

Earnings Release 2Q21



Porto Alegre, July 30, 2021. Irani Papel e Embalagem (B3: RANI3), one of the major Brazilian companies in the packaging paper and corrugated cardboard packaging segments, announces today the consolidated profit for the second quarter of 2021 (2Q21). The consolidated interim financial statements were prepared in accordance with Brazilian Securities Exchange Commission (CVM) and Accounting Pronouncement Council (CPC) standards and comply with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The financial and operational information are presented based on consolidated figures and in Brazilian reais. Non-financial data, such as volumes, quantity, average price and EBITDA, were not examined by the Company's independent auditors.

Net Revenue

**R\$ 403,137
thousand**

Net Profit

R\$ 67,691

Adjusted EBITDA

R\$ 119,076 thousand

Net Debt/EBITDA

0.77x

Irani records Adjusted EBITDA of R\$ 119,076 thousand in 2Q21, an increase of 114.2% in relation to 2Q20

- ▶ Net revenue in 2Q21 recorded an increase of 67.3% when compared to 2Q20 and 13.2% in relation to 1Q21, mainly due to the increase in the prices of products in the Corrugated Cardboard Packaging and Packaging Paper segments, in addition to the more favorable exchange rate for the portion of sales for export. The sales volume of the Corrugated Cardboard Packaging segment was 22.1% higher than in 2Q20 and contributed to the growth in net revenue for the period.
- ▶ The sales volume of the Corrugated Cardboard Packaging segment increased 22.1% when compared to 2Q21, and remained stable when compared to 1Q21, totaling 40.5 thousand tons. This segment continues presenting a strong demand in the period and the Company's industrial activities have been operating at full capacity to serve this market. The Packaging Paper segment totaled 30.6 thousand tons, recording a decrease of 18.4% when compared to 2Q20, and a reduction of 1.6% when compared to 1Q21, owing to the lower availability of the Company's paper to the market, due to the greater use for the Corrugated Cardboard Packaging segment. The RS Forest and Resins segment recorded a decrease of 4.0% in volumes when compared to 2Q20, and of 15.6% in comparison to 1Q21, reaching 3.8 thousand tons. Said reduction is mainly due to the lower seasonal demand in the market.
- ▶ Gross profit in 2Q21 increased by 94.7% compared to 2Q20 and 17.9% when compared to 1Q21. The growth in 2Q21 is related to the increase in revenue and to the positive change in the fair value of biological assets that offset the increases in costs, especially the increase in scrap paper recorded for the period.
- ▶ Sales expenses totaled R\$ 25,205 thousand in 2Q21, accounting for an increase of 14.4% when compared to 2Q20 and of 6.8% in relation to 1Q21, representing 6.3% of consolidated net revenue, lower than the 9.1% recorded in 2Q20 and 6.6% recorded in 1Q21. Administrative expenses totaled R\$ 19,022 thousand in 2Q21, an increase of 19.5% compared to 2Q20 and of 12.0% when compared to 1Q21, representing 4.7 of consolidated net revenue (6.6% in 2Q20 and 4.8% in 1Q21). The growth in sales expenses is related to higher revenue for the period and the growth in administrative expenses occurred mainly in relation to the Company's required adjustments due to the adhesion to B3's New Market, such as the assembling of committees and consulting for improvement of internal audit.
- ▶ The net result was a profit of R\$ 67,691 thousand in 2Q21, compared to a profit of R\$ 15,298 thousand in 2Q20 and of R\$ 56,701 thousand in 1Q21. The main impacts on net profit for this quarter were related to net revenue growth and the gross margin growth.
- ▶ Adjusted EBITDA in 2Q21 totaled R\$ 119,076 thousand, with a margin of 29.5%, 114.2% higher than that recorded in 2Q20, which was R\$ 55,601 thousand, with a margin of 23.1%, and 18.7% higher when compared to 1Q21, which was R\$ 100,348 thousand, with a margin of 28.2%. 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 0.77 times in June 2021, against 0.79 times at the end of March 2021. The improvement in the indicator is due to the increase in EBITDA in the last 12 months, despite the 19.6% increase in net debt due to the investments made at Gaia Platform. The Company still has credits to be offset in the next quarters in the amount of R\$ 69,003, not considered in this account, relating to: i) PIS and COFINS credits in the amount of R\$ 24,800 thousand; ii) Sale of Rural Properties in the amount receivable of R\$ 4,003 thousand; ii) Demobilization of SP Packaging Plant - Vila Maria property, with a balance receivable in the amount of R\$ 40,200 thousand.
- ▶ The cash position at the end of June 2021 was R\$ 374,605 thousand (composed of financial investments, cash and cash equivalents) and 93% of the gross debt is denominated in the long term, 97% denominated in Reais and 3% denominated in foreign currency.
- ▶ Gaia Platform: the investments of Gaia Platform are being made and the schedules are up to date. Contracting of investment packages is ongoing and disbursements for 2Q21 totaled R\$ 73,298 thousand, reaching R\$ 92,550 thousand in the total accumulated. The values of the investments of Gaia Platform were revised and the total amount went from R\$ 743,059 to R\$ 883,519, due to the increase in raw material costs that occurred in the market.

MAIN INDICATORS - CONSOLIDATED ¹	2Q21	1Q21	2Q20	Chg. - 2Q21/ 1Q21	Chg. - 2Q21/ 2Q20	6M21	6M20	Chg. - 6M21/ 6M20	LTM20	LTM20	Change LTM21/LT M20
Economic and Financial (R\$ thousand)											
Net operating revenue	403,137	356,161	240,984	13.2%	67.3%	759,298	477,307	59.1%	1,311,596	949,192	38.2%
Domestic market	340,612	297,542	176,405	14.5%	93.1%	638,154	370,124	72.4%	1,112,590	767,285	45.0%
Foreign market	62,525	58,619	64,579	6.7%	-3.2%	121,144	107,183	13.0%	199,006	181,907	9.4%
Gross Profit (inclusive*)	153,696	130,358	78,924	17.9%	94.7%	284,054	156,245	81.8%	453,125	294,553	53.8%
(*) Change in fair value of biological assets	14,069	11,811	3,617	19.1%	289.0%	25,880	8,086	220.1%	36,168	14,718	145.7%
Gross margin	38.1%	36.6%	32.8%	1.5 pp	5.3 pp	37.4%	32.7%	4.7 pp	34.5%	31.0%	3.5 pp
Operating Income (loss) before Taxes and Interest	91,843	83,169	22,971	10.4%	299.8%	175,012	42,571	311.1%	242,355	13,149	1743.1%
Operating margin	22.8%	23.4%	9.5%			23.0%	8.9%		18.5%	1.4%	17.1 pp
Net Income	67,691	56,701	15,298	19.4%	342.5%	124,392	33,286	273.7%	183,867	62,752	193.0%
Net margin	16.8%	15.9%	6.3%	0.9 pp	10.5 pp	16.4%	7.0%	9.4 pp	14.0%	6.6%	7.4 pp
Adjusted EBITDA of continued operation ²	119,076	100,348	55,601	18.7%	114.2%	219,424	107,817	103.5%	337,487	238,876	41.3%
Adjusted EBITDA Margin	29.5%	28.2%	23.1%	1.3 pp	6.4 pp	28.9%	22.6%	6.3 pp	25.7%	25.2%	0.5 pp
Net debt (R\$ million)	259.6	217.0	678.7	19.7%	-61.7%	259.6	678.7	-61.7%	259.6	678.7	-61.7%
Adjusted Net debt/EBITDA (x)	0.77	0.79	2.94	-2.5%	-73.8%	0.77	2.94	-73.8%	0.77	2.94	-73.8%
Operating Data (t)											
Corrugated Cardboard Packaging (PO)											
Production/Sales	40,518	40,542	33,187	-0.1%	22.1%	81,060	70,062	15.7%	166,437	147,393	12.9%
Packaging Paper											
Production	73,996	75,701	72,117	-2.3%	2.6%	149,697	142,626	5.0%	300,342	289,700	3.7%
Sales	30,634	31,131	37,531	-1.6%	-18.4%	61,765	71,084	-13.1%	126,291	136,120	-7.2%
Domestic Market	26,137	26,844	25,164	-2.6%	3.9%	52,981	52,467	1.0%	106,449	105,354	1.0%
Foreign market	4,497	4,287	12,367	4.9%	-63.6%	8,784	18,617	-52.8%	19,842	30,766	-35.5%
RS Forests and Resins											
Production	3,928	4,190	3,704	-6.3%	6.0%	8,118	7,756	4.7%	14,969	14,057	6.5%
Sales	3,786	4,485	3,942	-15.6%	-4.0%	8,271	7,938	4.2%	14,275	14,402	-0.9%
Domestic Market	99	100	70	-1.0%	41.4%	199	186	7.0%	510	407	25.3%
Foreign market	3,687	4,385	3,872	-15.9%	-4.8%	8,072	7,752	4.1%	13,765	13,995	-1.6%

¹ Excluding discontinued operation in the year 2019 used for comparative purposes.

² EBITDA (income before interest, taxes, depreciation, amortization and depletion) see the chapter in this release.

Highlights of 2Q21

2Q21 was marked by the possibility of the end of the pandemic cycle with the advance of vaccination in Brazil and worldwide. In the USA and in some European countries, vaccination is well under way and the population is starting to return to normality. In Brazil, the pace of vaccination accelerated and the levels of contamination and fatalities decreased. There was a review for the 2021 GDP growth to above 5% on average.

According to Empapel, shipping of corrugated cardboard in tons recorded a 16.7% growth in 2Q21 compared to 2Q20, with 985 million tons. In the first half of 2021, shipping of cardboard was 13.0% higher than in the first six months of 2020. The increased use of paper packaging for the food sector, e-commerce, product delivery and for exports has created an environment for the corrugated cardboard and paper packaging sector that is completely different from that experienced by the economy in general.

Irani's net revenue in 2Q21 grew 67.3% compared to 2Q20, mainly reflecting the increase in product prices in the Corrugated Cardboard Packaging and Packaging Paper segments, despite the increase in input costs, particularly the scrap paper used in production. The sales volume of the Corrugated Cardboard Packaging segment was 22.1% higher compared to 2Q20 and contributed to the growth in net revenue in the period. The domestic market accounted for 84% of the Company's sales, while the foreign market reached 16%.

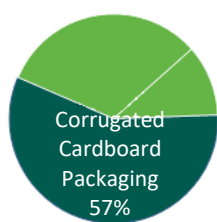
In 2Q21, the Corrugated Cardboard Packaging Segment (PO) represented 57% of Irani's net income, the Packaging Paper Segment represented 32% and the RS Forest and Resins Segment represented 11%.

Irani ended the quarter with Net Revenue of R\$ 403,137 thousand, Adjusted EBITDA of R\$ 119,076 thousand and Net Profit of R\$ 67,691 thousand. Operating leverage (Net Debt/Adjusted EBITDA) was 0.77 times, while the cash balance at the end of 2Q21 was R\$ 374,605 thousand. Gross Debt ended 2Q21 at R\$ 634,209 thousand, 97% in local currency and 3% in foreign currency, and 93% in the long term.

OPERATING PERFORMANCE

Corrugated Cardboard Packaging Segment (PO)

Revenue Contribution 2Q21

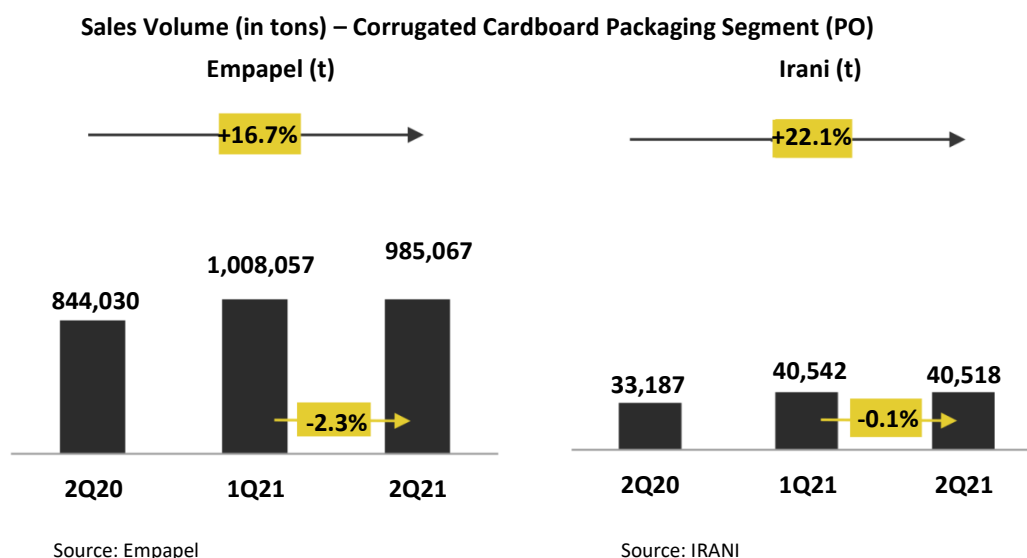


The sales volume of corrugated cardboard packaging in the Empapel Market in tons, as presented in the charts that follow, increased 16.7% in 2Q21 when compared to 2Q20, as did the sales volume performance in the Irani Market, which increased 22.1%, totaling 40,518 tons. Compared to 1Q21, Empapel Market decreased 2.3%, while Irani Market remained stable.

In tons, Irani's market share in the Corrugated Cardboard Packaging Segment was 4.1% in 2Q21, 3.9% in 2Q20 and 4.0% in 1Q21.

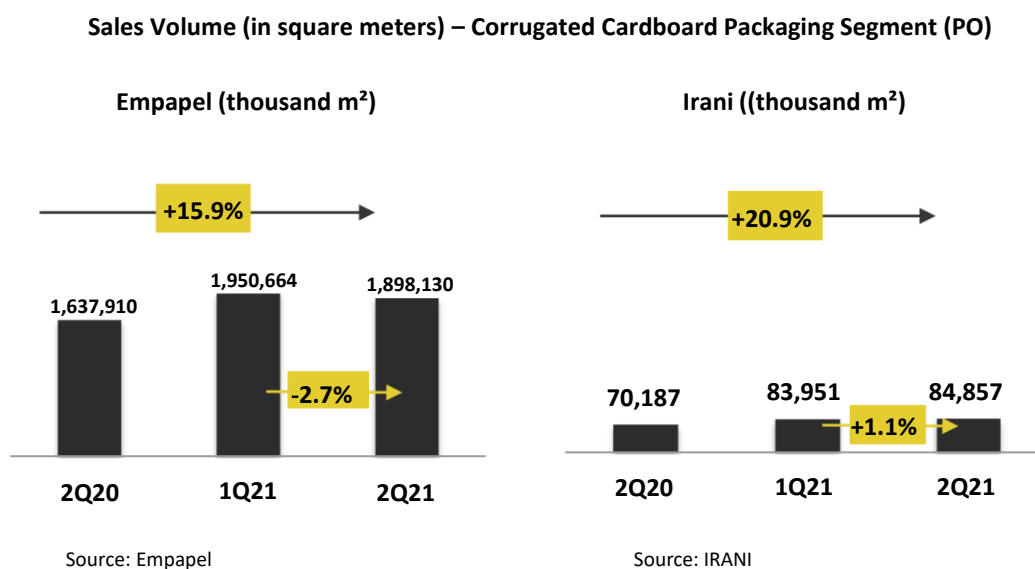
The volume of sales of boxes in 2Q21 of the Irani Market recorded an increase of 19.7% compared to 2Q20, and a decrease of 1.2% when compared to 1Q21. The sales of sheets in Irani Market increased 24.3% in relation to 2Q20 and 4.5% compared to 1Q21.

SP Indaiatuba and SC Campina da Alegria Packaging units accounted for respectively 58% and 42% of the total sold in the 2Q21 in corrugated cardboard, whose productions are entirely destined to the domestic market.



2Q21 Empapel Market (in tons) are prior to closing. There may be changes in the official data.

In square meters (m²) the sales volume of corrugated cardboard packaging of the Empapel Market presented an increase of 15.9% in 2Q21 when compared to 2Q20, as well as Irani Market that had a 20.9% increase. Compared to 1Q21, Empapel Market decreased 2.7%, while the Irani Market recorded a 1.1% increase. In square meters, the Irani Market's share was 4.5% in 2Q21 and 4.3% in 2Q20 and 1Q21.

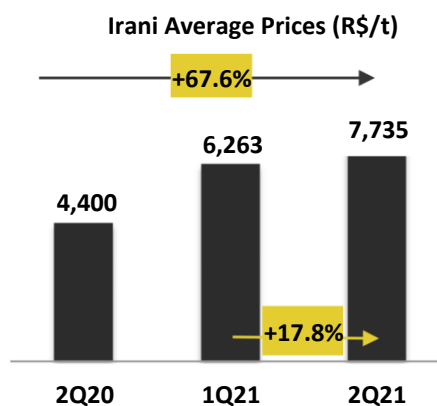


2Q21 Empapel Market (in sqm) are prior to closing. There may be changes in the official data.

The volume of SP Indaiatuba Packaging plant reached 17,858 tons of boxes and 5,597 tons of plates in 2Q21 against 14,301 tons of boxes and 4,707 tons of plates in 2Q20.

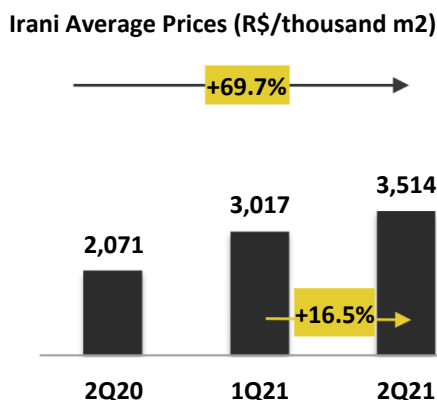
The volume of SC Campina da Alegria Packaging plant recorded sales volume of 14,072 tons of boxes and 2,991 tons of plates in 2Q21 against 12,382 tons of boxes and 1,797 tons of plates in 2Q20.

The average Irani price (CIF) increased 67.6% in 2Q21 in relation to 2Q20. In the comparison with 1Q21, the Irani market increased 17.8%.



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.

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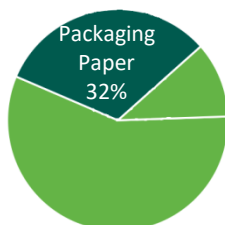


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Prices per m² reflect better the market dynamics as they do not consider possible changes in the grammage of the papers used to manufacture boxes and sheets.

Packaging Paper Segment

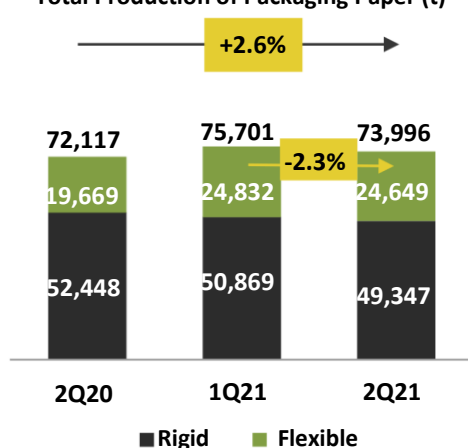
Revenue Contribution 2Q21



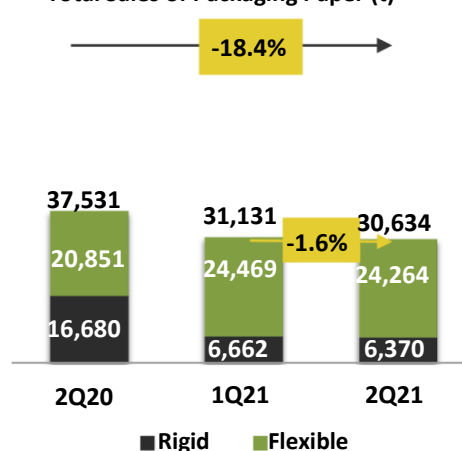
Irani operates in the Packaging Paper Segment, in the markets of papers for rigid packaging (corrugated Cardboard) as well as for flexible packaging (bagging).

The Company's total production of Packaging Paper in the quarter was 2.6% higher when compared to 2Q20, and lower in relation to 1Q21. In relation to sales, there was a decrease of 18.4% compared to 2Q20 and a reduction of 1.6% compared to 1Q21.

Total Production of Packaging Paper (t)



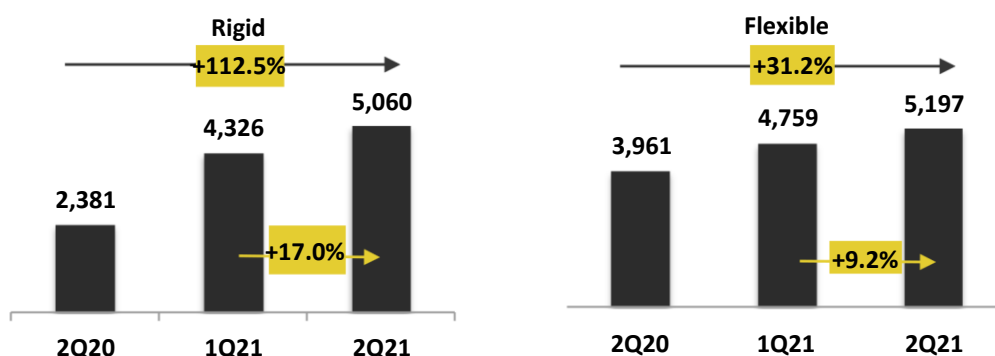
Total Sales of Packaging Paper (t)



In 2Q21, internal paper transfers for rigid packaging (PO) totaled 42,834 tons (35,462 tons in 2Q20 and 44,386 tons in 1Q21). For the SP Packaging Plant Indaiatuba, they reached 24,288 tons (19,662 tons in 2Q20 and 25,989 tons in 1Q21) and, for the SC Packaging Plant Campina da Alegria, 18,546 tons were transferred in 2Q21 (15,800 tons in 2Q20 and 18,397 tons in 1Q21). Of the total internal transfers in 2Q21, 57% went to SP Packaging Plant Indaiatuba and 43% to SC Packaging Plant Campina da Alegria.

The rigid packaging paper recorded an increase of 112.5% in the prices for 2Q21 when compared to those practiced in 2Q20, and 17.0% when compared to 1Q21. On the other hand, the prices of flexible packaging papers increased 31.2% in comparison with 2Q21 and 9.2% in relation to 1Q21.

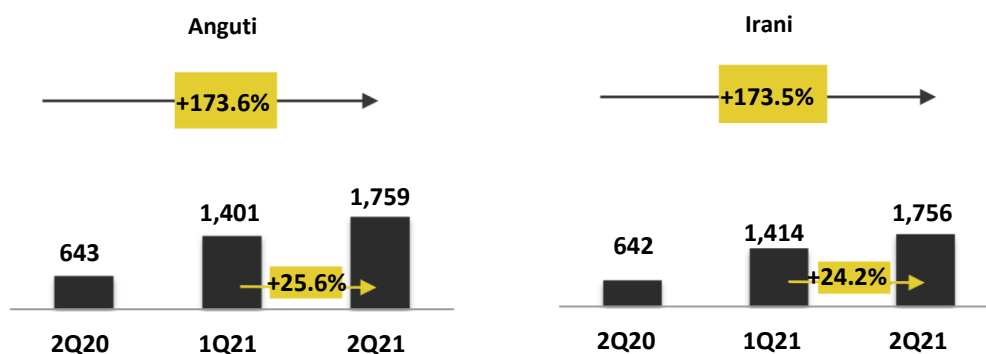
Average Packaging Paper prices (R\$/metric ton)



Scrap paper

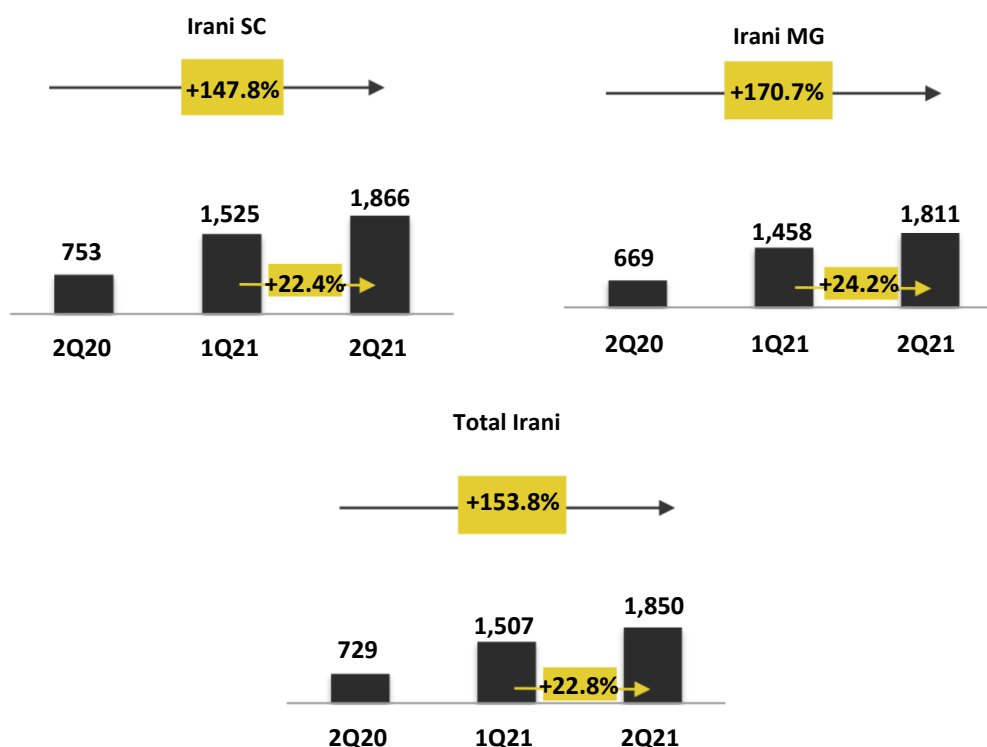
The Packaging Paper Segment uses scrap paper (used paper) as raw material to manufacture most of its products, mainly those used for the production of Corrugated Cardboard Boxes and Plates in the Company's Corrugated Cardboard Packaging Segment. Scrap paper accounted for 42% of the total paper production cost in 2Q21. The scrap paper 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 second quarter of 2021, the scrap paper prices had a significant increase, due to the greater demand, and are presented in the chart below:

Scrap Paper Price Evolution (Net Price R\$/t | FOB)



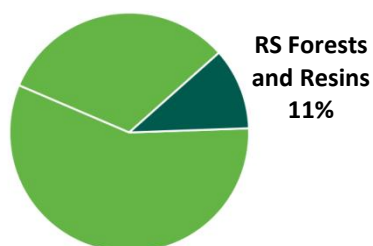
Note on methodology: Anguti Statistics – Scrap Paper Report.

Scrap Paper Evolution (Net Price R\$/t | CIF)



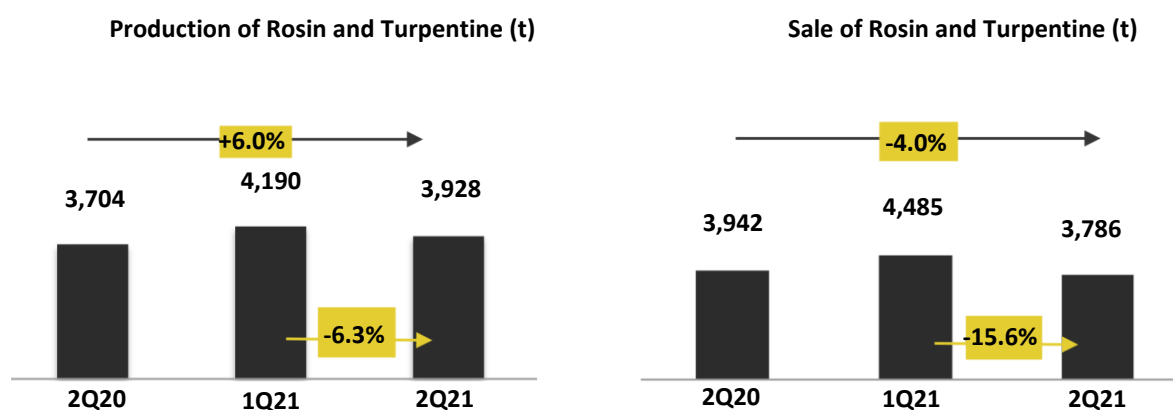
RS Forests and Resins segment

Revenue Contribution 2Q21

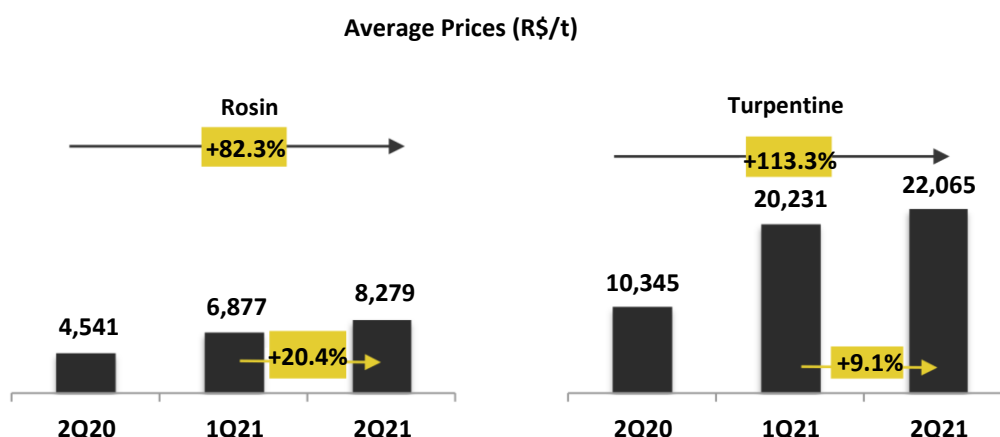


The Rio Grande do Sul forest segment produced and commercialized 12 thousand cubic meters of pine logs to the local market in 2Q21 (5 thousand cubic meters in 2Q20) and supplied 647 tons of in natura resins (254 tons in 2Q20) to be utilized in the industrial process of manufacturing rosin and turpentine.

The production volume in the RS Balneário Pinhal Resin unit in 2Q21 presented increase of 6.0% when compared to 2Q20 and a 6.3% decrease when compared to 1Q21. Sales volume increased by 4.0% when compared to 2Q20 and decreased 15.6% when compared to 1Q21.



In 2Q21, the average gross price of Tar was 82.3% higher than 2Q20 and 20.4% higher when compared to 1Q21. Turpentine increased 113.3% when compared to 2Q20 and 9.1% in relation to 1Q21. The price of these products changes according to the foreign market and exchange rate.



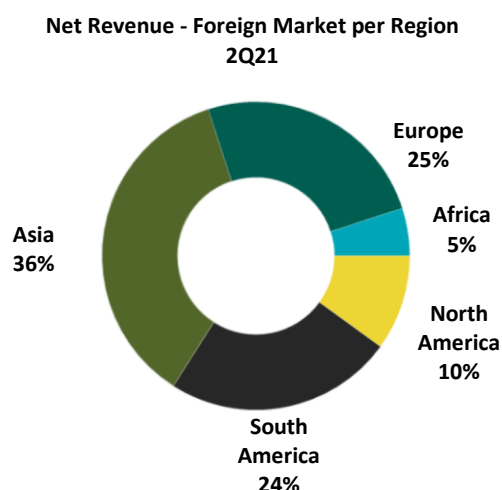
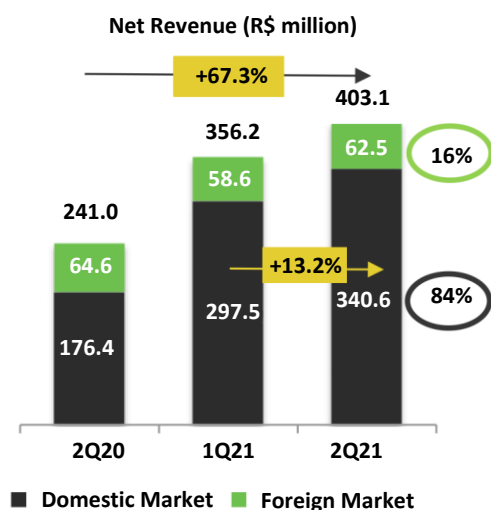
Economic and Financial Performance

Net Operating Revenue

Net operating revenue in 2Q21 reached R\$ 403,137 thousand, an increase of 67.3% when compared to 2Q20 and of 13.2% in relation to 1Q21, mainly due to the increase in the prices of products in the Corrugated Cardboard Packaging and Packaging Paper segments, in addition to the more favorable exchange rate for the portion of sales for export. The sales volume of the Corrugated Cardboard Packaging segment was 22.1% higher than in 2Q20 and contributed to the growth in net revenue for the period.

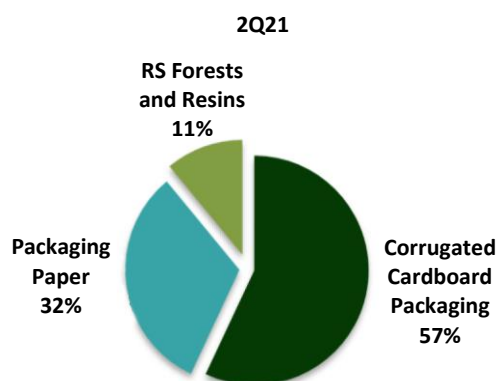
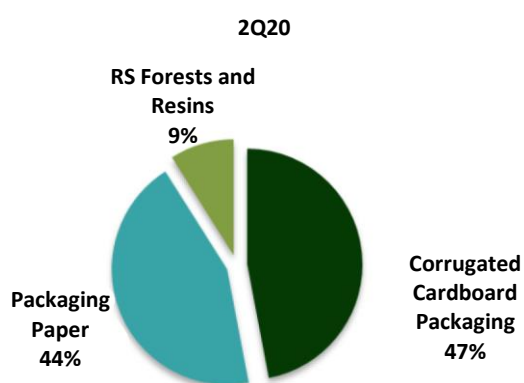
In the domestic market, net operating revenue was R\$ 340,612 thousand in the quarter and had an increase of 93.1% when compared to that one of 2Q20 and an increase of 14.5% in relation to 1Q21. Revenue in the domestic market accounted for 84% of Irani's total revenue in the 2Q21.

In 2Q21, exports totaled R\$ 62,525 thousand, an amount 3.2% higher than 2Q20 and 6.7% higher than 1Q21, representing 16% of total net operating revenue. Asia was the main destination for exports, concentrating 36% of foreign market revenue, followed by Europe with 25%. The other markets are: South America (24%), North America (10%) and Africa (5%).



Irani's main segment of operation is the Corrugated Cardboard Packaging, which accounts for 57% of consolidated net revenue in 2Q21, followed by the segments of Packaging Paper with 32%, and RS Forests and Resins, with 11%.

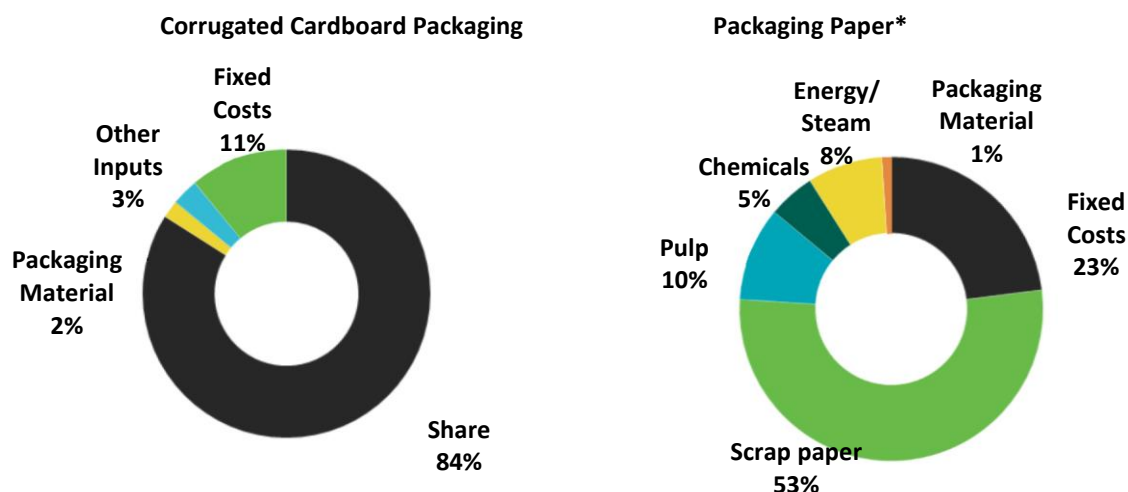
Net Revenue by Segment



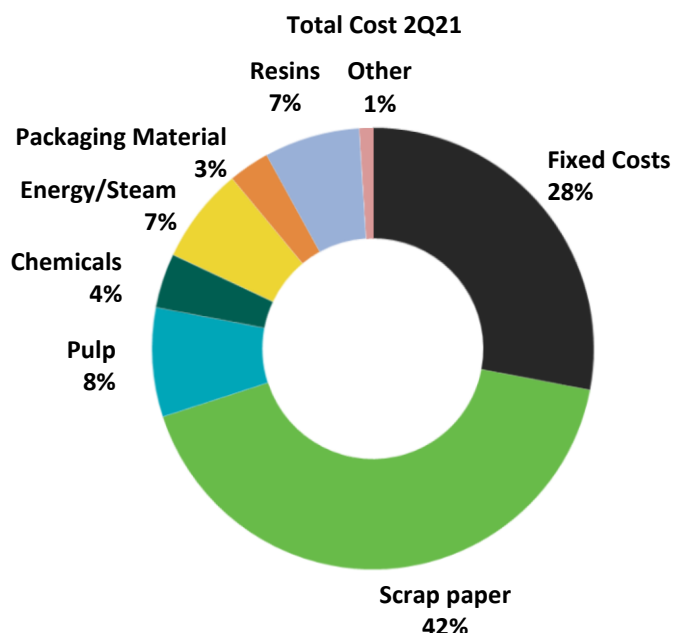
Cost of Goods Sold

The cost of products sold in 2Q21 was R\$ 263,510 thousand, 59.1% higher than in 2Q20, 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 2Q21 is shown in the charts below.



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



Operating Revenues and Expenses

Sales expenses in 2Q21 totaled R\$ 25,205 thousand, 14.4% higher when compared to 2Q20, and account for 6.3% of consolidated net revenue, compared to 9.1% in 2Q20.

General and administrative expenses totaled R\$ 19,022 thousand in 2Q21 (R\$ 15,920 thousand in 2Q20), accounting for an increase of 19.5% compared to 1Q20 and 4.7% of consolidated net revenue (6.6% when compared to 2Q20).

Other operating revenues/expenses resulted in a revenue of R\$ 4,308 thousand in 2Q21, against a revenue of R\$ 103 thousand in 2Q20.

Operating Cash Generation (Adjusted EBITDA)

Consolidated (R\$ thousand)	2Q21	1Q21	2Q20	Chg. - 2Q21/ 1Q21	Chg. - 2Q21/ 2Q20	6M21	6M20	Chg. - 6M21/ 6M20	LTM20	LTM20	Change LTM21/LT M20
Operating Result before Taxes and Profit Sharing	91,843	83,169	22,971	10.4%	299.8%	175,012	42,571	311.1%	242,355	13,149	1743.1%
Depletion	5,221	4,576	2,893	14.1%	80.5%	9,797	6,674	46.8%	14,895	56,414	-73.6%
Depreciation and Amortization	17,203	17,411	16,148	-1.2%	6.5%	34,614	29,866	15.9%	70,212	58,843	19.3%
Financial Results	16,549	7,003	17,206	136.3%	-3.8%	23,552	36,792	-36.0%	42,360	211,405	-80.0%
EBITDA	130,816	112,159	59,218	16.6%	120.9%	242,975	115,903	109.6%	369,822	339,811	8.8%
EBITDA Margin	32.4%	31.5%	24.6%	0.9 pp	7.8 pp	32.0%	24.3%	7.7 pp	28.2%	35.8%	-7.6 pp
Adjustments according to CVM Instruction 527/12											
Change in fair value of biological assets ⁽¹⁾	(14,069)	(11,811)	(3,617)	19.1%	289.0%	(25,880)	(8,086)	220.1%	(36,168)	(14,718)	145.7%
Non-recurring events ⁽²⁾	(3,341)	-	-	-	-	(3,341)	-	-	(11,922)	(86,217)	-86.2%
Management Profit Sharing ⁽³⁾	5,670	-	-	-	-	5,670	-	-	15,755	-	-
Adjusted EBITDA of continued operation	119,076	100,348	55,601	18.7%	114.2%	219,424	107,817	103.5%	337,487	238,876	41.3%
Adjusted EBITDA Margin	29.5%	28.2%	23.1%	6.4 pp	28.9%	22.6%	6.3 pp	25.7%	25.2%	(8,247)	-
Adjusted EBITDA of discontinued operation	-	-	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	119,076	100,348	55,601	18.7%	114.2%	219,424	107,817	103.5%	337,487	230,629	46.3%

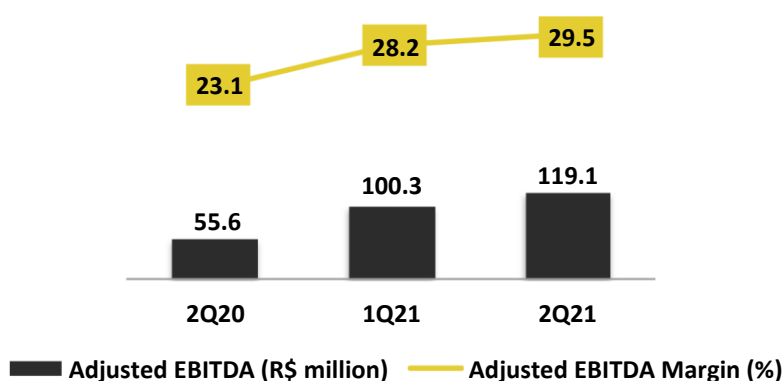
¹ Change in the fair value of biological assets, since it does not mean cash reduction in the period.

² Non-recurring events in 2Q21 (R\$ 3,341 thousand) refer to the sale of assets from the discontinued operation.

³ Management profit sharing: The amount of R\$ 5,670 thousand refers to the distribution of the Company's income.

Operating cash generation, as measured by Adjusted EBITDA from continuing operation, totaled R\$ 119,076 thousand in 2Q21, 114.2% higher than in 2Q20, with a 29.5% margin and an increase of 6.4 percentage points in the margin. When compared to 1Q21, Adjusted EBITDA was 18.7% higher, with a margin of 28.2%, which represents an increase of 1.3 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.

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



Finance Result and Indebtedness

The financial result is distributed as follows:

R\$ thousand	2Q21	1Q21	2Q20	6M21	6M20	LTM20 ¹	LTM20 ¹
Financial income	3,639	12,889	6,610	16,528	9,906	35,142	77,697
Financial costs	(20,188)	(19,892)	(23,816)	(40,080)	(46,698)	(77,502)	(289,102)
Financial Result	(16,549)	(7,003)	(17,206)	(23,552)	(36,792)	(42,360)	(211,405)

¹ Accumulated in the last twelve months.

The finance result was negative by R\$ 16,549 thousand in 2Q21, accounting for a decrease of 3.8% compared to 2Q20, and an increase of 136.3% when compared to 1Q21.

Finance income and costs presented above include asset and liability exchange-rate changes, as follows:

R\$ thousand	2Q21	1Q21	2Q20	6M21	6M20	LTM20 ¹	LTM20 ¹
Foreign-exchange income	-	10,576	4,815	10,576	6,109	17,538	14,046
Negative exchange rate change	(5,829)	(8,945)	(5,367)	(14,774)	(7,092)	(21,393)	(157,386)
Net exchange rate change	(5,829)	1,631	(552)	(4,198)	(983)	(3,855)	(143,340)

¹ Accumulated in the last twelve months.

The exchange-rate change negatively impacted the Company's profit by R\$ 5,829 thousand in 2Q21, compared to a negative impact of R\$ 552 million in 2Q20 and a positive impact of R\$ 1,631 in 1Q21. The increase compared to previous quarters is due to the appreciation of the real against the US dollar and its impact on trade accounts receivable.

As of June 30, 2021, the Company maintained only 3.0% of its debt in foreign currency.

The finance result, excluding the effects of exchange-rate change, was as follows:

R\$ thousand	2Q21	1Q21	2Q20	6M21	6M20	LTM20 ¹	LTM20 ¹
Finance income without exchange rate change	3,639	2,313	1,795	5,952	3,797	17,704	63,651
Finance costs without exchange rate change	(14,359)	(10,947)	(18,449)	(25,306)	(39,606)	(56,109)	(131,716)
Finance result without exchange rate change	(10,720)	(8,634)	(16,654)	(19,354)	(35,809)	(38,505)	(68,065)

¹ Accumulated in the last twelve months.

The finance result, excluding the effects of exchange-rate change, was negative by R\$ 10,720 thousand in 2Q21 compared to a negative result of R\$ 16,654 thousand in the 2Q20 and of R\$ 8,634 thousand in 1Q21. The decrease in 2Q21 compared to 2Q20 is mainly due to: (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 involve the settlement of debts at an inappropriate cost to the new capital structure throughout 2020. The increase in relation to 1Q21 is due to the normalization of the monetary policy through the increase in the Selic rate and its

impact on the average cost of debt, as well as the increase in net debt due to the disbursements of investment made in Gaia Platform.

Exchange Rate

The exchange rate which was R\$ 5.39/US\$ on June 30, 2020, was 1.67% lower at the end of June 2021, and reached R\$ 5.30/US\$. The average exchange rate for this quarter was R\$ 5.00/US\$, 12.28% lower when compared to the exchange rate for the same period of 2020.

R\$ thousand	2Q21	1Q21	2Q20	$\Delta 2T21/1T21$	$\Delta 2T21/2T20$
Average Dollar	5.30	5.48	5.39	-3.28%	-1.67%
Final Dollar	5.00	5.70	5.48	-12.28%	-8.76%

Source: Brazilian Central Bank (Bacen)

Indebtedness

The consolidated net indebtedness on June 30, 2021 totaled R\$ 259,604 thousand against R\$ 216,952 thousand on March 31, 2021, representing an increase of 19.7% or R\$ 42,652 thousand due to the negative free cash flow in the period due to the investments in the Gaia Platform.

The consolidated net indebtedness on June 30, 2021 totaled R\$ 634,209 million against R\$ 616,772 million on March 31, 2021. This increase was mainly influenced by the higher fundraising in relation to the settlements for the period.

At June 30, 2021, the gross indebtedness profile presented 7% of debts maturing in the short term and 93% in the long term, while 97% was denominated in local currency and 3% in foreign currency. The average cost of debt, in the last 12 months, on June 30, 2021 was 8.41% per annum.

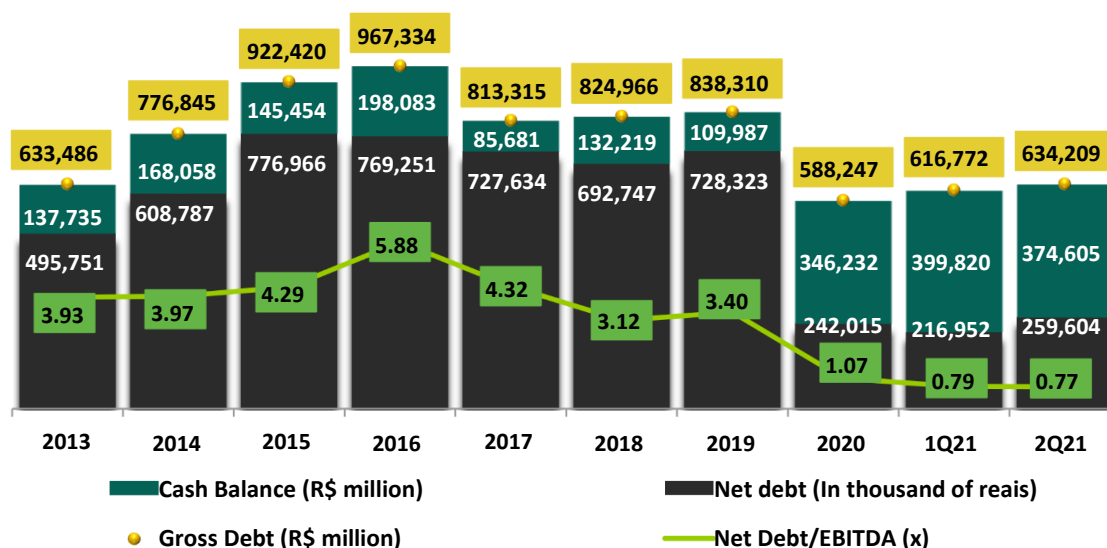
The balance of consolidated cash (comprised by financial investments and cash and cash equivalents) as of June 30, 2021, totaled R\$ 374,605 thousand, compared to R\$ 399,820 thousand as of March 31, 2021. The reduction in the cash balance was due to the negative free cash flow for the period, due to the investments in the Gaia Platform.

The Net Debt/EBITDA ratio was 0.77 times in June 2021, against 0.79 times at the end of March 2021. The improvement in the indicator is mainly due to the increase in EBITDA in the last twelve months and the 10.4% decrease in net debt.

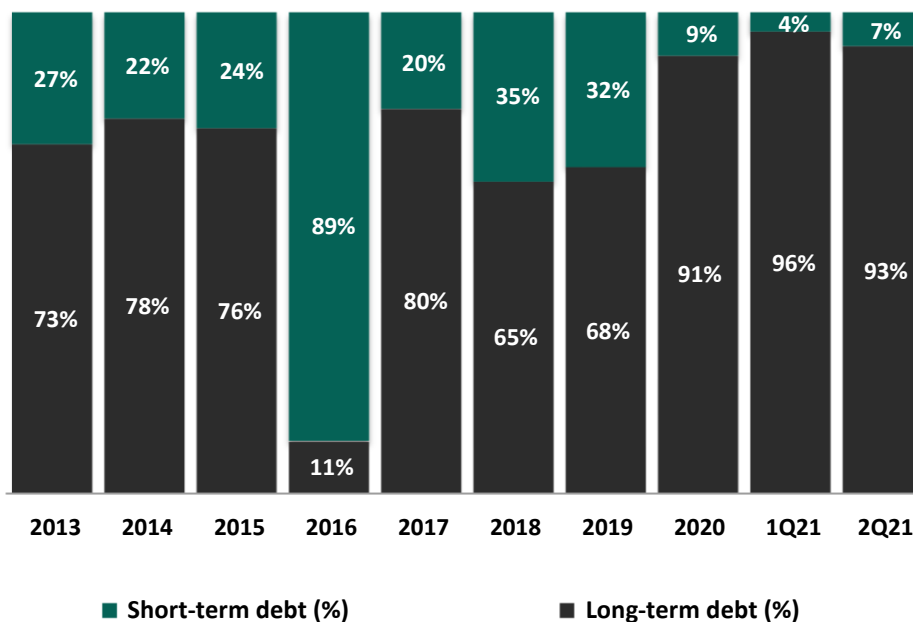
At June 30, 2021, the Company had receivables not considered in the net debt account in the amount of R\$ 69,003 thousand, referring to: i) PIS and COFINS credits in the amount of R\$ 24,800 thousand; ii) Sale of Rural Properties in the amount receivable of R\$ 4,003 thousand; ii) Demobilization of SP Packaging Plant - Vila Maria property, with a balance receivable in the amount of R\$ 40,200 thousand.

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.

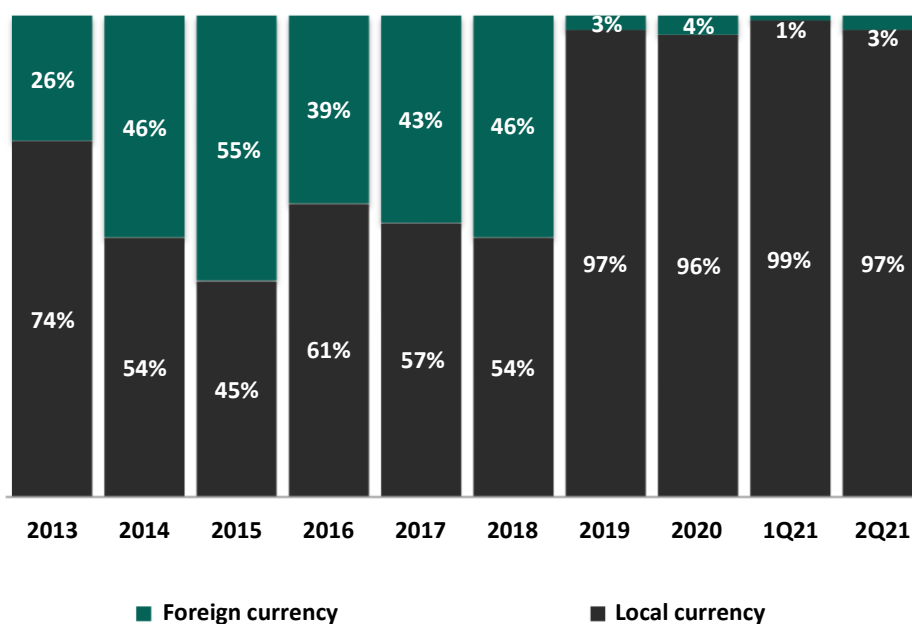
Indebtedness and Net Debt/EBITDA



Profile of gross indebtedness



Profile of gross indebtedness

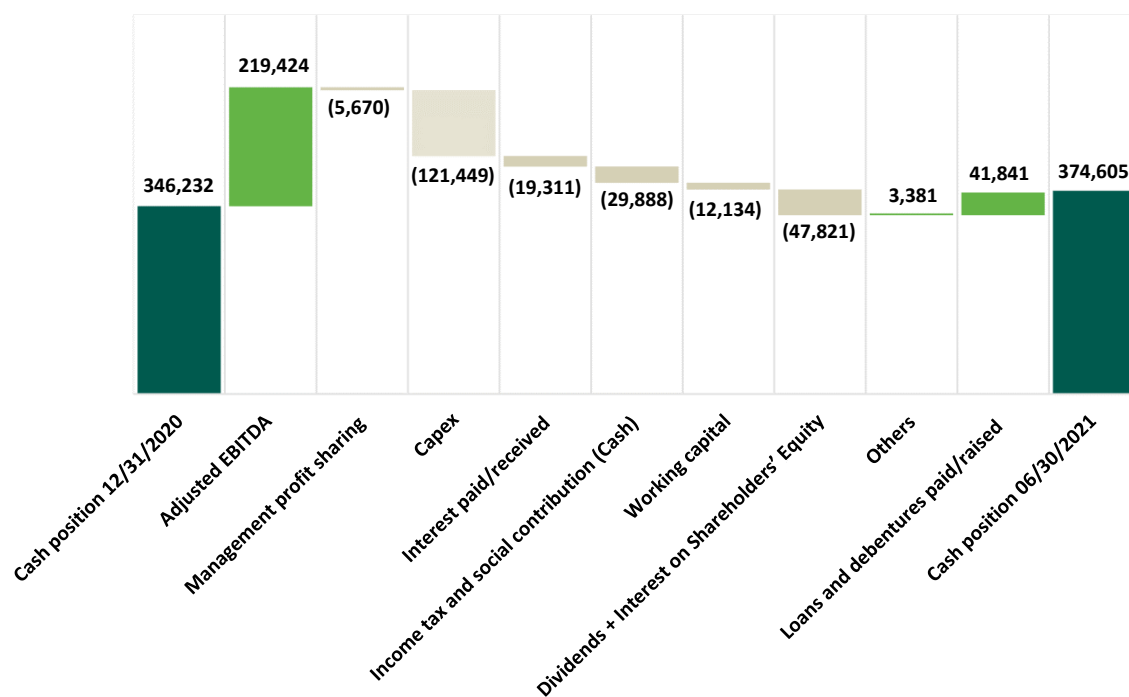


Credit rating

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.

Cash position

The Company's cash position, which was R\$ 346,232 thousand on December 31, 2020, recorded a growth of 8.2% in the six-month period of 2021, closing at R\$ 374,605 on June 30, 2021. The sources and investments of funds are presented as follows:



Free cash flow

Free cash flow	2Q21	1Q21	2Q20	LTM20	LTM20
Adjusted EBITDA	119,076	100,348	55,601	337,487	230,630
(-) Capex	(89,665)	(31,784)	(14,149)	(161,034)	(78,743)
(-) Interest paid/received	(1,143)	(18,168)	(3,911)	(54,250)	(60,381)
(-) Income tax and social contribution (Cash)	(20,631)	(9,257)	(4,789)	(44,985)	(6,644)
(+/-) Working capital	5,863	(17,997)	21,630	26,013	14,974
(-) Dividends + Interest on shareholders' equity	(37,460)	(10,361)	(1,778)	(62,587)	(1,784)
(+/-) Others	2,362	5	469	5,767	51,986
Free Cash Flow	(21,598)	12,786	53,073	46,411	150,037
Dividends + Interest on shareholders' equity	37,460	10,361	1,778	62,587	1,784
Gaia Platform	73,297	17,140	-	92,550	-
Expansion Projects	765	650	4,099	8,196	27,175
Adjusted Free Cash Flow¹	89,924	40,938	58,950	209,744	178,996
Adjusted FCF - Yield²				15.2%	30.4%

1 Excluding dividends and interest on own capital, Gaia Platform and Expansion Projects

2 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 shareholders, was R\$ 89,924 thousand for 2Q21, an increase of 119.7% compared to 1Q21 and of 52.5% in relation to 2Q20.

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 decrease 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 in this quarter is due to the substantial increase in net 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.

In this quarter, R\$ 37,460 thousand were distributed in dividends, R\$ 12,845 of which referring to the profit of 1Q21 and R\$ 24,575 thousand corresponding to the additional dividends of the profit of 2020, totaling a payout of 50% of the base profit for distribution of dividends for that year. Said amounts are in line with the Company's Dividend Distribution and Payment of Interest on Equity Policy and correspond to an increase of 261.5% over the previous quarter.

In the last 12 months ended June 30, 2021, the Adjusted Free Cash Flow totaled R\$ 209,744 thousand, accounting for an increase of 17.2% in relation to the R\$ 179,324 thousand recorded in the 12-month period ended June 30, 2020. The positive working capital contributed positively to this increase, in addition to the

strong operating cash generation, benefited by the offsetting of federal taxes (IPI, PIS and COFINS) due to the lawsuits for the exclusion of ICMS from the PIS and COFINS basis. It is worth mentioning that EBITDA in the last 12 months ended June 30, 2020 had been positively impacted by the sale of the Company's forests located in the State of Rio Grande do Sul, in the amount of R\$ 39,000 thousand, made on September 25, 2019.

The Free Cash Flow Yield was 15.2% in the last 12 months ended June 30, 2021, accounting for a decrease of 15.3 pp in relation to that determined in the last 12 months ended June 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).

Return on invested capital (ROIC)

Return on Invested Capital (ROIC) was 17.8% in the last 12 months, accounting for an increase of 2.6 pp compared to the 12-month period ended March 31, 2021. This increase is due to the significant increase in Adjusted EBITDA compared to the increase in the average invested capital in preparation for the investments in the Gaia Platform.

ROIC (R\$ thousand) - LTM¹	2Q21	1Q21	2Q20
Total Assets	1,878,269	1,776,794	1,581,773
(-) Total Liabilities (former debt)	(440,714)	(426,900)	(417,949)
(-) Works in progress	(65,822)	(37,799)	(48,285)
Invested Capital	1,371,733	1,312,096	1,115,539
(-) Adjustment - CPC 29 ²	(68,791)	(63,327)	(59,283)
Adjusted Invested Capital	1,302,942	1,248,769	1,056,256
Adjusted EBITDA	337,487	274,012	230,630
(-) Capex for Maintenance	(60,288)	(54,735)	(51,568)
(-) Income tax and social contribution (Cash)	(44,985)	(29,142)	(6,644)
Adjusted Operating Cash Flow	232,215	190,135	172,418
ROIC³	17.8%	15.2%	16.3%

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

2 Differential of fair value of biological assets less Deferred Taxes of the Fair Value of biological assets

3 ROIC (Last Twelve Months): Adjusted Operating Cash Flow / Adjusted Invested Capital

Net Profit

In 2Q21, the net profit was R\$ 67,691 thousand, in comparison to the profit of R\$ 15,298 thousand in 2Q20 and R\$ 56,701 thousand in 1Q21. In the last twelve months, net profit was R\$ 183,867 thousand, compared to a profit of R\$ 62,752 thousand in the same period of last year. The main impacts on net profit for this quarter were related to the growth in sales net revenue and the percentage growth in gross margin.

Investments

The Company maintains its strategy of investing in the modernization and automation of its production processes. Investments in this quarter amounted to R\$ 95,804 thousand and were basically destined to reforestation, maintenance and improvement of physical structures, software, machinery and equipment of the Company. Of this amount, R\$ 73,298 thousand were allocated to the investments in the Gaia I and II Projects.

R\$ thousand	2Q21	6M21
Buildings	963	981
Equipment	90,139	118,835
Intangible assets	18	613
Reforestation	4,684	7,850
Total	95,804	128,279

Gaia Platform

The Gaia Platform ([Access Link](#)) comprises the current portfolio of expansion projects focused on increasing competitiveness, production capacity and energy self-sufficiency. The Gaia I project - Expansion of Chemicals and Utilities Recovery is in line with its planning, with the completion of the infrastructure of the construction sites and the negotiations of the packages of the chemical recovery boiler, energy recovery system from the Blow Tank discharges, evaporation, non-condensable gases - CNG, wood yard, turbo generator and civil package, while the construction of the entrance and restaurant buildings are in progress. In the Gaia II Project - Expansion of SC Packaging Unit, the relocation of the gas supply pit stop, the new coating area and the assembly of the corrugator rails were completed. In addition, the first docks of the new shipment are already in operation, the corrugator bases are under construction and the RDC printer is already positioned, awaiting installation. In the Gaia III Project - Refurbishment of Paper Machine 2, the negotiation of the main project package was completed and progress was made in the preparation of the planning. In the projects Gaia IV - Cristo Rei Repowering and Gaia V - São Luiz Repowering, the project of the new transmission line was concluded and the Integrated Environmental Assessment of the Hydrographic Basin - AAIBH of the Irani River was published by the municipality of Seara - SC in the regional press.

In 2Q21, R\$ 73,298 thousand were invested in the Platform, R\$ 52,259 thousand in Gaia I and R\$ 21,039 thousand in Gaia II, and the total invested in the Platform was R\$ 92,550 thousand, R\$ 55,942 thousand in Gaia I and R\$ 36,608 thousand in Gaia II.

The estimated investment value was updated as a result of the increase in the prices of civil construction products, such as steel and copper, and of labor, an impact that has been occurring in the market due to the pandemic, in addition to the change in scope to replace the caster and wrapping machine by new machines with greater capacity. As a result, the total investment of Gaia Platform increased from R\$ 743,059 thousand to R\$ 883,519 thousand.

Project Description	Unit	Estimated Investment	Investment Made 2Q21	Investment Made up to 06/30/2021
Gaia I – Expansion of Chemicals and Utilities Recovery	Campina da Alegria SC Paper Plant	581,309	52,259	55,942
Gaia II – Expansion on SC Packaging Unit	Campina da Alegria SC Packaging Plant	150,433	21,039	36,608
Gaia III – MP#2 Reform	Campina da Alegria SC Paper Plant	57,613	-	-
Gaia IV – Cristo Rei Repowering	Campina da Alegria SC Paper Plant	31,300	-	-
Gaia V – São Luiz Repowering	Campina da Alegria SC Paper Plant	62,864	-	-
Total		883,519	73,298	92,550

After the completion of the basic engineering, the Gaia III Project schedule had its startup date and performance period updated. The schedule that provides for the beginning of the Gaia IV and V Project was updated due to the term of the environmental licenses.

GAIA PLATFORM	2020		2021		2022		2023	
	1Q	2Q	1Q	2Q	1Q	2Q	1Q	2Q
Gaia I – Expansion of Chemicals and Utilities Recovery								
Gaia II – Expansion on SC Packaging Unit								
Gaia III – MP#2 Reform								
Gaia IV – Cristo Rei Repowering								
Gaia V – São Luiz Repowering								

GAIA PLATFORM	Basic Engineering	Physical execution
Gaia I – Expansion of Chemicals and Utilities Recovery	100%	1%
Gaia II – Expansion on SC Packaging Unit	100%	46%
Gaia III – MP#2 Reform	100%	
Gaia IV – Cristo Rei Repowering	100%	
Gaia V – São Luiz Repowering	100%	

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 2Q21 and was being traded on the secondary market at CDI rate + 2.81% p.a.

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.

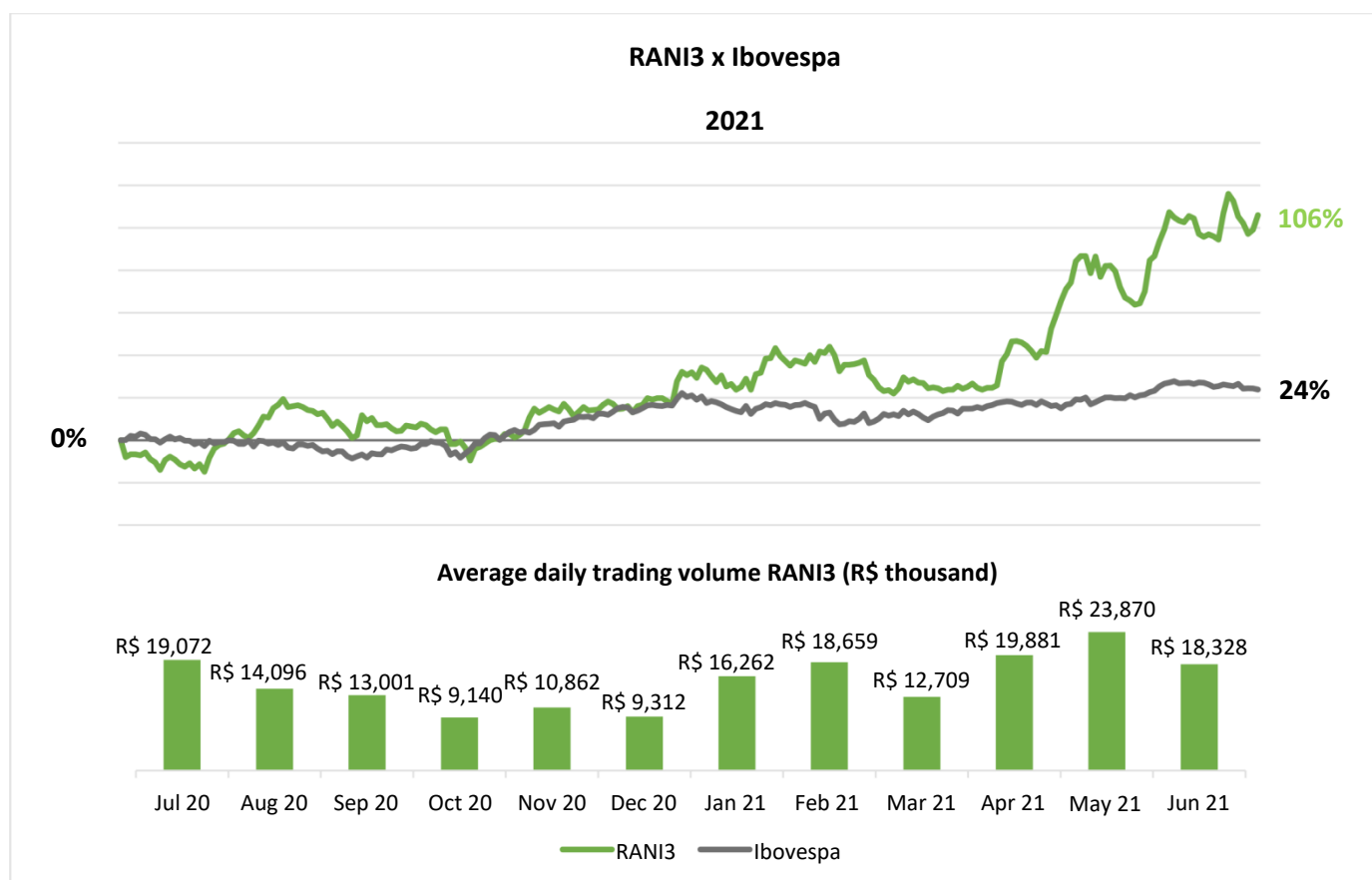
On July 5, 2021, S&P Global Rating upgraded the ratings assigned to the two debenture issues from 'brA+' to 'brAA+', as mentioned above.

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.

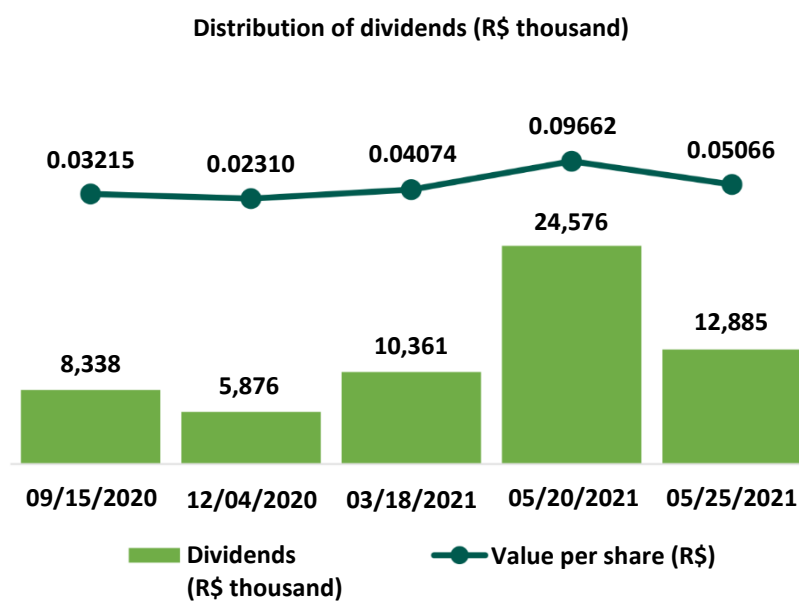
Irani's share capital on June 30, 2021 was represented by 256,720,235 common shares (RANI3) and the Company held 2,376,116 common shares in treasury. All shares have voting rights and are 100% tag along. At the end of 2Q21, common shares were traded at R\$ 9.27. The Company's shares currently comprise 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, is presented in the chart below:



DIVIDENDS

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



SUBSEQUENT EVENT

In July 2021, a court order was issued by the State of São Paulo in favor of the Company, to pay the non-enforceability of default interest on the amounts of ICMS paid in administrative installments at a rate higher than the SELIC rate. The restated value of said court order issued is R\$ 4,442 thousand, which the Company expects to realize by the end of 2022.

RESULTS WEBINAR

In Portuguese (with simultaneous translation in English):

Date and Time: Monday, August 2, 2021 at 12:00 pm (Brasilia Time)

Sign up: [Subscription link](#)

The videoconference will be available on the Company's website.

Simultaneous translation in English will be available in the access through the application on the computer or mobile phone.

For additional information, please visit our website – or contact the Investor Relations Area:

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The statements of this Notice relating to the business outlook and the growth potential of the Company, constitute forecasts and were based on Management's expectations in relation to the future of the Company. These expectations are highly dependent on changes in the market, in Brazil's general economic performance, in industry and in international markets, and are therefore subject to changes.

Annex I – Consolidated Statement of Profit and Loss (R\$ thousand)

	2Q21	1Q21	2Q20	Change - 1Q21/4Q20	Change - 2Q21/2Q20
Net sales revenue	403,137	356,161	240,984	13.2%	67.3%
Changes in the fair value of biological assets	14,069	11,811	3,617	19.1%	289.0%
Cost of goods sold	(263,510)	(237,614)	(165,677)	10.9%	59.1%
Gross profit	153,696	130,358	78,924	17.9%	94.7%
Operating revenues (expenses)	(45,304)	(40,186)	(38,747)	12.7%	16.9%
From sales	(25,205)	(23,590)	(22,030)	6.8%	14.4%
Impairment losses on trade receivables	285	(236)	(900)	-	-
General and administrative	(19,022)	(16,977)	(15,920)	12.0%	19.5%
Other operating (expenses) revenues, net	4,308	617	103	598.2%	4,082.5%
Management profit sharing	(5,670)	-	-	-	-
Profit (loss) before finance result and taxes	108,392	90,172	40,177	20.2%	169.8%
Net finance income (costs)	(16,549)	(7,003)	(17,206)	136.3%	-3.8%
Finance income	3,639	12,889	6,610	-71.8%	-44.9%
Finance costs	(20,188)	(19,892)	(23,816)	1.5%	-15.2%
Operating profit (loss) before tax effects	91,843	83,169	22,971	10.4%	299.8%
Current income tax and social contribution	(19,760)	(13,907)	(7,219)	42.1%	173.7%
Deferred income tax and social contribution	(4,392)	(12,561)	(454)	-65.0%	867.4%
Net profit from continuing operations	67,691	56,701	15,298	19.4%	342.5%
Net profit from discontinued operations	-	-	-	-	-
Net profit for the year	67,691	56,701	15,298	19.4%	342.5%

Annex II – Consolidated Statement of Profit and Loss (R\$ thousand) - Accumulated

	6M21	6M20	Change - 6M21/6M20	LTM20	LTM20	Change - LTM21/LTM20
Net sales revenue	759,298	477,307	59.1%	1,311,596	949,192	38.2%
Changes in the fair value of biological assets	25,880	8,086	220.1%	36,168	14,718	145.7%
Cost of goods sold	(501,124)	(329,148)	52.2%	(894,639)	(669,357)	33.7%
Gross profit	284,054	156,245	81.8%	453,125	294,553	53.8%
Operating revenues (expenses)	(85,490)	(76,882)	11.2%	(168,410)	(69,999)	140.6%
From sales	(48,795)	(43,163)	13.0%	(96,290)	(85,605)	12.5%
Impairment losses on trade receivables	49	(1,069)	-	(149)	(1,659)	-91.0%
General and administrative	(35,999)	(33,007)	9.1%	(73,653)	(66,454)	10.8%
Other operating (expenses) revenues, net	4,925	357	1,279.6%	14,308	83,719	-82.9%
Management profit sharing	(5,670)	-	-	(12,626)	-	-
Profit (loss) before finance result and taxes	198,564	79,363	150.2%	284,715	224,554	26.8%
Net finance income (costs)	(23,552)	(36,792)	-36.0%	(42,360)	(211,405)	-80.0%
Finance income	16,528	9,906	66.8%	35,142	77,697	-54.8%
Finance costs	(40,080)	(46,698)	-14.2%	(77,502)	(289,102)	-73.2%
Operating profit (loss) before tax effects	175,012	42,571	311.1%	242,355	13,149	1,743.1%
Current income tax and social contribution	(33,666)	(7,752)	334.3%	(50,212)	(7,896)	535.9%
Deferred income tax and social contribution	(16,954)	(1,533)	1,005.9%	(8,276)	57,499	-114.4%
Net profit from continuing operations	124,392	33,286	273.7%	183,867	62,752	193.0%
Net profit from discontinued operations	-	-	-	-	-	-
Net profit for the year	124,392	33,286	273.7%	183,867	62,752	193.0%

Annex III – Consolidated Statement of Profit and Loss (R\$ thousand) - last 5 quarters

	2Q21	1Q21	4Q20	3Q20	2Q20
Net sales revenue	403,137	356,161	290,935	261,363	240,984
Change in fair value of biological assets	14,069	11,811	9,555	733	3,617
Cost of goods sold	(263,510)	(237,614)	(209,232)	(184,283)	(165,677)
Gross income	153,696	130,358	91,258	77,813	78,924
Operating revenues (expenses)	(45,304)	(40,186)	(48,743)	(34,177)	(38,747)
From sales	(25,205)	(23,590)	(23,010)	(24,485)	(22,030)
Impairment losses on trade receivables	285	(236)	(131)	(67)	(900)
General and administrative	(19,022)	(16,977)	(21,711)	(15,943)	(15,920)
Other operating income (expenses), net	4,308	617	3,065	6,318	103
Management profit sharing	(5,670)	-	(6,956)	-	-
Profit (loss) before Financial income (costs) and taxes	108,392	90,172	42,515	43,636	40,177
Net finance income (costs)	(16,549)	(7,003)	(7,505)	(11,303)	(17,206)
Finance income	3,639	12,889	4,737	13,877	6,610
Finance costs	(20,188)	(19,892)	(12,242)	(25,180)	(23,816)
Operating profit (loss) before tax effects	91,843	83,169	35,010	32,333	22,971
Current income tax and social contribution	(19,760)	(13,907)	(9,024)	(7,521)	(7,219)
Deferred inc. tax and soc. contribution	(4,392)	(12,561)	7,931	746	(454)
Net income for the year	67,691	56,701	33,917	25,558	15,298

Annex IV – Consolidated Balance Sheet (R\$ thousand)

Assets	06/30/2021	12/31/2020	06/30/2020	Liabilities and equity	06/30/2021	12/31/2020	06/30/2020
CURRENT	841,626	771,598	504,490	CURRENT	277,100	277,356	390,924
Cash and cash equivalents	34,894	54,260	108,208	Loans and financing	26,877	43,498	203,921
Financial Investments	339,711	291,972	-	Trade payables	131,471	109,095	78,678
Trade accounts receivable	261,345	202,470	179,639	Social charges and social security obligations	40,949	45,448	34,287
Inventories	117,627	92,977	81,602	Tax liabilities	24,637	21,856	25,165
Recoverable taxes	37,327	73,167	73,125	Income tax and social contribution payable	6,650	3,114	2,130
Other assets	9,522	15,552	20,336	Installments taxes	8,822	8,830	8,527
Non-current assets held for sale	41,200	41,200	41,580	Advance from clients	5,254	6,407	6,359
				Dividends and interest on shareholders' equity payable	295	10,467	40
				Other accounts payable	12,736	12,699	14,960
NON-CURRENT ASSETS	1,133,238	1,042,519	1,064,474	Debentures	14,912	11,968	15,220
Trade accounts receivable	3,524	4,173	1,980	Lease liabilities	4,767	3,974	1,637
Recoverable taxes	7,356	27,448	59,737				
Judicial deposits	861	886	873	NON-CURRENT ASSETS	824,673	750,601	808,263
Other assets	27	27	993	Loans and financing	34,574	35,912	72,154
Biological assets	201,617	177,684	163,373	Other accounts payable	59	59	59
Investment property	21,454	21,541	5,488	Tax liabilities	1,875	3,442	5,885
Property, plant and equipment	735,983	648,842	666,217	Deferred income tax and social contribution	180,065	163,111	171,786
Intangible assets	138,646	140,738	143,016	Provisions for civil, labor and tax risks	18,679	18,040	20,701
Right-of-use assets	23,770	21,180	22,797	Installments taxes	11,886	16,039	20,209
				Debentures	557,846	496,869	495,585
				Lease liabilities	19,689	17,129	21,884
				EQUITY	873,091	786,160	369,777
				Capital	543,934	543,934	161,895
				Capital reserve	960	960	960

				Profit reserves	177,906	86,501	49,676
				Equity valuation adjustments	150,286	154,759	159,232
				Accumulated losses	-	-	(1,992)
				Equity attributable to the controlling shareholders	873,086	768,154	369,771
				Non-controlling interest	5	6	6
TOTAL ASSETS	1,974,864	1,814,117	1,568,964	TOTAL LIABILITIES AND EQUITY	1,974,864	1,814,117	1,568,964

Annex V – Statement of Cash Flows – Consolidated (R\$ thousand)

	6M21	6M20
Net cash from operating activities	155,051	95,564
Cash from operations	204,250	129,223
Profit (loss) before income tax and social contribution (LAIR)	175,012	42,571
Changes in the fair value of biological assets	(25,880)	(8,086)
Depreciation, amortization and depletion	44,411	36,540
Income (loss) from sale of property, plant and equipment	(3,536)	(1,204)
Provision/reversal for civil, labor and tax risks	1,751	(3,706)
Provision for impairment on trade receivables	(4)	1,069
Exchange-rate change and interest on loans, financing and debentures	22,370	44,455
Interest on lease liability	1,062	1,029
Interest on restricted account investment	-	(97)
Management profit sharing	5,670	-
Exclusion of ICMS from PIS and COFINS calculation basis	(418)	(2,243)
Changes in assets and liabilities	(49,199)	(33,659)
Trade receivable	(53,561)	(18,860)
Inventories	(24,650)	(4,757)
Recoverable taxes	56,090	25,399
Other assets	6,055	17,973
Trade payables	15,546	(11,142)
Social charges and social security obligations	(10,169)	4,638
Advance from clients	(1,153)	1,499
Tax liabilities	(3,459)	6,763
Payment of interest on loans, financing and debentures	(18,249)	(32,630)
Payment of interest on lease liabilities	(1,062)	(1,029)
Other accounts payable	(887)	(2,618)
Taxes paid (Income tax and social contribution)	(29,888)	-
Net cash from investment activities	(166,821)	(1,911)
Financial Investments	(47,739)	-
Acquisition of property, plant and equipment	(112,437)	(22,643)
Acquisition of biological assets	(8,399)	(7,443)
Acquisition of intangible assets	(613)	(3,060)
Receipt upon disposal of property, plant and equipment	2,367	1,973
Banks - restricted account	-	29,262
Net cash from financing activities	(7,596)	(66,267)
Payment of dividends and interest on shareholders' equity	(47,821)	(1,778)
Payment of lease liabilities	(1,616)	(1,234)
Loans obtained	18,438	57,908
Issuance of debentures (Net of funding costs)	59,547	-
Loans and debentures paid	(36,144)	(121,163)
(Decrease) increase in cash and cash equivalents	(19,366)	27,386
Cash and cash equivalents at the beginning of the year	54,260	80,822
Cash and cash equivalents at the end of the year	34,894	108,208

Annex VI – Results by Segment - Consolidated (R\$ thousand)

	PO Packaging	Packaging Paper	RS Forests and Resins	Corporate/ Eliminations	Total
Net sales					
Domestic Market	232,079	106,660	1,873	-	340,612
Foreign Market	-	20,986	41,539	-	62,525
Total net sales revenue	232,079	127,646	43,412	-	403,137
Changes in the fair value of biological assets	-	10,484	3,585	-	14,069
Cost of products sold	(164,985)	(74,489)	(23,659)	(377)	(263,510)
Gross profit	67,094	63,641	23,338	(377)	153,696
Operating expenses	(17,539)	(2,045)	(3,432)	(22,288)	(45,304)
Operating income (loss) before finance result	49,555	61,596	19,906	(22,665)	108,392
Financial Result	(7,386)	(5,234)	(3,929)	-	(16,549)
Net operating profit (loss)	42,169	56,362	15,977	(22,665)	91,843

Annex VII – Main Indicators - Consolidated (R\$ thousand) - last 5 quarters

MAIN INDICATORS	2Q21	1Q21	4Q20	3Q20	2Q20
Economic and Financial					
Net operating revenue	403,137	356,161	290,935	261,363	240,984
Domestic market	340,612	297,542	253,672	220,764	176,405
Foreign market	62,525	58,619	37,263	40,599	64,579
Gross Profit (inclusive*)	153,696	130,358	91,258	77,813	78,924
(*) Change in fair value of biological assets	14,069	11,811	9,555	733	3,617
Gross margin	38.1%	36.6%	31.4%	29.8%	32.8%
Operating Income (loss) before Taxes and Interest	91,843	83,169	35,010	32,333	22,971
Operating margin	22.8%	23.4%	12.0%	12.4%	9.5%
Net Income	67,691	56,701	33,917	25,558	15,298
Net margin	16.8%	15.9%	11.7%	9.8%	6.3%
Adjusted EBITDA of continued operation ²	119,076	100,348	62,426	55,637	55,601
Adjusted EBITDA Margin	29.5%	28.2%	21.5%	21.3%	23.1%
Net debt (R\$ million)	259.6	217.0	242.0	263.0	678.7
Adjusted Net debt/EBITDA (x)	0.77	0.79	1.07	1.10	2.94
Operating Data (t)					
Corrugated Cardboard Packaging (PO)					
Production/Sales	40,518	40,542	42,210	43,167	33,187
Packaging Paper					
Production	73,996	75,701	75,434	75,211	72,117
Sales	30,634	31,131	32,603	31,923	37,531
Domestic Market	26,137	26,844	28,117	25,351	25,164
Foreign market	4,497	4,287	4,486	6,572	12,367
RS Forests and Resins					
Production	3,928	4,190	3,207	3,644	3,704
Sales	3,786	4,485	2,858	3,146	3,942
Domestic Market	99	100	174	137	70
Foreign market	3,687	4,385	2,684	3,009	3,872

¹ Excluding discontinued operation in the year 2019 used for comparative purposes.

² EBITDA (Earnings before interest, taxes, depreciation and amortization).

Operating Cash Generation (Adjusted EBITDA)	2Q21	1Q21	4Q20	3Q20	2Q20
Operating Result before Taxes and Interest	91,843	83,169	35,010	32,333	22,971
Depletion	5,221	4,576	3,448	1,650	2,893
Depreciation and Amortization	17,203	17,411	18,291	17,307	16,148
Financial Results	16,549	7,003	7,505	11,303	17,206
EBITDA	130,816	112,159	64,254	62,593	59,218
EBITDA Margin	32.4%	31.5%	22.1%	23.9%	24.6%
Adjustments according to CVM Instruction 527/12					
Change in fair value of biological assets ⁽¹⁾	(14,069)	(11,811)	(9,555)	(733)	(3,617)
Non-Recurring Events ⁽²⁾	(3,341)	-	771	(9,352)	-
Management Profit Sharing ⁽³⁾	5,670	-	6,956	3,129	-
Adjusted EBITDA of continued operation	119,076	100,348	62,426	55,637	55,601
Adjusted EBITDA Margin	29.5%	28.2%	21.5%	21.3%	23.1%
Adjusted EBITDA of discontinued operation	-	-	-	-	-
Adjusted EBITDA	119,076	100,348	62,426	55,637	55,601

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

² Non-recurring events:

The amount of (R\$ 3,341 thousand) in 2Q21 refers to the sale of assets from the discontinued operation.

The amount of R\$ 771 thousand in 4Q20 refers to impairment of assets of subsidiaries (IGE and HGE).

The amount of (R\$ 9,352 thousand) in 3Q20 refers to the non-recurring provision for PIS and COFINS credit.

³ Management profit sharing:

The amount of R\$ 5,670 thousand in 2Q21 refers to the distribution of the Company's income.

The amount of R\$ 6,956 thousand in 4Q20 refers to the distribution of the Company's income.

The amount of R\$ 3,129 thousand in 3Q20 refers to the distribution of the Company's income.