease of 9.1% compared to 3Q20, and a decrease of 2.9% when compared to 2Q21. The sales of sheets in Irani Market decreased 2.8% in relation to 3Q20 and increased 2.7% when compared to 2Q21.

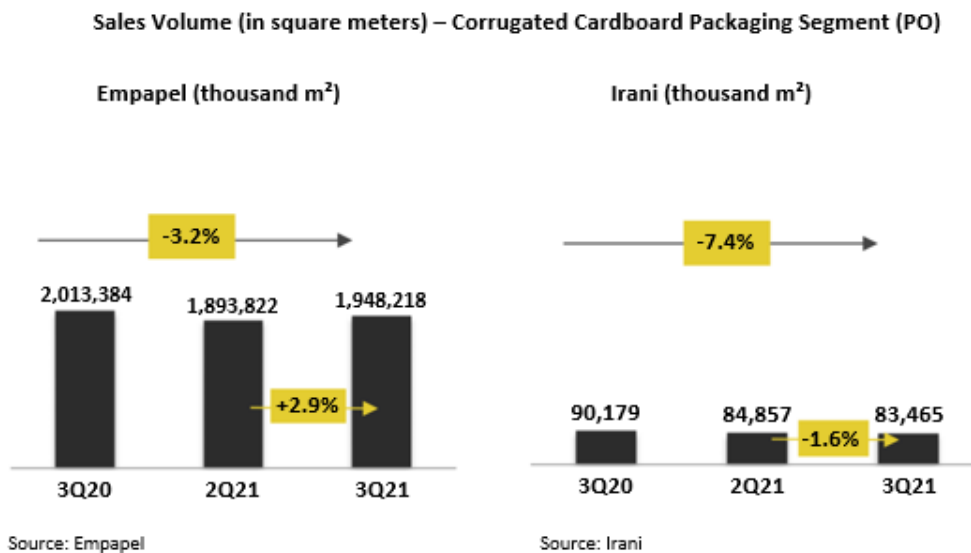
SP Indaiatuba and SC Campina da Alegria Packaging units accounted for respectively 59% and 41% of the total sold in the 3Q21 in corrugated cardboard, whose productions are entirely destined to the domestic market.

### Performance Comment



3Q21 Empapel Market (in tons) are prior to closing. There may be changes in the official data.

In square meters (m<sup>2</sup>) the sales volume of corrugated cardboard packaging of the Empapel Market presented a decrease of 3.2% in 3Q21 when compared to 3Q20, when Irani Market recorded decrease of 7.4%. Compared to 2Q21, Empapel Market increased 2.9%, while the Irani Market recorded a 1.6% reduction. In square meters, the Irani Market’s share was 4.3% in 3Q21 and 4.5% in 3Q20 and 2Q21.



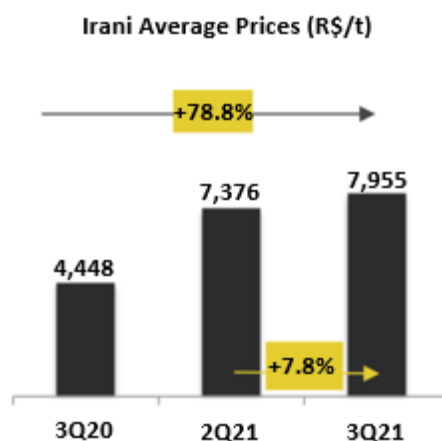
3Q21 Empapel Market (in sqm) are prior to closing. There may be changes in the official data.

The volume of SP Indaiatuba Packaging plant reached 17,497 tons of boxes and 6,004 tons of plates in 3Q21 against 18,668 tons of boxes and 6,045 tons of plates in 3Q20.

## Performance Comment

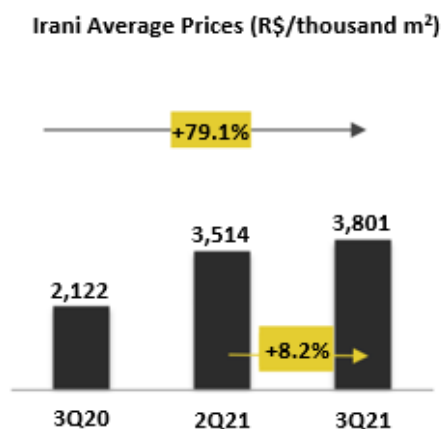
The volume of SC Campina da Alegria Packaging plant recorded 13,502 tons of boxes and 2,820 tons of plates in 3Q21, against 15,421 tons of boxes and 3,033 tons of plates in 3Q20.

The average Irani price (CIF) in tons increased 78.8% in 3Q21 compared to 3Q20. In the comparison with 2Q21, the Irani market increased 7.8%.



Note on methodology: IRANI prices exclude Excise Tax (IPI), Social Contribution on Revenues (COFINS) and Value-added Tax on Sales and Services (ICMS) and are adjusted in accordance with the market mix of boxes and sheets.

The Irani average price (CIF) in square meters increased 79.1% in 3Q21 compared to 3Q20. In the comparison with 2Q21, the Irani market increased 8.2%.



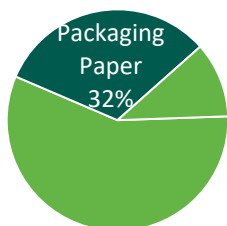
Note on methodology: IRANI prices exclude Excise Tax (IPI), Social Contribution on Revenues (COFINS) and Value-added Tax on Sales and Services (ICMS) and are adjusted in accordance with the market mix of boxes and sheets.

Prices per m<sup>2</sup> reflect better the market dynamics as they do not consider possible changes in the grammage of the papers used to manufacture boxes and sheets.

## Performance Comment

### 1.2 Packaging Paper Segment

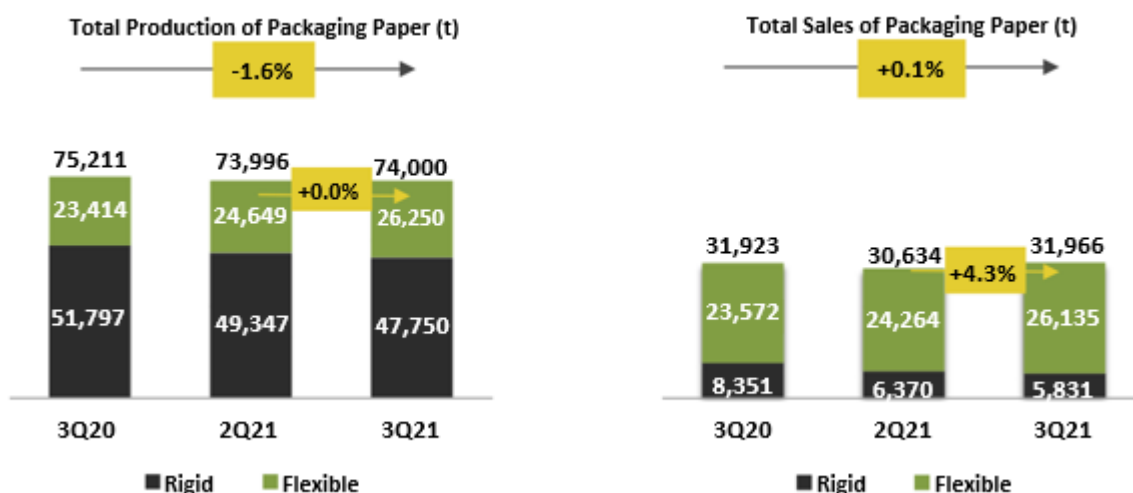
Revenue Contribution 3Q21



Irani operates in the Packaging Paper Segment, in the markets of papers for rigid packaging (Corrugated Cardboard) and for flexible packaging (bagging).

The Company's total production of Packaging Paper in the quarter was 1.6% lower when compared to 3Q20, and stable in relation to 2Q21. Sales were

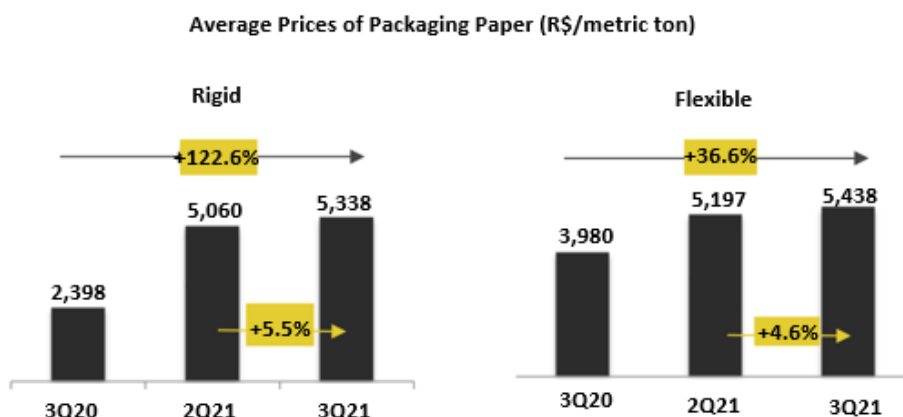
stable compared to 3Q20 and recorded an increase of 4.3% compared to 2Q21.



In 3Q21, internal paper transfers for rigid packaging (PO) totaled 41,891 tons (43,546 tons in 3Q20 and 42,834 tons in 2Q21). A total of 23,547 tons (24,375 tons in 3Q20 and 24,288 tons in 2Q21) were sent to SP Indaiatuba Packaging Plant, while 18,344 tons (19,171 tons in 3Q20 and 18,546 tons in 2Q21) were transferred to the SC Campina da Alegria packaging in 3Q21. In 3Q21, from the total of internal transfers, 56% were to the SP Indaiatuba packaging plant and 44% were to the SC Campina da Alegria packaging.

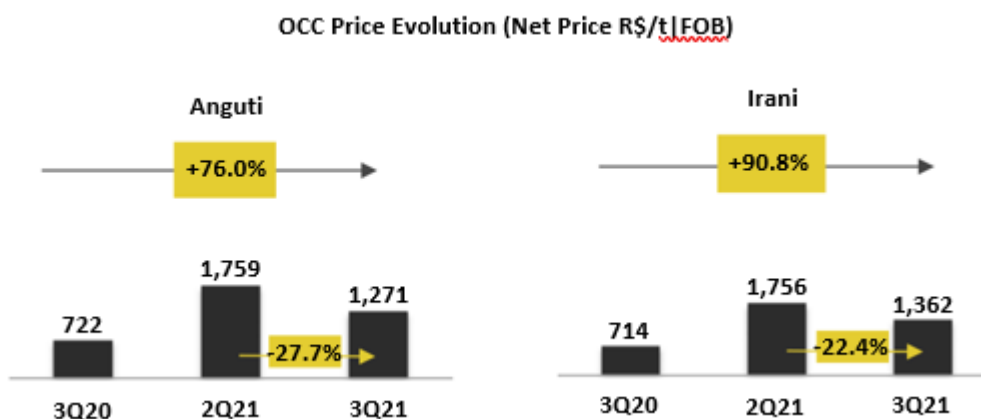
The rigid packaging paper recorded an increase of 122.6% in the prices for 3Q21 when compared to those practiced in 3Q20, and 5.5% when compared to 2Q21. On the other hand, the prices of flexible packaging papers increased 36.6% of the 3Q21 in comparison with 3Q20 and 4.6% in relation to 2Q21.

## Performance Comment



### OCC (Old Corrugated Containers)

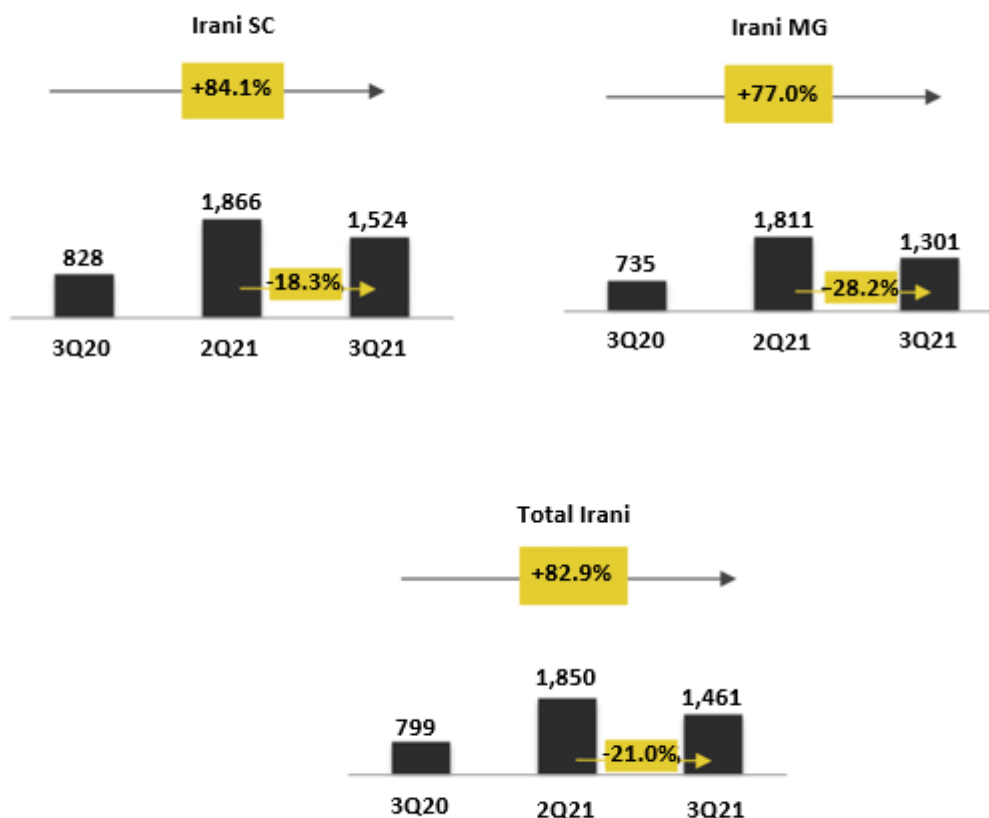
The Packaging Paper segment uses OCC (used paper) as raw material to manufacture most of its products, mainly those used for the production of Corrugated Cardboard Boxes and Plates in the Company’s Corrugated Cardboard Packaging segment. OCC accounted for 35% of the total paper production cost in 3Q21. The OCC market undergoes changes related to population consumption, due to the collection of boxes discarded by wholesalers, businesses and consumers and related to the demand for recycled paper, among other factors. During the third quarter of 2021, the OCC prices had a reduction and are presented in the chart below:



Note on methodology: Anguti Statistics – OCC Report.

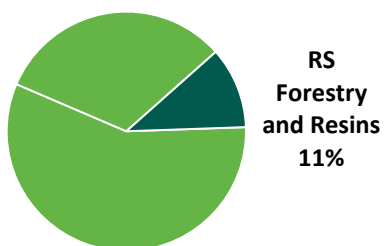
### Performance Comment

OCC Evolution (Net Price R\$/t(CIF))



### 1.3 RS Forestry and Resins Segment

Revenue Contribution 3Q21

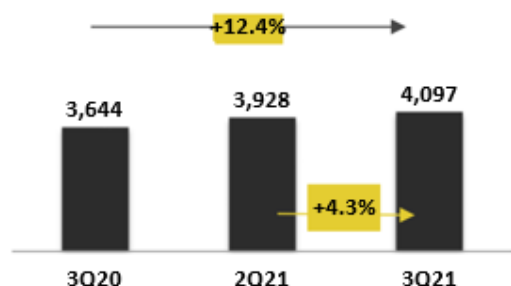


The Rio Grande do Sul Forestry segment produced and commercialized 18 thousand cubic meters of pine logs to the local market in 3Q21 (11 thousand cubic meters in 3Q20) and supplied 327 tons of in natura resins (254 tons in 3Q20) to be utilized in the industrial process of manufacturing gum rosin and turpentine.

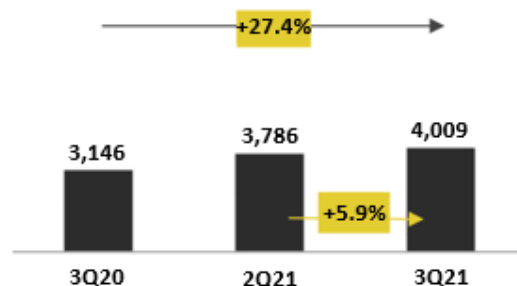
The production volume in the RS Balneário Pinhal Resin unit in 3Q21 presented increase of 12.4% when compared to 3Q20 and a 4.3% increase when compared to 2Q21. Sales volume increased by 27.4% when compared to 3Q20 and by 5.9% when compared to 2Q21.

## Performance Comment

Production of Gum Rosin and Turpentine (t)

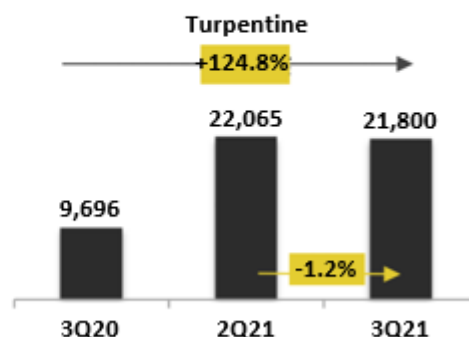
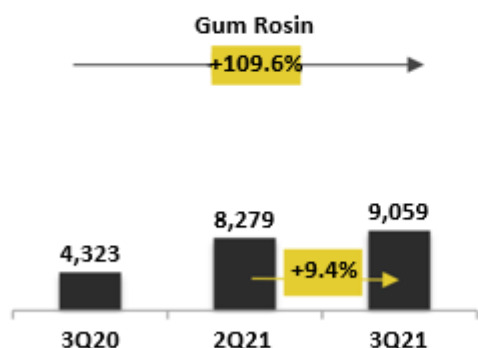


Sale of Gum Rosin and Turpentine (t)



In 3Q21, the average gross price of Gum Rosin was 109.6% higher than 3Q20 and 9.4% higher when compared to 2Q21. Turpentine increased 124.8% when compared to 3Q20 and a 1.2% decrease in relation to 2Q21. The price of these products changes according to the foreign market and exchange rate.

Average Prices (R\$/t)



## 2. ECONOMIC AND FINANCIAL PERFORMANCE

### 2.1 Net Operating Revenue

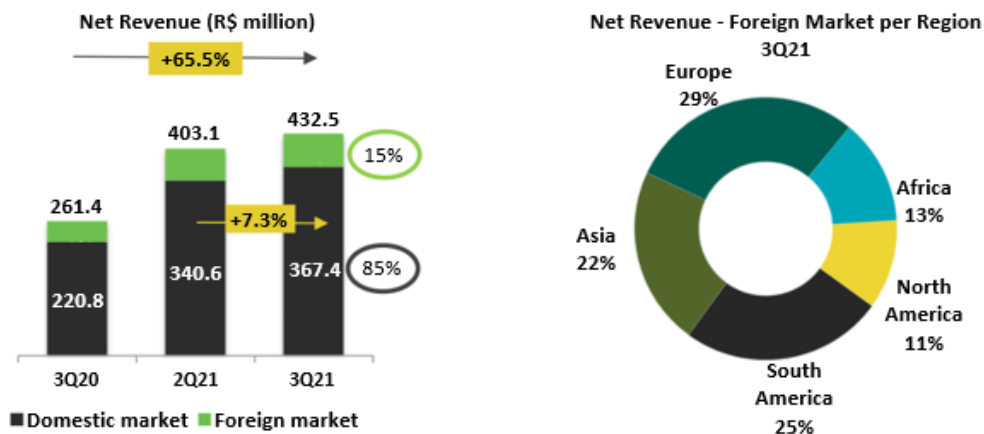
Net operating revenue in 3Q21 reached R\$ 432,468 thousand, an increase of 65.5% compared to 3Q20 and of 7.3% compared to 2Q21, mainly due to the good sales performance and prices in the segments in which the Company operates. Regarding sales, the Packaging Paper segment and the RS Forestry and Resins segment recorded an increase in volumes, while the Corrugated Cardboard Packaging segment (PO) recorded a small decrease in volume compared to 2Q21. Regarding sales

### Performance Comment

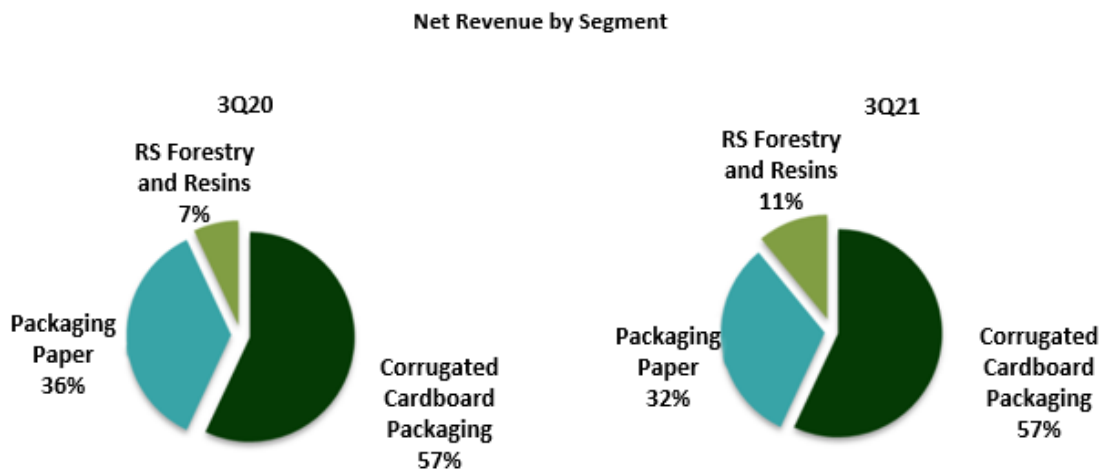
prices, all the Company’s segments presented an increase in the average prices practiced in this quarter in relation to the previous quarter and compared to 3Q20.

In the domestic market, net operating revenue was R\$ 367,448 thousand in the quarter and had an increase of 66.4% when compared to that one of 3Q20 and an increase of 7.9% in relation to 2Q21. Revenue in the domestic market accounted for 85% of Irani’s total revenue in the 3Q21.

In 3Q21, exports totaled R\$ 65,020 thousand, an amount 60.2% higher than 3Q20 and 4.0% higher than 2Q21, representing 15% of total net operating revenue. Europe was the main destination for exports, concentrating 29% of foreign market revenue, followed by South America with 25%. The other markets are: Asia (22%), Africa (13%) and North America (11%).



Irani’s main segment of operation is the Corrugated Cardboard Packaging, which accounts for 57% of consolidated net revenue in 3Q21, followed by the segments of Packaging Paper with 32%, and RS Forestry and Resins, with 11%.

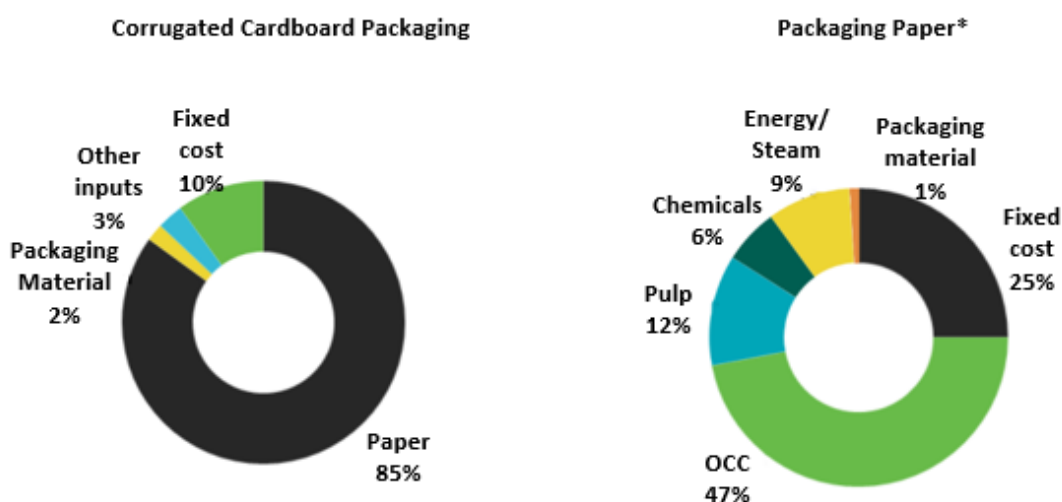


## Performance Comment

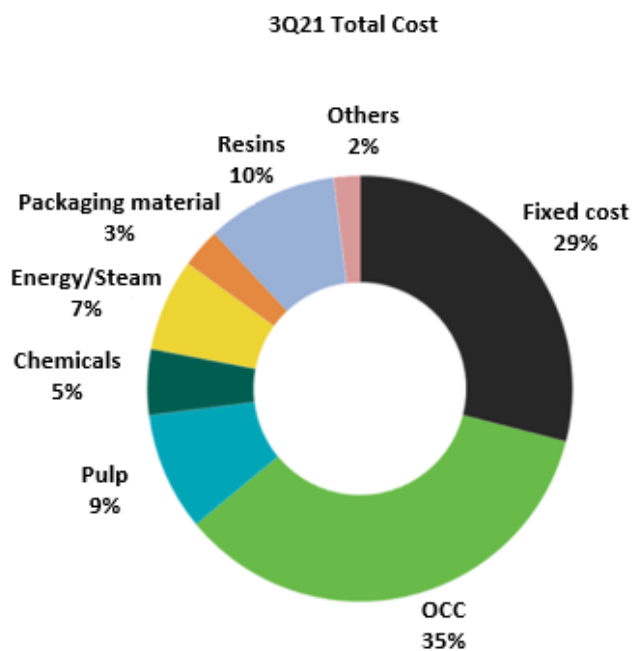
### 2.2 Cost of Goods Sold

The cost of products sold in 3Q21 was R\$ 267,426 thousand, 45.1% higher than in 3Q20, due to the increase in the cost of inputs, especially paper trimmings. The change in the fair value of biological assets is not being considered in the cost of sales for any of the periods.

The formation of the cost per Irani's segment of operation in 3Q21 is shown in the graphs below.



\*the formation of the cost of the Packaging Paper segment does not consider the change in the fair value of biological assets.



## Performance Comment

### 2.3 Operating Revenues and Expenses

Sales expenses in 3Q21 totaled R\$ 29,593 thousand, 20.9% higher when compared to 3Q20, and account for 6.8% of consolidated net revenue, compared to 9.4% in 3Q20.

General and administrative expenses totaled R\$ 18,482 thousand in 3Q21 (R\$ 15,943 thousand in 3Q20), accounting for an increase of 15.9% compared to 3Q20, representing 4.3% of consolidated net revenue, when compared to 6.1% in 3Q20.

Other operating revenues/expenses resulted in a revenue of R\$ 2,189 thousand in 3Q21, against a revenue of R\$ 9,447 thousand in 3Q20.

### 3. OPERATING CASH GENERATION (ADJUSTED EBITDA)

Consolidated (R\$ thousand)	3Q21	2Q21	3Q20	Chg. - 3Q21/ 2Q21	Chg. - 3Q21/ 3Q20	9M21	9M20	Chg. - 9M21/ 9M20	LTM20	LTM20	Chg. LTM21/ LTM20
<b>Operating Result before Taxes and Interest</b>	<b>117,791</b>	<b>91,843</b>	<b>32,333</b>	<b>28.3%</b>	<b>264.3%</b>	<b>292,805</b>	<b>74,904</b>	<b>290.9%</b>	<b>327,815</b>	<b>26,876</b>	<b>1119.7%</b>
Depletion	4,825	5,221	1,650	-7.6%	192.4%	14,622	8,324	75.7%	18,070	53,938	-66.5%
Depreciation and Amortization	17,580	17,203	17,307	2.2%	1.6%	52,194	47,173	10.6%	70,485	61,824	14.0%
Financial Results	8,828	16,549	11,303	-46.7%	-21.9%	32,379	48,096	-32.7%	39,883	133,275	-70.1%
<b>EBITDA</b>	<b>149,024</b>	<b>130,816</b>	<b>62,593</b>	<b>13.9%</b>	<b>138.1%</b>	<b>392,000</b>	<b>178,497</b>	<b>119.6%</b>	<b>456,253</b>	<b>275,913</b>	<b>65.4%</b>
<b>EBITDA Margin</b>	<b>34.5%</b>	<b>32.4%</b>	<b>23.9%</b>	<b>2.1 p.p.</b>	<b>10.6 p.p.</b>	<b>32.9%</b>	<b>24.2%</b>	<b>8.7 p.p.</b>	<b>30.8%</b>	<b>28.4%</b>	<b>2.4 p.p.</b>
<b>Adjustments according to CVM Instruction 527/12</b>											
Change in fair value of biological assets <sup>(1)</sup>	(14,855)	(14,069)	(733)	5.6%	1926.6%	(40,735)	(8,819)	361.9%	(50,290)	(9,495)	429.6%
Non-recurring events <sup>(2)</sup>	(1,189)	(3,341)	(9,352)	-64.4%	-87.3%	(4,531)	(9,352)	-51.6%	(3,761)	(25,445)	-85.2%
Management profit sharing <sup>(3)</sup>	7,336	5,670	3,129	29.4%	134.5%	13,006	3,129	315.7%	19,962	3,129	538.0%
<b>Adjusted EBITDA of continuing operation</b>	<b>140,316</b>	<b>119,076</b>	<b>55,637</b>	<b>17.8%</b>	<b>152.2%</b>	<b>359,740</b>	<b>163,455</b>	<b>120.1%</b>	<b>422,164</b>	<b>244,102</b>	<b>72.9%</b>
<b>Adjusted EBITDA margin</b>	<b>32.4%</b>	<b>29.5%</b>	<b>21.3%</b>	<b>2.9 p.p.</b>	<b>11.1 p.p.</b>	<b>30.2%</b>	<b>22.1%</b>	<b>8.1 p.p.</b>	<b>28.5%</b>	<b>25.1%</b>	<b>3.4 p.p.</b>
Adjusted EBITDA of discontinued operation	-	-	-	-	-	-	-	-	-	(5,072)	-
<b>Adjusted EBITDA</b>	<b>140,316</b>	<b>119,076</b>	<b>55,637</b>	<b>17.8%</b>	<b>152.2%</b>	<b>359,740</b>	<b>163,455</b>	<b>120.1%</b>	<b>422,164</b>	<b>239,030</b>	<b>76.6%</b>

<sup>1</sup> Change in the fair value of biological assets, since it does not mean cash reduction in the period.

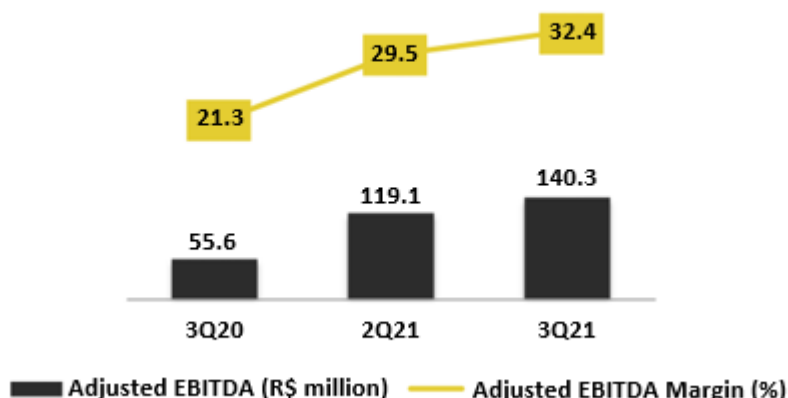
<sup>2</sup> Non-recurring events in 3Q21 (R\$ 1,189 thousand) refer to R\$ 1,176 thousand from the sale of assets arising from the discontinued operation and (R\$ 2,365 thousand) regarding the credit of a lawsuit on abusive interest (SP - court-ordered debt payments)

<sup>3</sup> Management profit sharing: The amount of R\$ 7,336 thousand refers to the provision for management participation in the Company's results.

Operating cash generation, as measured by Adjusted EBITDA from continuing operation, totaled R\$ 140,316 thousand in 3Q21, 152.2% higher than in 3Q20, with a 32.4% margin and an increase of 11.1 percentage points. When compared to 2Q21, Adjusted EBITDA was 17.8% higher, which represents an increase of 2.9 percentage points. This expressive growth in EBITDA is justified by the growth in net revenue and the better margins for all Company's segments in the period.

## Performance Comment

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



## 4. FINANCE RESULT AND INDEBTEDNESS

The finance result is as follows:

R\$ thousand	3Q21	2Q21	3Q20	9M21	9M20	LTM21 <sup>1</sup>	LTM20 <sup>1</sup>
Finance income	23,794	3,639	13,877	40,322	23,516	45,060	29,493
Finance costs	(32,622)	(20,188)	(25,180)	(72,701)	(71,612)	(84,943)	(162,768)
<b>Financial result</b>	<b>(8,828)</b>	<b>(16,549)</b>	<b>(11,303)</b>	<b>(32,379)</b>	<b>(48,096)</b>	<b>(39,883)</b>	<b>(133,275)</b>
Foreign exchange income	17,124	-	4,770	27,700	10,879	29,892	14,592
Foreign exchange costs	(14,776)	(5,829)	(5,603)	(29,550)	(12,695)	(30,566)	(70,435)
<b>Net exchange-rate change</b>	<b>(2,348)</b>	<b>(5,829)</b>	<b>(833)</b>	<b>(1,850)</b>	<b>(1,816)</b>	<b>(674)</b>	<b>(55,843)</b>
Finance income without exchange rate change	6,670	3,639	9,107	12,622	12,637	15,168	14,901
Finance costs without exchange rate change	(17,846)	(14,359)	(19,577)	(43,151)	(58,917)	(54,377)	(92,333)
<b>Finance result without exchange-rate change</b>	<b>(11,176)</b>	<b>(10,720)</b>	<b>(10,470)</b>	<b>(30,529)</b>	<b>(46,280)</b>	<b>(39,209)</b>	<b>(77,432)</b>

<sup>1</sup>Accumulated in the last twelve months.

The finance result, with no exchange-rate change, was negative by R\$ 11,176 thousand in 3Q21 compared to R\$ 10,470 thousand in the 3Q20 and R\$ 10,720 thousand in 2Q21. The increase in 3Q21 compared to 3Q20 and 1Q21 is mainly due to: (i) to the normalization of the monetary policy through the increase in the SELIC rate and its impact on the average cost of debt, (ii) as well as the increase in net debt mainly due to the disbursements of investment made in Gaia Platform.

The exchange-rate change negatively impacted the Company's profit (loss) by R\$ 2,348 thousand in 3Q21, compared to a negative impact of R\$ 833 thousand in 3Q20 and R\$ 5,829 thousand in 2Q21. The negative foreign exchange in this quarter is due to the devaluation of the Real against the US dollar, its impact on trade accounts receivable and the debt balance in foreign currency.

## Performance Comment

As of September 30, 2021, the Company maintained only 4% of its debt in foreign currency.

Considering the aforementioned factors, the financial result was negative by R\$ 8,828 thousand in 3Q21, accounting for a decrease of 21.9% compared to 3Q20, and a decrease of 46.7% in relation to 2Q21.

### Exchange Rate

The exchange rate which was R\$ 5.64/US\$ on September 30, 2020, was 3.55% lower at the end of September 2021, and reached R\$ 5.44/US\$. The average exchange rate for this quarter was R\$ 5.23/US\$, 1.32% lower when compared to exchange rate of the 2Q21 and 2.79% lower when compared to the one of the same period of 2020.

R\$ thousand	3Q21	2Q21	3Q20	$\Delta$ 3Q21/2Q21	$\Delta$ 3Q21/3Q20
Average Dollar	5.23	5.30	5.38	-1.32%	-2.79%
Final Dollar	5.44	5.00	5.64	+8.80%	-3.55%

Source: Brazilian Central Bank (Bacen)

### Indebtedness

The consolidated net indebtedness on September 30, 2021 totaled R\$ 272,562 thousand against R\$ 259,604 thousand on June 30, 2021, representing an increase of 5.0% or R\$ 12,958 thousand due to the negative free cash flow in the period, mainly due to the disbursements of investments made in Gaia Platform.

The consolidated net indebtedness on September 30, 2021 totaled R\$ 635,739 thousand, stable when compared to R\$ 634,209 thousand on June 30, 2021.

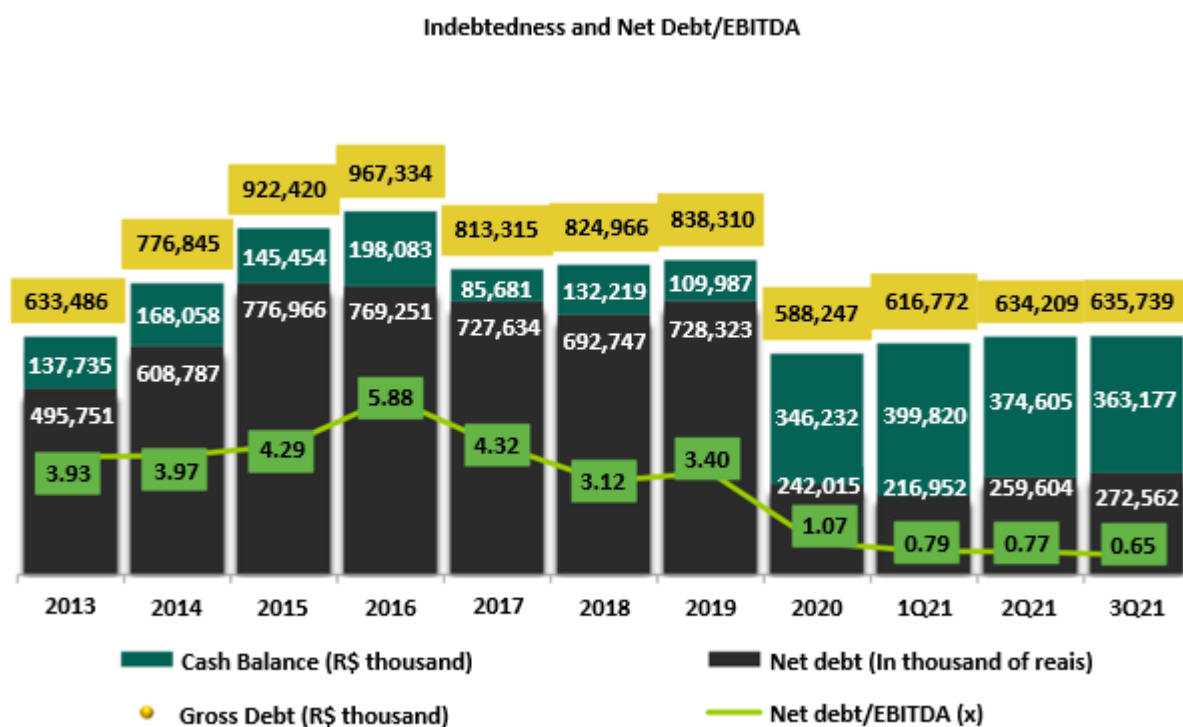
As of September 30, 2021, the gross indebtedness profile presented 12% of debts maturing in the short term and 88% in the long term and 96% was denominated in local currency and 4% in foreign currency. The average cost of debt was 8.24% per annum as of September 30, 2021.

The cash position at the end of September 2021 was R\$ 363,177 thousand (comprised by financial investments, cash and cash equivalents), compared to R\$ 374,605 thousand as of June 30, 2021. The reduction in the cash balance is due to the negative free cash flow for the period, mainly due to the disbursements of investments made in Gaia Platform.

## Performance Comment

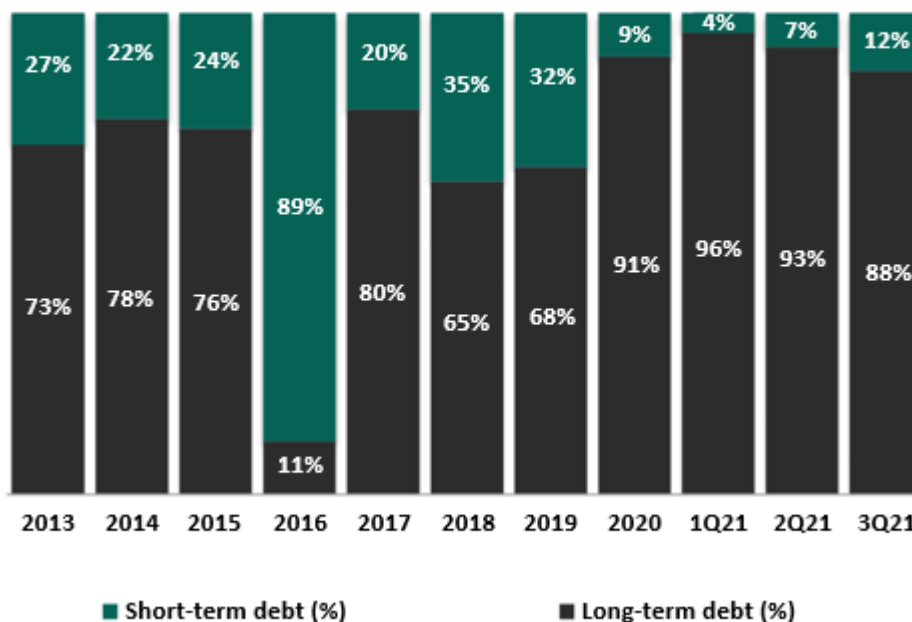
The Net Debt/EBITDA ratio was 0.65 times in September 2021, against 0.77 times at the end of June 2021. The improvement in the indicator is due to the increase of 25.1% in EBITDA LTM (in the last 12 months), despite the 5% increase in net debt due to the negative free cash flow for the period due to the disbursements of investment made in Gaia Platform, as mentioned.

According to a Material Fact dated May 28, 2021, the Company’s Board of Directors approved the contracting of financing with Agência Especial de Financiamento Industrial S.A. - FINAME (BNDES), in the amount of up to R\$ 484,000 thousand, to be used in the execution of the planned investments in the Gaia Platform. The granting of financing to the Company was approved by the FINAME Executive Board on May 27, 2021, under the credit facility named FINAME DIRETO, and the agreement was signed on May 31, 2021. The inflow of funds will occur upon release requests, as the acquisitions and payment for the Gaia Platform equipment are made. Up to September 30, 2021, there was no inflow of funds from said financing

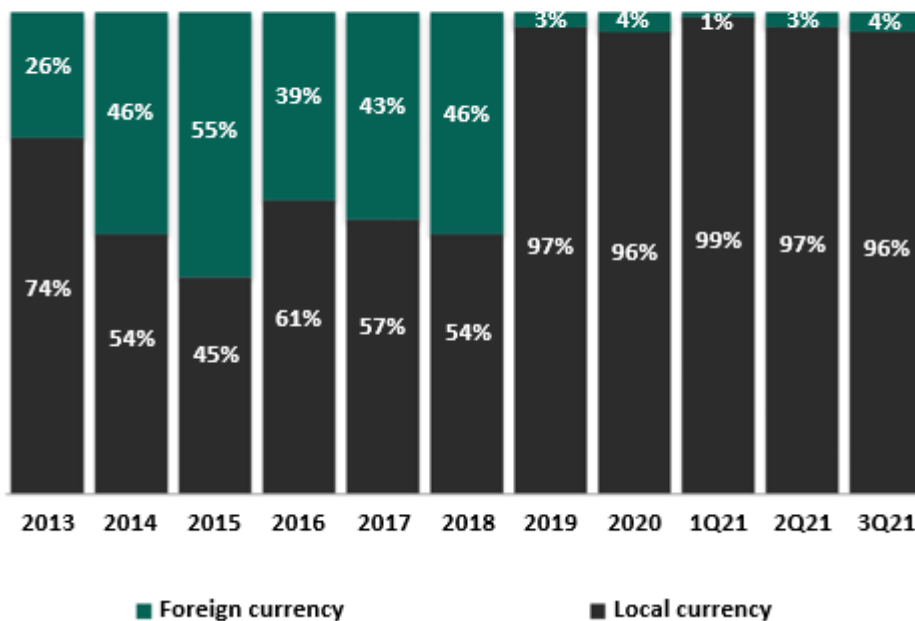


## Performance Comment

Profile of gross indebtedness



Breakdown of Gross Indebtedness



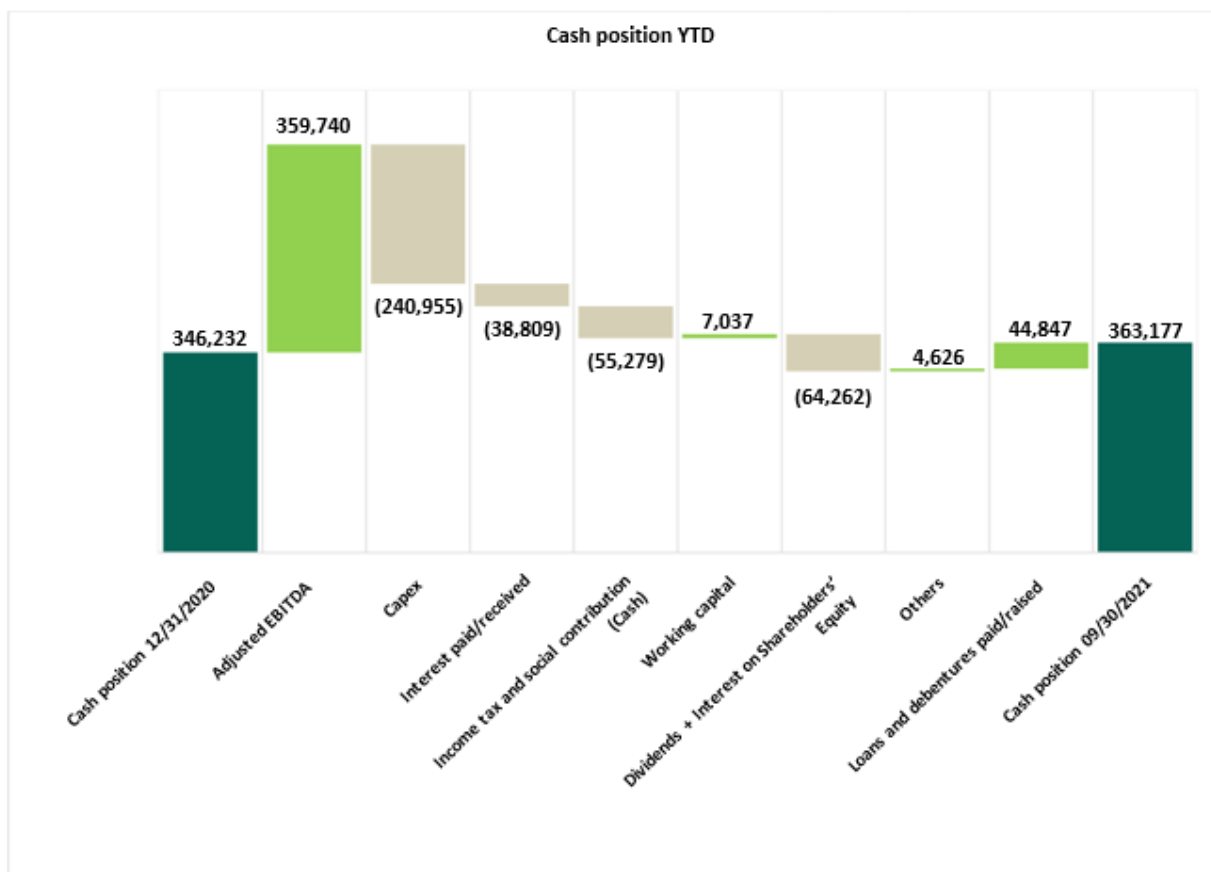
## Performance Comment

### 5. CREDIT RATING

On July 5, 2021, S&P Global Rating upgraded Irani’s long-term issuer credit rating from 'brA' to 'brAA' on the Brazilian National Scale. The ratings assigned to debenture issues (3rd Public Issue and 4th Private Issue) were also upgraded from ‘brA+’ to ‘brAA+’. According to the rating agency, the stable outlook of the issuer rating indicates the expectation that Irani will maintain a growing cash generation in the coming years, with greater profitability and strengthening its credit metrics, in addition to the expectation that the company will remain as an isolated entity in relation to refinancing risks at the level of the controlling group.

### 6. CASH POSITION

The Company’s cash position, which was R\$ 346,232 thousand on December 31, 2020, recorded a growth of 4.9% in the nine-month period of 2021, closing at R\$ 363,177 on September 30, 2021. The sources and investments of funds are presented as follows:



## Performance Comment

### 7. FREE CASH FLOW

Free cash flow	3Q21	2Q21	3Q20	LTM20	LTM20
<b>Adjusted EBITDA</b>	<b>140,316</b>	<b>119,076</b>	<b>55,637</b>	<b>422,164</b>	<b>239,030</b>
(-) Capex	(119,506)	(89,665)	(17,280)	(263,260)	(74,490)
(-) Interest paid/received	(19,498)	(1,143)	(30,974)	(42,774)	(72,898)
(-) Income tax and social contribution (cash)	(25,391)	(20,631)	(4,123)	(66,253)	(10,456)
(+/-) Working capital	19,171	5,863	28,600	16,584	19,498
(-) Dividends + Interest on shareholders' equity	(16,441)	(37,460)	(8,856)	(70,172)	(10,634)
(+/-) Others	2,259	2,362	121	7,905	51,941
<b>Free cash flow</b>	<b>(19,090)</b>	<b>(21,598)</b>	<b>23,125</b>	<b>4,194</b>	<b>141,991</b>
Dividends + Interest on shareholders' equity	16,441	37,460	8,856	70,172	10,634
Gaia Platform	96,355	73,297	-	188,905	-
Expansion Projects	375	765	4,316	4,255	21,388
<b>Adjusted Free Cash Flow<sup>1</sup></b>	<b>94,081</b>	<b>89,924</b>	<b>36,297</b>	<b>267,526</b>	<b>174,013</b>
<b>Adjusted FCF Yield<sup>2</sup></b>				<b>22.9%</b>	<b>23.3%</b>

<sup>1</sup> Excluding dividends and interest on own capital, Gaia platform and Expansion Projects

<sup>2</sup> Yield - Adjusted Free Cash Flow divided by average market value in the LTM.

Adjusted Free Cash Flow, disregarding investments in Gaia Platform and other Expansion Projects, as well as dividends and interest on shareholders' equity paid to stockholders, was R\$ 94,081 thousand for 3Q21, an increase of 4.6% compared to 2Q21 and of 159.2% in relation to 3Q20.

The strong operating cash generation (EBITDA) contributed positively to free cash flow, justified by the growth in net revenue and the better margins for all the Company's segments in the period.

The increase in interest paid in relation to the previous quarter refers to the seasonal payment in the months of January and July of the interest on the 3rd Issue of Green Debentures (CELU13).

The higher payment of income tax and social contribution on net income in this quarter is due to the increase in profit for the period. The positive Working Capital in this quarter is mainly due to the offset of federal taxes (IPI, PIS and COFINS) due to lawsuits claiming the exclusion of ICMS from the PIS and COFINS basis, in view of variations in other cyclical accounts. The offsetting of said lawsuits ended this quarter.

In this quarter, R\$ 16,441 thousand were distributed as dividends referring to the 2Q21 result. The amount represents an increase of 28.0% in relation to the quarterly dividends distributed in 2Q21, referring to the results of 1Q21. In that quarter, R\$ 24,575 thousand were also distributed, corresponding to additional dividends from the result for the year 2020. Said

## Performance Comment

amounts are in line with the Company's Dividend Distribution and Payment of Interest on Shareholders' Equity Policy.

In the last 12 months ended September 30, 2021, the Adjusted Free Cash Flow totaled R\$ 269,526 thousand, accounting for an increase of 53.7% in relation to the R\$ 174,013 thousand recorded in the 12-month period ended September 30, 2020. The positive working capital contributed positively to this increase, in addition to the strong operating cash generation, the lowest interest payment due to the i) the public offering of shares, resulting in a net inflow of R\$ 382,039 thousand in cash in 2020 and (ii) measures of financial asset and liability management, which involved the settlement of debts at an inappropriate cost to the new capital structure throughout 2020.

The Free Cash Flow Yield was 22.9% in the last 12 months ended September 30, 2021, accounting for a decrease of 0.40 pp in relation to that determined in the last 12 months ended September 30, 2020. The decrease is due to the increase in the shareholder base and the increase in the average price of the Company's share (RANI3).

### 8. RETURN ON INVESTED CAPITAL (ROIC)

Return on Invested Capital (ROIC) was 22.2% in the last 12 months, accounting for an increase of 4.4 p.p. compared to the 12-month period ended September 30, 2021. This increase is due to the significant increase in Adjusted EBITDA, compared to the slight decrease in the average invested capital, owing to the investment of funds in the Gaia Platform.

This is the Company's highest historical ROIC and demonstrates its commitment to generating consistent returns above the cost of capital.

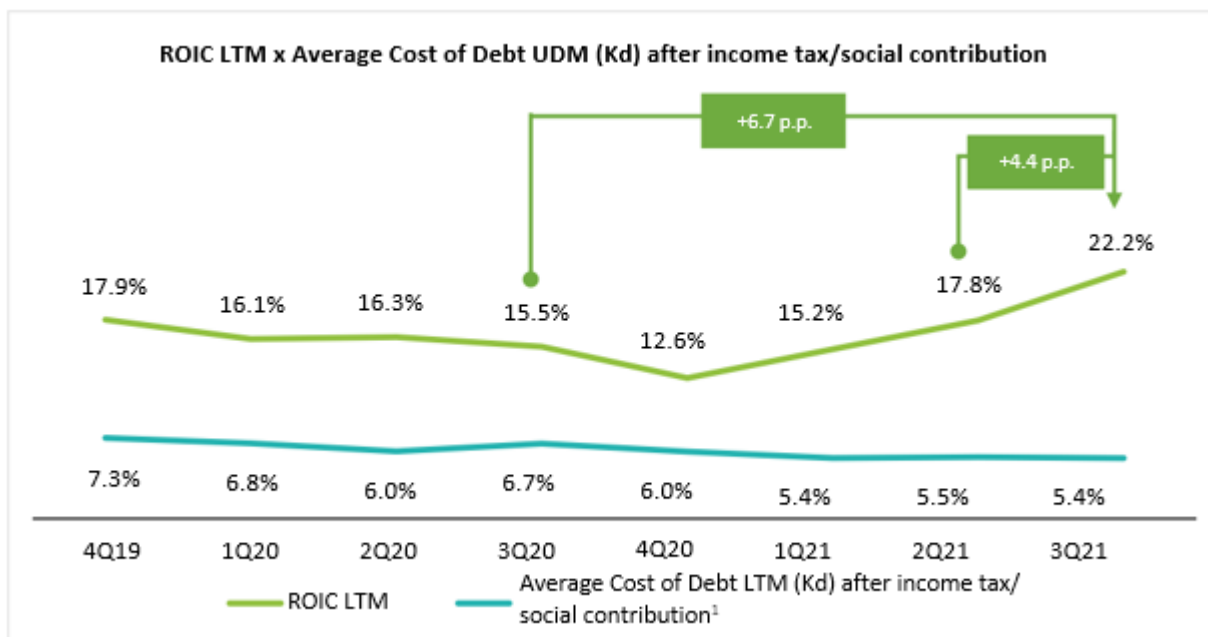
ROIC (R\$ thousand) - LTM <sup>1</sup>	3Q21	2Q21	3Q20
<b>Total Assets</b>	<b>1,945,752</b>	<b>1,878,269</b>	<b>1,634,193</b>
(-) Total liabilities (former debt)	(462,921)	(440,714)	(406,030)
(-) Works in progress	(118,103)	(65,822)	(41,763)
<b>Capital invested</b>	<b>1,364,728</b>	<b>1,371,733</b>	<b>1,186,400</b>
(-) Adjustment - CPC 29 <sup>2</sup>	(76,372)	(68,791)	(51,737)
<b>Adjusted Invested Capital</b>	<b>1,288,356</b>	<b>1,302,942</b>	<b>1,134,664</b>
<b>Adjusted EBITDA</b>	<b>422,166</b>	<b>337,487</b>	<b>239,030</b>
(-) Capex for Maintenance	(70,100)	(60,288)	(53,102)
(-) Income tax and social contribution (cash)	(66,253)	(44,985)	(10,456)
<b>Adjusted operating cash flow</b>	<b>285,813</b>	<b>232,215</b>	<b>175,472</b>
<b>ROIC<sup>3</sup></b>	<b>22.2%</b>	<b>17.8%</b>	<b>15.5%</b>

<sup>1</sup> Average of balance sheet balances for the last 4 quarters (Last Twelve Months)

<sup>2</sup> Differential of fair value of biological assets less Deferred Taxes of the Fair Value of biological assets

<sup>3</sup> ROIC (Last Twelve Months): Adjusted operating cash flow / Adjusted invested capital

## Performance Comment



<sup>1</sup> Average Cost of Debt LTM (Kd) after income tax/social contribution: LTM interest / average gross debt in the last 4 quarters deducted from income tax/social contribution of 34%

## 9. PROFIT

In 3Q21, the profit was R\$ 97,595 thousand, in comparison to the profit of R\$ 25,558 thousand in 3Q20 and R\$ 67,691 thousand in 2Q21. In the last twelve months, profit was R\$ 255,906 thousand, compared to a profit of R\$ 72,998 thousand in the same period of last year. The main impacts on profit for this quarter were related to the growth in net revenue and to the growth in gross margin. Also in this quarter, the Company recorded the amount of R\$ 25,197 thousand referring to the non-levy of corporate income tax (IRPJ) and social contribution on net income (CSLL) on the SELIC rate in the repetition of undue payments, which contributed to the growth of the profit presented.

## 10. INVESTMENTS

The Company maintains its strategy of investing in the modernization and automation of its production processes. Investments in this quarter amounted to R\$ 121,686 thousand and were basically destined to reforestation, maintenance and improvement of physical structures, software, machinery and equipment of the Company. Of this amount, R\$ 96,355 thousand were allocated to the investments in the Gaia I, II and III Projects.

## Performance Comment

R\$ thousand	3Q21	9M21
Buildings	835	1,816
Equipment	114,518	233,353
Intangible assets	80	693
Reforestation	6,253	14,103
<b>Total</b>	<b>121,686</b>	<b>249,965</b>

### 11. GAIA PLATFORM

The main activities completed of the Gaia I project - Expansion of Chemicals and Utilities Recovery were the inauguration of the cafeteria and the entrance for third parties, the construction sites and definition of the layout of the equipment for the main line of the wood yard and recovery and evaporation boiler. The following activities are in progress: the engineering and manufacture of the equipment for the wood yard and recovery boiler, layout definition of the Water Treatment Plant (ETA) and the Boiler Water Treatment Plant (ETAC), as well as the piling of the foundations of the boiler and turbo generator. The acquisition of packages representing 69% of the total investment was completed.

In the Gaia II Project - Expansion of SC Packaging Unit, the glue kitchen arrived from the United States, as well as the corrugator rollers of the new corrugator. The first containers bringing the corrugator from Germany have already arrived in Itajaí and the conveyors for the output of sheets are scheduled for shipment in Italy by the end of October. The production of the FFG printer has been completed in Japan, where the machine is running some test orders. We are polishing the floor, painting the walls, installing new pipes and electrical cabling beds, and making other electrical adjustments for the pneumatic OCC transport, a control room and a quality laboratory in preparation for the arrival of the corrugator. The Shipping area expansion is complete and the 7 new docks are already in operation. At the end of the month, there will be a migration of offices, both for the shipping and for the laboratory and control of the corrugator. The multipurpose shed is also in its final stage. The acquisition of packages representing 80% of the total investment has already been concluded.

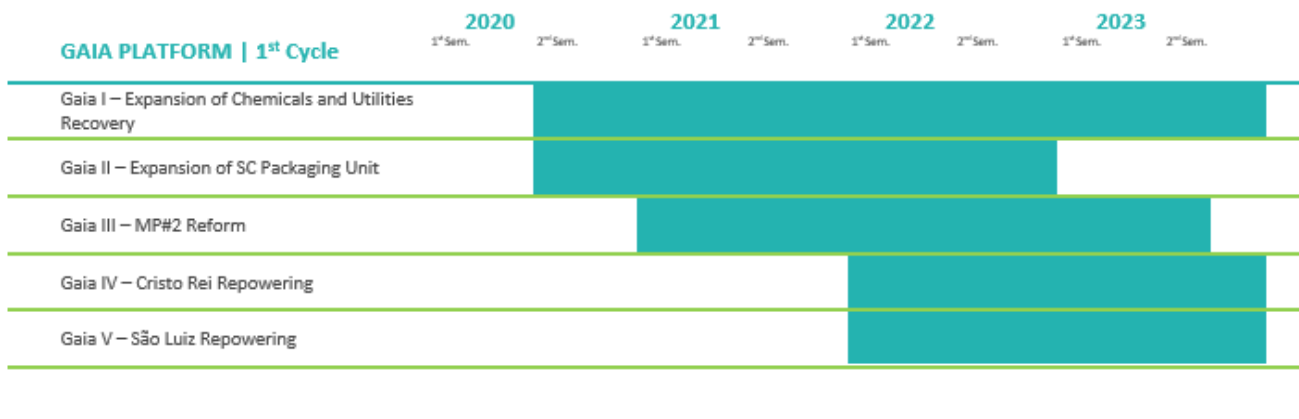
In the Gaia III Project - Refurbishment of Paper Machine 2, the purchases of the paper machine, scanner and hood were completed and the final definitions of the basic engineering review and the beginning of the detailed engineering are in progress. With this, the acquisition of packages was concluded, representing 66% of the total investment.

## Performance Comment

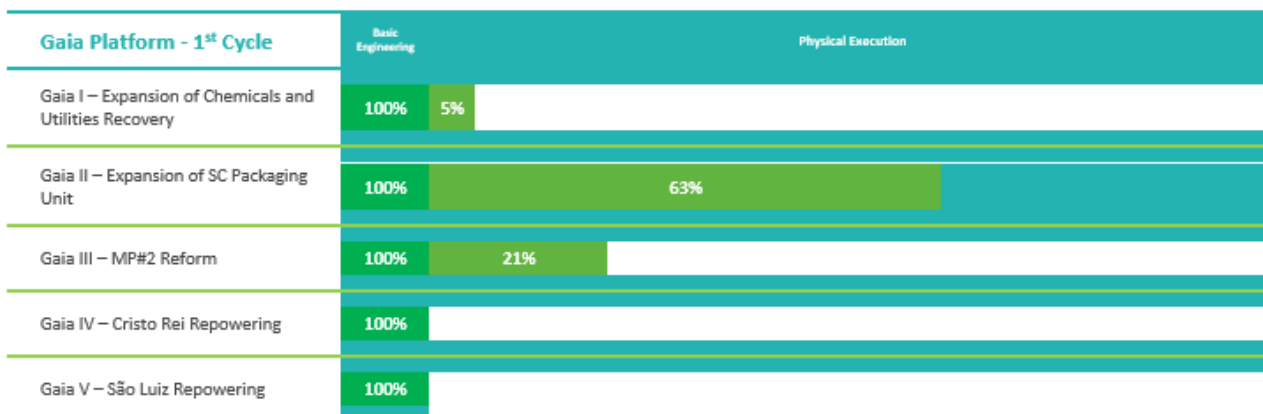
In the projects Gaia IV - Cristo Rei Repowering and Gaia V - São Luiz Repowering, a license for the Integrated Environmental Assessment of the Hydrographic Basin - AAIBH of the Irani River is in progress. Packages referring to said projects have not yet been closed.

In 3Q21, R\$ 96,355 thousand were invested in the Platform, R\$ 78,574 thousand in Gaia I, R\$ 7,622 thousand in Gaia II and R\$ 10,119 thousand in Gaia III, and the total invested in the Platform was R\$ 187,379 thousand, and R\$ 133,028 thousand in Gaia I and R\$ 44,232 thousand in Gaia II and R\$ 10,119 in Gaia III.

Gaia Platform - 1 <sup>st</sup> Cycle	Unit	Estimated Investment (Gross)	Estimated Investment (Net)	Investment Made 3Q21	Investment Made up to 09/30/2021
Gaia I – Expansion of Chemicals and Utilities Recovery	SC Paper Plant - Campina da Alegria	581,309	494,849	78,574	133,028
Gaia II – Expansion of SC Packaging Unit	SC Packaging Plant - Campina da Alegria	150,433	118,189	7,662	44,232
Gaia III – MP#2 Reform	SC Paper Plant - Campina da Alegria	57,613	44,556	10,119	10,119
Gaia IV – Cristo Rei Repowering	SC Paper Plant - Campina da Alegria	31,300	28,318	-	-
Gaia V – São Luiz Repowering	SC Paper Plant - Campina da Alegria	62,864	58,855	-	-
<b>Total</b>		<b>883,519</b>	<b>744,767</b>	<b>96,355</b>	<b>187,379</b>



## Performance Comment



A second investment cycle is now part of Gaia Platform ([Access Link](#)) comprises the current portfolio of expansion projects focused on increasing competitiveness, production capacity and energy self-sufficiency.



The Gaia VI project - Process Information Management System aims to obtain operational intelligence, centralize data, integrate systems and democratize information in production processes. The Gaia VII project - Effluent Treatment Plant Expansion (ETE) Phase 1 aims to provide the infrastructure, increasing the operational safety and efficiency of the effluent system. The Gaia VIII project - New Cut and Crease Printer contemplates the acquisition of a new cut and crease printer, binding and finishing line, increasing production at the SP Packaging plant, while the Gaia IX project - Automation of Intermediate Inventory encompasses the automation of the corrugator output, the intermediate inventory of sheets with two levels, the installation of transfer carts and prefeeders, aiming to increase the productivity of the SP Packaging plant.

## Performance Comment

Gaia Platform - 2 <sup>nd</sup> Cycle	Unit	Estimated Investment (Gross)	Estimated Investment (Net)
Gaia VI - Process Information Management System - PIMS	SC Paper Plant - Campina da Alegria	5,173	4,330
Gaia VII - Effluent Treatment Plant Expansion (ETP), Phase 1	SC Paper Plant - Campina da Alegria	22,886	20,917
Gaia VIII - New Cut and Crease Printer	SP Indaiatuba Packaging Plant	21,318	15,034
Gaia IX - Intermediate Inventory Automation	SP Indaiatuba Packaging Plant	42,860	29,897
<b>Total</b>		<b>92,237</b>	<b>70,178</b>



## 12. CAPITAL MARKET

### GREEN DEBENTURES

In 2019, the Company issued Green Debentures (CELU13) in the Brazilian capital market, in the amount of R\$ 505,000 thousand. The final payment term of green debentures is 2025, with a principal grace period until July 2023 and interest is paid semi-annually. The issuance was carried out at a CDI rate + 4.5% p.a. at the end of 3Q21 and was being traded on the secondary market at CDI rate + 2.46% p.a.

The General Debenture Holders' Meeting (AGD) of the aforementioned Issue was held on October 1, 2021. On that date, debenture holders representing 80.60% of the outstanding debentures approved the matters on the agenda, according to the Minutes available on the IR website ([Access link](#)).

As of March 3, 2021, the Company issued Green Debentures (RANI14) with a private placement, in the amount of R\$ 60,000 thousand. Green debentures have a final payment term in 2029, with a principal grace period until June 2026 and interest is paid semi-annually, after December 2021. The issuance was carried out at IPCA rate of + 5.5% pa, and its public trading is prohibited.

## Performance Comment

On July 5, 2021, S&P Global Rating upgraded the ratings assigned to the two debenture issues from 'brA+' to 'brAA+', as mentioned above.

### SHARE CAPITAL

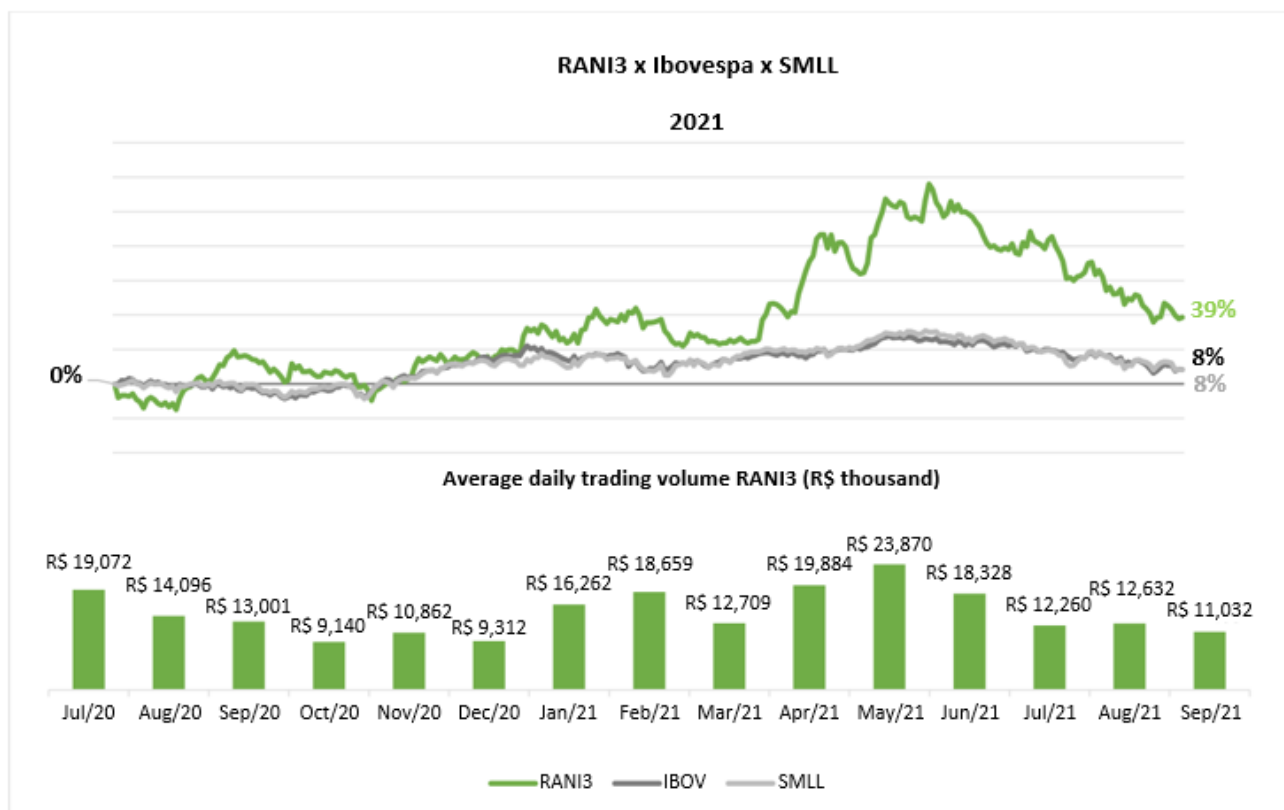
The Company is listed in the special segment of B3 S.A. - Brasil, Bolsa, Balcão ("B3") called Novo Mercado (New Market), the highest level of corporate governance at B3.

Irani's share capital on September 30, 2021 was represented by 256,720,235 common shares (RANI3) and the Company held 2,376,116 common shares in treasury. At the Board of Directors' meeting held on September 27, 2021, the Company's Repurchase Shares Program was approved, with the objective of maximizing the generation of value for shareholders through an efficient management of the capital structure. The program has been effective as of October 1, 2021, with a purchase limit of up to 8,216,880 common shares, accounting for 7.76% of the total outstanding common shares issued by the Company.

All shares have voting rights and are 100% tag along. At the end of 3Q21, common shares were traded at R\$ 6.24. The Company's shares currently comprise the IGC-NM, IGCX, ITAG, IMAT, IBRA, SMLL and IGCT indices of B3.

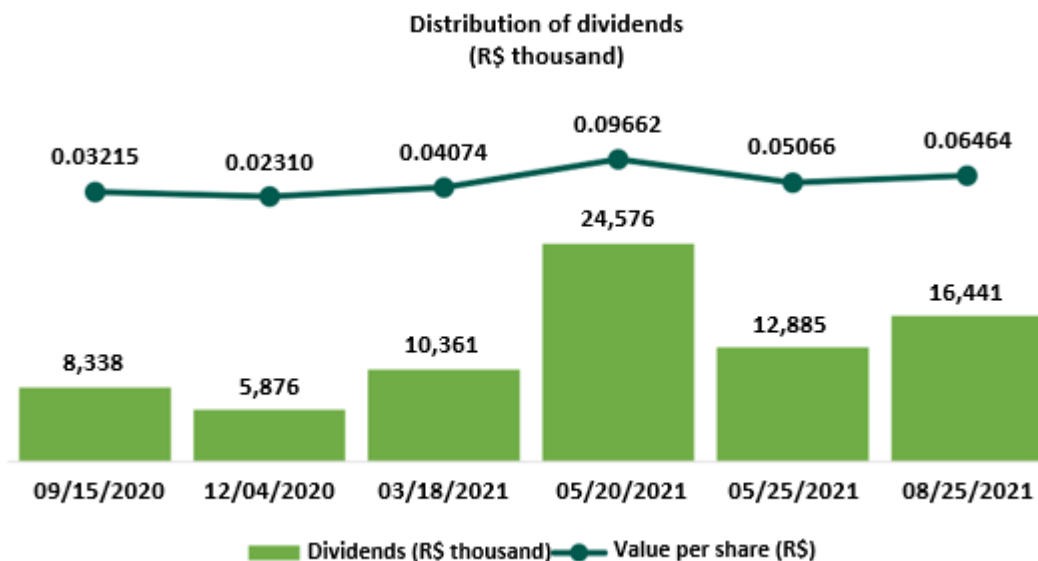
The trading volume of the Company's shares since the public offering of shares carried out in July 2020, in comparison with the Ibovespa index (performance indicator of shares traded on B3) and the SMLL (performance indicator of smaller capitalization companies on B3, which Irani is part of the theoretical portfolio), are presented in the chart below:

### Performance Comment



### DIVIDENDS

The dividends distributed by the Company since the re-IPO can be seen in the chart below:



## Performance Comment

### 13. SUBSEQUENT EVENT

According to the new Repurchase Shares Program issued by the Company, approved by the Board of Directors as per explanatory note 22(c), the Company carried out in October 2021 the repurchase of 511,300 common shares, for the average price of R \$6.28, in total amount of \$3,211 thousand.

### 14. IRANI INVESTOR DAY

The first Irani Investor Day was held on October 7, 2021. The event was attended by directors, who spoke about the Company's moves, strategy, results, ESG initiatives and investments. The event was held online and live and the recording is available on the IR website ([Access link](#)).

## Notes to the Financial Statements

### IRANI PAPEL E EMBALAGEM S.A.

#### NOTES TO THE FINANCIAL STATEMENTS

- 1 OPERATIONS
- 2 PRESENTATION OF FINANCIAL STATEMENTS
- 3 MAIN ACCOUNTING POLICIES
- 4 CONSOLIDATION OF THE FINANCIAL STATEMENTS
- 5 CASH AND CASH EQUIVALENTS AND FINANCIAL INVESTMENTS
- 6 TRADE RECEIVABLES
- 7 INVENTORIES
- 8 RECOVERABLE TAXES AND INCOME TAX AND SOCIAL CONTRIBUTION RECOVERABLE
- 9 OTHER ASSETS
- 10 NON-CURRENT ASSETS HELD FOR SALE
- 11 DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION
- 12 INVESTMENTS IN SUBSIDIARIES
- 13 INVESTMENT PROPERTIES
- 14 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS
- 15 BIOLOGICAL ASSETS
- 16 LOANS AND FINANCING
- 17 DEBENTURES
- 18 TRADE PAYABLES
- 19 RELATED PARTIES
- 20 TAX INSTALLMENTS
- 21 PROVISION FOR CIVIL, LABOR AND TAX RISKS
- 22 EQUITY
- 23 EARNINGS PER SHARE
- 24 NET SALES
- 25 COSTS AND EXPENSES BY NATURE
- 26 OTHER OPERATING INCOME AND EXPENSES
- 27 FINANCE INCOME AND EXPENSES
- 28 INCOME TAX AND SOCIAL CONTRIBUTION
- 29 INSURANCE
- 30 FINANCIAL INSTRUMENTS
- 31 OPERATING SEGMENTS
- 32 GOVERNMENT GRANTS
- 33 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES
- 34 TRANSACTIONS NOT AFFECTING CASH
- 35 SUPPLEMENTAL INFORMATION ON STATEMENT OF CASH FLOWS
- 36 SUBSEQUENT EVENTS

## Notes to the Financial Statements

### Irani Papel e Embalagem S.A. – CNPJ 92.791.243/0001-03

#### NOTES TO INTERIM FINANCIAL STATEMENTS

(All amounts in thousands of reais unless otherwise stated).

---

#### 1. OPERATIONS

Irani Papel e Embalagem S.A. (“Company”), is a corporation listed on B3 S.A. – Brasil, Bolsa, Balcão, New Market segment, and headquartered at Rua General João Manoel, 157, 9th floor, in the city of Porto Alegre, state of Rio Grande do Sul, Brazil. The Company and its subsidiaries are mainly engaged in the manufacture of corrugated cardboard packaging, packaging paper, resin products and their byproducts. The Company is also engaged in forestation and reforestation activities and utilizes the production chain of planted forests and paper recycling as the basis for all its production.

Its direct subsidiaries are disclosed in Note 4.

The Company is a direct subsidiary of Irani Participações S.A., a Brazilian privately-held corporation. Its ultimate parent company is D.P. Representações e Participações Ltda. both entities of Grupo Habitasul.

##### 1.1. *Coronavírus (COVID 19)*

The early part of 2021 follows the severe acute respiratory syndrome Covid-19, or Coronavirus, declared a pandemic by the World Health Organization on March 11, 2020. During the subsequent months to the start of the pandemic, the Company took action with the objective of improving work conditions and assisting in the quality of life of its employees, and, also in the communities in which they live, from which we can highlight: (i) protection masks donations to all employees; (ii) adaptation of all working posts to improve the distancing conditions necessary for the operations; (iii) adaptation and improvements in the restaurant facilities of the industrial units to attend the necessary protection norms; (iv) for the workers in home office, the Company is conceding cost help for personal expenses with internet and electric energy, and also supplying adequate chairs so that the employees can exercise their functions from their homes.

The Company’s industrial operation followed its normal course of production and trade and the Administration is periodically evaluating the combat measures to the Coronavirus. All necessary measures to best minimize the impact of COVID-19 in its operations and mainly on its employees and their families continue to be taken.

Aware of the importance for the communities where it functions and of its role in the Brazilian economic scenario, the Company already participates in initiatives for the fight against COVID-19, with actions that have the Company’s different resources and experiences, focused on health and social assistance, prioritizing the care with the communities of the regions in which the Company has operations. Among these

## Notes to the Financial Statements

initiatives, we can highlight: i) donations of protection equipment, such as gloves, masks, alcohol gel, aprons and caps to the health agencies of the towns near our units; ii) donation of financial resources to the Company Fund for the Articulated Reaction of Santa Catarina against the Coronavirus (FERA-SC), a FIESC initiative, and its objective is to purchase equipment and solutions for the fight against the coronavirus; iii) Donations of boxes for our client Carlezani use in the donation of sanitary water, in partnership with Unipar. The product will be used in the cleaning of several locations by the Mayors of São Paulo, Cubatão and Rio Grande da Serra; iv) Donations of 3,500 plates of corrugated cardboard for the production of boxes to transport masks destined to medics and nurses that are in the front lines of the fight against COVID-19.

Still in the first quarter of 2021, R\$ 472 was earmarked for continuing initiatives to combat the pandemic caused by the coronavirus. This resource allowed the Company to support a movement carried out by the Instituto Cultural Floresta in Rio Grande do Sul, through the purchase of two respirators donated to the Hospital da Brigada Militar de Porto Alegre. In the second quarter, this resource was used for a new set of material donations such as gloves, alcohol gel, apron, food basket, disposable gloves, masks, oximeter, respirator, thermometer and rapid tests for municipalities around Company's units in the states of Santa Catarina and Rio Grande do Sul.

In the third quarter, the Company joined the Unidos pela Vacina campaign, a civil society movement that brings together hundreds of entities, companies, associations and NGOs (ONGs in Portuguese). The Company's donations totaled approximately R\$ 120 and helped more than 20 municipalities in Santa Catarina.

In the understanding of Company's management, the measures taken to this moment – and that are in constant reevaluation – look to keep the level of operating quality and service for which we zeal in our operations, besides looking for assuring the health and well-being of our employees, suppliers, clients and society as a whole, supporting the compliance of measures set by the public authorities. We will continue to act in a manner to preserve the health of everyone, always vigilant and ready to correct the course according to the evolution of the situation.

Based on long term projections that contemplate the projected cash flows, the Company understands it has the sufficient conditions of maintaining its operating continuity. In the same manner, the projections do not present any indicative of the need to recognize asset impairment or for Goodwill generated in business combinations. Any indicatives of the need to alter the premises used for the calculations of the company's fair value of biological assets were also not identified, specially the discount rate of its projected cash flows.

The Company is still maintaining the policy of isolated prorogation of maturity dates according to the specific needs of each client and has not identified any indication of no liquidation or losses different than those already adopted. In relation to the supply chain, any indication of shortages or difficulty of supply by the suppliers that could damage production by lack of raw materials or inputs was also not identified.

## Notes to the Financial Statements

In our production plants, we continue to improve our protocols regarding Covid-19, intensifying conscientization acts and oversight of the correct use of masks, sanitation, alcohol gel use and distancing. We have not had severe cases of contaminated employees and have not paralyzed industrial and administrative activities.

We have kept the employees of the commercial and administrative areas working from home and the preventive leave of industrial area employees that show any symptom of Covid-19, avoiding any internal focus of contamination and transmission of the virus.

### 2. PRESENTATION OF FINANCIAL STATEMENTS

The interim financial statements are prepared in accordance with the accounting practices adopted in Brazil, including the requirements of Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting and with the International Financial Reporting Standards (IFRS) including the requirements of IAS 34 - Interim Financial Reporting, issued by International Accounting Standards Board (IASB), and presented in accordance with the rules issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information – ITR, and demonstrate all relevant information of the financial information, and only them, which are consistent with the information used by the Administration in its tenure.

The issuance of these financial statements was authorized by the Company's Management on October 28, 2021.

The interim financial statements were prepared based on historical cost convention, except biological assets measured at their fair values less costs to sell, and financial instruments disclosed in notes 15 and 30, respectively.

### 3. SUMMARY OF MAIN ACCOUNTING POLICIES AND CONFORMITY DECLARATION

The accounting practices adopted by the Company and its subsidiaries in the preparation of the interim financial statements for the nine-month period ended on September 30, 2021 are consistent with those applied in the preparation of the last annual financial statements as of December 31, 2020 and as disclosed in note 3.

### 4. CONSOLIDATION OF THE FINANCIAL STATEMENTS

The consolidated interim financial statements include the accounts of Irani Papel e Embalagem S.A. and its subsidiaries as follows:

## Notes to the Financial Statements

Participation in capital - (%)	Activity	09.30.21	12.31.20
Subsidiaries - direct interest			
Habitasul Florestal S.A.	Forestry production	100.00	100.00
HGE - Geração de Energia Sustentável S.A. *	Generation of electricity	100.00	100.00
Iraflor - Comércio de Madeiras LTDA	Trade of timber	99.99	99.99
Irani Soluções para E-Commerce LTDA **	Packaging electronic commerce	100.00	99.56
Irani Ventures LTDA	Participation in other companies and enterprises	100.00	-

\* non-operating entities

\*\* Previously Irani Geração de Energia Sustentável LTDA.

The accounting practices of the subsidiaries are consistent with those adopted by the Company. The investments in subsidiaries, the equity income, as well as the balances of operations carried out and unrealized intercompany profit and/or loss were eliminated in the consolidated financial statements. The financial information of the subsidiaries, used for consolidation, was prepared at the same date as that of the Company.

### 5. CASH AND CASH EQUIVALENTS AND FINANCIAL INVESTMENTS

Balances of cash and cash equivalents and financial investments are represented as follows:

	Parent company		Consolidated	
	09.30.21	12.31.20	09.30.21	12.31.20
Fixed fund	19	19	20	20
Banks	9,602	4,403	9,689	4,424
Financial investments with immediate liquidity i)	12,084	31,287	32,011	49,816
Total cash and cash equivalents	<u>21,705</u>	<u>35,709</u>	<u>41,720</u>	<u>54,260</u>
Financial investments ii)	321,457	291,972	321,457	291,972
Total financial investments	<u>321,457</u>	<u>291,972</u>	<u>321,457</u>	<u>291,972</u>
Total cash and cash equivalents and financial investments	<u>343,162</u>	<u>327,681</u>	<u>363,177</u>	<u>346,232</u>

i) The financial investments with immediate liquidity have the purpose of meeting the Company's immediate cash needs.

ii) The financial investments have the purpose of meeting the Company's non-immediate cash needs, which basically refer to the investments of the expansion project in progress.

The financial investments with immediate liquidity and the financial investments earn a fixed income at the average of 102.1% (105.4% in December 31, 2020) of the Interbank Deposit Certificate (CDI) interest rate and mature in 83 days or less.

## Notes to the Financial Statements

### 6. TRADE ACCOUNTS RECEIVABLES

	Parent company		Consolidated	
	09.30.21	12.31.20	09.30.21	12.31.20
Receivables from:				
Trade receivables - Domestic market	261,922	201,520	262,422	202,870
Trade receivables - Related parties	22	-	-	-
Trade receivables - Foreign market	38,360	22,875	38,360	22,875
Trade receivables - Renegotiation	11,080	11,712	11,080	11,712
	<u>311,384</u>	<u>236,107</u>	<u>311,862</u>	<u>237,457</u>
Provision for impairment of trade receivables	<u>(30,402)</u>	<u>(30,535)</u>	<u>(30,563)</u>	<u>(30,814)</u>
	<u>280,982</u>	<u>205,572</u>	<u>281,299</u>	<u>206,643</u>
Current portion	278,360	201,399	278,677	202,470
Non-current portion	2,622	4,173	2,622	4,173

The aging analysis of trade accounts receivable is in the table below:

	Parent company		Consolidated	
	09.30.21	12.31.20	09.30.21	12.31.20
Falling due	267,936	189,816	268,150	190,755
Overdue up to 30 days	11,111	12,287	11,212	12,373
Overdue, 31–60 days	1,766	1,146	1,766	1,155
Overdue, 61–90 days	415	24	415	33
Overdue, 91–180 days	68	1,116	68	1,116
Overdue >180 days	30,088	31,718	30,251	32,025
	<u>311,384</u>	<u>236,107</u>	<u>311,862</u>	<u>237,457</u>

The Company records a provision for doubtful accounts for the relevant portion of accounts receivable overdue for more than 180 days. Provisions for impairment of accounts receivable are also recorded for notes falling due and overdue for less than 180 days in cases where the amounts are not considered realizable, based on the financial situation of each debtor and historical analyzes of losses obtained by the Company. Individual analyzes are performed for those clients who do not yet have overdue notes, considering their credit risks. The following table discloses information regarding the credit risk exposure and expected credit losses provision for trade accounts receivables and contractual assets for individual clients on September 30, 2021 and on December 31, 2020:

## Notes to the Financial Statements

### Consolidated

Exposition to credit risk and credit losses

	Estimated loss weighted average rate	Gross accounting balance on 09.30.2021	Estimated loss provision on 09.30.2021
Falling due	0.21%	268,150	(559)
Overdue up to 30 days	0.27%	11,212	(30)
Overdue, 31 - 180 days	28.01%	2,249	(630)
Overdue > 181 days	97.00%	30,251	(29,344)
		<u>311,862</u>	<u>(30,563)</u>

### Consolidated

Exposition to credit risk and credit losses

	Estimated loss weighted average rate	Gross accounting balance on 12.31.2020	Estimated loss provision on 12.31.2020
Falling due	0.28%	190,755	(528)
Overdue up to 30 days	0.20%	12,373	(25)
Overdue, 31 - 180 days	24.09%	2,304	(555)
Overdue > 181 days	92.76%	32,025	(29,706)
		<u>237,457</u>	<u>(30,814)</u>

The expected loss rates are based on real credit loss experience. These rates were multiplied by scalar factors to reflect the differences between conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

The credit quality of financial assets that are not past due or committed as of September 30, 2021 is assessed based on historical information on the Company's default rates. In general, 97% of accounts receivable securities have no history of default.

Changes in the provisions may be stated as follows:

	Parent company		Consolidated	
	09.30.21	12.31.20	09.30.21	12.31.20
Balance at the beginning of the year	(30,535)	(29,414)	(30,814)	(29,414)
Provision for recognized losses	-	(1,121)	-	(1,400)
Reversal of provision for recognized losses	133	-	251	-
Balance at end of the year	<u>(30,402)</u>	<u>(30,535)</u>	<u>(30,563)</u>	<u>(30,814)</u>

A portion of receivables, amounting to R\$ 84,141 has been assigned as collateral for certain financing transactions, as disclosed in notes 16 and 17, as of September 30, 2021.

## Notes to the Financial Statements

### 7. INVENTORIES

	Parent company		Consolidated	
	09.30.21	12.31.20	09.30.21	12.31.20
Finished goods	51,768	39,153	52,760	39,154
Raw materials	30,192	31,361	30,196	31,400
Consumable materials	25,520	21,677	25,635	21,776
Other inventories	576	683	576	683
	<u>108,056</u>	<u>92,874</u>	<u>109,167</u>	<u>93,013</u>
Write-down to net realizable value	(36)	(36)	(36)	(36)
	<u>108,020</u>	<u>92,838</u>	<u>109,131</u>	<u>92,977</u>

The cost of inventories recognized in the income (loss) for the year ended does not include the write-down to net realizable value. The amount recognized in other operational expenses as write-down to net realizable value were related to the inventories provision from the discontinued operation.

For the nine-month period ended September 30, 2021, the Company did not recognized provisions regarding its inventories.

The movement of the provision can be demonstrated as follows:

	Parent company		Consolidated	
	09.30.21	12.31.20	09.30.21	12.31.20
Balance at the beginning of the year	(36)	(2,408)	(36)	(2,41)
Write-off obsolete inventory	-	343	-	343
Reversal of write-down to net realizable value pro	-	2,029	-	2,029
Balance at end of the year	<u>(36)</u>	<u>(36)</u>	<u>(36)</u>	<u>(36)</u>

## Notes to the Financial Statements

### 8. RECOVERABLE TAXES AND INCOME TAX AND SOCIAL CONTRIBUTION RECOVERABLE

#### a) Recoverable Taxes

Taxes recoverable consist of the following:

	Parent company		Consolidated	
	09.30.21	12.31.20	09.30.21	12.31.20
Value-added Tax on Sales and Services (ICMS)	16,118	7,431	16,119	7,431
Social Integration Program (PIS)/Social Contribution on Revenues (COFINS)	8,062	92,638	8,071	92,638
Excise Tax (IPI)	126	153	126	153
Income Tax Withheld at Source (IRRF) on investment	-	-	2	1
Other	1,304	381	1,318	392
	<u>25,610</u>	<u>100,603</u>	<u>25,636</u>	<u>100,615</u>
Current portion	17,138	73,165	17,164	73,167
Non-current portion	8,472	27,438	8,472	27,448

ICMS credits are basically credits on the acquisition of property, plant and equipment generated in connection with the purchase of goods for the Company's property, plant and equipment and interstate acquisition of raw material by the Resina/RS unit, through which the Company assesses the possibility of selling credits to third parties.

PIS and COFINS credits on December 31, 2020, are basically referring to the right to exclusion of ICMS from the calculation basis for PIS and COFINS, as well as compensation for value improperly collected, related to the following lawsuits. The credits mentioned below were fully consumed for offset its IPI, PIS and COFINS own debts:

- i) Number 2006.34.00.035946-0 (Irani Papel e Embalagem S.A.). The company has received a favorable decision for which the right to exclude ICMS from the calculation basis of PIS and COFINS is granted for the period starting in November of 2001. Based on this, the value of updated credits is estimated in R\$ 143,157 (R\$ 81,282 corresponding to the original credit value and R\$ 61,875 referring to the SELIC (interest rate value correction) corresponding to 5 years before the start of the lawsuit (November 2006) to March 2017 (date of the Supreme Court decision) calculated based on the ICMS value in the invoices according to the lawsuit decision, in agreement with the Supreme Court decision RE 574.706 – Aspect 69. The Company recognized the credit in the financial statements, and the criteria of practically certain gain was consummated on October 14, 2019 with the final and unappealable decision of the lawsuit, as well as the granting of the Credit Qualification Request No. 11080.746434/2019-41 occurred on December 24, 2019.

## Notes to the Financial Statements

- ii) Lawsuit number 5035712-95.2016.4.04.7100 (Irani Papel e Embalagem S.A. as successor of the company Indústria de Papel e Papelão São Roberto S.A.). The Company has received a favorable decision in which it is granted the right to recover values related to the exclusion of ICMS from the calculation basis of PIS and COFINS of the company in the period of May 2011 to December 30, 2014 (Incorporation date). The potential value of the updated credits was estimated in R\$ 17,614 (R\$ 10,585 corresponding to the original value of the credit and R\$ 7,029 related to the SELIC rate value correction). Corresponding to 5 years of the start date of the lawsuits (May 2016) to December 2014 (incorporation date), calculated based on the ICMS value in the invoices according to the lawsuit decision, in agreement with the Supreme Court decision RE 574.706 – Aspect 69. The Company recognized the credit in the financial statements, after the favorable final unappealable decision on September 18, 2020, as well as the granting of the Credit Qualification Request No 10166.749523/2020-71 occurred on November 10, 2020.

### b) Income Tax and Social Contribution Recoverable

Are demonstrated as follows:

	Parent company		Consolidated	
	09.30.21	12.31.20	09.30.21	12.31.20
Income Tax Recoverable	18,527	-	18,527	-
Social Contribution Recoverable	6,670	-	6,670	-
	<u>25,197</u>	<u>-</u>	<u>25,197</u>	<u>-</u>
Current portion	-	-	-	-
Non-current portion	25,197	-	25,197	-

In 2013, the Company filed Ordinary Action No. 0042549-88.2013.4.01.3400/DF, seeking, among other requests, the unenforceability of the IRPJ and CSLL on the amounts received as refund of taxes declared undue, especially regarding monetary correction and default interest over such refunds.

On September 27, 2021, the STF (Brazilian Federal Supreme Court) judged RE 1.063.187 RG/SC - Subject 962, in general repercussion, declaring unconstitutional the incidence of IRPJ and CSLL over amounts related to the SELIC rate received due to repetition of tax overdue.

On October 19, 2021, the Company filed a request for Protection of Evidence with the TRF1 so that the appeal filed may be judged according to the understanding that the STF applied on the matter, which is awaiting analysis.

In view of the judgment mentioned above in terms of general repercussion in the STF, considering the probable success of the action moved by the Company, in accordance with CPC 32/IAS 12, the Company recognized, in this quarter, as IRPJ and CSLL over amounts

## Notes to the Financial Statements

related to the SELIC rate received due to repetition of tax overdue, the amount of R\$ 25,197. This amount was recognized in the statement of profit or loss as a deduction of current IRPJ and CSLL expense.

### 9. OTHER ASSETS

	Parent company		Consolidated	
	09.30.21	12.31.20	09.30.21	12.31.20
Advances to suppliers	489	2,476	498	2,476
Receivables from employees	2,721	2,481	2,943	2,614
Rio Negro Propriedades Rurais e Participações S.A	4,003	4,003	4,003	4,003
Prepaid expenses	855	1,684	855	1,684
Receivable from Irani Participações S.A	-	2,495	-	2,495
Receivable from lawsuit on abusive interest SP – Precatory	4,443	-	4,443	-
Other receivables	1,215	2,275	1,247	2,307
	<u>13,726</u>	<u>15,414</u>	<u>13,989</u>	<u>15,579</u>
Current portion	9,283	15,414	9,519	15,552
Non-current portion	4,443	-	4,470	27

The balance receivable of Rio Negro Propriedades Rurais e Participações S.A, is related to the sale of Rural Properties realized during the year ended December 31, 2019.

The balance receivable from the lawsuit on abusive interest SP – Precatory refers to Ordinary Action No. 1030021-89.2014.8.26.0053 which had declared in favor of the Company the unenforceability of default interest levied on ICMS amounts administratively paid in installments with a rate higher than the SELIC rate. The updated value the precatory issued on July 6, 2021 is R\$ 4,443, which the Company expects to realize by the end of 2022.

### 10. NON-CURRENT ASSETS HELD FOR SALE

After a decision by the company's administrative board, in September of 2019, the company discontinued the corrugated cardboard operations in the Vila Maria unit in São Paulo/SP. The assets of the unit were evaluated by the administration and classified as held for sale because of the assets' conditions, the high probability of sale realization and by the effort in the sale realization by the company's management, according to classification criteria defined in CPC 31/IFRS 5.

In December 2019, a Private Instrument of Promise of Purchase and Sale was signed, for the sale of the industrial property where the corrugated cardboard packaging factory was located, in the amount of R\$ 41,200. The completion of the transaction is subject to the fulfillment of certain precedent conditions. During the 2020 fiscal year, some precedent conditions of environmental nature and relative to the property could not be met due to the Covid-19 pandemic that imposed severe restriction to the circulation of people and the functioning of public services. Facing this, the Company sealed in December 2020 the addition to the Private Instrument of Promise of Purchase and Sale stating the postponement of the deadline for the fulfilment of the referred precedent conditions.

## Notes to the Financial Statements

Due to the precedent conditions, following the guidelines of CPC 47 / IFRS 15, there was no recognition of income and expenses from these operations in the Company's financial statements as of September 30, 2021.

*(a) Impairment loss related to group of assets held for sale*

During the year ended December 31, 2019, a provision of R\$ 53,122 was recognized for impairment of the group of assets held for sale on its accounting value to its fair value less sales costs. The provision was registered in the statement of profit or loss of the year of the discontinued operation in the respective year.

*(b) Assets held for sale*

On September 30, 2021, the group of assets held for sale is presented as the fair value less sales costs and comprehended the following assets:

Assets held for sale	09.30.21	12.31.20
Buildings and land	41,200	41,200
Assets held for sale	41,200	41,200

*(c) Accumulated gains and losses included in OCI*

There are no accumulated gains or losses included in other comprehensive income relative to this groups of assets held for sale.

*(d) Measurement of fair value*

The measurement of fair value for the group of assets held for sale of R\$ 41,200 was based on quoted prices, which are obtained with received sale proposals and also with the Private Instrument of Promise of Purchase and Sale mentioned above.

## 11. DEFERREND INCOME TAX AND SOCIAL CONTRIBUTION

Deferred income tax and social contribution on net income are calculated on temporary differences for tax purposes, tax losses, temporary differences of deemed cost and changes in the fair value of biological assets.

The Company adopted for the fiscal year 2021 the cash method in the calculation of the income tax and social contribution over the exchange rate change and registered deferred tax liability over the exchange rate change to be realized. There was no change in the calculation of income tax and social contribution on exchange-rate change related to the previous year.

## Notes to the Financial Statements

The initial tax impacts on the deemed cost of property, plant and equipment were recognized with a corresponding entry to equity.

ASSETS	Parent company		Consolidated	
	09.30.21	12.31.20	09.30.21	12.31.20
Deferred income tax asset				
On temporary provisions	7,437	9,735	7,437	9,735
On tax losses	28,636	48,524	28,636	48,524
Deferred social contribution asset				
On temporary provisions	2,677	3,504	2,677	3,504
On tax losses	10,309	17,469	10,309	17,469
	<u>49,059</u>	<u>79,232</u>	<u>49,059</u>	<u>79,232</u>
<b>LIABILITIES</b>				
Deferred income tax liabilities				
Unrealized exchange-rate change on the cash basis	416	304	416	304
Fair value of the biological assets	34,445	29,194	35,823	30,253
Deemed cost of property, plant and equipment	117,329	120,360	119,267	122,298
Government grants	42	40	42	40
Amortization of goodwill for taxes purposes	25,158	25,158	25,158	25,158
Deferred social contribution liabilities				
Unrealized exchange-rate change on the cash basis	150	109	150	109
Fair value of the biological assets	12,400	10,510	13,144	11,082
Deemed cost of property, plant and equipment	42,239	43,330	42,937	44,028
Government grants	15	14	15	14
Amortization of goodwill for taxes purposes	9,057	9,057	9,057	9,057
	<u>241,251</u>	<u>238,076</u>	<u>246,009</u>	<u>242,343</u>
Deferred tax liabilities (net)	<u>192,192</u>	<u>158,844</u>	<u>196,950</u>	<u>163,111</u>

Based on budget forecasts approved by the Board of Directors, management expects deferred tax assets to be realized as follows:

Deferred tax assets	Parent Company and Consolidated
Period	09.30.21
2021	5,040
2022	23,758
2023	20,262
	<u>49,059</u>

Changes in deferred income tax and social contribution were as follows:

## Notes to the Financial Statements

Parent Company and Consolidated	Assets	Opening balance 01.01.20	Recognized in income (loss)	Closing balance 12.31.20
Deferred tax assets regarding:				
	Provision for miscellaneous risks	(13,508)	269	(13,239)
	Total temporary differences	(13,508)	269	(13,239)
	Tax losses	(57,717)	8,276	(65,993)
		<u>(71,225)</u>	<u>8,007</u>	<u>(79,232)</u>

Parent Company and Consolidated	Assets	Opening balance 01.01.21	Recognized in income (loss)	Closing balance 09.30.21
Deferred tax assets regarding:				
	Provision for miscellaneous risks	(13,239)	3,125	(10,114)
	Total temporary differences	(13,239)	3,125	(10,114)
	Tax losses	(65,993)	27,048	(38,945)
		<u>(79,232)</u>	<u>30,173</u>	<u>(49,059)</u>

Parent Company	Liabilities	Opening balance 01.01.20	Recognized in income (loss)	Closing balance 12.31.20	Recognized in income (loss)	Closing balance 09.30.21
Deferred tax liabilities regarding:						
	Unrealized exchange-rate charge on the cash basis	252	161	413	153	566
	Fair value of the biological assets	37,290	2,414	39,704	7,141	46,845
	Deemes cost and review of useful life - spin-off and merger	169,287	(5,597)	163,690	4,122	159,568
	Government grants	264	(210)	54	3	57
	Client portfolio	589	(589)	-	-	-
	Amortization of goodwill for tax purposes	29,734	4,481	34,215	-	34,215
		<u>237,416</u>	<u>660</u>	<u>238,076</u>	<u>3,175</u>	<u>241,251</u>

Consolidated	Liabilities	Opening balance 01.01.20	Recognized in income (loss)	Closing balance 31.12.20	Recognized in income (loss)	Closing balance 09.30.21
Deferred tax liabilities regarding:						
	Unrealized exchange-rate charge on the cash basis	252	161	413	153	566
	Fair value of the biological assets	38.716	2.619	41.335	7.632	48.967
	Deemes cost and review of useful life - spin-off and merger	171.923	(5.597)	166.326	4.122	162.204
	Government grants	264	(210)	54	3	57
	Clients portfolio	589	(589)	-	-	-
	Amortization of goodwill for tax purposes	29.734	4.481	34.215	-	34.215
		<u>241.478</u>	<u>865</u>	<u>242.343</u>	<u>3.666</u>	<u>246.009</u>

## Notes to the Financial Statements

### 12. INVESTMENTS IN SUBSIDIARIES

	Habitassul Florestal	Iraflor Comércio de Madeiras	HGE Geração de Energia	Irani Soluções para E-Commerce	Irani Ventures	Total
Balance ate December 31, 2019	56,132	75,672	541	248	-	132,593
Equity in net income of subsidiaries	(10,703)	14,080	(541)	(238)	-	2,598
Proposed dividends	-	(6,611)	-	-	-	(6,611)
Capital increase (i) and (ii)	17,000	10,044	-	-	-	27,044
Advance for future capital increase (i)	(9,000)	-	-	-	-	(9,000)
Balance ate December 31, 2020	53,429	93,185	-	10	-	146,624
Equity in net income of subsidiaries	4,847	16,169	(5)	(251)	(43)	20,717
Dividendos propostos	-	(14,080)	-	-	-	(14,080)
Capital injection (i) (ii) and (iii)	-	-	20	631	2,500	3,151
Advance for future capital increase (i)	-	-	-	-	-	-
Balance ate September 30, 2021	58,276	95,274	15	390	2,457	156,412

	Habitassul Florestal	Iraflor Comércio de Madeiras	HGE Geração de Energia	Irani Soluções para E-Commerce	Irani Ventures
At September 30, 2021					
Current					
Assets	6,679	25,645	17	439	2,504
Liabilities	(2,392)	(239)	(2)	(49)	(47)
Current assets/liabilities, net	4,287	25,406	15	390	2,457
Non-current					
Assets	57,834	71,252	-	-	-
Liabilities	(3,845)	(1,380)	-	-	-
Non-current assets/liabilities, net	53,989	69,872	-	-	-
Equity	58,276	95,278	15	390	2,457
Net sales	19,111	11,666	-	8	-
Income (loss) before income tax and social contribution	5,471	17,149	(5)	(251)	(43)
Income tax and social contribution expense	(624,000)	(980)	-	-	-
Net income (loss) for the period	4,847	16,169	(5)	(251)	(43)
Capital holding in %	100.00	99.99	100.00	100.00	100.00

- (i) On November 30th, 2020 the capitalization of the advancements for future capital increase in the amount of R\$ 17,000 occurred. The advancements for future capital increase were approved by the Company on September 16th, 2020 in the amount of R\$ 8,000, and on December 11th, 2019 in the amount of R\$ 9,000 and had as objective to meet the need for working capital on the subsidiary.

On September 17, 2021 the capitalization of the advancements for future capital increase in the amount of R\$ 300 occurred. On June 23th, 2021 the Company approved the advance for future capital at the subsidiary Irani Soluções para E-commerce Ltda, in the amount of R\$ 300.

- (ii) In the fiscal year 2020, Iraflor Comércio de Madeiras Ltda. received the capital input from the parent company Irani Papel e Embalagem S.A. in the amount of R\$ 10,044 integrated upon incorporation of forestry assets.

## Notes to the Financial Statements

On September 17, 2021, Irani Soluções para E-commerce Ltda. received the capital input from the parent company Irani Papel e Embalagem S.A. in the amount of R\$ 331 integrated in cash.

On September 17, 2021, HGE Geração de Energia S.A received the capital input from the parent company Irani Papel e Embalagem S.A., in the amount of R\$ 20 integrated in cash.

- (iii) On August 10, 2021, the Company's Board of Directors approved the constitution of the company Irani Ventures Ltda, subsidiary of the Company, with the objective of investing in selected startups, with innovative solutions, with high-tech products and services, already validated by the market and with high growth potential, in accordance with the company's investment policies, duly approved by the Investment Committee. The total approved contribution is R\$ 10,000, from which was paid upfront R\$ 2,500 and the remaining R\$ 7,500 will be paid every six months, for a period of 3 (three) semesters.

### 13. INVESTMENT PROPERTIES

#### Parent Company

	<u>Terrenos</u>	<u>Edificações</u>	<u>Total</u>
December 31, 2020			
Opening balance	18,704	3,030	21,734
Write-off/ disposals	(18)	-	(18)
Depreciation	-	(175)	(175)
Net carrying amount	<u>18,686</u>	<u>2,855</u>	<u>21,541</u>
Cost	18,686	5,377	24,063
Accumulated depreciation	-	(2,522)	(2,522)
Net carrying amount	<u>18,686</u>	<u>2,855</u>	<u>21,541</u>
September 30, 2021			
Opening balance	18,686	2,855	21,541
Depreciation	-	(130)	(130)
Net carrying amount	<u>18,686</u>	<u>2,725</u>	<u>21,411</u>
Cost	18,686	5,377	24,063
Accumulated depreciation	-	(2,652)	(2,652)
Net carrying amount	<u>18,686</u>	<u>2,725</u>	<u>21,411</u>

## Notes to the Financial Statements

### Parent Company

	Terrenos	Edificações	Total
December 31, 2020			
Opening balance	18,704	3,030	21,734
Write-off/ disposals	(18)	-	(18)
Depreciation	-	(175)	(175)
Net carrying amount	<u>18,686</u>	<u>2,855</u>	<u>21,541</u>
Cost	18,686	5,377	24,063
Accumulated depreciation	-	(2,522)	(2,522)
Net carrying amount	<u>18,686</u>	<u>2,855</u>	<u>21,541</u>
September 30, 2021			
Opening balance	18,686	2,855	21,541
Depreciation	-	(130)	(130)
Net carrying amount	<u>18,686</u>	<u>2,725</u>	<u>21,411</u>
Cost	18,686	5,377	24,063
Accumulated depreciation	-	(2,652)	(2,652)
Net carrying amount	<u>18,686</u>	<u>2,725</u>	<u>21,411</u>

### Consolidated

	Terrenos	Edificações	Total
December 31, 2020			
Opening balance	2,545	3,030	5,575
Transfers	16,159	-	16,159
Write-off/ disposals	(18)	-	(18)
Depreciation	-	(175)	(175)
Net carrying amount	<u>18,686</u>	<u>2,855</u>	<u>21,541</u>
Cost	18,686	5,377	24,063
Accumulated depreciation	-	(2,522)	(2,522)
Net carrying amount	<u>18,686</u>	<u>28,550</u>	<u>21,541</u>
September 30, 2021			
Opening balance	18,686	2,855	21,541
Depreciation	-	(130)	(130)
Net carrying amount	<u>18,686</u>	<u>2,725</u>	<u>21,411</u>
Cost	18,686	5,377	24,063
Accumulated depreciation	-	(2,652)	(2,652)
Net carrying amount	<u>18,686</u>	<u>2,725</u>	<u>21,411</u>

## Notes to the Financial Statements

### Land

Refers mainly to:

- i. Land maintained by the Company, for future real state use, located in the state of Rio Grande do Sul, and are recognized at acquisition cost of R\$ 16,094. The areas are object of study for projects of real state development (allotment) still in its initial phase. They were previously maintained by the parent company for future instalations of wing energy plants, that would be developed by Irani Geração de Energia Sustentável Ltda., and, for this reason, were not considered investment property in the consolidated.
- ii. Land received in exchange for trade receivables credits from clients in a total amount of R\$ 2,432, being that the receivable credits total was R\$ 2,709. The difference was recorded in the income (loss) as a financial discount in the amount of R\$ 277.

### Buildings

These refer to buildings located in the municipality of Rio Negrinho, state of Santa Catarina and valued at R\$ 2,725 (costs less accumulated depreciation, considering depreciation rate of 4% per annum). These buildings are rented to companies within the region.

Revenues and expenses related to investment properties that are rented are recognized in income (loss) as shown below:

	<u>Parent Company and Consolidated</u>	
	<u>09.30.21</u>	<u>09.30.20</u>
Rental revenues	306	208
Direct operating expenses that generated rental revenues	(495)	(665)

Investment properties are valued at the historical cost as of September 30, 2021. For disclosure purposes, on December 31, 2020, the Company assessed the fair value less cost to sell of these properties at R\$ 39,021 in the Parent company and Consolidated. The appraisals were conducted by independent experts, who used market inputs related to prices for transactions carried out with similar properties. The fair value hierarchy is Level 2.

## Notes to the Financial Statements

### 14. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

#### a) Breakdown of property, plant and equipment

Parent Company	Land	Buildings and constructions	Equipment and facilities	Vehicles and tractors	Other property, plant and equipment (*)	Construction in process	Property, plant and equipment in third-party	Total
December 31, 2020								
Opening balance	120,685	126,803	304,833	4,365	4,788	65,378	8,941	635,793
Acquisitions	-	5,377	18,865	836	1,879	24,761	-	51,718
Write-offs/disposals	-	(143)	(961)	(4)	(132)	-	-	(1,240)
Transfers	-	6,217	49,908	-	1,293	(57,418)	-	-
Depreciation	-	(7,715)	(44,517)	(1,668)	(1,714)	-	(645)	(56,259)
PIS and COFINS credit	-	16	410	6	9	305	-	746
Transfer for held for sale	-	-	380	-	-	-	-	380
Net carrying amount	<u>120,685</u>	<u>130,555</u>	<u>328,918</u>	<u>3,535</u>	<u>6,123</u>	<u>33,026</u>	<u>8,296</u>	<u>631,138</u>
Cost	120,685	207,041	953,402	15,773	27,279	33,026	16,099	1,373,305
Accumulated depreciation	-	(76,486)	(624,484)	(12,238)	(21,156)	-	(7,803)	(742,167)
Net carrying amount	<u>120,685</u>	<u>130,555</u>	<u>328,918</u>	<u>3,535</u>	<u>6,123</u>	<u>33,026</u>	<u>8,296</u>	<u>631,138</u>
September 30, 2021								
Opening balance	120,685	130,555	328,918	3,535	6,123	33,026	8,296	631,138
Acquisitions	-	1,816	10,348	1,873	2,571	218,072	-	234,680
Write-offs/disposals	-	-	(5,440)	(34)	(13)	(10)	-	(5,497)
Transfers	-	267	9,368	-	131	(9,766)	-	-
Depreciation	-	(3,887)	(36,903)	(1,225)	(1,708)	-	(483)	(44,206)
PIS and COFINS credit	-	7	205	2	7	176	-	397
Net carrying amount	<u>120,685</u>	<u>128,758</u>	<u>306,496</u>	<u>4,151</u>	<u>7,111</u>	<u>241,498</u>	<u>7,813</u>	<u>816,512</u>
Cost	120,685	209,131	967,883	17,614	29,975	241,498	16,099	1,602,885
Accumulated depreciation	-	(80,373)	(661,387)	(13,463)	(22,864)	-	(8,286)	(786,373)
Net carrying amount	<u>120,685</u>	<u>128,758</u>	<u>306,496</u>	<u>4,151</u>	<u>7,111</u>	<u>241,498</u>	<u>7,813</u>	<u>816,512</u>

## Notes to the Financial Statements

Consolidated	Land	Buildings and constructions	Equipment and facilities	Vehicles and tractors	Other property, plant and equipment (*)	Construction in process	Property, plant and equipment in third-party	Total
December 31, 2020								
Opening balance	153,028	127,756	304,970	4,856	4,855	65,379	8,941	669,785
Acquisitions	-	5,377	18,865	836	1,882	25,032	-	51,992
Write-offs/disposals	-	(143)	(961)	(4)	(132)	-	-	(1,240)
Transfers	-	6,217	49,908	-	1,293	(57,418)	-	-
Transfer to Investment properties	(16,159)	-	-	-	-	-	-	(16,159)
Depreciation	-	(7,875)	(44,558)	(1,831)	(1,737)	-	(645)	(56,646)
PIS and COFINS credit	-	16	410	6	9	305	-	746
Transfer for held for sale	-	-	380	-	-	-	-	380
Impairment	-	-	-	-	(16)	-	-	(16)
Net carrying amount	<u>136,869</u>	<u>131,348</u>	<u>329,014</u>	<u>3,863</u>	<u>6,154</u>	<u>33,298</u>	<u>8,296</u>	<u>649</u>
Cost	136,869	211,467	953,671	16,861	27,785	33,298	16,099	1,396,050
Accumulated depreciation	-	(80,119)	(624,657)	(12,998)	(21,631)	-	(7,803)	(747,208)
Net carrying amount	<u>136,869</u>	<u>131,348</u>	<u>329,014</u>	<u>3,863</u>	<u>6,154</u>	<u>33,298</u>	<u>8,296</u>	<u>648,842</u>
September 30, 2021								
Opening balance	136,869	131,348	329,014	3,863	6,154	33,298	8,296	648,842
Acquisitions	-	1,816	10,349	1,873	2,578	218,553	-	235,169
Write-offs/disposals	-	-	(5,440)	(34)	(13)	(10)	-	(5,497)
Transfers	-	267	9,368	-	131	(9,766)	-	-
Depreciation	-	(4,007)	(36,928)	(1,302)	(1,723)	-	(483)	(44,443)
PIS and COFINS credit	-	7	205	2	7	176	-	397
Net carrying amount	<u>136,869</u>	<u>129,431</u>	<u>306,568</u>	<u>4,402</u>	<u>7,134</u>	<u>242,251</u>	<u>7,813</u>	<u>834,468</u>
Cost	136,869	213,557	968,153	18,702	30,488	242,251	16,099	1,626,119
Accumulated depreciation	-	(84,126)	(661,585)	(14,300)	(23,354)	-	(8,286)	(791,651)
Net carrying amount	<u>136,869</u>	<u>129,431</u>	<u>306,568</u>	<u>4,402</u>	<u>7,134</u>	<u>242,251</u>	<u>7,813</u>	<u>834,468</u>

(\*) Balance related to property, plant and equipment such as furniture and fixtures, IT equipment.

## Notes to the Financial Statements

### b) Composition of Intangible assets

<b>Parent Company</b>					Total
	Goodwill	Client portfolio	Software	Software under development	
December 31, 2020					
Opening balance	104,380	-	19,859	16,994	141,233
Acquisitions	-	-	4,175	-	4,175
Transfers	-	-	16,994	(16,994)	-
Amortization	-	-	(4,675)	-	(4,675)
PIS and COFINS credit	-	-	5	-	5
Net carrying amount	<u>104,380</u>	<u>-</u>	<u>36,358</u>	<u>-</u>	<u>140,738</u>
Cost	104,380	5,347	53,513	-	163,240
Accumulated amortization	-	5,347	(17,155)	-	(22,502)
Net carrying amount	<u>104,380</u>	<u>-</u>	<u>36,358</u>	<u>-</u>	<u>140,738</u>
September 30, 2021					
Opening balance	104,380	-	36,358	-	140,738
Acquisitions	-	-	104	589	693
Transfers	-	-	589	(589)	-
Amortization	-	-	(4,021)	-	(4,021)
PIS and COFINS credit	-	-	1	-	1
Net carrying amount	<u>104,380</u>	<u>-</u>	<u>33,031</u>	<u>-</u>	<u>137,411</u>
Cost	104,380	5,347	54,211	-	163,934
Accumulated amortization	-	5,347	(21,180)	-	(26,523)
Net carrying amount	<u>104,380</u>	<u>-</u>	<u>33,031</u>	<u>-</u>	<u>137,411</u>
<b>Consolidated</b>					
	Goodwill	Client portfolio	Software	Software under development	Total
December 31, 2020					
Opening balance	104,380	-	20,615	16,994	141,989
Acquisitions	-	-	4,174	-	4,174
Transfers	-	-	16,994	(16,994)	-
Amortization	-	-	(4,675)	-	(4,675)
PIS and COFINS credit	-	-	5	-	5
Impairment	-	-	(755)	-	(755)
Net carrying amount	<u>104,380</u>	<u>-</u>	<u>36,358</u>	<u>-</u>	<u>140,738</u>
Cost	104,380	5,347	53,517	-	163,244
Accumulated amortization	-	5,347	(17,159)	-	(22,506)
Net carrying amount	<u>104,380</u>	<u>-</u>	<u>36,358</u>	<u>-</u>	<u>140,738</u>
September 30, 2021					
Opening balance	104,380	-	36,358	-	140,738
Acquisitions	-	-	104	589	693
Transfers	-	-	589	(589)	-
Amortization	-	-	(4,021)	-	(4,021)
PIS and COFINS credit	-	-	1	-	1
Net carrying amount	<u>104,380</u>	<u>-</u>	<u>33,031</u>	<u>-</u>	<u>137,411</u>
Cost	104,380	5,347	54,211	-	163,938
Accumulated amortization	-	5,347	(21,180)	-	(26,527)
Net carrying amount	<u>104,380</u>	<u>-</u>	<u>33,031</u>	<u>-</u>	<u>137,411</u>

## Notes to the Financial Statements

### c) Depreciation / amortization method

The table below shows the annual depreciation/amortization rates defined based on the economic useful lives of the assets. The rate used is presented at the annual weighted average.

	Rate %	
	09.30.21	12.31.20
	2.73	2.50
Buildings and constructions *	7.95	6.78
Equipment and facilities **		
Furniture, fixtures and IT equipment	5.71	5.71
Vehicles and tractors	20.00	20.00
Software	20.00	20.00
Client portfolio	11.11	11.11

\* including weighted rates for property, plant and equipment in third-party properties

\*\* include weighted financial lease rates

### d) Other information

The assets under construction refer to the projects for improvement and maintenance of the Company's productive process, and the execution of the investments of Project Gaia I – Expansion of the chemical's recovery at Paper SC and of the project Gaia II – Expansion of Packaging SC.

Property, plant and equipment in third-party properties refer to the to the improvement of the Packaging plant in Indaiatuba, state of São Paulo, which is depreciated on the straight-line method, at the rate of 4% (four percent) per annum. The property is owned by the companies MCFD - Administração de Imóveis Ltda. and PFC - Administração de Imóveis Ltda., and the cost of the renovation was fully incorporated by Irani Papel e Embalagem S.A.

The breakdown of depreciation of fixed assets for the nine-month period ended September 30, 2021 and 2020 is disclosed as follows:

	Parent Company		Consolidated	
	09.30.21	09.30.20	09.30.21	09.30.20
Administrative	1,107	1,011	1,228	1,134
Productive	43,099	39,419	43,215	39,590
	44,206	40,430	44,443	40,724

The breakdown of amortization of intangible assets for the nine-month period ended September 30, 2021 and 2020 is disclosed as follows:

## Notes to the Financial Statements

	Parent Company		Consolidated	
	09.30.21	09.30.20	09.30.21	09.30.20
Administrative	837	636	837	636
Productive	3,184	2,706	3,184	2,706
	4,021	3,342	4,021	3,342

### e) Impairment of property, plant and equipment

Immediately before the initial classification of the held for sale group of assets, the carrying amounts of the assets were measured according to the applicable technical statements. The company recognized the impairment loss related to the initial reduction for the group of assets held for sale at fair value less sale expenses.

During the year of 2020, impairment values, fixed assets in the amount of R\$ 16 and intangible assets in the amount of R\$ 755 were identified and recognized.

### f) Pledged Assets

The Company pledged certain fixed assets as collateral for financing transactions as disclosed in notes 16 and 17.

### g) Goodwill

The goodwill generated in the business combination of São Roberto S.A. for the year 2013 is recognized in the amount of R\$ 104,380 and is attributable to the expectation of future profitability.

Impairment tests for intangible assets:

On December 31, 2020, the Company assessed the impairment of the goodwill based on its value in use, using the discounted cash flow method. The recoverable value is based on the expected future profitability. These calculations use cash flow projections based on financial budgets approved by Management, covering a five-year period and extrapolating to perpetuity in other periods, based on the estimated growth rates.

Cash flows were discounted to present value through the application of the rate determined by the Weighted Average Capital Cost (WACC), which was calculated using the Capital Asset Pricing Model (CAPM) method, also considering several components of financing, debt and equity used by the Company to finance its activities. The WACC therefore considers the weights of the financing, debt and equity components used by the Company to finance its activities.

The main data used to calculate the discounted cash flow is as follows:

## Notes to the Financial Statements

	<u>Assumption</u>
Average sales prices of Packaging Paper and Corrugated Cardboard	
Packaging (% of annual growth rate)	4.0%
Gross margin (% on net sales)	31.1%
Estimated growth rate	5.0%
Discount rate (Wacc)	8.65%

The recoverable amount of the CGU for impairment testing did not demonstrate the need to recognize impairment for the year.

The Company defined its entire operation as CGU because its main packaging paper and corrugated paper packaging activities are integrated with each other, without defined form of segregation.

Goodwill is allocated to the business segment, which represent the lowest level at which goodwill is monitored by management. The total amount of goodwill is allocated to the CGU represented by "Packaging Paper" segment, which includes assets that do not generate cash flows independently.

The Company carried out a sensitivity analysis of discount and growth rates. Even considering an increase or decrease, respectively, of 5.0% in the discount rate and of 4.00% in the growth rate, in the aggregate, the recoverable amount continues higher than the book value.

### 15. BIOLOGICAL ASSETS

The Company's biological assets mainly include the cultivation and planting of pine forests to supply raw material in the production of pulp used in the packaging paper production process, resin production and sales of wood logs to third parties. All the biological assets of the Company form a single group called "forests", which are measured together at fair value in quarterly periods.

The balance of the Company's biological assets is composed of the cost of forest formation and the difference of fair value on formation cost. Consequently, the balance of biological assets is recorded at fair value as follows:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>09.30.21</u>	<u>12.31.20</u>	<u>09.30.21</u>	<u>12.31.20</u>
Cost of formation of biological assets	51,545	41,884	80,902	71,305
Difference in the fair value of biological assets	55,588	32,101	136,998	106,379
	<u>107,133</u>	<u>73,985</u>	<u>217,900</u>	<u>177,684</u>

## Notes to the Financial Statements

Of the total consolidated biological assets, R\$ 178,385 (R\$ 140,947 on December 31, 2020) relates to forests used as raw material for pulp and paper production. These forests are located close to the pulp and paper mill in Vargem Bonita, state of Santa Catarina, where they are consumed. Of this amount, R\$ 134,782 (R\$ 97,729 on December 31, 2020) relates to mature forests, which are more than six years old. The remaining amount refers to growing forests, which still require forestry treatments.

The harvesting of these forests is mainly due to the use of raw material to produce pulp and paper, and the forests are replanted once harvested, forming a renewal cycle that meets the production demand of the unit.

The consolidated biological assets used to produce resins and log sales represent R\$ 39,515 (R\$ 36,737 as of December 31, 2020), and are located on the coast of Rio Grande do Sul. The resin extraction is performed according to the capacity of the generation of this product by the existing forest, and the extraction of wood for sale of logs is due to the demand in the region.

a) Assumptions for recognition of the biological assets' fair value less costs to sell

The Company recognizes its biological assets at fair value based on the following assumptions:

- i) The methodology used to measure the fair value of biological assets - the Income Approach with depletion of the forest in one cycle - corresponds to the projection of expected future cash flows, discounted at the current rate for the regional market, in accordance with the projected productivity of the forests in the cutting cycles, which are determined based on the optimization of production, considering the price changes and the growth of the biological assets;
- ii) The discount rate used for cash flows was the Cost of Own Capital (Capital Asset Pricing Model - CAPM). The cost of equity is estimated by analyzing the return sought by investors in forestry assets, assuming that an investor requires, at a minimum, the return offered by securities considered to be risk-free, plus the excess investment risk;
- iii) The forests' projected production volumes are defined based on stratification, according to the type of each species, inputs for production planning, as well as the age, productive potential and production cycle of the forests. This projected volume corresponds to the Average Annual Increase (IMA). Management alternatives are created to establish the ideal long-term production flow to maximize forest yields;
- iv) The prices adopted for biological assets are those practiced in the last three years, based on market research in the regions where the assets are located and reported by a specialized company. Prices in R\$/cubic meter are used, considering the required costs to place the assets in the condition of sale or consumption;

## Notes to the Financial Statements

- v) Planting expenditures used are the formation costs of biological assets practiced by the Company;
- vi) The depletion of biological assets is calculated based on their average fair value of biological assets, multiplied by the volume harvested in the period;
- vii) The Company reviews the fair value of its biological assets every three months, considering that this timeframe is enough to have no shortfall in the balance of fair value of the biological assets recorded in its financial statements.

	Consolidated		Impact in the fair value of biological assets
	09.30.21	12.31.20	
Planted area (hectares)	15,236	14,638	If the assumption increases, the fair value also increases
Remuneration of own contributing assets -%	3.00%	3.00%	If the assumption increases, the fair value decreases
Discount rate - Own Forests SC - %	7.50%	7.50%	If the assumption increases, the fair value decreases
Discount rate - Own Forests RS - %	8.00%	8.00%	If the assumption increases, the fair value decreases
Discount rate - Partnerships - %	8.50%	8.50%	If the assumption increases, the fair value decreases
Net Average Sales Price (m <sup>3</sup> )	70.00	60.00	If the assumption increases, the fair value also increases
Average annual increase (IMA) - Santa Catarina Forests (*)	35.3	35.3	If the assumption increases, the fair value also increases
Average annual increase (IMA) - Rio Grande do Sul Forests (*)	20.7	20.7	If the assumption increases, the fair value also increases

\* The Average Annual Increase (IMA) of Pine Forests in the states of Rio Grande do Sul and Santa Catarina is different because of the specific forest stewardship, species and soil and climatic conditions of each state. The forests in Santa Catarina are handled aiming at their use for pulp production, while the forests of Rio Grande do Sul are handled for extraction of gum rosin and subsequent sale of timber logs. The IMA is measured in m<sup>3</sup> per hectare/year.

In accordance with the fair value measurement hierarchy, the calculation of biological assets is classified as Level 3 due to its complexity and structure.

## Notes to the Financial Statements

The main changes in the year are as follows:

	<u>Parent Company</u>	<u>Consolidated</u>
Balance at December 31, 2019	<u>66,298</u>	<u>154,518</u>
Planting	5,110	8,344
Acquisition of forest	8,220	8,220
Depletion		
Historical cost	(5,005)	(5,770)
Fair value	(1,603)	(6,002)
Transfer to capitalization in the subsidiary Iraflor	(10,044)	-
Change in the fair value	11,009	18,374
Balance at December 31, 2020	<u>73,985</u>	<u>177,684</u>
Planting	4,458	7,112
Acquisition of forest	6,991	6,991
Depletion		
Historical cost	(1,787)	(4,516)
Fair value	(605)	(10,106)
Change in the fair value	24,091	40,735
Balance at September 30, 2021	<u>107,133</u>	<u>217,900</u>

Depletion of biological assets in both nine-month period ended September 30, 2021 and 2020 were substantially recognized in the income (loss) for the period, after the allocation in inventories through forest harvesting and use in production process or sale to third parties.

In the fiscal year 2020, was authorized the input of new biological assets in the amount of R\$ 10,044, in the subsidiary Iraflor Comércio de Madeiras Ltda. This operation had, as final objective provide a better management of forestry assets.

b) Biological assets pledged as collateral

Part of the biological assets of the Company and its subsidiaries as disclosed in note 17, is pledged as collateral for financing transactions.

c) Production on third-party land

The Company still has some non-cancellable lease agreements for production of biological assets on third-party land, called partnerships. These agreements are effective until all forests planted in these areas are harvested, over a cycle of up to 15 years. The amount of biological assets in third-party land is approximately 1.45 thousand hectares

## Notes to the Financial Statements

and currently represents approximately 9.5% of the total area with the Company's biological assets. The lease liabilities were recognized as disclosed in note 33.

### 16. LOANS AND FINANCING

#### a) Breakdown of book balances

	Annual Charges %	Currency	Parent company		Consolidated	
			09.30.21	12.31.20	09.30.21	12.31.20
<b>Current</b>						
Local currency						
Finame	Fixed at 3.70%, TJLP + 5.40%, Selic + 3.82%	Real	488	970	488	970
Working capital	CDI + 4.51% and 149.5% of CDI	Real	36,493	19,911	36,493	19,926
Financial lease	Fixed at 10.76% and CDI + 5.35%	Real	935	1,096	935	1,096
Total local currency			37,916	21,977	37,916	21,992
Foreign currency						
Advance on Exchange Contract	Fixed at 3.48%	Dollar	27,487	21,254	27,487	21,254
Banco De Lage Landen	8.20%	Dollar	-	252	-	252
Total foreign currency			27,487	21,506	27,487	21,506
Total current			65,403	43,483	65,403	43,498
<b>Non-current</b>						
Local currency						
Finame	Fixed at 3.70%, TJLP + 5.40%, Selic + 3.82%	Real	425	315	425	315
Working capital	CDI + 4.51% and 149.5% of CDI	Real	-	34,663	-	34,663
Financial lease	Fixed at 10.76% and CDI + 5.35%	Real	234	934	234	934
Total local currency			659	35,912	659	35,912
Total non-current			659	35,912	659	35,912
Total			66,062	79,395	66,062	79,410
<b>Long-term maturity dates:</b>						
			Parent company		Consolidated	
			09.30.21	12.31.20	09.30.21	12.31.20
	2022		221	35,676	221	35,676
	2023		389	229	389	229
	> 2024		49	7	49	7
			659	35,912	659	35,912

#### b) Significant transactions contracted in the period

According to a material fact dated May 28, 2021, the Company's Board of Directors approved the contracting of financing with the Special Agency for Industrial Financing S.A - FINAME (BNDES), in the amount of up to R\$ 484,000, intended for the execution of the investments provided for in the Gaia Platform. The granting of financing in favor of the Company was approved by the FINAME Executive Board on May 27, 2021, under the credit line called FINAME DIRETO and the term of use of the approved line is 2 (two) years, extendable for another 1 (year).

The inflow of resources will occur upon release requests, as the acquisitions and payment of the Gaia Platform equipment are made. Until September 30, 2021, there was no inflow of funds from this financing.

#### c) Guarantees

Collateral for the loans and financing include mortgages or lien on land, buildings, machinery and equipment, investment properties and lien of receivables, amounting to approximately R\$ 34,141 as of September 30, 2021.

## Notes to the Financial Statements

### 17. DEBENTURES

#### a) 3rd Issuance of Simple Public Debentures

According to relevant fact disclosed on July 31, 2019, the distribution of simple debentures, non-convertible in shares, of quirografic species, composed by 505,000 debentures, with par value of R\$ 1, totaling, on issuance date, the amount of R\$ 505,000, with the subsequent canceling of the non-subscribed or integrated debentures. The debentures have as final maturity date July 19, 2025 and amortization in 3 annual installments starting on July 19, 2023.

The 3rd Issuance of public simple debentures has brAA+ rating by S&P Global Ratings and is characterized as “Green Debentures” based on the second opinion evaluation issued by the special consultancy SITAWI Finanças do Bem, based on the Green Bond Principles directives of June, 2018. The issuance is negotiated on the secondary market by the code CELU13.

#### b) 4th Issuance of simple private debentures

According to the Minutes of the Board Meeting of March 2, 2021 the fourth issuance of simple debentures was approved, non-convertible in shares, only series, real guarantee species, for private allocation, with par value of R\$ 1, totaling, at issuance date, the amount of R\$ 60,000. The debentures have final maturity on December 15, 2029 and will be amortized in 8 biannual payments starting on June 15, 2026.

The resources obtained by the company will be used for the execution of investments for the achievement of its social object in the normal course of its businesses, for which the Issuer have or might come to have, according to the latest norms currently in force, license and/or valid environmental authorization, current and/or effective, as applicable and demanded by Socio-environmental legislation.

The fourth issuance of simple private debentures has brAA+ rating by S&P Global Ratings and is characterized as “Green Debentures” based on the second opinion evaluation issued by the special consultancy SITAWI Finanças do Bem, based on the Green Bond Principles directives of June, 2018.

Current	Issuance	Annual charges %	Parent Company and Consolidated	
			09.30.21	12.31.20
In local currency				
3rd Issue of Debentures	07.19.19	CDI + 4.5%	6,872	11,968
4th Issue of Debentures	03.03.21	IPCA + 5.50%	4,196	-
Total current			11,068	11,968
<b>Non-current</b>				
In local currency				
3rd Issue of Debentures	07.19.19	CDI + 4.5%	499,050	496,869
4th Issue of Debentures	03.03.21	IPCA + 5.50%	59,559	-
Total non-current			558,609	496,869
			569,677	508,837

## Notes to the Financial Statements

Long term maturities:	Parent Company and Consolidated	
	09.30.21	12.31.20
2023	166,350	165,623
2024	166,350	165,623
2025	166,350	165,623
>2026	59,559	-
	<u>558,609</u>	<u>496,869</u>

### a) Schedule for amortization of transaction costs

	<u>Issuance</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>a partir 2024</u>	<u>Total</u>
In local currency						
3rd Issue of Debentures	07.19.19	706	2.968	2.742	2.421	8.837
4th Issue of Debentures	03.03.21	9	47	62	367	485
Total local currency		<u>715</u>	<u>3.015</u>	<u>2.804</u>	<u>2.788</u>	<u>9.322</u>

### b) Guarantees

- i) The 3rd Issuance of simple public debentures has guarantees, as follows:
  - Fiduciary assignment of biological assets (6,770.21 hectare of commercial wood plantations, including plantations of pine and eucalyptus).
  - Fiduciary assignment of paper and pulp plant located at Vila Campina da Alegria, Vargem Bonita.
  - Fiduciary assignment of Machines and equipment owned by the Issuer, located at the referred plant.
  - Fiduciary assignment of Rural properties (land), located in the cities of Ponte Serrada, Catandubas, Água Doce, Irani and Vargem Bonita.
  - Fiduciary assignment of credit rights arising from sales in the amount of R\$ 50,000.
- ii) The 4th Issuance of simple private Debentures has guarantees, as follows:
  - Fiduciary assignment of Companys' properties, located at Santa Luzia, State of Minas Gerais (Paper plant).
  - Fiduciary assignment of Machines and equipment owned by the Issuer, located at the referred plant.

### c) Resctrictive Financial Covenants

On September 30, 2021 there was no need to evaluate financial indexes, because these are evaluated yearly, as stipulated in the contracts. The financial ratios calculated in the last financial year are disclosed in the financial statements as of December 31, 2020.

## 18. TRADE PAYABLES

Payables to suppliers are as follows:

## Notes to the Financial Statements

CURRENT	Parent company		Consolidated	
	09.30.21	12.31.20	09.30.21	12.31.20
Local market	130,259	107,694	131,172	108,695
Foreign market	1,574	400	1,574	400
Related parties	13,558	11,767	-	-
	<u>145,391</u>	<u>119,861</u>	<u>132,746</u>	<u>109,095</u>

### 19. RELATED PARTIES

Parent Company	Accounts Receivable		Accounts Payable	
	09.30.21	12.31.20	09.30.21	12.31.20
Habitasul Florestal S.A.	-	-	5,443	1,710
Iraflor - Com. de Madeiras Ltda	-	-	8,117	10,057
Management remuneration	-	-	995	2,676
Management profit sharing	-	-	17,889	8,085
Habitasul Desenvolvimentos Imobiliários	-	-	20	18
Companhia Habitasul de Participações	242	61	-	-
Irani Soluções para E-Commerce	22	-	-	-
Irani Participações S/A	-	2,495	-	-
Total	<u>264</u>	<u>2,556</u>	<u>32,464</u>	<u>22,546</u>
Current portion	264	2,556	32,464	22,546

Parent Company	Revenues		Expenses		Revenues		Expenses	
	Three-month period ended		Three-month period ended		Nine-month period ended		Nine-month period ended	
	09.30.21	09.30.20	09.30.21	09.30.20	09.30.21	09.30.20	09.30.21	09.30.20
Companhia Com.de Imóveis	-	-	-	34	-	-	-	102
Companhia Habitasul de Participações	660	183	-	-	1,720	244	-	-
Habitasul Florestal S.A.	-	-	3,341	1,306	-	-	14,718	5,941
Iraflor - Com. de Madeiras Ltda	-	-	2,376	666	-	-	11,093	4,165
Irani Soluções para E-Commerce	30	-	-	-	96	-	-	-
MCFD Administração de Imóveis Ltda	-	-	461	340	-	-	1,383	1,004
PFD Administradora de Imóveis Ltda	-	-	461	340	-	-	1,383	1,004
Irani Participações S/A	-	-	-	236	-	-	-	1,260
Habitasul Desenvolvimentos Imobiliários	-	-	60	54	-	-	200	162
Management profit sharing	-	-	7,336	3,129	-	-	13,006	3,129
Management remuneration	-	-	3,055	2,748	-	-	8,969	8,075
Total	<u>690</u>	<u>183</u>	<u>17,090</u>	<u>8,853</u>	<u>1,816</u>	<u>244</u>	<u>50,752</u>	<u>24,842</u>

Consolidated	Accounts Receivable		Accounts Payable	
	09.30.21	12.31.20	09.30.21	12.31.20
Habitasul Desenvolvimentos Imobiliários	-	-	20	18
Management remuneration	-	-	995	2,676
Management profit sharing	-	-	17,889	8,085
Companhia Habitasul de Participações	242	61	-	-
Irani Participações S/A	-	2,495	-	-
Total	<u>264</u>	<u>2,556</u>	<u>18,904</u>	<u>10,779</u>
Current portion	264	2,556	18,904	10,779

## Notes to the Financial Statements

Consolidated	Receitas		Despesas		Receitas		Despesas	
	Three-month period ended		Three-month period ended		Nine-month period ended		Nine-month period ended	
	09.30.21	09.30.20	09.30.21	09.30.20	09.30.21	09.30.20	09.30.21	09.30.20
Irani Participações S/A	-	-	-	236	-	-	-	1,260
MCFD Administração de Imóveis Ltda	-	-	461	340	-	-	1,383	1,004
PFD Administradora de Imóveis Ltda	-	-	461	340	-	-	1,383	1,004
Companhia Habitasul de Participações	660	183	-	-	1,720	244	-	-
Management remuneration	-	-	3,070	2,763	-	-	9,014	8,120
Habitasul Desenvolvimentos Imobiliários	-	-	60	54	-	-	200	162
Companhia Com.de Imóveis	-	-	-	34	-	-	-	102
Management profit sharing	-	-	7,336	3,129	-	-	13,006	3,129
Total	660	183	11,388	6,896	1,720	244	24,986	14,781

The debts with the subsidiary Habitasul Florestal S.A. are due to commercial operations and acquisition of raw materials at prices and terms under the conditions established between the parties. These transactions were approved by the Board of Directors as described in the Related Party Transactions policy.

The debts with the subsidiary Iraflor Comércio de Madeiras Ltda. are due to commercial operations and acquisition of raw materials at prices and terms under the conditions established between the parties. These transactions were approved by the Board of Directors as described in the Related Party Transactions policy.

The debt with MCFD Administração de Imóveis Ltda. and PFD Administradora de Imóveis Ltda, corresponds to the monthly rental value of the Packaging plant in Indaiatuba, state of São Paulo, signed on December 26, 2006 for a term of 20 years (renewable). The monthly amount paid to the related party as of March, 2021 is R\$ 169, updated annually according to the same change in the General Market Price Index (IGPM), as measured by the Getúlio Vargas Foundation. This agreement was recognized as lease as disclosed in note 33. These transactions were approved by the Board of Directors as described in the Related Party Transactions policy.

The management remuneration expenses, excluding payroll charges and including benefits, totaled R\$ 8,969 in the parent company in the nine-month period ended September 30, 2021 (R\$ 8,075 in the nine-month period ended September 30, 2020), and R\$ 9,014 in the consolidated in the nine-month period ended September 30, 2021 (R\$ 8,120 in the nine-month period ended September 30, 2020). The total management remuneration, in the maximum amount of R\$ 17,000, was approved at the Annual Shareholders' Meeting held on April 28, 2021.

Expenses with management profit sharing arise from the statutory provision pursuant to article 24 of the Company's social bylaws, limited to 10% (ten percent) of profits, or their annual remuneration, if this limit is lower. Expenses with management participation approved by the Board of Directors totaled R\$ 13,006 in the parent company and consolidated in the nine-month period ended September 30, 2021 (R\$ 3,129 in the nine-month period ended September 30, 2020).

The debt with Irani Participações S/A corresponds mainly to a guarantee remuneration agreement, whereby the Company remunerates sureties and guarantees granted by Irani Participações S/A in its favor to enable the contracting of loans and financing, and the

## Notes to the Financial Statements

service agreement of support services to the Company's corporate activities, preparation and recording of minutes of the Board of Executive Officers and the Board of Directors and Shareholders' Meeting. In accordance with particular termination terms, both contracts were terminated at the end of 2020 and are no longer in effect since January 1, 2021.

The receivable from Irani Participações S.A, is related to sale agreement signed between the Company and Koch Metalurgica S.A. through a private instrument of partial transfer of contractual rights and obligations of the remaining part of the property (land and building) at Cachoeirinha - RS, in the total amount of R\$ 4,500, to be paid in 30 equal and successive installments of R\$ 150, each adjusted at 1% per month, the first installment due on June 24, 2019 and the last on October 24, 2021. The maturing installments will be monthly adjusted by IGPM/FGV. At the same date, the company Koch Metalúrgica S.A., transferred the debt through a private instrument of debt assumption to the company Irapar Participações S.A. This transaction was approved by the Board of Directors as described in the Related Party Transactions policy.

The amount receivable from Companhia Habitasul de Participações (“CHP”) arises from a contract for the implementation of a new governance model at CHP, with revisions of the amounts every six months. The object of the contract is the sharing of services and intelligence in the areas of strategy and management. This operation was approved by the Board of Directors as described in the Related Party Transactions policy.

## Notes to the Financial Statements

### 20. TAX INSTALLMENTS

	Parent Company		Consolidated	
	09.30.21	12.31.20	09.30.21	12.31.20
<b>Current</b>				
PIS installment	1,277	1,252	1,277	1,252
COFINS installment	5,879	5,764	5,879	5,764
IPI installment	1,063	1,143	1,063	1,143
ICMS installment	685	671	685	671
	<u>8,904</u>	<u>8,830</u>	<u>8,904</u>	<u>8,830</u>
<b>Non-current</b>				
PIS installment	957	1,877	957	1,877
COFINS installment	4,410	8,648	4,410	8,648
IPI installment	2,557	3,194	2,557	3,194
ICMS installment	1,857	2,320	1,857	2,320
	<u>9,781</u>	<u>16,039</u>	<u>9,781</u>	<u>16,039</u>
Total of taxes installments	<u>18,685</u>	<u>24,869</u>	<u>18,685</u>	<u>24,869</u>

This is a PIS and COFINS installment payment in which the Company made offsetting compensations that were originated in the exclusion of ICMS from the basis of PIS and COFINS. Before the recognition of the liability, the Company maintained a provision for contingencies in relation to the matter, and due to the delay and indecision regarding the modulation of the effects of the judgment in a general repercussion by the Brazilian Supreme Court (STF), it opted for installment payments. The total tax amount paid in installments was R\$ 25,219 (R\$ 31,349 updated with fine and interest), which was divided in 60 monthly installments.

In the first quarter of 2020, the Company reversed the provision for tax contingencies recognized in 2017, referring to IPI credit originally recognized by a larger amount. The total amount of tax in installments was R\$ 3,548 (R\$ 4,864 updated with interest and fine).

In the second quarter of 2020, the Company divided in 60 monthly installments ICMS debits with the São Paulo state, referring to March to May 2020. The total amount of the installed tax was R\$ 3,174 (R\$ 3,371 updated with fine and interest).

### 21. PROVISION FOR CIVIL, LABOR AND TAX RISKS

The Company and its subsidiaries are parties to tax, civil, and labor lawsuits, and administrative proceedings of a tax nature. Management, supported by the opinion of its attorneys and legal counsel, believes that the provisions recorded for civil, labor and tax contingencies are enough to cover probable losses.

## Notes to the Financial Statements

Breakdown of the balance of provisions:

	Parent Company		Consolidated	
	09.30.21	12.31.20	09.30.21	12.31.20
Civil provisions	2,742	2,252	2,742	2,252
Labor provisions	4,964	5,407	5,432	5,777
Tax provisions	11,415	10,011	11,415	10,011
<b>Total</b>	<b>19,121</b>	<b>17,670</b>	<b>19,589</b>	<b>18,040</b>

Details to the movement of provisions:

	01.01.20	Provision	Payments	Reversal	Restricted	12.31.20
					judicial deposits	
<b>Parent Company</b>						
Civil	1,873	433	(54)	-	-	2,252
Labor	5,202	1,483	(1,312)	(70)	104	5,407
Tax	16,702	1,731	-	(8,422)	-	10,011
	<u>23,777</u>	<u>3,647</u>	<u>(1,366)</u>	<u>(8,492)</u>	<u>104</u>	<u>17,670</u>
<b>Consolidated</b>						
	01.01.20	Provisão	Pagamentos	Reversão	Depósitos judiciais vinculados	12.31.20
Civil	2,353	433	(534)	-	-	2,252
Labor	5,625	1,512	(1,335)	(129)	104	5,777
Tax	16,702	1,731	-	(8,422)	-	10,011
	<u>24,680</u>	<u>3,676</u>	<u>(1,869)</u>	<u>(8,551)</u>	<u>104</u>	<u>18,040</u>
<b>Parent Company</b>						
	01.01.21	Provision	Payments	Reversal	Restricted judicial deposits	09.30.21
Civil	2,252	490	-	-	-	2,742
Labor	5,407	848	(1,209)	(122)	40	4,964
Tax	10,011	2,923	-	(1,519)	-	11,415
	<u>17,670</u>	<u>4,261</u>	<u>(1,209)</u>	<u>(1,641)</u>	<u>40</u>	<u>19,121</u>
<b>Consolidated</b>						
	01.01.21	Provision	Payments	Reversal	Restricted judicial deposits	09.30.21
Civil	2,252	490	-	-	-	2,742
Labor	5,777	1,186	(1,419)	(152)	40	5,432
Tax	10,011	2,923	-	(1,519)	-	11,415
	<u>18,040</u>	<u>4,599</u>	<u>(1,419)</u>	<u>(1,671)</u>	<u>40</u>	<u>19,589</u>

The provisions mainly refer to:

- a) Civil lawsuits relate, among other issues, to indemnification claims and Commercial Representation contractual terminations. As of September 30, 2021, the provision in

## Notes to the Financial Statements

these lawsuits totaled R\$ 2,472 in consolidated to cover potential losses in these lawsuits.

- b) Labor lawsuits are mainly related to claims filed by former employees for payment of overtime, health hazard premiums, hazardous duty premiums, occupational illnesses and occupational accidents. Based on experience and on the opinion of its legal counsel, the Company maintained a provision of R\$ 5,432 on September 30, 2021 (consolidated), which is considered enough to cover probable losses arising from labor lawsuits.
- c) Tax consolidated provisions totaled R\$ 11,415 on September 30, 2021 and relate mainly to:
- i) Appropriation of Deemed ICMS Credit in the State of Minas Gerais, linked to the Protocol of Intentions for Investment in the Paper plant located in the Municipality of Santa Luzia, which was not started since the Company is awaiting authorization from the Environmental Bodies and for its strategic market reasons. The amount recognized up to September 30, 2021 totaled R\$ 7,856 and a related provision for tax risks was recorded, amounting to R\$ 10,126.
  - ii) Administrative and judicial proceedings relating to the disallowance of ICMS credits by the Finance Department of the State of São Paulo, totaling R\$ 888. The proceedings are in process at the administrative and judicial levels pending judgment.

### Contingencies

No accounting provisions were recorded for contingencies assessed by management, together with its legal advisors, as possible losses. As of September 30, 2021, the amounts of these possible contingencies of a labor, civil and tax nature were as follows:

	Consolidated	
	09.30.21	12.31.20
Labor provisions	32,448	32,681
Civil provisions	8,357	6,407
Tax provisions	138,889	134,651
	<u>179,694</u>	<u>173,739</u>

### Labor Contingencies:

The labor lawsuits assessed by management and the legal counsel as involving possible risk of loss amounted to R\$ 32,448 on September 30, 2021. The variation verified in relation to the year of 2020 mainly refers to labor lawsuits resulting from the closure of the activities of the unit of Vila Maria - SP (discontinued operation) in 2019 and relates

## Notes to the Financial Statements

mainly to indemnity claims (hazardous duty premiums, health hazard premiums, overtime, salary premiums, damages and losses arising from occupational accidents). These lawsuits are currently at different procedural stages.

### Civil Contingencies:

The civil lawsuits classified by management and its legal counsel as involving risk of possible losses totaled R\$ 8,357 on September 30, 2021 and relate mainly to indemnity claims that are currently at different procedural stages.

### Tax Contingencies - Liabilities:

The tax lawsuits assessed by management and its legal counsel as involving possible losses totaled R\$ 138,889 on September 30, 2021, and mainly include the following:

- Administrative and judicial proceedings relating to assessments received from the state government of Santa Catarina and of the State of São Paulo for allegedly undue ICMS tax credits recorded on the purchase of materials used in the manufacturing units located in that state, which amounted to R\$ 45,230 on September 30, 2021. The Company is discussing said tax assessment notices in the administrative and judicial spheres.
- Administrative proceedings related to Tax Assessments for PIS and COFINS, arising from alleged undue tax credits, amounting to R\$ 38,227 on September 30, 2021. The Company has challenged these assessments at the administrative and judicial level and awaits the respective judgments.
- Administrative and judicial proceedings filed by the National Institute of Social Security (INSS), with respect to a Debt Assessment Notice referring to the payment of social security contribution on the gross revenue from sale of the production of agro-industrial companies, and the offset of debts against credits arising from the application of a higher Environmental Occupational Risk (RAT) rate at the Company's Administrative Units regarding the INSS tax assessment notice from write-off of debits and from these credit debits of the same type totaled R\$ 15,081 as of September 30, 2021. The Company is discussing said tax assessment notices in the administrative and judicial spheres.
- Administrative Proceedings relating to federal taxes offset against deemed Excise Tax (IPI) credits on exports, amounting to R\$ 6,215 on September 30, 2021. The Company is challenging this tax assessment at the judicial level.
- Proceedings relating to Tax Assessment Notices issued for the offset of Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) against credits from the same types, amounting to R\$ 3,305 on September 30, 2021. The Company is discussing said tax assessment notices in the administrative and judicial spheres.

## Notes to the Financial Statements

- Fiscal notification which objects to apply a fine related to the Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) from the year 2015 to 2018, due to undue exclusions from the net profit of each year. The Brazilian Revenue Service understood that the reductions, with an increase of fiscal loss, originated in fiscal amortization of goodwill, with no legal backing.

This lawsuit is currently suspended because the Company has presented a respective administrative impugnation, which awaits trial. The value of the fiscal notification fine is R\$ 296. In the case of the Company not receiving a favorable decision, there will be additional reflection of reversion of fiscal loss by goodwill amortization used in the period, which results in a reduction of approximately R\$ 19,551 of asset IRPJ and CSLL over the amortized goodwill value.

### Tax Contingencies - Assets:

- On June 7, 2021, the STF closed the judgement regarding the theme n. 304, in terms of general repercussion, declaring unconstitutional the articles 47 and 48 of Law 11.196/2005, which prohibit the calculation of PIS and COFINS credits in the acquisition of recyclable products/raw materials. In 2015, the Company filed Preventive Writ of Mandamus No. 5035028-10.2015.4.04.7100, seeking the right to use PIS and COFINS credits arising from the acquisition of “waste, residues and scraps” due to the unconstitutionality of art. 47 of Law No. 11.196/05. The Company Lawsuit had an Extraordinary Appeal before the STF admitted and, given the matter being dealt with in General Repercussion in Topic No. 304, STF has determined the return of the Company's lawsuit to TRF4 to wait, suspended, until the judgment of the "leading case". Thus, the Company filed, on August 23, 2021, with the TRF4, a Request for Retraction to adapt the judgment handed down in case No. 5035028-10.2015.4.04.7100 to the STF Decision, which is awaiting analysis. The Company estimates the gain this lawsuit between R\$ 148,000 and R\$ 165,000, net of attorney's fees, considering the period of five years prior to the filing of the lawsuit and that there will be no modulation of effects that will affect the Company's rights. The amount previously mentioned may change due to the inexistence of a final decision in the action filed by the Company, as well as in the event of modulation of effects in the scope of the "leading case". The Company's lawsuit, according to the Company's legal advisors, has a probable probability of success, characterized as a contingent asset. As it is a contingent asset and, does not meet the criteria of "virtually certain" provided for in CPC 25/IAS 37, item 33, the estimated gain on the lawsuit was not recognized in the Company's interim financial statements.

## 22. EQUITY

### a) Share Capital

On September 30, 2021, the share capital is R\$ 566,895 (R\$ 566,895 on December 31st, 2020), composed of 256,720,235 common shares of no par value on December 31st, 2020 (256,720,235 common shares of no par value on December 31, 2020).

## Notes to the Financial Statements

On the meeting of the Company's board of directors on July 10, 2020, the public offer was approved with restricted placement efforts of common, nominative, shares, with no par value, issued by the Company, all free and clear of any liens or encumbrances ("Restricted Offer").

On the meeting of the Company's board of directors on July 22, 2020, the Company's Board of Directors approved the price per Share at R\$ 4.50, as well as the effective capital increase, within the limits authorized in the terms of article 7 of the Company's social charter, in an aggregate amount of R\$ 405,000,000.00, upon issuance of 90,000,000 new commons shares, as well as its consummation, in the context of the restricted offer.

Because of the increase in the Company's capital in the context of the restricted offer, the new share capital of the Company became R\$ 566,895 represented by 256,720,235 shares, of which 243,909,975 are common shares and 12,810,260 preferred shares, all nominative, carrying and with no par value. The share capital value, net of shares issuance costs of R\$ 22,961, is of R\$ 543,934 as of September 30, 2021 (R\$ 543,934 as of December 31, 2020).

On October 8, 2020, the Extraordinary General Meeting approved the migration of the Company to the special listing segment of B3 SA - Brasil, Bolsa, Balcão ("B3") called Novo Mercado (New Market), as well as the conversion of all preferred shares of issuance of the Company in common shares, in the proportion of 1 (one) common share for each 1 (one) preferred share, and the global reform of the Company's Bylaws to adapt it to the requirements of B3's Novo Mercado Listing Regulation and to incorporate the other adjustments detailed in the Management's proposal, with its respective consolidation, whose validity is conditioned to the approval of the Company's migration to the Novo Mercado by B3.

Also, on October 8, 2020, the Special General Meeting of Shareholders of Preferred Shares ratified the conversion of all preferred shares issued by the Company into common shares, in the proportion of 1 (one) common share for each 1 (one) share preferred shareholder, with a 30-day withdrawal right from October 13, 2020, to the holders of preferred shares who abstained from voting, dissented from the resolution or did not attend the Special Shareholders' Meeting of Preferred Shareholders.

### b) Shareholders Remuneration

#### i) Interest on Equity

The Board of Directors approved on August 5, 2021, "ad referendum" of the General Assembly of Company Shareholders the distribution of intermediate dividends over the results of the first quarter of 2021, in the amount of R\$ 16,441, corresponding to R\$ 0.064642 per ordinary share, to the shareholders holding shares of issuance of the Company on August 10, 2021, paid on August 25, 2021. The interim dividends - 2th quarter distributed will be summed to the minimum obligatory dividend declared by the General

## Notes to the Financial Statements

Ordinary Company Assembly that approve the accounts of its administrators relative to the fiscal year 2021, as optioned by article 29, caput, of Social Statute of the Company.

The Board of Directors approved on May 10, 2021, "ad referendum" of the General Assembly of Company Shareholders the distribution of intermediate dividends over the results of the first quarter of 2020, in the amount of R\$ 12,885, corresponding to R\$ 0.050658 per ordinary share, to the shareholders holding shares of issuance of the Company on May 11, 2021, paid on May 25, 2021. The interim dividends - 1th quarter distributed will be summed to the minimum obligatory dividend declared by the General Ordinary Company Assembly that approve the accounts of its administrators relative to the fiscal year 2021, as optioned by article 29, caput, of Social Statute of the Company.

The Board of Directors approved on March 01, 2021, "ad referendum" of the General Assembly of Company Shareholders the distribution of intermediate dividends over the results of the fourth quarter of 2020, in the amount of R\$ 10,361, corresponding to R\$ 0.040738 per ordinary share, to the shareholders holding shares of issuance of the Company on March 4, 2021, paid on March 18, 2021. The interim dividends - 4th quarter distributed will be summed to the minimum obligatory dividend declared by the General Ordinary Company Assembly that approve the accounts of its administrators relative to the fiscal year 2020, as optioned by article 29, caput, of Social Statute of the Company.

### ii) Proposed additional dividends

On April 28, 2021 at General Assembly of Company Shareholders, additional dividends for the year 2020 were approved, in the total amount of R\$ 24,576, with the dividend per share totaling the amount of R\$ 0.096624, paid on 20 May 2021.

### c) Treasury Shares

		Parent company			
		09.30.21		12.31.20	
		Quant.	Amount	Quant.	Amount
i) Repurchase Plan	Ordin	24,000	30	24,000	30
ii) Withdrawal right	Prefei	2,352,116	6,804	2,352,116	6,804
		<u>2,376,116</u>	<u>6,834</u>	<u>2,376,116</u>	<u>6,834</u>

i) Repurchase plan: its purpose was to maximize the value of the shares to shareholders, with a deadline of 365 days for the performance of the transaction, up to November 23, 2011.

ii) Right of withdrawal: the shares acquired were subject to changes in the advantages assigned to the Company's preferred shares, as resolved at the Annual and Extraordinary Shareholders' Meeting held on April 19, 2012 and the conversion of

## Notes to the Financial Statements

preferred shares into common shares on October 8, 2020. The holders of the dissenting preferred shares were entitled to withdraw from the Company by reimbursing the value of the shares based on the equity value recorded in the balance sheet for the years ended December 31, 2011 and December 31, 2019.

On September 27, 2021, the Company's Board of Directors approved a new Share Repurchase Program for shares issued by the Company, which will come into effect from October 1, 2021 and ends on March 31, 2023, with a purchase limit up to 8,216,880 common shares, representing 7.76% of the total outstanding common shares issued by the Company. The Repurchase Program aims to maximize the generation of value for shareholders through efficient management of the Company's capital structure. The Company may use the shares to be held in treasury or for subsequent sale and/or cancellation. It will be the responsibility of the Executive Board, if the economic conditions and the value of the quotation of the shares on the stock exchange allow, to carry out (or not) the acquisition in adequate quantity and prices, observing the limits established in the program approved herein and in the applicable regulation.

### d) Profit Reserves

The profit reserves comprise: i) legal reserve, ii) biological assets' reserve, iii) profit retention reserve, iv) tax incentive reserve.

i) In compliance with the Company's Bylaws, the legal reserve is formed through the allocation of 5% of net income for the year and may be used to offset the losses or for capital increase.

ii) The biological assets reserve was recorded since the Company valued its biological assets at fair value in the opening balance sheet for initial adoption of IFRS. The creation of this statutory reserve was approved at the Special Shareholders' Meeting held on February 29, 2012, when the amount previously recognized in the unrealized profit reserve was transferred to this account.

iii) The income retention reserve is composed of the balance of retained earnings after the offsetting of losses and the formation of the legal reserve, and the net amount of dividends distributed. The respective resources will be allocated to investments in fixed assets previously approved by the Board of Directors, or may be distributed in the future, as approved by the Annual Shareholders' Meeting. Certain agreements with creditors contain restrictive clauses relating to the distribution of dividends that exceed the minimum mandatory dividend.

iv) The tax incentive reserve was recorded by the portion of net income from previous years derived from government grants for investments in the modernization and expansion of the paper production capacity in Minas Gerais and expansion of the industrial unit located in Santa Catarina and is excluded from basis of mandatory dividend.

### e) Equity Valuation Adjustments

## Notes to the Financial Statements

It was recorded since the Company valued its fixed assets (land, machinery and buildings) at deemed cost in the opening balance sheet for initial adoption of IFRS. Its realization will take place as the related deemed cost is depreciated, at which time the related amounts will also be adjusted in the basis for calculating dividends. The balance on September 30, 2021, net of tax effects, represented a credit balance of R\$ 148,049 (R\$ 154,759 on December 31, 2020).

Changes in equity valuation adjustments are as follows:

	<u>Consolidated</u>
Balance at December 31, 2019	<u>163,704</u>
Realization - deemed cost	<u>(8,945)</u>
Balance at December 31, 2020	<u>154,759</u>
Realization - deemed cost	<u>(6,710)</u>
Balance at September 30, 2021	<u>148,049</u>

### 23. EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing the profit (loss) attributable to the Company's stockholders by the weighted average number of shares outstanding during the period. The shares are not subject to the effects of potential dilution, such as debt convertible into shares. Consequently, diluted profit (losses) per share are equal to basic income (losses) per share. The weighted average number of shares is calculated by the total number of shares of 256,720,235, less treasury shares which are 2,376,116, which represents 254,344,119 shares.

a) Basic and diluted earnings per share:

<b>Parent Company and Consolidated</b>	<u>Three-month period ended September 09.30.21</u>		
	Common Shares	Preferred Shares	
Weighted average of the number of shares	254,344,119	254,344,119	
Income for the attributable period			
to each type of shares	<u>97,595</u>	<u>97,595</u>	
Basic and diluted profit per share - R\$	<u>0.3837</u>		

<b>Parent Company and Consolidated</b>	<u>Three-month period ended September 09.30.20</u>		
	Common Shares	Preferred Shares	Common & Preferred shares Total
Weighted average of the number of shares	223,116,744	10,458,160	233,574,904
Income for the attributable period			
to each type of shares	<u>24,414</u>	<u>1,144</u>	<u>25,558</u>
Basic and diluted profit per share - R\$	<u>0.1094</u>		

## Notes to the Financial Statements

<b>Parent Company and Consolidated</b>	<u>Nine-month period ended September 30, 2021</u>		
	<u>Common Shares</u>	<u>Preferred Shares</u>	
Weighted average of the number of shares	254,344,119	254,344,119	
Income for the attributable period to each type of shares	221,989	221,989	
Basic and diluted profit per share - R\$	<u>0.8728</u>		

<b>Parent Company and Consolidated</b>	<u>Nine-month period ended September 30, 2020</u>		
	<u>Common Shares</u>	<u>Preferred Shares</u>	<u>Common &amp; Preferred shares Total</u>
Weighted average of the number of shares	176,962,898	10,458,160	187,421,058
Income for the attributable period to each type of shares	55,560	3,284	58,844
Basic and diluted profit per share - R\$	<u>0.3140</u>	<u>0.3140</u>	

### 24. NET SALES

The Company's net sales are comprised by the following:

	<u>Parent Company</u>		<u>Parent Company</u>	
	<u>Three-month period ended</u>		<u>Nine-month period ended</u>	
	<u>09.30.21</u>	<u>09.30.20</u>	<u>09.30.21</u>	<u>09.30.20</u>
Gross sales of goods	551,881	333,097	1,517,891	930,519
Taxes on sales	(116,686)	(70,212)	(317,904)	(186,279)
Sales returns	(4,364)	(2,516)	(12,240)	(8,373)
Net sales	<u>430,831</u>	<u>260,369</u>	<u>1,187,747</u>	<u>735,867</u>

	<u>Consolidado</u>		<u>Consolidado</u>	
	<u>Three-month period ended</u>		<u>Nine-month period ended</u>	
	<u>09.30.21</u>	<u>09.30.20</u>	<u>09.30.21</u>	<u>09.30.20</u>
Gross sales of goods	553,631	334,156	1,522,185	933,496
Taxes on sales	(116,791)	(70,272)	(318,155)	(186,445)
Sales returns	(4,372)	(2,521)	(12,264)	(8,381)
Net sales	<u>432,468</u>	<u>261,363</u>	<u>1,191,766</u>	<u>738,670</u>

The Company's revenues are recognized when the performance obligations are met, which generally occurs when products are delivered to customers on sales to the domestic market or when shipping products sold on sales to the foreign market. Also, the main products sold by the Company represent the operating segments established as per Note 31.

All sales transactions generate receivables that are described in note 6. There are no other contract assets or liabilities recognized.

## Notes to the Financial Statements

### 25. COSTS AND EXPENSES BY NATURES

Breakdown of expenses by type is shown as follows:

	Parent Company		Parent Company	
	Three-month period ended		Nine-month period ended	
	09.30.21	09.30.20	09.30.21	09.30.20
Fixed and variable costs (raw and consumption material)	(226,014)	(141,326)	(650,144)	(384,948)
Personnel expenses	(37,514)	(32,845)	(107,013)	(97,282)
Change in fair value - biological assets	11,549	1,973	24,091	6,865
Depreciation, amortization and depletion	(18,433)	(17,942)	(54,349)	(50,343)
Freight - Sales	(14,545)	(13,724)	(41,459)	(37,703)
Contracting services	(9,445)	(8,824)	(26,369)	(28,396)
Other sales expenses	(14,530)	(10,443)	(35,489)	(30,178)
Total costs and expenses by type	<u>(308,932)</u>	<u>(223,131)</u>	<u>(890,732)</u>	<u>(621,985)</u>
Cost of sales	(266,282)	(182,387)	(772,052)	(510,350)
Change in fair value of biological assets	11,549	1,973	24,091	6,865
Selling expenses	(28,969)	(24,218)	(76,922)	(67,139)
Impairment losses on trade receivables	(106)	51	(26)	(742)
General and administrative expenses	(25,124)	(18,550)	(65,823)	(50,619)
	Consolidated		Consolidated	
	Three-month period ended		Nine-month period ended	
	09.30.21	09.30.20	09.30.21	09.30.20
Fixed and variable costs (raw and consumption material)	(219,526)	(140,037)	(624,935)	(375,641)
Personnel expenses	(41,868)	(35,105)	(116,853)	(104,511)
Change in fair value - biological assets	14,855	733	40,735	8,819
Depreciation, amortization and depletion	(22,405)	(18,957)	(66,816)	(55,497)
Freight - Sales	(14,545)	(13,339)	(42,444)	(37,783)
Contracting services	(9,445)	(9,256)	(27,434)	(29,861)
Other sales expenses	(15,104)	(11,213)	(35,951)	(31,001)
Total costs and expenses by type	<u>(308,038)</u>	<u>(227,174)</u>	<u>(873,698)</u>	<u>(625,475)</u>
Cost of sales	(267,426)	(184,283)	(768,550)	(513,431)
Change in fair value of biological assets	14,855	733	40,735	8,819
Selling expenses	(29,593)	(24,485)	(78,419)	(67,647)
Impairment losses on trade receivables	(56)	(67)	24	(1,137)
General and administrative expenses	(25,818)	(19,072)	(67,488)	(52,079)

## Notes to the Financial Statements

### 26. OTHER OPERATING INCOME AND EXPENSES

Revenues	Parent Company		Parent Company	
	Three-month period ended		Nine-month period ended	
	09.30.21	09.30.20	09.30.21	09.30.20
Revenue from claimed and disposed goods	375	285	1,430	444
Revenue from sale of assets	1,140	-	7,900	1,973
Carbon credit	297	-	297	125
Receita de alienação de florestas	2,365	-	2,365	-
Ganho ação exclusão ICMS da base das contribuições de PIS e COFINS	-	9,352	-	9,352
Other operating revenues	1,470	943	3,892	2,010
	<u>5,647</u>	<u>10,580</u>	<u>15,884</u>	<u>13,904</u>
Expenses	Parent Company		Parent Company	
	Three-month period ended		Nine-month period ended	
	09.30.21	09.30.20	09.30.21	09.30.20
Costs of claimed and disposed goods	-	(193)	(291)	(193)
Costs of sales of assets	(2,316)	-	(5,735)	(771)
Provision for government subsidy from the state government of Minas Gerais	(494)	(354)	(1,052)	(1,118)
Other operating expenses	(659)	(589)	(1,704)	(2,020)
	<u>(3,469)</u>	<u>(1,136)</u>	<u>(8,782)</u>	<u>(4,102)</u>
Total other operating income and expenses, net	<u>2,178</u>	<u>9,444</u>	<u>7,102</u>	<u>9,802</u>
Revenues	Consolidated		Consolidated	
	Three-month period ended		Nine-month period ended	
	09.30.21	09.30.20	09.30.21	09.30.20
Revenue from claimed and disposed goods	375	285	1,430	444
Revenue from sale of assets	1,140	-	7,900	1,973
Carbon credit	297	-	297	125
Receita de alienação de florestas	2,365	-	2,365	-
Ganho ação exclusão ICMS da base das contribuições de PIS e COFINS	-	9,352	-	9,352
Other operating revenues	1,473	946	3,900	2,023
	<u>5,650</u>	<u>10,583</u>	<u>15,892</u>	<u>13,917</u>
Expenses	Consolidated		Consolidated	
	Three-month period ended		Nine-month period ended	
	09.30.21	09.30.20	09.30.21	09.30.20
Costs of claimed and disposed goods	-	(193)	(291)	(193)
Costs of sales of assets	(2,316)	-	(5,735)	(771)
Provision for government subsidy from the state government of Minas Gerais	(494)	(354)	(1,052)	(1,118)
Other operating expenses	(651)	(589)	(1,698)	(2,030)
	<u>(3,461)</u>	<u>(1,136)</u>	<u>(8,776)</u>	<u>(4,112)</u>
Total other operating income and expenses, net	<u>2,189</u>	<u>9,447</u>	<u>7,116</u>	<u>9,805</u>

The revenue from assets refers to the sale of assets from discontinued operation.

## Notes to the Financial Statements

### 27. FINANCE INCOME AND EXPENSES

	Parent Company		Parent Company	
	Three-month period ended		Nine-month period ended	
	09.30.21	09.30.20	09.30.21	09.30.20
Financial income				
Yields from financial investments	4,363	1,739	8,943	2,703
Interest	2,007	7,290	3,052	9,468
Discounts obtained	93	67	205	423
	<u>6,463</u>	<u>9,096</u>	<u>12,200</u>	<u>12,594</u>
Exchange-rate change				
Foreign-exchange income	17,124	4,770	27,700	10,879
Foreign exchange costs	(14,776)	(5,603)	(29,550)	(12,695)
Net exchange rate change	<u>2,348</u>	<u>(833)</u>	<u>(1,850)</u>	<u>(1,816)</u>
Financial expenses				
Interest	(16,772)	(18,817)	(40,251)	(55,496)
Discounts granted	(110)	(97)	(222)	(268)
Negative goodwill/bank expenses	(131)	(239)	(472)	(716)
Liability interest on leases	(530)	(516)	(1,591)	(1,553)
Other	(301)	(827)	(567)	(2,016)
	<u>(17,844)</u>	<u>(20,496)</u>	<u>(43,103)</u>	<u>(60,049)</u>
Net financial costs	<u>(9,033)</u>	<u>(12,233)</u>	<u>(32,753)</u>	<u>(49,271)</u>
	Consolidated		Consolidated	
	Three-month period ended		Nine-month period ended	
	09.30.21	09.30.20	09.30.21	09.30.20
Financial income				
Yields from financial investments	4,568	1,744	9,362	2,720
Interest	2,007	7,295	3,052	9,473
Discounts obtained	95	68	208	444
	<u>6,670</u>	<u>9,107</u>	<u>12,622</u>	<u>12,637</u>
Exchange-rate change				
Foreign-exchange income	17,124	4,770	27,700	10,879
Foreign exchange costs	(14,776)	(5,603)	(29,550)	(12,695)
Net exchange rate change	<u>2,348</u>	<u>(833)</u>	<u>(1,850)</u>	<u>(1,816)</u>
Financial expenses				
Interest	(16,772)	(17,887)	(40,255)	(54,350)
Discounts granted	(110)	(97)	(263)	(268)
Negative goodwill/bank expenses	(133)	(250)	(475)	(730)
Liability interest on leases	(530)	(516)	(1,591)	(1,553)
Other	(301)	(827)	(567)	(2,016)
	<u>(17,846)</u>	<u>(19,577)</u>	<u>(43,151)</u>	<u>(58,917)</u>
Net financial costs	<u>(8,828)</u>	<u>(11,303)</u>	<u>(32,379)</u>	<u>(48,096)</u>

## Notes to the Financial Statements

### 28. INCOME TAX AND SOCIAL CONTRIBUTION

The reconciliation of the effective tax rate is as follows:

	Parent Company		Parent Company	
	Three-month period ended		Nine-month period ended	
	09.30.21	09.30.20	09.30.21	09.30.20
Operating income/(loss) before tax effects	117,589	32,035	292,081	74,391
Basic rate	34%	34%	34%	34%
Tax debit (credit) at the basic rate	(39,980)	(10,892)	(99,308)	(25,293)
Tax effect from permanent (additions) exclusions:				
Equity in net income of subsidiaries	865	(821)	7,044	(7)
Non-deductible expenses	(240)	(95)	(691)	(358)
Recognition (reversal) of taxes incentives	(6)	(37)	3	(191)
Other additions/exclusions unrecognized income tax and social contribution	-	485	-	2,535
Non-occurrence of IRPJ and CSLL on SELIC rate in the repetition of undue payment	25,197	-	25,197	-
Other permanent differences	(5,830)	4,883	(2,337)	7,767
	<u>(19,994)</u>	<u>(6,477)</u>	<u>(70,092)</u>	<u>(15,547)</u>
Current income tax and social contribution	(3,205)	(7,179)	(36,744)	(14,802)
Deferred income tax and social contribution	(16,789)	702	(33,348)	(745)
Effective rate - %	17.0	20.2	24.0	20.9
	Consolidated		Consolidated	
	Three-month period ended		Nine-month period ended	
	09.30.21	09.30.20	09.30.21	09.30.20
Operating income/(loss) before tax effects	117,791	32,333	292,805	74,904
Basic rate	34%	34%	34%	34%
Tax debit (credit) at the basic rate	(40,049)	(10,993)	(99,554)	(25,467)
Tax effect from permanent (additions) exclusions:				
Non-deductible expenses	(240)	(95)	(691)	(358)
Recognition (reversal) of taxes incentives	(6)	(37)	3	(191)
Other additions/exclusions unrecognized income tax and social contribution	-	485	-	2,535
Tax rate difference in subsidiaries	663	(1,119)	6,320	(520)
Non-occurrence of IRPJ and CSLL on SELIC rate in the repetition of undue payment	25,197	-	25,197	-
Other permanent differences	(5,761)	4,984	(2,091)	7,941
	<u>(20,196)</u>	<u>(6,775)</u>	<u>(70,816)</u>	<u>(16,060)</u>
Current income tax and social contribution	(3,310)	(7,521)	(36,977)	(15,273)
Deferred income tax and social contribution	(16,886)	746	(33,839)	(787)
Effective rate - %	17.1	21.0	24.2	21.4

### 29. INSURANCE

Insurance coverage is determined according to the nature of the risks to the assets and is considered enough to cover possible losses arising from damages. On September 30, 2021, the Company had corporate insurance against fire, lightning, explosions, electrical damage and wind storm damage to plants, residential locations and offices, as well as general civil liability coverage and coverage of liabilities of officers and directors (D&O), with a total amount of R\$ 347,112. Company life insurance is also contracted for

## Notes to the Financial Statements

employees with a minimum coverage of 24 times the employee's salary or a maximum amount of R\$ 500, as well as fleet insurance for vehicles with coverage at market value.

With respect to forests, the Company assessed the existing risks and opted not to contract insurance coverage because the preventive measures against fire and other risks have proven to be efficient. Management understands that the risk management structure related to the forestry activities is appropriate to ensure the going concern of the Company's operations.

### 30. FINANCIAL INSTRUMENTS

#### Capital risk Management

The Company's capital structure consists of its net debt (loans and financing detailed in Note 16 and 17, less cash, cash equivalents and financial investments), as detailed in note 5, and equity (which includes issued capital, reserves and retained earnings, as disclosed in Note 22).

Company's Management periodically reviews its capital structure. As part of this review, management considers the cost of capital and the risks associated with each class of capital. The Company intends to maintain a capital structure from 30% to 50% of own capital and from 70% to 50% of third-party capital. On September 30, 2021, the capital structure comprised 60% of own capital and 40% of third-party capital.

#### Indebtedness Level

The Net debt ratio on September 30, 2021 and December 31, 2020 is as follows:

	Parent Company		Consolidated	
	09.30.21	12.31.20	09.30.21	12.31.20
Debt (a)	635,739	588,232	635,739	588,247
Cash and cash equivalents and financial investments	(343,162)	(327,681)	(363,177)	(346,232)
Net debt	<u>292,577</u>	<u>260,551</u>	<u>272,562</u>	<u>242,015</u>
Equity (b)	<u>954,241</u>	<u>786,154</u>	<u>954,245</u>	<u>786,160</u>
Net debt ratio	<u>0.31</u>	<u>0.33</u>	<u>0.29</u>	<u>0.31</u>

(a) Debt is defined as short and long-term loans, financing and debentures, as detailed in notes 16 and 17.

(b) Equity includes the entire Company's capital and reserves, managed as capital.

## Notes to the Financial Statements

### Categories of financial instruments

	Note	Parent Company		Consolidated	
		09.30.21	12.31.20	09.30.21	12.31.20
<b>Financial assets</b>					
Fair value through profit or loss					
Cash and cash equivalents	5	21,705	35,709	41,720	54,260
Amortized cost					
Financial investments	5	321,457	291,972	321,457	291,972
Trade accounts receivable	6	281	206	281	207
Other accounts receivable	9	7	6	7	7
<b>Financial liabilities</b>					
Amortized cost					
Loans and financing	16	66,062	79,395	66,062	79,410
Debentures	17	569,677	508,837	569,677	508,837
Trade payables	18	145,391	119,861	132,746	109,095
Advances from customers		3,663	6,377	3,721	6,407
Lease liabilities	33	23,748	21,103	23,748	21,103
Tax installments	20	18,685	24,869	18,685	24,869
Dividends payables and Interest on shareholders' equity		358	10,467	358	10,467
Other accounts payable		17,376	12,487	17,680	12,758

### Financial risk factors

The Company is exposed to various financial risks, such as market risk (including exchange and interest rate risk), credit and liquidity risk.

Aiming to establish rules for financial management, the Company has maintained the Financial Management Policy since 2010. Such Policy regulates and establishes guidelines for the use of financial instruments.

The Company does not make any speculative investments in derivatives or any other financial assets.

### Foreign Exchange exposure risk

The Company has transactions in the foreign market that are exposed to fluctuations in the exchange rates of foreign currencies. As of September 30, 2021, and December 31, 2020, these operations presented a net liability exposure as the table below:

	Parent Company		Consolidated	
	09.30.21	12.31.20	09.30.21	12.31.20
Trade accounts receivable	38,360	22,875	38,360	22,875
Advances from customers	(1,278)	(2,468)	(1,278)	(2,468)
Trade payables	(1,574)	(400)	(1,574)	(400)
Advances to suppliers	27,679	-	27,679	-
Loans and financing	(27,487)	(21,506)	(27,487)	(21,506)
Net exposure	35,700	1,499	35,700	1,499

## Notes to the Financial Statements

The Company maintains operations in foreign currency aimed at facing possible variations in the balance of exports.

The Company has identified the main risk factors that could generate losses in connection with its financial instruments. The Company developed a sensitivity analysis which requires the presentation of two scenarios with deterioration of 25% and 50% in the risk variable considered, in addition to a base scenario. These scenarios may impact the Company's income (loss) and equity, as described below:

1 – Base scenario: for the definition of the base scenario, the U.S. dollar quotation used by the Company is based on future market projections of B3 for the next reporting date (December 31, 2021).

2 – Adverse scenario: 25% deterioration in the foreign exchange rate compared to that projected for December 31, 2021

3 – Remote scenario: 50% deterioration in the foreign exchange rate compared to that projected for December 31, 2021.

Operation	Balance on 09.30.21 US\$	Base scenario Gain (Loss)		Adverse scenario Gain (Loss)		Remote scenario Gain (Loss)	
		Rate	R\$	Rate	R\$	Rate	R\$
<b>Assets</b>							
Trade accounts receivable and Banks - restri	7	5.53	610	6.91	10,353	8.29	20,098.00
Advances to suppliers	5,089	5.53	440	6.91	7,471	8.29	14,504
<b>Liabilities</b>							
Trade payables and Advances from custome	(235)	5.53	(45)	6.91	(769)	8.29	(1,493)
Loans and financing	5,053	5.53	(437)	6.91	(7,418)	8.29	(14,401)
Net effect			568		9,637		18,708

This sensitivity analysis is intended to measure the impact of changes in foreign exchange market variables on each financial instrument of the Company. The balances on September 30, 2021 were used as a basis for the projection of the future balance. The actual behavior of debt balances will follow the respective contracts, while trade receivables and payable may fluctuate due to the normal course of the activities of the Company and its subsidiaries. The settlement of transactions involving these projections may result in amounts that differ from those estimated due to the subjectivity of the process used in the preparation of these analyses. The Company maintains its loans and financing exposed to exchange-rate changes by making annual net payments that are equivalent to or below the receipts from its exports.

Accordingly, the Company seeks to hedge its cash flow against foreign currency risks, and the effects of the scenarios above, if they materialize, are not expected to generate material impacts on its cash flow.

### Interest Rate Risk

The Company may be affected by adverse changes in interest rates. This exposure to interest rate risk relates primarily to changes in market interest rates that affect the Company's assets and liabilities indexed to the TJLP (Long-term interest rate from

## Notes to the Financial Statements

BNDES), CDI (Interbank Deposit Certificate), SELIC (Official Interest Rate) and IPCA (National Index for Consumer Prices)

The sensitivity analysis calculated for the base, adverse and remote scenarios on the loans and financing contracts subject to floating interest rates is as follows:

1 – Base scenario: for the definition of the base scenario, the CDI and SELIC rates used by the Company accompany the future market projections of B3 for the next reporting date (December 31, 2021). The TLP is extracted from the BNDES and the IPCA from Focus Bulletin.

2 – Adverse scenario: 25% adjustment of interest rates compared to the level projected for December 31, 2021.

3 – Remote scenario: 50% adjustment of interest rates compared to the level projected for December 31, 2021.

Operation	Index	Balance 09.30.2021	Base scenario Gain (loss)		Adverse scenario Gain (loss)		Remote scenario Gain (loss)	
			Rate % p.y	R\$	Rate % p.y	R\$	Rate % p.y	R\$
<b>Cash and cash equivalents and financial investments</b>								
CDB	CDI	353,468	7.31%	4,187	9.14%	10,785	10.97%	17,382
<b>Funding</b>								
Working capital	CDI	(551,656)	7.31%	(6,862)	9.14%	(17,675)	10.97%	(28,488)
Working capital	IPCA	(64,239)	8.58%	1,133	10.73%	(320)	12.87%	(1,773)
Finame	TLP	(164)	5.32%	(1)	6.65%	(3)	7.98%	(5)
Finame	SELIC	(465)	7.31%	(5)	9.14%	(14)	10.97%	(23)
Net effect on profit or (loss)				<u>(1,548)</u>		<u>(7,227)</u>		<u>(12,907)</u>

### Fair Value vs. Book Value

Fair value is the price received upon the sale of an asset or which would be paid to transfer a liability of a non-forced transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair value:

- The book balances of accounts receivable, and short-term accounts payable are presented in the Company's balance sheet at amounts that approximate their fair values due to the short terms of settlement.

- Loans and financing, including debentures - considering debts and the interest rates on loans, financing and debentures contracted, and based on market information, the fair value of borrowings in September 30, 2021 is R\$ 715,917. The Company applied as valuation technique discounted cash flows, considering the present value of expected payments, discounted using a Company's risk-adjusted discount rate. The fair value measured is Level 2 in the fair value hierarchy

## Notes to the Financial Statements

### Credit Risks

The Company's installments sales are managed through a credit rating and credit granting policy. Expected credit losses are adequately covered by provision to cope with possible loss in the realization thereof.

Trade accounts receivable comprise many customers from different sectors and geographical areas. An ongoing credit assessment is performed on the financial condition of the accounts receivable and, where appropriate, a credit guarantee coverage is requested.

Renegotiations with clients are mostly guaranteed by debt acknowledgment agreements, machinery, equipment, and properties pledged as collateral, in addition to individual endorsement guaranteeing the amount of debt.

### Liquidity risk

Management monitors the liquidity level based on the expected cash flow, which comprises cash, financial investments, flows of accounts receivable and payable, and payment of loans and financing. The liquidity management policy involves projections of cash flows in currencies used and a reflection on the net assets required to reach these projections, the monitoring of the liquidity ratios of the balance sheet in relation to internal and external regulatory requirements and the maintenance of debt financing plans.

The table below shows the maturity ranges of the financial liabilities contracted by the Company, where the reported amounts include the principal and fixed interest on transactions, calculated using rates and indices in effect on September 30, 2021, and the details on the expected maturity dates for non-derivative, undiscounted financial assets, including accrued interest on these assets.

## Notes to the Financial Statements

<b>Parent Company</b>	2021	2022	2023	2024	> 2024
<b>Liabilities</b>					
Trade payables	131,655	13,736	-	-	-
Loans and financing	2,550	63,782	396	50	-
Debentures	10,757	35,248	190,111	182,688	242,240
Tax installments	4,452	3,434	7,604	2,490	705
Advances from customers	3,663	-	-	-	-
Leases liabilities	4,928	4,748	4,748	4,748	4,576
Dividends payables Interest on	358	-	-	-	-
Other accounts payables	17,317	59	-	-	-
	<u>175,680</u>	<u>121,007</u>	<u>202,859</u>	<u>189,976</u>	<u>247,521</u>
<b>Consolidated</b>					
	2021	2022	2023	2024	> 2024
<b>Liabilities</b>					
Trade payables	119,010	13,736	-	-	-
Loans and financing	2,550	63,782	396	50	-
Debentures	10,757	35,248	190,111	182,688	242,240
Tax installments	4,452	3,434	7,604	2,490	705
Advances from customers	3,721	-	-	-	-
Leases liabilities	4,928	4,748	4,748	4,748	4,576
Dividends payables Interest on	358	-	-	-	-
Other accounts payables	17,621	59	-	-	-
	<u>163,397</u>	<u>121,007</u>	<u>202,859</u>	<u>189,976</u>	<u>247,521</u>

The amounts included for post-fixed non-derivative financial liability instruments are subject to change if the change in post-fixed interest rates differs from these estimates at the end of the reporting period.

### Derivative financial instruments

As of September 30, 2021 and December 31, 2020, the Company did not hire any derivative financial instrument.

## 31. OPERATING SEGMENTS

### a) Criteria for identifying operating segments

The Company's operating structure is segmented based on the way Management runs the business. The Company's revenue is segmented according to the products and operating segments defined.

Management has defined the operating segments as follows: corrugated cardboard packaging; packaging paper; and RS Forestry and Resin, as described below:

Corrugated Cardboard Packaging segment (PO Packaging): this division manufactures boxes and light and heavy corrugated cardboard sheets, and has two production plants: Campina da Alegria, in the state of Santa Catarina (SC), and Indaiatuba, São Paulo (SP).

## Notes to the Financial Statements

The Packaging Paper segment: manufactures low- and high-weight Kraft paper and recycled paper for the domestic and foreign markets. Most of its production is destined to the Corrugated Cardboard Packaging Division with two production units: Paper plant in Campina da Alegria, SC and Santa Luzia, Minas Gerais (MG).

RS Forestry and Resin Segment: through this segment, the Company grows pine for its own use, sells wood and extracts resin from pine that serves as raw material to produce gum rosin and turpentine. forest

### b) Consolidated information from operating segments

	Consolidated				Total
	Three-month period ended September 30, 2021				
	P.O Packaging	Packaging Paper	RS Forestry and Resin	Corporate/ eliminations	
Net sales:					
Domestic market	245,339	119,361	2,742	6	367,448
Foreign market	-	19,268	45,752	-	65,020
Total net sales	245,339	138,629	48,494	6	432,468
Change in fair value - biological assets	-	19,412	(4,557)	-	14,855
Cost of sales	(160,059)	(73,477)	(33,685)	(205)	(267,426)
Gross profit	85,280	84,564	10,252	(199)	179,897
Operating expenses	(18,093)	(10,062)	(4,647)	(20,476)	(53,278)
Operating income (loss) before financial income (loss)	67,187	74,502	5,605	(20,675)	126,619
Financial income (loss)	(4,209)	(6,107)	1,483	5	(8,828)
Operating net income (loss)	62,978	68,395	7,088	(20,670)	117,791
Depreciation and amortization	(4,078)	(12,557)	(387)	(558)	(17,580)

## Notes to the Financial Statements

	Consolidated				
	Three-month period ended September 30, 2020				
	P.O Packaging	Packaging Paper	RS Forestry and Resin	Corporate/ eliminations	Total
Net sales:					
Domestic market	148,869	70,547	1,348	-	220,764
Foreign market	-	24,091	16,508	-	40,599
Total net sales	148,869	94,638	17,856	-	261,363
Change in fair value - biological assets	-	3,250	(2,517)	-	733
Cost of sales	(110,724)	(59,831)	(13,660)	(68)	(184,283)
Gross profit	38,145	38,057	1,679	(68)	77,813
Operating expenses	(15,937)	(6,808)	(3,554)	(7,878)	(34,177)
Operating income (loss) before financial income (loss)	22,208	31,249	(1,875)	(7,946)	43,636
Financial income (loss)	(5,441)	(5,553)	(309)	-	(11,303)
Operating net income (loss)	16,767	25,696	(2,184)	(7,946)	32,333
Depreciation and amortization	(3,817)	(12,632)	(329)	(529)	(17,307)
	Consolidated				
	Nine-month period ended September 30, 2021				
	P.O Packaging	Packaging Paper	RS Forestry and Resin	Corporate/ eliminations	Total
Net sales:					
Domestic market	675,073	324,213	6,310	6	1,005,602
Foreign market	-	59,017	127,147	-	186,164
Third-party sales revenue	675,073	383,230	133,457	6	1,191,766
Revenues between segments	-	-	-	-	-
Total net sales	675,073	383,230	133,457	6	1,191,766
Change in fair value - biological assets	-	39,570	1,165	-	40,735
Cost of sales	(464,755)	(218,561)	(84,349)	(885)	(768,550)
Gross profit	210,318	204,239	50,273	(879)	463,951
Operating expenses	(51,848)	(17,359)	(12,447)	(57,113)	(138,767)
Operating income (loss) before financial income (loss)	158,470	186,880	37,826	(57,992)	325,184
Financial income (loss)	(15,566)	(15,751)	(1,067)	5	(32,379)
Operating net (loss) income	142,904	171,129	36,759	(57,987)	292,805
Depreciation and amortization	(11,965)	(37,436)	(1,157)	(1,636)	(52,194)

## Notes to the Financial Statements

	Consolidated				
	Nine-month period ended September 30, 2020				
	P.O Packaging	Packaging Paper	RS Forestry and Resin	Corporate/ eliminations	Total
Net sales:					
Domestic market	386,011	201,510	3,367	-	590,888
Foreign market	-	90,943	56,839	-	147,782
Third-party sales revenue	386,011	292,453	60,206	-	738,670
Change in fair value - biological assets	-	12,212	(3,393)	-	8,819
Cost of sales	(289,703)	(179,603)	(43,872)	(253)	(513,431)
Gross profit	96,308	125,062	12,941	(253)	234,058
Operating expenses	(43,318)	(21,896)	(10,100)	(35,744)	(111,058)
Operating income (loss) before financial income (loss)	52,990	103,166	2,841	(35,997)	123,000
Financial income (loss)	(23,284)	(26,604)	1,792	-	(48,096)
Operating net (loss) income	29,706	76,562	4,633	(35,997)	74,904
Depreciation and amortization	(10,756)	(33,938)	(1,045)	(1,434)	(47,173)

The balance in the Corporate/eliminations column substantially involves expenses of the corporate support area, not apportioned to the other segments, while the eliminations refer to adjustments of operations between the remaining segments.

The information referring to financial income (loss) were distributed by operating segment taking in consideration the specific allocation of each financial revenue and expense, and the distribution of revenues and expenses common to the Company by NCG (Working capital needs) of each segment.

The information relating to income tax and social contribution is not disclosed because the Company's management does not use this information by segment.

### c) Net Sales

The net sales in the third quarter of 2021 totaled R\$ 432,468 (R\$ 261,363 in the third quarter of 2020). The nine-month period of 2021 the net sales totaled R\$ 1,191,766 (R\$ 738,670 in the nine-month period of 2020).

Net sales for the foreign market in the three-month period ended September 30, 2021 totaled R\$ 65,020 (R\$ 40,599 in the three-month period ended September 30, 2020). The nine-month period of 2021, the net sales for the foreign market totaled R\$ 186,164 (R\$ 147,782 in the nine-month period ended September 30, of 2020), distributed by several countries, as follows:

## Notes to the Financial Statements

Consolidated			Consolidated		
Three-month period ended September 30, 2021			Three-month period ended September 30, 2020		
Country	Foreign market net sales	% in total net net sales	Country	Foreign market net sales	% in total net net sales
Germany	9,051	2.09%	China	13,630	5.21%
Argentina	6,341	1.47%	Argentina	5,886	2.25%
Portugal	6,244	1.44%	Saudi Arabia	2,721	1.04%
India	6,185	1.43%	Paraguay	2,652	1.01%
United States	6,003	1.39%	Portugal	2,308	0.88%
Spain	5,932	1.37%	India	1,799	0.69%
Saudi Arabia	4,260	0.99%	Japan	1,642	0.63%
France	2,805	0.65%	Peru	1,525	0.58%
Netherlands	2,306	0.53%	United States	1,453	0.56%
South Africa	2,257	0.52%	Turkey	1,282	0.49%
Chile	2,199	0.51%	Pakistan	855	0.33%
Turkey	2,184	0.51%	Mexico	845	0.32%
Paraguay	2,169	0.50%	Bolívia	769	0.29%
Pakistan	1,958	0.45%	Other Countries	3,232	1.24%
Peru	1,796	0.42%			
Mexico	1,299	0.30%			
Other countries	2,031	0.47%			
	<u>65,020</u>	<u>15.04%</u>		<u>40,599</u>	<u>15.52%</u>

Consolidated			Consolidated		
Nine-month period ended September 30, 2021			Nine-month period ended September 30, 2020		
Country	Foreign market net sales	% in total net net sales	Country	Foreign market net sales	% in total net net sales
China	26,485	2.22%	China	34,046	4.61%
Argentina	20,017	1.68%	Argentina	24,838	3.36%
Portugal	15,796	1.33%	Saudi Arabia	13,133	1.78%
Germany	15,275	1.28%	Portugal	7,637	1.03%
India	15,160	1.27%	Paraguay	7,160	0.97%
Saudi Arabia	12,249	1.03%	Chile	6,419	0.87%
United States	8,575	0.72%	South Africa	5,684	0.77%
France	8,038	0.67%	United States	5,136	0.70%
Spain	7,906	0.66%	Japan	4,801	0.65%
Paraguay	6,537	0.55%	India	4,157	0.56%
Mexico	6,268	0.53%	Germany	3,998	0.54%
Netherlands	6,187	0.52%	Peru	3,941	0.53%
Pakistan	5,559	0.47%	Ireland	3,917	0.53%
South Africa	5,544	0.47%	Other countries	22,915	3.10%
Chile	5,292	0.44%			
Peru	5,068	0.43%			
Hong Kong	4,515	0.38%			
Turkey	4,228	0.35%			
Ireland	3,126	0.26%			
Other countries	4,339	0.36%			
	<u>186,164</u>	<u>15.62%</u>		<u>147,782</u>	<u>20.00%</u>

In the third quarter of 2021, Company's net sales in domestic market totaled R\$ 367,448 (R\$ 220,764 in third quarter of 2020). The nine-month period of 2021, the net sales in domestic market totaled R\$ 1,005,602 (R\$ 590,888 in the nine-month period of 2020).

In the third quarter of 2021, a single customer accounted for 5.7% of net sales in the domestic market of the Corrugated Cardboard Packaging segment, equivalent to R\$

## Notes to the Financial Statements

13,995. The Company's other sales in the domestic and foreign markets were spread over a number of customers, none of them accounting for more than 10% of net sales.

### 32. GOVERNMENT GRANTS

The Company has ICMS tax incentives from the states of Santa Catarina and Minas Gerais:

- i) ICMS/SC – Prodec: Allows that 60% of the ICMS increase in the State of Santa Catarina, calculated on an average basis (September 2006 to August 2007) prior to the investments made, be deferred for payment after 48 months. This benefit is calculated monthly and subject to the completion of the investments planned and maintenance of jobs, in addition to the maintenance of regular status with the State obligations.

Regarding the incentive amounts, there will be interests at contractual rates of 4.0% per year. For the purposes of calculating the present value of this benefit, the Company used the average rate of 11.33% as the funding cost for the financing facilities with characteristics like those required for the respective disbursements if it did not have the benefit.

The benefit is effective for 14 years (10 years of benefit and 4 years of grace period), from January 2009 to December 2022, or up to the limit of R\$ 55,199 of deferred ICMS. Up to September 30, 2021, the Company had deferred ICMS liabilities of R\$ 5,437 (R\$ 9,228 in December 31, 2020), net of government grant R\$ 5,268 (R\$ 9,068 in December 31, 2020).

- ii) ICMS/MG – Presumed Credit: The State of Minas Gerais grants as the main benefit ICMS deemed credit resulting in the effective payment of 2% of the value of the shipment operations for the products industrialized by the Company, with the purpose of allowing the expansion of the industrial plant located in the municipality of Santa Luzia, in the State of Minas Gerais.

## Notes to the Financial Statements

### 33. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Parent Company and Consolidated				
	Land	Buildings and constructions	Equipment and facilities	Total
Initial recognition at 01.01.20	5,556	13,605	3,264	22,425
Depreciation	(970)	(2,070)	(928)	(3,968)
Increase/decrease of contracts in the period - main effect	579	1,621	523	2,723
Book balance, net at December 31, 2020	<u>5,165</u>	<u>13,156</u>	<u>2,859</u>	<u>21,180</u>
Cost	6,794	17,234	4,244	28,272
Accumulated depreciation	(1,629)	(4,078)	(1,385)	(7,092)
Book balance, net at December 31, 2020	<u>5,165</u>	<u>13,156</u>	<u>2,859</u>	<u>21,180</u>
Balancete at 01.01.21	5,165	13,156	2,859	21,180
Depreciation	(828)	(2,006)	(766)	(3,600)
Increase/decrease of contracts in the period - main effect	903	3,750	447	5,100
Book balance, net at September 30, 2021	<u>5,240</u>	<u>14,900</u>	<u>2,540</u>	<u>22,680</u>
Cost	7,697	20,984	4,691	33,372
Accumulated depreciation	(2,457)	(6,084)	(2,151)	(10,692)
Book balance, net at September 30, 2021	<u>5,240</u>	<u>14,900</u>	<u>2,540</u>	<u>22,680</u>

The calculation of the right to use assets is equal to the present value of the lease liability discounted using the rates of 12.06% and 14.43% p.a., calculated using the risk-free rate (NTN), the risk spread of the company, the corresponding risk of the country and the specific risk of the asset. The company calculated depreciation using the linear method according to the remaining period of the contracts with an average remaining period of 6.5 years.

The lease agreements have lease liabilities, as shown below:

Parent Company and Consolidated				
	Land	Buildings and constructions	Equipment and facilities	Total
Initial recognition at 01.01.20	5,180	13,700	3,517	22,397
Lease installment	(1,610)	(3,180)	(1,272)	(6,062)
Increase/decrease of contracts in the period - main effect	579	1,621	523	2,723
Interest over lease in the period	564	1,272	156	1,992
Increase/decrease of contracts in the period - effect in interest	-	33	20	53
Book balance, net at December 31, 2020	<u>4,713</u>	<u>13,446</u>	<u>2,944</u>	<u>21,103</u>
Book Balance at 01.01.21	4,713	13,446	2,944	21,103
Lease installment in the year	(95)	(3,021)	(931)	(4,047)
Increase/decrease of contracts in the period - main effect	903	3,750	447	5,100
Interest over lease in the period	415	1,015	162	1,592
Adição/baixa de contratos - efeito nos juros	-	-	-	-
Book balance, net at September 30, 2021	<u>5,936</u>	<u>15,190</u>	<u>2,622</u>	<u>23,748</u>
Short-term				4,928
Long-term				18,820

The interest over lease is recorded as financial expenses and appropriated according to the time remaining in each contract.

The long-term payments in undiscounted cash flow are distributed as follows:

## Notes to the Financial Statements

	<u>Parent Company and Consolidated</u>
Long-term maturity dates:	
2022	1,198
2023	4,793
2024	4,680
2025	4,320
> 2026	<u>13,656</u>
	<u>28,647</u>

The impacts on the income statement according to the standard CPC 06 (R2)/ IFRS 16, were that the lease considerations that were previously recorded as lease expenses are now recorded on the lines of depreciation and financial expenses. Even though the new standard did not bring any modifications to the total amount that will be taken to the statement of profit or loss throughout the life of the contracts, there is a time effect in the income.

The Company has the potential right of PIS/COFINS credits to recover embedded in the consideration of leases of buildings, constructions, equipment and facilities. The potential effects of PIS / COFINS are shown in the table below:

### Parent Company and Consolidated

Cash Flow	<u>Nominal</u>	<u>Present Value</u>
Lease Consideration	37,681	28,113
PIS/COFINS (9.25%)	3,485	2,600

According to CVM Circular Letter 02/2019, the Company adopted the discounted cash flow technique without considering inflation (real flow discounted at nominal rate).

Other assumptions, such as the maturity schedule of the liabilities and interest rates used in the calculation, are disclosed in other items of this same note, as well as the inflation indices are observable in the market, so that the nominal flows can be prepared by the users of the financial statements.

During the year ended in September 30, 2021 there were no renegotiations in the lease agreements.

Management evaluated the use of nominal cash flows and nominal rates, as recommended by the CVM, and concluded that these do not generate material differences in the information presented as shown in the following table:

Parent Company and Consolidated	<u>Real Flow</u>		<u>Nominal Flow</u>	
	01.01.19	09.30.21	01.01.19	09.30.21
Lease Liability	41,769	34,552	48,992	38,933
Built-In Interest	<u>(16,147)</u>	<u>(10,804)</u>	<u>(19,687)</u>	<u>(11,024)</u>
	25,622	23,748	29,305	27,909

## Notes to the Financial Statements

### 34. TRANSACTIONS NOT AFFECTING CASH

The Company carried out non-cash transactions relating to operating activities and investment activities, which were not reflected in the statement of cash flows.

During the nine-month period ended September 30, 2021, the Company realized PIS and COFINS credits over fixed assets items of R\$ 400, recognized the update of PIS and COFINS credits over the exclusion of ICMS in the calculation basis of PIS and COFINS basis in the amount of R\$ 502, recognized credits on the non-occurrence of IRPJ and CSLL on the SELIC rate in the repetition of undue payment in the amount of R\$ 25,197, and also made purchases of property, plant and equipment and biological assets in the amount of R\$ 9,010 which were financed directly by suppliers.

During the nine-month period ended on September 30, 2020, the Company realized PIS and COFINS credits over property, plant and equipment amounting to R\$ 590 and recognized PIS and COFINS credits related to exclusion of ICMS from PIS and COFINS basis amounting to R\$ 20,192.

### 35. SUPPLEMENTAL INFORMATION ON STATEMENT OF CASH FLOWS

	Parent Company			Consolidated		
	Loans, financing and debentures	Dividends and interest on shareholders' equity	Leases liabilities	Loans, financing and debentures	Dividends and interest on shareholders' equity	Leases liabilities
<b>Balance as of December 31, 2019</b>	838,256	1,818	22,397	838,310	1,818	22,397
<b>Change in cash</b>	(261,614)	(10,634)	(3,402)	(261,647)	(10,634)	(3,402)
Payment of dividends and interest on shareholders' equity	-	(10,634)	-	-	(10,634)	-
Lease liability paid	-	-	(1,849)	-	-	(1,849)
Loans obtained	57,908	-	-	57,908	-	-
Loans and debentures paid	(256,442)	-	-	(256,475)	-	-
Payment of interest on loans, financing and debentures	(63,080)	-	-	(63,080)	-	-
Payment of interest on lease liabilities	-	-	(1,553)	-	-	(1,553)
<b>Changes not involving cash</b>	63,732	8,894	4,264	63,736	8,894	4,264
Lease liabilities - increase/decrease in the period	-	-	2,776	-	-	2,776
Exchange-rate change and interest on loans, financing and debentures	63,732	-	-	63,736	-	-
Interest on lease liabilities	-	-	1,488	-	-	1,488
Interest on Equity	-	8,894	-	-	8,894	-
<b>Balance as of September 30, 2020</b>	640,374	78	23,259	640,399	78	23,259

	Parent Company			Consolidated		
	Loans, financing and debentures	Dividends and interest on shareholders' equity	Leases liabilities	Loans, financing and debentures	Dividends and interest on shareholders' equity	Leases liabilities
<b>Balance as of December 31, 2020</b>	588,232	10,467	21,103	588,247	10,467	21,103
<b>Change in cash</b>	7,125	(64,262)	(4,047)	7,110	(64,262)	(4,047)
Payment of dividends and interest on shareholders' equity	-	(64,262)	-	-	(64,262)	-
Lease liability paid	-	-	(2,455)	-	-	(2,455)
Loans obtained	26,256	-	-	26,256	-	-
Issuance of debentures (Net of funding costs)	59,547	-	-	59,547	-	-
Loans and debentures paid	(41,461)	-	-	(41,476)	-	-
Payment of interest on loans, financing and debentures	(37,217)	-	-	(37,217)	-	-
Payment of interest on leasing	-	-	(1,592)	-	-	(1,592)
<b>Changes not involving cash</b>	40,382	54,153	6,692	40,382	54,153	6,692
Lease liabilities - increase/decrease in the period	-	-	5,100	-	-	5,100
Exchange-rate change and interest on loans, financing and debentures	40,382	-	-	40,382	-	-
Interest on lease liabilities	-	-	1,592	-	-	1,592
Dividends and interest on shareholders' equity	-	54,153	-	-	54,153	-
<b>Balance as of September 30, 2021</b>	635,739	358	23,748	635,739	358	23,748

## Notes to the Financial Statements

### 36. SUBSEQUENT EVENTS

According to the new Repurchase Shares Program issued by the Company, approved by the Board of Directors as already mentioned on explanatory note 22(c), the Company carried out in October 2021 the repurchase of 511,300 common shares, for the average price of R\$ 6.28 per share, in total amount of R\$ 3,211.

## Special Review Report - No Disclaimer

Report on review of quarterly information – ITR

To the Board Members and Directors of Irani Papel e Embalagem S.A  
Porto Alegre – RS

### Introduction

We have reviewed the parent company and consolidated interim financial information of Irani Papel e Embalagem S.A. (“Company”), contained in the Quarterly Information - ITR Form for the quarter ended September 30, 2021, which comprise the statements of financial position as of September 30, 2021 and related statements of profit or loss and comprehensive income (loss) for the three and nine-month period then ended and changes in equity and cash flows for the nine-month period then ended, including explanatory notes.

Management is responsible for the preparation of this parent company and consolidated interim financial information in accordance with CPC 21(R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of this information in a manner consistent with the standards issued by the Comissão de Valores Mobiliários - CVM, applicable to the preparation of the Quarterly Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of Review

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

### Conclusion on parent company and consolidated interim financial information

Based on our review, nothing has come to our attention that cause us to believe that the accompanying parent company and consolidated interim financial information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, issued by IASB, and applicable to the preparation of Quarterly Information - ITR, and presented in a manner consistent with the standards issued by the Comissão de Valores Mobiliários - CVM.

### Other matters – Statement of Added Value

The parent company and consolidated interim financial information above mentioned includes the statements of added value (DVA) for the nine-month period ended September 30, 2021, prepared under responsibility of Company's management, and presented as supplementary information for the purposes of IAS 34. These statements were submitted to review procedures together with the review of quarterly information, with the objective of concluding whether they are reconciled with interim financial information and accounting records, as applicable, and whether their form and content are in accordance with criteria defined in Technical Pronouncement CPC 09 – Statement of Added Value. Based on our review, nothing has come to our attention that cause us to believe that it has not been prepared, in all material respects, in accordance with the criteria defined in this Pronouncement and consistent with the parent company and consolidated interim financial information taken as a whole.

Porto Alegre, October 28, 2021

KPMG Auditores Independentes

CRC SP-014428/F-7

(Original review report in Portuguese signed by)

Felipe Brutti da Silva

Accountant CRC RS-083891/O-0 T-SC

## **Executive Officers' Statement On The Interim Financial Statements**

Executive officers' statement

For the purposes of Article 25 of CVM Instruction 480/09

As Executive Officers of Irani Papel e Embalagem S.A., a corporation headquartered at Rua General João Manoel, 157, 9th floor, room 903, in the city of Porto Alegre, state of Rio Grande do Sul, enrolled in the National Corporate Taxpayers Registry (CNPJ/MF) under No.92.791.243/0001-03, WE DECLARE, in compliance with the provisions established in paragraph 1, Article 25 of CVM Instruction 480, of December 7, 2009, that we reviewed, discussed and agreed with the Company's interim financial statements for the three-month period ended September 30, 2021.

Porto Alegre, RS, October 29, 2021.

Sérgio Luiz Cotrim Ribas – CEO

Odivan Carlos Cargnin - Administration, Finance and Investors Relations Officer

Henrique Zugman - Paper and Forest Business Officer

Lindomar Lima de Souza - Packaging Business Officer

Fabiano Alves de Oliveira - People, Strategy, and Management Officer

## **Executive Officers' Statement On The Independent Auditor's Report**

Executive officers' statement

For the purposes of Article 25 of CVM Instruction 480/09

As Executive Officers of Irani Papel e Embalagem S.A., a corporation headquartered at Rua General João Manoel, 157, 9th floor, room 903, in the city of Porto Alegre, state of Rio Grande do Sul, enrolled in the National Corporate Taxpayers Registry (CNPJ/MF) under No.92.791.243/0001-03, WE DECLARE, in compliance with the provisions established in paragraph 1, Article 25 of CVM Instruction 480, of December 7, 2009, that we reviewed, discussed and agreed with the conclusion expressed in the independent auditor's review report of the Company referring to the interim financial statements for the three-month period ended September 30, 2021.

Porto Alegre, RS, October 29, 2021.

Sérgio Luiz Cotrim Ribas - CEO

Odivan Carlos Cargnin - Administration, Finance and Investors Relations Officer

Henrique Zugman - Paper and Forest Business Officer

Lindomar Lima de Souza - Packaging Business Officer

Fabiano Alves de Oliveira - People, Strategy, and Management Officer