Contents

Company Information / Capital Composition

Number of Shares (thousand)	Current Quarter 03/31/2023
Paid-in Capital	
Common shares	246,359
Preferred shares	0
Total	246,359
Treasury shares	
Common shares	4,403
Preferred shares	0
Total	4,403

Parent Company Interim Financial Statements / Balance Sheet - Assets

(In thousands of reais)

Account Code	Account Description	Current Quarter 03/31/2023	Prior Year 12/31/2022
1	Total Assets	3,603,778	3,531,192
1.01	Current assets	1,428,348	1,470,420
1.01.01	Cash and cash equivalents	460,104	702,762
1.01.02	Financial investments	539,930	314,014
1.01.02.03	Financial investments at amortized cost	539,930	314,014
1.01.02.03.02	Financial investments	539,930	314,014
1.01.03	Trade receivables	252,581	258,215
1.01.03.01	Customers	252,581	258,215
1.01.04	Inventories	134,599	132,123
1.01.06	Taxes recoverable	28,894	28,554
1.01.08	Other current assets	12,240	34,752
1.01.08.02	Assets from discontinued operations	2,562	2,562
1.01.08.02.01	Non-current assets held for sale	2,562	2,562
1.01.08.03	Other	9,678	32,190
1.01.08.03.01	Other assets	9,436	32,059
1.01.08.03.02	Derivative financial instruments - swap	242	131
1.02	Non-current assets	2,175,430	2,060,772
1.02.01	Long-term receivables	309,314	278,210
1.02.01.04	Trade receivables	5,821	6,070
1.02.01.04.01	Customers	570	984
1.02.01.04.02	Other receivables	5,251	5,086
1.02.01.06	Biological assets	223,697	195,958
1.02.01.10	Other non-current assets	79,796	76,182
1.02.01.10.03	Taxes recoverable	47,903	46,016
1.02.01.10.04	Judicial deposits	424	407
1.02.01.10.05	Income tax and social contribution recoverable	29,778	28,843
1.02.01.10.06	Derivative financial instruments - swap	1,691	916
1.02.02	Investments	253,140	236,789
1.02.02.01	Equity interests	234,616	218,265
1.02.02.02	Investment properties	18,524	18,524
1.02.03	Property, plant and equipment	1,474,953	1,411,736
1.02.03.01	Property, plant and equipment in operation	1,448,511	1,389,748
1.02.03.02	Right of use - lease	26,442	21,988
1.02.03.02.01	Right-of-use assets	26,442	21,988
1.02.04	Intangible assets	138,023	134,037
1.02.04.01	Intangibles	138,023	134,037

Parent Company Financial Statements / Balance Sheet - Liabilities

(In thousands of reais)

Account Code	Account Description	Current Quarter 03/31/2023	Prior Year 12/31/2022
2	Total Liabilities	3,603,778	3,531,192
2.01	Current liabilities	532,668	599,850
2.01.01	Social and labor obligations	42,576	55,749
2.01.01.01	Social obligations	42,576	55,749
2.01.01.01.01	Social security obligations	42,576	55,749
2.01.02	Trade payables	192,513	199,312
2.01.03	Tax obligations	28,968	28,010
2.01.03.01	Federal tax obligations	23,226	19,884
2.01.03.01.01	Income tax and social contribution payable	6,816	2,907
2.01.03.01.02	Taxes in installments	4,406	5,941
2.01.03.01.03	Other federal taxes	12,004	11,036
2.01.03.02	State tax obligations	5,599	8,014
2.01.03.02.02	Value-added Tax on Sales and Services (ICMS) payable	5,599	8,014
2.01.03.03	Municipal tax obligations	143	112
2.01.03.03.01	Service Tax (ISS) payable	143	112
2.01.04	Borrowings	242,711	273,595
2.01.04.01	Borrowings	49,187	47,533
2.01.04.02	Debentures	193,524	226,062
2.01.05	Other obligations	25,900	43,184
2.01.05.02	Other	25,900	43,184
2.01.05.02.01	Dividends and interest on capital payable	1,000	22,120
2.01.05.02.04	Other payables	14,403	11,470
2.01.05.02.05	Advances from customers	2,517	2,569
2.01.05.02.06	Lease liabilities	7,980	7,025
2.02	Non-current liabilities	1886892	1,806,257
2.02.01	Borrowings	1,592,735	1,518,580
2.02.01.01	Borrowings	484,001	412,672
2.02.01.02	Debentures	1,108,734	1,105,908
2.02.02	Other obligations	29,854	30,781
2.02.02.02	Other	29,854	30,781
2.02.02.02.03	Taxes in installments	4,195	2,511
2.02.02.02.05	Other payables	59	59
2.02.02.02.06	Lease liabilities	17,709	13,662
2.02.02.02.08	Social security obligations	7,891	14,549
2.02.03	Deferred taxes	242,389	228,970
2.02.03.01	Deferred income tax and social contribution	242,389	228,970
2.02.04	Provisions	21,914	27,926
2.02.04.01	Provision for tax, social security, labor and civil risks	21,914	27,926
2.03	Equity	1,184,218	1,125,085
2.03.01	Share capital	543,934	543,934
2.03.02	Capital reserves	960	960
2.03.04	Revenue reserves	419,043	443,326
2.03.05	Retained earnings/accumulated deficit	85,653	0
2.03.06	Carrying value adjustments	134,628	136,865

Parent Company Financial Statements / Statements of Income

(In thousands of reais)

Account Code	Account Description	YTD - Current Year 01/01/2023 to 03/31/2023	YTD - Prior Year 01/01/2022 to 03/31/2022
3.01	Revenue from sales of goods and/or services	405,651	406,169
3.02	Cost of sales and/or services	-225,413	-225,155
3.02.01	Changes in the fair value of biological assets	25,015	13,046
3.02.02	Cost of goods sold	-250,428	-238,201
3.03	Gross profit	180,238	181,014
3.04	Operating income (expenses)	-43,209	-25,095
3.04.01	Selling expenses	-31,000	-28,600
3.04.02	General and administrative expenses	-27,078	-19,902
3.04.03	Impairment of assets	40	-181
3.04.04	Other operating income	978	5,012
3.04.06	Equity in the earnings of subsidiaries	13,851	18,576
3.05	Profit before finance result and taxes	137,029	155,919
3.06	Finance result	-20,251	-16,877
3.06.01	Finance income	40,066	19,313
3.06.02	Finance costs	-60,317	-36,190
3.07	Profit before income tax and social contribution	116,778	139,042
3.08	Income tax and social contribution	-33,820	-26,894
3.08.01	Current	-20,401	-31,144
3.08.02	Deferred	-13,419	4,250
3.09	Profit from continuing operations	82,958	112,148
3.11	Profit for the period	82,958	112,148
3.99	Earnings per share - (R$/share)		
3.99.01	Basic earnings per share		
3.99.01.01	Common shares	0.3399	0.4493

Parent Company Financial Statements / Statement of Comprehensive Income

(All amounts in Thousands of Reais)

Account Code	Account Description	YTD - Current Year 01/01/2023 to 03/31/2023	YTD - Prior Year 01/01/2022 to 03/31/2022
4.01	Profit for the period	82,958	112,148
4.03	Comprehensive income for the period	82,958	112,148

Parent Company Financial Statements / Statement of Cash Flows (Indirect Method)

(In thousands of reais)

Account Code	Account Description	YTD - Current Year 01/01/2023 to 03/31/2023	YTD - Prior Year 01/01/2022 to 03/31/2022
6.01	Net cash provided by (used in) operating activities	4,642	34,880
6.01.01	Cash from operations	125,486	117,630
6.01.01.01	Profit before income tax and social contribution	116,778	139,042
6.01.01.02	Changes in the fair value of biological assets	-25,015	-13,046
6.01.01.03	Depreciation, amortization and depletion	21,218	16,894
6.01.01.05	Profit (loss) on disposal of property, plant and equipment	-1,021	-3,394
6.01.01.06	Equity in the earnings of subsidiaries	-13,851	-18,576
6.01.01.07	Provision for civil, labor and tax risks	-5,752	1,185
6.01.01.08	Provision for impairment of trade receivables	-16	151
6.01.01.10	Management profit sharing not paid	-6,658	0
6.01.01.11	Indexation accruals and interest on borrowings and debentures	51,545	17,839
6.01.01.12	Interest on lease liabilities	1,157	610
6.01.01.13	Interest on financial investments	-12,899	-10,202
6.01.01.19	Previous period’s tax credits	0	-12,873
6.01.02	Changes in assets and liabilities	-120,844	-82,750
6.01.02.01	Trade receivables	6,064	-5,340
6.01.02.02	Inventories	-2,476	6,080
6.01.02.03	Taxes recoverable	-3,162	-1,905
6.01.02.04	Other assets	-7,084	-2,113
6.01.02.06	Trade payables	-3,863	841
6.01.02.07	Social security obligations	-13,173	-19,956
6.01.02.08	Advances from customers	-52	-1,353
6.01.02.09	Tax obligations	-8,271	-6,363
6.01.02.10	Other payables	4,333	3,428
6.01.02.11	Payment of interest on borrowings and debentures	-82,515	-30,034
6.01.02.12	Payment of interest on lease liabilities	-1,157	-610
6.01.02.13	Taxes paid (Income tax and social contribution)	-9,488	-25,425
6.02	Net cash provided by (used in) investing activities	-264,862	7,619
6.02.01	Purchases of property, plant and equipment	-71,859	-118,525
6.02.02	Additions to biological assets	-2,787	-2,678
6.02.03	Additions to intangible assets	-5,266	-249
6.02.04	Capital contribution	-2,500	-1,615
6.02.05	Proceeds from sale of non-current assets held for sale	29,525	9,850
6.02.06	Proceeds from sale of property, plant and equipment	1,042	1,233
6.02.07	Financial investments	-482,300	-214,080
6.02.08	Redemption of financial investments	269,283	333,915
6.02.09	Advance for future capital increase	0	-232
6.03	Net cash provided by (used in) financing activities	17,562	-31,199
6.03.01	Payment of dividends and interest on capital	-21,197	-15,892
6.03.02	Payment of lease liabilities	-3,400	-1,797
6.03.04	Proceeds from borrowings	71,385	5,250
6.03.05	Repayments of borrowings and debentures	-5,401	-6,536
6.03.06	Repurchase of shares	-23,825	-12,224

Parent Company Financial Statements / Statement of Cash Flows (Indirect Method)

(In thousands of reais)

Account Code	Account Description	YTD - Current Year 01/01/2023 to 03/31/2023	YTD - Prior Year 01/01/2022 to 03/31/2022
6.05	Increase (decrease) in cash and cash equivalents	242,658	11,300
6.05.01	Cash and cash equivalents at the beginning of the period	702,762	11,050
6.05.02	Cash and cash equivalents at the end of the period	460,104	22,350

Parent Company Financial Statements / Statement of Changes in Equity / SCE – 01/01/2023 to 03/31/2023

(In thousands of reais)

Account Code	Account Description	Paid-in capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings (accumulated deficit)	Other comprehensive income	Equity
5.01	Opening balances	543,934	960	443,326	0	136,865	1,125,085
5.03	Adjusted opening balances	543,934	960	443,326	0	136,865	1,125,085
5.05	Total comprehensive income	0	0	0	85,195	-2,237	82,958
5.05.01	Profit for the period	0	0	0	82,958	0	82,958
5.05.02	Other comprehensive income	0	0	0	2,237	-2,237	0
5.05.02.06	Realization – deemed cost	0	0	0	2,237	-2,237	0
5.06	Internal changes in equity	0	0	-24,283	458	0	-23,825
5.06.04	Realized revenue reserve – biological assets	0	0	-458	458	0	0
5.06.08	Treasury shares	0	0	-23,825	0	0	-23,825
5.07	Closing balances	543,934	960	419,043	85,653	134,628	1,184,218

Parent Company Financial Statements / Statement of Changes in Equity / SCE – 01/01/2022 to 03/31/2022

(In thousands of reais)

Account Code	Account Description	Paid-in capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings (accumulated deficits)	Other comprehensive income	Equity
5.01	Opening balances	543,934	960	266,732	0	145,812	957,438
5.03	Adjusted opening balances	543,934	960	266,732	0	145,812	957,438
5.05	Total comprehensive income	0	0	0	114,385	-2,237	112,148
5.05.01	Profit for the period	0	0	0	112,148	0	112,148
5.05.02	Other comprehensive income	0	0	0	2,237	-2,237	0
5.05.02.06	Realization – deemed cost	0	0	0	2,237	-2,237	0
5.06	Internal changes in equity	0	0	-13,355	1,131	0	-12,224
5.06.04	Realized revenue reserve – biological assets	0	0	-1,131	1,131	0	0
5.06.08	Treasury shares	0	0	-12,224	0	0	-12,224
5.07	Closing balances	543,934	960	253,377	115,516	143,575	1,057,362

Parent Company Financial Statements / Statement of Value Added

(In thousands of reais)

Account Code	Account Description	YTD - Current Year 01/01/2023 to 03/31/2023	YTD - Prior Year 01/01/2022 to 03/31/2022
7.01	Revenue	525,939	560,939
7.01.01	Sales of goods and/or services	520,579	513,475
7.01.02	Other revenues	5,344	47,615
7.01.04	Provision/reversal for impairment of trade receivables	16	-151
7.02	Inputs acquired from third parties	-288,492	-304,125
7.02.01	Cost of sales and services .	-204,001	-183,241
7.02.02	Materials, electricity, third-party services and other	-84,491	-120,884
7.03	Gross value added	237,447	256,814
7.04	Retentions	3,797	-3,848
7.04.01	Depreciation, amortization and depletion	-21,218	-16,894
7.04.02	Other	25,015	13,046
7.04.02.01	Changes in the fair value of biological assets	25,015	13,046
7.05	Net value added generated	241,244	252,966
7.06	Value added received through transfer	53,917	37,889
7.06.01	Equity in the earnings of subsidiaries	13,851	18,576
7.06.02	Finance income	40,066	19,313
7.07	Total value added to distribute	295,161	290,855
7.08	Distribution of value added	295,161	290,855
7.08.01	Personnel	59,358	50,040
7.08.01.01	Direct compensation	44,891	38,544
7.08.01.02	Benefits	12,001	9,354
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	2,466	2,142
7.08.02	Taxes and contributions	83,563	87,576
7.08.02.01	Federal	56,232	65,449
7.08.02.02	State	26,739	21,687
7.08.02.03	Municipal	592	440
7.08.03	Third-party capital remuneration	62,469	37,723
7.08.03.01	Interest	60,317	36,190
7.08.03.02	Rentals	2,152	1,533
7.08.04	Remuneration of own capital	85,653	115,516
7.08.04.03	Profits reinvested/loss for the period	85,653	115,516
7.08.05	Other	4,118	0
7.08.05.01	Management profit sharing	4,118	0

Consolidated Financial Statements / Balance Sheet - Assets

(In thousands of reais)

Account Code	Account Description	Current Quarter 03/31/2023	Prior Year 12/31/2022
1	Total Assets	3,577,859	3,515,338
1.01	Current assets	1,464,032	1,505,181
1.01.01	Cash and cash equivalents	493,889	735,194
1.01.02	Financial Investments	539,930	314,014
1.01.02.03	Financial investments at amortized cost	539,930	314,014
1.01.02.03.02	Financial investments	539,930	314,014
1.01.03	Trade receivables	252,948	258,472
1.01.03.01	Customers	252,948	258,472
1.01.04	Inventories	135,660	133,758
1.01.06	Taxes recoverable	28,999	28,639
1.01.08	Other current assets	12,606	35,104
1.01.08.02	Assets from discontinued operations	2,562	2,562
1.01.08.02.01	Non-current assets held for sale	2,562	2,562
1.01.08.03	Other	10,044	32,542
1.01.08.03.01	Other assets	9,802	32,411
1.01.08.03.02	Derivative financial instruments - swap	242	131
1.02	Non-current assets	2,113,827	2,010,157
1.02.01	Long-term receivables	464,363	427,807
1.02.01.04	Trade receivables	5,847	6,097
1.02.01.04.01	Customers	570	984
1.02.01.04.02	Other receivables	5,277	5,113
1.02.01.06	Biological assets	376,963	343,727
1.02.01.10	Other non-current assets	81,553	77,983
1.02.01.10.03	Taxes recoverable	47,903	46,016
1.02.01.10.04	Judicial deposits	681	708
1.02.01.10.05	Income tax and social contribution recoverable	29,778	28,843
1.02.01.10.06	Derivative financial instruments - swap	1,691	916
1.02.01.10.07	Other investments	1,500	1,500
1.02.02	Investments	18,524	18,524
1.02.02.02	Investment properties	18,524	18,524
1.02.03	Property, plant and equipment	1,492,917	1,429,789
1.02.03.01	Property, plant and equipment in operation	1,466,475	1,407,801
1.02.03.02	Right of use - Lease	26,442	21,988
1.02.03.02.01	Right-of-use assets	26,442	21,988
1.02.04	Intangible assets	138,023	134,037
1.02.04.01	Intangibles	138,023	134,037

Consolidated Financial Statements / Balance Sheet - Liabilities

(In thousands of reais)

Account Code	Account Description	Current Quarter 03/31/2023	Prior Year 12/31/2022
2	Total Liabilities	3,577,859	3,515,338
2.01	Current liabilities	500,052	577,460
2.01.01	Social and labor obligations	43,376	56,385
2.01.01.01	Social obligations	43,376	56,385
2.01.01.01.01	Social security obligations	43,376	56,385
2.01.02	Trade payables	157,657	175,313
2.01.03	Tax obligations	29,870	28,790
2.01.03.01	Federal tax obligations	24,112	20,645
2.01.03.01.01	Income tax and social contribution payable	7,482	3,402
2.01.03.01.02	Taxes in installments	4,406	5,941
2.01.03.01.03	Other federal taxes	12,224	11,302
2.01.03.02	State tax obligations	5,605	8,020
2.01.03.02.02	Value-added Tax on Sales and Services (ICMS) payable	5,605	8,020
2.01.03.03	Municipal tax obligations	153	125
2.01.03.03.01	Service Tax (ISS) payable	153	125
2.01.04	Borrowings	242,711	273,595
2.01.04.01	Borrowings	49,187	47,533
2.01.04.02	Debentures	193,524	226,062
2.01.05	Other obligations	26,438	43,377
2.01.05.02	Other	26,438	43,377
2.01.05.02.01	Dividends and interest on capital payable	1,000	22,120
2.01.05.02.04	Other payables	14,939	11,633
2.01.05.02.05	Advances from customers	2,519	2,599
2.01.05.02.06	Lease liabilities	7,980	7,025
2.02	Non-current liabilities	1,893,589	1,812,793
2.02.01	Borrowings	1,592,735	1,518,580
2.02.01.01	Borrowings	484,001	412,672
2.02.01.02	Debentures	1,108,734	1,105,908
2.02.02	Other obligations	29,854	30,781
2.02.02.02	Other	29,854	30,781
2.02.02.02.03	Taxes in installments	4,195	2,511
2.02.02.02.05	Other payables	59	59
2.02.02.02.06	Lease liabilities	17,709	13,662
2.02.02.02.08	Social security obligations	7,891	14,549
2.02.03	Deferred taxes	249,026	235,337
2.02.03.01	Deferred income tax and social contribution	249,026	235,337
2.02.04	Provisions	21,974	28,095
2.02.04.01	Provision for tax, social security, labor and civil risks	21,974	28,095
2.03	Consolidated equity	1,184,218	1,125,085
2.03.01	Share capital	543,934	543,934
2.03.02	Capital reserves	960	960
2.03.04	Revenue reserves	419,043	443,326
2.03.05	Retained earnings/accumulated deficit	85,653	0
2.03.06	Carrying value adjustments	134,628	136,865

Consolidated Financial Statements / Statement of Income

(In thousands of reais)

Account Code	Account Description	YTD - Current Year 01/01/2023 to 03/31/2023	YTD - Prior Year 01/01/2022 to 03/31/2022
3.01	Revenue from sales of goods and/or services	406,884	407,944
3.02	Cost of sales and/or services	-212,192	-206,998
3.02.01	Changes in the fair value of biological assets	33,923	26,086
3.02.02	Cost of goods sold	-246,115	-233,084
3.03	Gross profit	194,692	200,946
3.04	Operating income (expenses)	-58,147	-44,938
3.04.01	Selling expenses	-31,544	-29,146
3.04.02	General and administrative expenses	-27,608	-20,653
3.04.03	Impairment of assets	40	-181
3.04.04	Other operating income	965	5,042
3.05	Profit before finance result and taxes	136,545	156,008
3.06	Finance result	-19,178	-16,420
3.06.01	Finance income	41,159	19,789
3.06.02	Finance costs	-60,337	-36,209
3.07	Profit before income tax and social contribution	117,367	139,588
3.08	Income tax and social contribution	-34,409	-27,440
3.08.01	Current	-20,720	-31,335
3.08.02	Deferred	-13,689	3,895
3.09	Profit from continuing operations	82,958	112,148
3.11	Consolidated profit for the period	82,958	112,148
3.11.01	Attributable to owners of the Parent company	82,958	112,148
3.99	Earnings per share - (R$/share)		
3.99.01	Basic earnings per share		
3.99.01.01	Common shares	0.3399	0.4493

Consolidated Financial Statements / Statement of Comprehensive Income

(In thousands of reais)

Account Code	Account Description	YTD - Current Year 01/01/2023 to 03/31/2023	YTD - Prior Year 01/01/2022 to 03/31/2022
4.01	Consolidated profit for the period	82,958	112,148
4.03	Consolidated comprehensive income for the period	82,958	112,148
4.03.01	Attributable to owners of the Parent company	82,958	112,148

Consolidated Financial Statements / Statement of Cash Flows (Indirect Method)

(In thousands of reais)

Account Code	Account Description	YTD - Current Year 01/01/2023 to 03/31/2023	YTD - Prior Year 01/01/2022 to 03/31/2022
6.01	Net cash provided by (used in) operating activities	3,988	35,048
6.01.01	Cash from operations	135,123	130,695
6.01.01.01	Profit before income tax and social contribution	117,367	139,588
6.01.01.02	Changes in the fair value of biological assets	-33,923	-26,086
6.01.01.03	Depreciation, amortization and depletion	25,340	23,875
6.01.01.05	Profit (loss) on disposal of property, plant and equipment	-1,004	-3,394
6.01.01.07	Provision/reversal for civil, labor and tax risks	-5,786	1,187
6.01.01.08	Provision for impairment of trade receivables	-16	151
6.01.01.10	Management profit sharing not paid	-6,658	0
6.01.01.11	Indexation accruals and interest on borrowings and debentures	51,545	17,839
6.01.01.12	Interest on lease liabilities	1,157	610
6.01.01.13	Interest on financial investments	-12,899	-10,202
6.01.01.20	Previous period’s tax credits	0	-12,873
6.01.02	Changes in assets and liabilities	-131,135	-95,647
6.01.02.01	Trade receivables	5,954	-5,338
6.01.02.02	Inventories	-1,902	6,268
6.01.02.03	Taxes recoverable	-3,182	-1,902
6.01.02.04	Other assets	-7,053	-2,150
6.01.02.06	Trade payables	-14,866	-12,860
6.01.02.07	Social security obligations	-13,009	-19,784
6.01.02.08	Advances from customers	-80	-1,375
6.01.02.09	Tax obligations	-7,968	-5,687
6.01.02.10	Other payables	4,631	3,690
6.01.02.11	Payment of interest on borrowings and debentures	-82,515	-30,034
6.01.02.12	Payment of interest on lease liabilities	-1,157	-610
6.01.02.13	Taxes paid (Income tax and social contribution)	-9,988	-25,865
6.02	Net cash provided by (used in) investing activities	-262,855	8,715
6.02.01	Purchases of property, plant and equipment	-71,859	-118,572
6.02.02	Additions to biological assets	-3,280	-3,382
6.02.03	Additions to intangible assets	-5,266	-249
6.02.05	Proceeds from sale of non-current assets held for sale	29,525	9,850
6.02.06	Proceeds from sale of property, plant and equipment	1,042	1,233
6.02.07	Financial investments	-482,300	-214,080
6.02.08	Redemption of financial investments	269,283	333,915
6.03	Net cash provided by (used in) financing activities	17,562	-31,199
6.03.01	Payment of dividends and interest on capital	-21,197	-15,892
6.03.02	Payment of lease liabilities	-3,400	-1,797
6.03.04	Proceeds from borrowings	71,385	5,250
6.03.05	Repayments of borrowings and debentures	-5,401	-6,536
6.03.06	Repurchase of shares	-23,825	-12,224
6.05	Increase (decrease) in cash and cash equivalents	-241,305	12,564
6.05.01	Cash and cash equivalents at the beginning of the period	735,194	30,410
6.05.02	Cash and cash equivalents at the end of the period	493,889	42,974

Consolidated Financial Statements / Statement of Changes in Equity – SCE - 01/01/2023 to 03/31/2023

(In thousands of reais)

Account Code	Account Description	Paid-in capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings (accumulated deficit)	Other comprehensive income	Equity	Non-controlling interests	Consolidated equity
5.01	Opening balances	543,934	960	443,326	0	136,865	1,125,085	0	1,125,085
5.03	Adjusted opening balances	543,934	960	443,326	0	136,865	1,125,085	0	1,125,085
5.05	Total comprehensive income	0	0	0	85,195	-2,237	82,958	0	82,958
5.05.01	Profit for the period	0	0	0	82,958	0	82,958	0	82,958
5.05.02	Other comprehensive income	0	0	0	2,237	-2,237	0	0	0
5.05.02.06	Realization – deemed cost	0	0	0	2,237	-2,237	0	0	0
5.06	Internal changes in equity	0	0	-24,283	458	0	-23,825	0	-23,825
5.06.04	Realized revenue reserve – biological assets	0	0	-458	458	0	0	0	0
5.06.08	Treasury shares	0	0	-23,825	0	0	-23,825	0	-23,825
5.07	Closing balances	543,934	960	419,043	85,653	134,628	1,184,218	0	1,184,218

Consolidated Financial Statements / Statement of Changes in Equity – SCE - 01/01/2022 to 03/31/2022

(In thousands of reais)

Account Code	Account Description	Paid-in capital	Capital reserves, options granted and treasury shares	Revenue reserves	Retained earnings (accumulated deficit)	Other comprehensive income	Equity	Non-controlling interests	Consolidated equity
5.01	Opening balances	543,934	960	266,732	0	145,812	957,438	0	957,438
5.03	Adjusted opening balances	543,934	960	266,732	0	145,812	957,438	0	957,438
5.05	Total comprehensive income	0	0	0	114,385	-2,237	112,148	0	112,148
5.05.01	Profit for the period	0	0	0	112,148	0	112,148	0	112,148
5.05.02	Other comprehensive income	0	0	0	2,237	-2,237	0	0	0
5.05.02.06	Realization – deemed cost	0	0	0	2,237	-2,237	0	0	0
5.06	Internal changes in equity	0	0	-13,355	1,131	0	-12,224	0	-12,224
5.06.04	Realized revenue reserve – biological assets	0	0	-1,131	1,131	0	0	0	0
5.06.08	Treasury shares	0	0	-12,224	0	0	-12,224	0	-12,224
5.07	Closing balances	543,934	960	253,377	115,516	143,575	1,057,362	0	1,057,362

Performance Comment

Consolidated Financial Statements / Statement or Value Added

(In thousands of reais

Account Code	Account Description	YTD - Current Year 01/01/2023 to 03/31/2023	YTD - Prior Year 01/01/2022 to 03/31/2022
7.01	Revenue	527,274	562,927
7.01.01	Sales of goods and/or services	521,905	515,439
7.01.02	Other revenues	5,353	47,639
7.01.04	Provision/reversal for impairment of trade receivables	16	-151
7.02	Inputs acquired from third parties	-276,799	-288,917
7.02.01	Cost of sales and services	-192,923	-172,218
7.02.02	Materials, electricity, third-party services and other	-83,876	-116,699
7.03	Gross value added	250,475	274,010
7.04	Retentions	8,583	2,211
7.04.01	Depreciation, amortization and depletion	-25,340	-23,875
7.04.02	Other	33,923	26,086
7.04.02.01	Changes in the fair value of biological assets	33,923	26,086
7.05	Net value added generated	259,058	276,221
7.06	Value added received through transfer	41,159	19,789
7.06.02	Finance income	41,159	19,789
7.07	Total value added to distribute	300,217	296,010
7.08	Distribution of value added	300,217	296,010
7.08.01	Personnel	62,652	53,211
7.08.01.01	Direct compensation	46,820	40,445
7.08.01.02	Benefits	13,278	10,535
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	2,554	2,231
7.08.02	Taxes and contributions	85,304	89,541
7.08.02.01	Federal	57,944	67,355
7.08.02.02	State	26,753	21,699
7.08.02.03	Municipal	607	487
7.08.03	Third-party capital remuneration	62,490	37,742
7.08.03.01	Interest	60,337	36,209
7.08.03.02	Rentals	2,153	1,533
7.08.04	Remuneration of own capital	85,653	115,516
7.08.04.03	Profits reinvested/loss for the period	85,653	115,516
7.08.05	Other	4,118	0
7.08.05.01	Management profit sharing	4,118	0

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 recorded a Net Revenue of R$ 407 million in 1Q23, Profit for the Period of R$ 83 million and Adjusted EBITDA of R$ 128 million. In the last 12 months, Profit for the Period reached R$ 349 million, a growth of 2.4% compared to 2022

MAIN INDICATORS - CONSOLIDATED	1Q23	4Q22	1Q22	Chg. 1Q23/ 4Q22	Chg. 1Q23/ 1Q22	LTM23	LTM22	Chg. LTM23/LTM22
Economic and Financial (R$ thousand)								
Net revenue from sales	406,884	408,410	407,944	-0.4%	-0.3%	1,685,606	1,657,617	1.7%
Domestic market	348,912	365,138	331,569	-4.4%	5.2%	1,457,841	1,390,345	4.9%
Foreign market	57,972	43,272	76,375	34.0%	-24.1%	227,765	267,272	-14.8%
Gross profit (inclusive *)	194,692	192,773	200,946	1.0%	-3.1%	801,818	702,612	14.1%
(*) Changes in the fair value of biological assets	*33,923*	*40,208*	*26,086*	-15.6%	30.0%	*146,840*	*58,124*	152.6%
Gross margin	***47.8%***	***47.2%***	**49.3%**	**0,6p.p.**	***-1,5p.p.***	***47.6%***	***42.4%***	***5,2p.p.***
Operating profit before taxes and interest	117,367	114,374	139,588	2.6%	-15.9%	496,139	446,632	11.1%
Operating margin	***28.8%***	***28.0%***	**34.2%**	**0,8p.p.**	***-5,4p.p.***	***29.4%***	***26.9%***	***2,5p.p.***
Profit for the period	82,958	85,919	112,148	-3.4%	-26.0%	349,020	340,760	2.4%
Net margin	***20.4%***	***21.0%***	**27.5%**	**-0,6p.p.**	***-7,1p.p.***	***20.7%***	***20.6%***	***0,1p.p.***
Adjusted EBITDA [1]	128,210	119,236	136,568	7.5%	-6.1%	529,630	530,141	-0.1%
Adjusted EBITDA margin	***31.5%***	***29.2%***	***33.5%***	**2,3p.p.**	***-2,0p.p.***	***31.4%***	***32.0%***	***-0,6p.p.***
Net debt	799,694	741,920	477,940	7.8%	67.3%	799,694	477,940	67.3%
Net debt/adjusted EBITDA (x)	1.51	1.38	0.90	9.4%	67.8%	1.51	0.90	67.8%
Operating Data (t)								
Sustainable Packaging (Corrugated Cardboard)								
Production/Sales	38,103	39,687	34,434	-4.0%	10.7%	163,509	151,441	8.0%
Sustainable Packaging Paper (Paper)								
Production	73,072	76,136	65,620	-4.0%	11.4%	301,008	287,107	4.8%
Sales	29,713	30,216	31,766	-1.7%	-6.5%	122,827	126,691	-3.0%
Domestic market	*24,487*	*26,272*	*27,110*	*-6.8%*	*-9.7%*	*104,837*	*109,423*	*-4.2%*
Foreign market	*5,226*	*3,944*	*4,656*	*32.5%*	*12.2%*	*17,990*	*17,268*	*4.2%*
Sustainable Resins (Gum Rosin and Turpentine)								
Production	4,186	2,495	4,295	67.8%	-2.5%	13,623	15,555	-12.4%
Sales	3,991	2,279	4,160	75.1%	-4.1%	13,530	15,205	-11.0%
Domestic market	*84*	*91*	*99*	*-7.7%*	*-15.2%*	*335*	*441*	*-24.0%*
Foreign market	*3,907*	*2,188*	*4,061*	*78.6%*	*-3.8%*	*13,195*	*14,764*	*-10.6%*

[1] EBITDA (earnings before interest, taxes, depreciation,

▸ The Net revenue in 1Q23 registered stability compared to 1Q22 and to 4Q22.

▸ The sales volume of the Sustainable Packaging (Corrugated Cardboard) segment increased 10.7% compared to 1Q22, and decreased 4.0% compared to 4Q22, totaling 38.1 thousand tons in 1Q23, mainly due to the decrease in the demand of this segment in this quarter compared to the previous quarter. The Sustainable Packaging Paper (Paper) segment totaled 29.7 thousand tons of sales, recording a decrease of 6.5% compared to 1Q22 and of 1.7% compared to 4Q22, also due to the decrease in the demand of this segment in the quarter. The Sustainable Resins (Gum Rosin and Turpentine) segment recorded a decrease of 4.1% compared to 1Q22 and an increase of 75.1% compared to 4Q22, reaching 3.9 thousand tons, mainly due to an upturn in this market, which had experienced a downturn at the end of 2022.

▸ The gross profit in 1Q23 decreased 3.1% compared to 1Q22 and increased 1.0% compared to 4Q22. The growth in relation to 4Q22 is related mainly to the revenue stability and its increase in foreign market quarter on quarter.

▸ Selling expenses in 1Q23 totaled R$ 31,544 thousand, an increase of 8.2% compared to 1Q22 and a decrease of 4.0% compared to 4Q22, and represented 7.8% of consolidated net revenue, higher than 7.1% in 1Q22 and lower than 8.0% in 4Q22, mainly due to the reduction in volume in the Sustainable Packaging (Corrugated Cardboard) segment and in the Sustainable Packaging (Paper). Administrative expenses in 1Q23 totaled R$ 27,608 thousand, an increase of 33.7% compared to 1Q22, mainly due to the inflation for the period, and a decrease of 4.4% compared to 4Q22, mainly to the lower seasonality at the beginning of the year, and represented 6.8% of consolidated net revenue, higher than 5.1% in 1Q22 and lower than 7.1% in 4Q22.

▸ Profit for 1Q23 was R$ 82,958 thousand compared to R$ 112,148 thousand in 1Q22 and R$ 85,919 thousand in 4Q22. The main impact in relation to 4Q22 was related to the decrease in changes in the fair value of biological assets.

▸ Adjusted EBITDA in 1Q23 was R$ 128,210 thousand with a margin of 31.5%, 6.1% lower than in 1Q22, when it was R$136,568 thousand with a margin of 33.5%, and 7.5% higher than in 4Q22, when it was R$ 119,236 thousand with a margin of 29.2%. The main factor that contributed to the growth of Adjusted EBITDA in this 1Q23 compared to 4Q22 was the reduction in OCC costs in the period. In the last 12 months, Adjusted EBITDA was R$ 529,630 thousand.

▸ The Net Debt/Adjusted EBITDA ratio was 1.51 times in 1Q23, against 0.90 times in 1Q22 and 1.38 times in 4Q22. The increase in the indicator in both comparisons is due to the increase in net debt, due to negative free cash flow in the period caused by disbursements related to the investments in the Gaia platform. Releverage is natural during the execution of investments and is in line with the parameters established in the Company's Financial Management Policy, which sets a target of 2.5x.

▸ The cash position in the quarter ended March 31, 2023 was R$ 1,033,819 thousand (composed of financial investments and cash and cash equivalents) and 87% of the gross debt is classified in the long term, 98% denominated in local currency and 2% denominated in foreign currency.

▸ Irani was featured in the Great Place to Work - Diversity ranking in the 50 + category, reaching the 11th position, for adopting inclusive and exemplary practices with employees over 50 years of age.

▸ For the 4th time in a row, the Company is considered in the GPTW Climate Survey an excellent place to work, with a satisfaction record obtained at 90%.

▸ The "Centro de Voluntariado Semente" was inaugurated, in Campina da Alegria, to develop voluntary actions to serve the community of Campina da Alegria and neighboring municipalities.

▸ Subsequent event: according to Material Fact of April 17, 2023, published in the Official Gazette of the State of Santa Catarina (page 5) of April 14, 2023 and Resolution 784/22, regarding the Company concession of PRODEC – Program for Development of the Companies in the State of Santa Catarina.

1Q23 Highlights

1Q23 was marked by continued interest rate hikes in the US and the failure of local US banks due to the wave of withdrawals that generated insufficient liquidity, in the wake of the record of losses registered by the rise in interest rates. It was also marked by the merger of Credit Suisse with UBS, an extreme measure to avoid the collapse of the former. On the local front, we had the crisis of retail companies, which led investors to significant losses, bringing uncertainty to the entire chain.

According to Empapel, the shipment of tons of corrugated cardboard recorded an increase of 2.0% compared to 1Q22, with 948 thousand tons, however with a reduction of 2.6% compared to 4Q22, which shows a reduction in the segment demand.

Net revenue in 1Q23 presented stability compared to 1Q22, due to the good sales performance of the Sustainable Packaging Paper (Paper) segment in the foreign market. The domestic market represented 86% of the Company's sales and the foreign market reached 14% in 1Q23.

The Sustainable Packaging (Corrugated Cardboard) segment represented, in 1Q23, 55% of net revenue, the Sustainable Packaging Paper (Paper) segment represented 37% and the Sustainable Resins segment (Gum Rosin and Turpentine) 8%.

We ended the quarter with R$ 406,884 thousand in Net Revenue, Profit for the Period of R$ 82,958 thousand and Adjusted EBITDA of R$128,210 thousand. The Net Debt/Adjusted EBITDA ratio (operating leverage) was 1.51 times and the cash position (including financial investments and cash and cash equivalents) was R$ 1,033,819 thousand. The gross debt as of March 31, 2023 totaled R$ 1,833,513 thousand, 87% of which maturing in the long term and 98% denominated in local currency.

OPERATING PERFORMANCE

Sustainable Packaging (Corrugated Cardboard) Segment

The sales volume of sustainable corrugated packaging in the Empapel Market in tons, as shown in the graphs below, increased 2.0% in 1Q23 compared to 1Q22, when the performance of the sales volume of the Irani Market increased 10.7%, totaling 38,103 tons. Compared to 4Q22, the Empapel Market decreased 2.6%, when the Irani Market decreased 4.0%. This decrease is mainly due to lower demand for segment products.

Revenue Contribution 1Q23

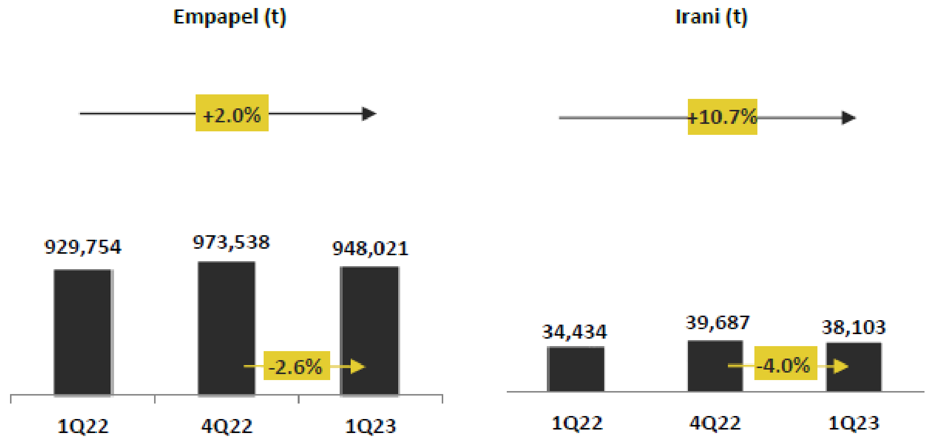
In tons, Irani's market share in the Sustainable Packaging (Corrugated Cardboard) segment in 1Q23 was 4.0%, 3.7% in 1Q22 and 4.1% in 4Q22.

Irani Market boxes sales in 1Q23 increased 12.7% compared to 1Q22, 2.9% lower than in 4Q22. Irani Market sheet sales increased 1.7% compared to 1Q22, 9% lower than in 4Q22.

The units Packaging SP Indaiatuba and Packaging SC Campina da Alegria accounted for 50% and 50% of the total corrugated cardboard sold in 1Q23, with their productions focused entirely on the domestic market.

Performance Comment

Sales Volume (in tons) – Sustainable Packaging Segment (Corrugated Cardboard)

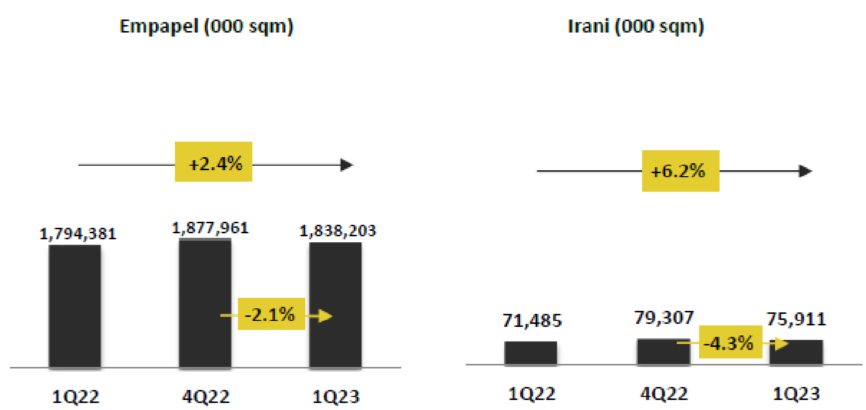


Source: Empapel Source: Irani

1Q23 Empapel Market data (in tons) are prior to closing. There may be changes in the official data.

In square meters (m²), the sales volume of sustainable corrugated cardboard packaging in the Empapel Market recorded an increase of 2.4% in 1Q23 compared to 1Q22, while the Irani Market recorded an increase of 6.2%. Compared to 4Q22, the Empapel Market recorded a decrease of 2.1%, while the Irani Market recorded a reduction of 4.3%. In square meters, Irani's market share in this segment was 4.1% in 1Q23, 4.0% in 1Q22 and 4.2% in 4Q22.

Sales Volume (in square meters) - Sustainable Packaging Segment (Corrugated Cardboard)



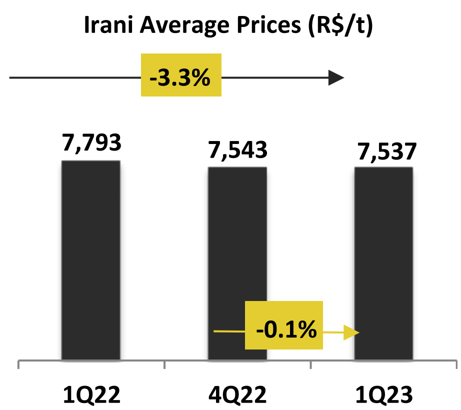
Source: Empapel Source: Irani

1Q23 Empapel Market data (in sqm) are prior to closing. There may be changes in the official data.

The volume of the SP Indaiatuba packaging plant reached 14,922 tons of boxes and 4,085 tons of paper sheets in 1Q23 compared to 15,330 tons of boxes and 4,563 tons of paper sheets in 1Q22.

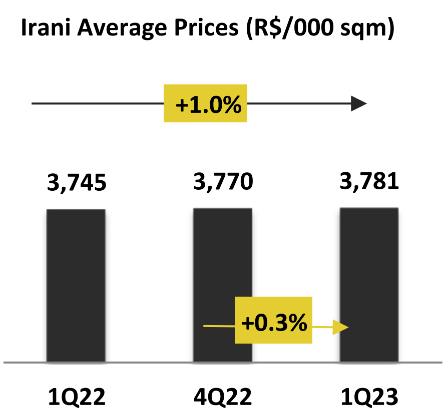
The volume of the SC Campina da Alegria packaging plant totaled 16,600 tons of boxes and 2,496 tons of paper sheets in 1Q23 compared to 12,633 tons of boxes and 1,908 tons of paper sheets in 1Q22.

In tons, Irani's average price (CIF) decreased 3.3% in 1Q23 compared to 1Q22, due to the downturn in the segment demand and consequent pressure for decrease in prices. In comparison with the fourth quarter of 2022, Irani's average price recorded stability.



Methodological note: 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.

In square meters, Irani's average price (CIF) increased 1.0% in 1Q23 compared to 1Q22, also due to the downturn in the segment demand. In comparison with the fourth quarter of 2022, Irani's average price remained stable.

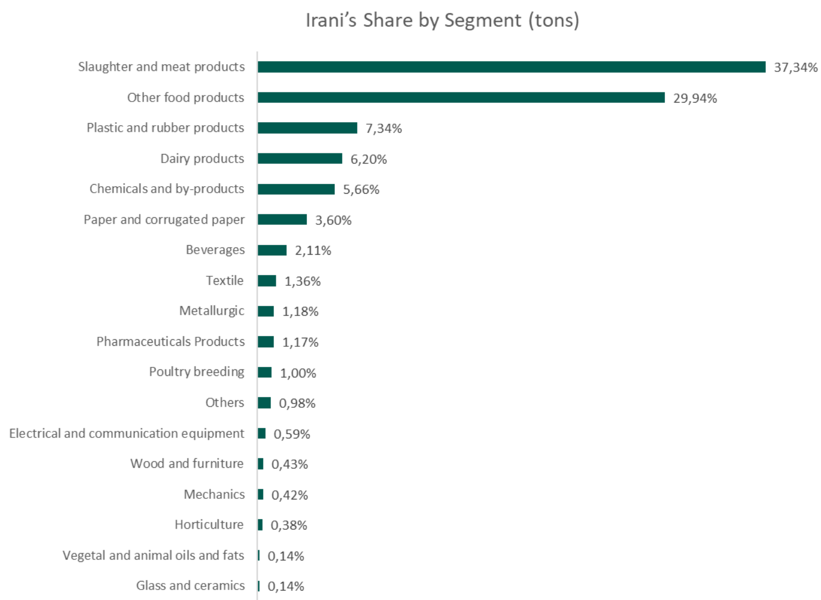


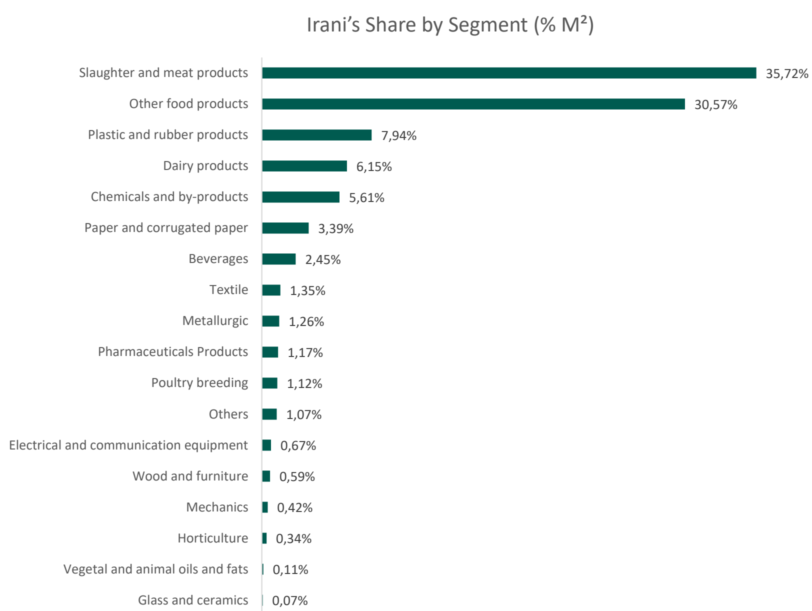
Methodological note: Irani prices exclude Excise Tax (IPI), Social Contribution on Revenues (COFINS) and Value-added Tax on Sales and Services (ICMS) and are adjusted in accordance with the market mix of boxes and sheets.

The prices per m2 reflect better the market dynamics because they do not consider any variations in weight in the papers used for the manufacture boxes and paper sheets.

The share of sales of Irani in this Segment by Sub-segment in 1Q23 is presented in the charts below:

Performance Comment

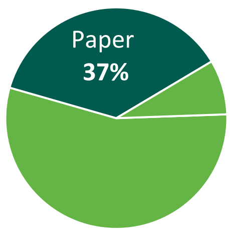




Performance Comment

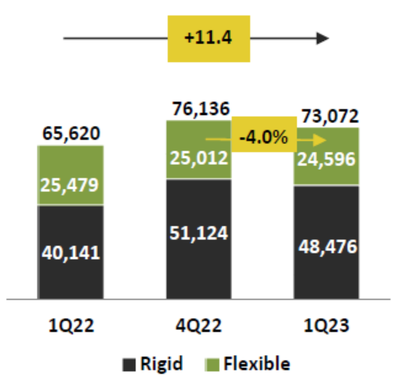
Sustainable Packaging Paper (Paper) Segment

Revenue Contribution 1Q23

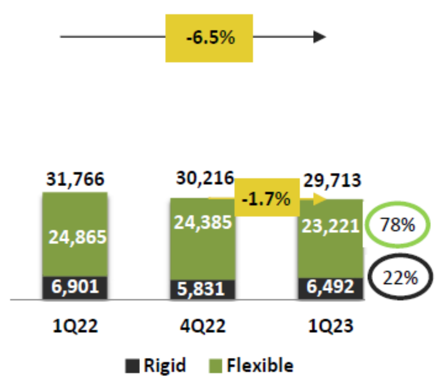


The Company's total production of sustainable packaging paper in the quarter was 11.4% higher compared to 1Q22 and 4.0% lower compared to 4Q22. Sales decreased 6.5% compared to 1Q22 and 1.7% compared to 4Q22.

Total Production of Sustainable Packaging Paper (t)



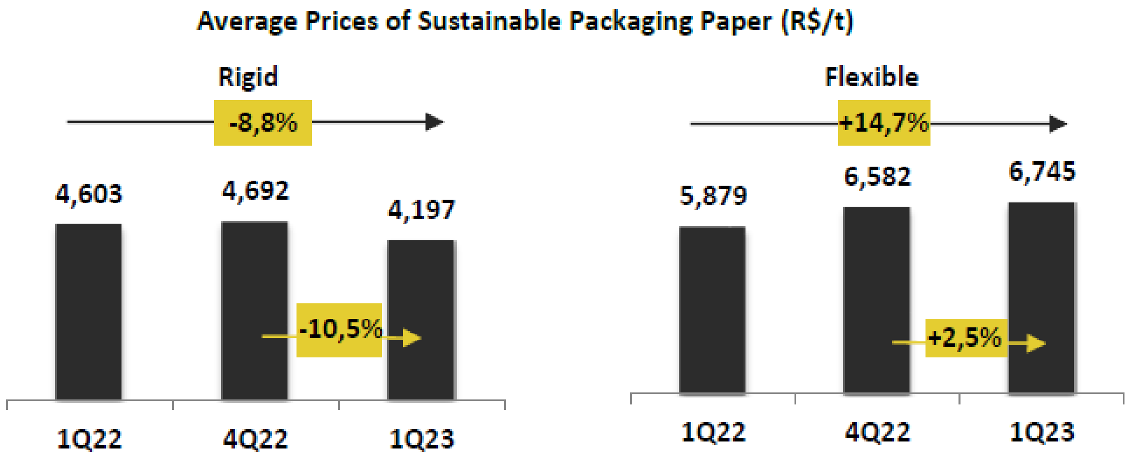
Total Sales of Sustainable Packaging Paper (t)



In 1Q23, internal transfers of paper for rigid packaging (Corrugated Cardboard) totaled 39,664 tons (33,791t in 1Q22 and 40,522t in 4Q22). For the SP Indaiatuba Packaging plant, 18,292 tons (19,239t in 1Q22 and 18,608t in 4Q22) were transferred, and for the SC Campina da Alegria Packaging plant, 21,372 tons were transferred in 1Q23 (14,552t in 1Q22 and 21,914t in 4Q22).

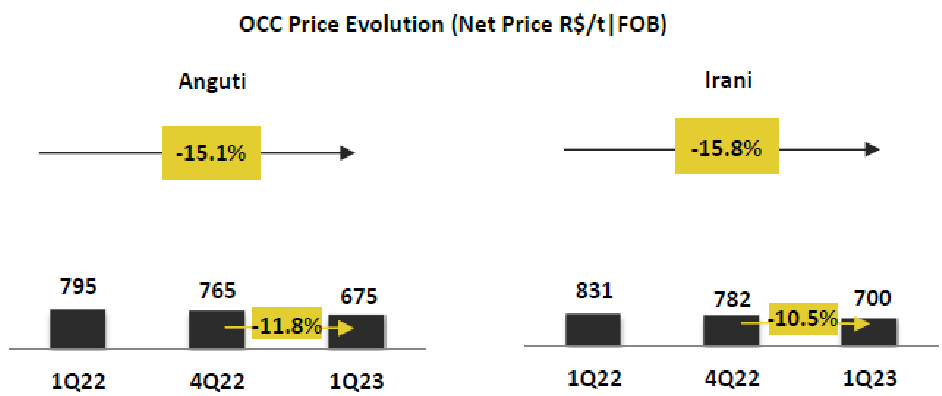
Of the total internal transfers in 1Q23, 46% went to the SP Indaiatuba Packaging plant and 54% to the SC Campina da Alegria Packaging plant.

Flexible packaging papers, which accounted for 78.1% of paper sales in this quarter, recorded an increase in prices of 14.7% when compared to 1Q22 and of 2.5% when compared to 4Q22. Rigid packaging papers, which accounted for 21.9% of paper sales in this quarter, recorded a drop in prices of 8.8% in 1Q23 when compared to 1Q22 and of 10.5% when compared to 4Q22. Flexible packaging papers are used in the manufacture of bags and bags for stores, food and tele-delivery, and have shown a very positive dynamic in recent years due to the greater use of paper, especially in replacement of plastic, following an ESG trend. Rigid packaging papers are used to produce corrugated cardboard packaging and most of the production is transferred to the company’s own plants and only the excess production is sold on the market.

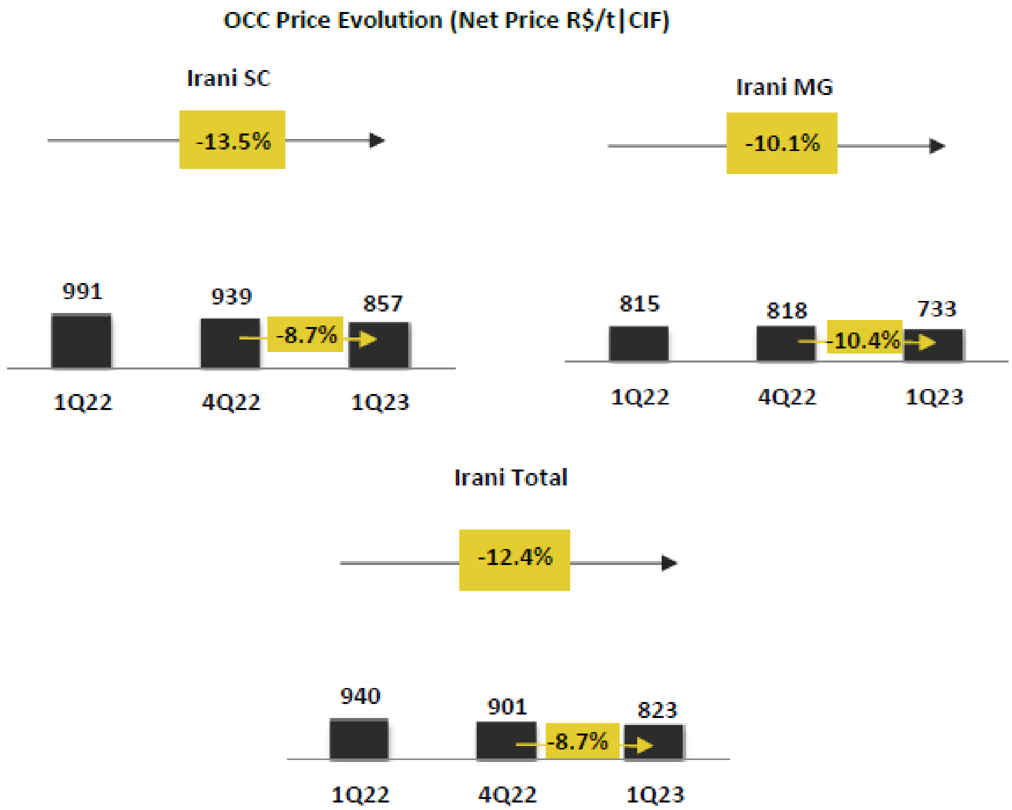


OCC (Old Corrugated Containers)

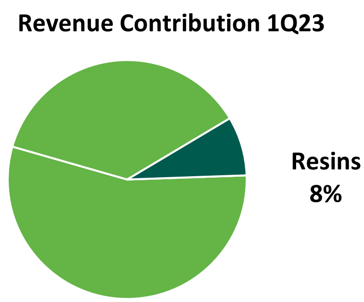
The Sustainable Packaging Paper (Paper) Segment recycles OCC (used paper) as raw material to manufacture most of its products, especially those used for the production of Boxed and Corrugated Sheets of the Company's Sustainable Packaging (Corrugated Cardboard) Segment, in the concept of circular economy. Recycling increases the life cycle of paper fiber, a resource that is renewable, because it originates in planted forests. The recycling of old corrugated containers contributes positively to the low-carbon economy, as the forests that gave rise to the fiber removed carbon from the atmosphere. OCC accounted for 21% of the total cost of paper production in 1Q23. The OCC market undergoes changes related to the consumption of the population, due to the collection of boxes discarded by wholesalers, trades and consumers and related to the demand for recycled paper, among other factors. In 1Q23, FOB prices of OCC decreased significantly when compared to 1Q22 and 4Q22, as presented in the chart below:



Methodological note: Anguti Statistics – Old Corrugated Containers Report.



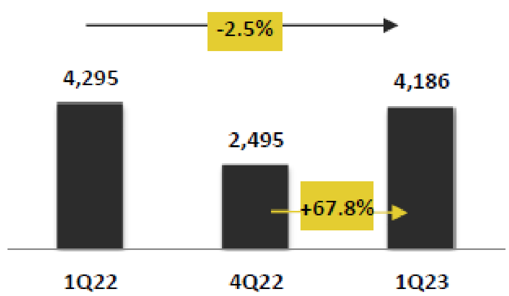
Sustainable Resins Segment (Gum Rosin and Turpentine)



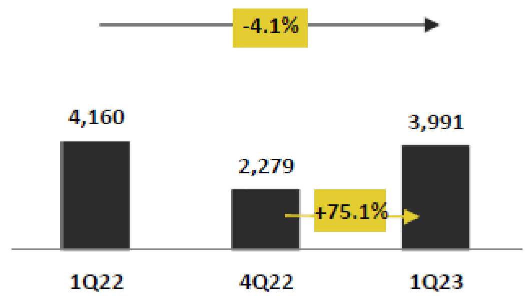
In 1Q23, the Rio Grande do Sul Forest operation produced and sold 9 thousand cubic meters of pine logs for the local market (17 thousand cubic meters in 1Q22) and supplied 978 tons of resins in natura (818 tons in 1Q22) to be used in the industrial process of manufacturing of gum rosin and turpentine.

The production volume in the RS Balneário Pinhal Resin unit in 1Q23 decreased 2.5% when compared to 1Q22 and increased 67.8% when compared to 4Q22. The sales volume decreased 4.1% when compared to 1Q22 and increased 75.1% when compared to 4Q22.

Production of Gum Rosin and Turpentine (t)



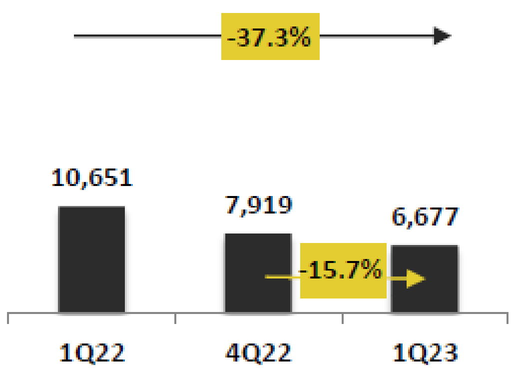
Sale of Gum Rosin and Turpentine (t)



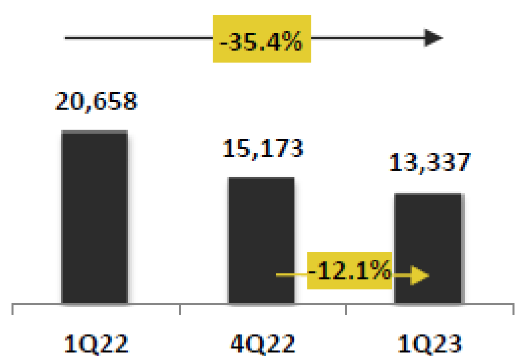
In 1Q23, the average gross price of Gum rosin was 37.3% lower than in 1Q22 and 15.7% lower than in 4Q22. The turpentine price fell 35.4% when compared to 1Q22, 12.1% lower than in 4Q22. The price variations of these products are according to the international market and the exchange rate.

Average Prices (R$/t)

Gum Rosin



Turpentine



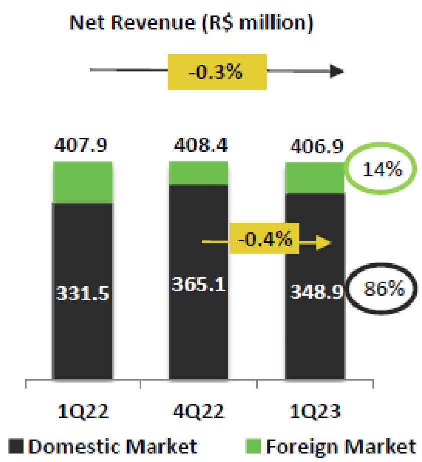
Economic and Financial Performance

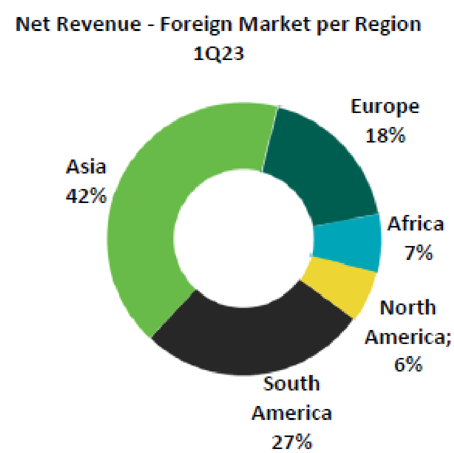
Net revenue from sales

Net revenue from sales in 1Q23 was R$ 406,884 thousand, showing stability when compared to 1Q22 and to 4Q22.

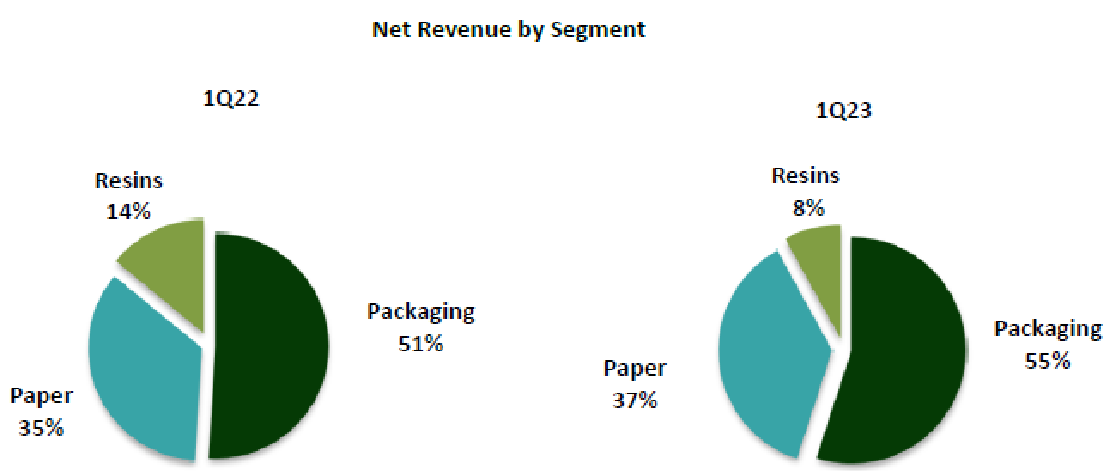
In the domestic market, net revenue from sales was R$ 348,912 thousand in the quarter, an increase of 5.2% compared to 1Q22 and a decrease of 4.4% compared to 4Q22. Revenue in the domestic market accounted for 86% of Irani's total revenue in 1Q23.

Exports in 1Q23 reached R$ 57,912 thousand, 24.1% lower than in 1Q22 and 34.0% higher than in 4Q22, representing 14% of total net revenue from sales. Asia was the main destination for exports, concentrating 42% of foreign market revenue, followed by South America with 27%. The other markets include: Europe (18%), Africa (7%) and North America (6%).





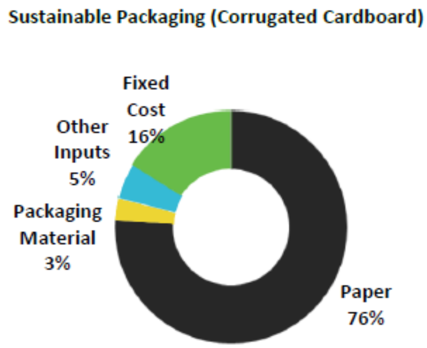
Irani's main segment of activity is the Sustainable Packaging (Corrugated Cardboard) segment, representing 55% of consolidated net revenue in 1Q23, followed by the Sustainable Packaging Paper (Paper) segment with 37%, and Sustainable Resins (Gum Rosin and Turpentine) segment with 8%.

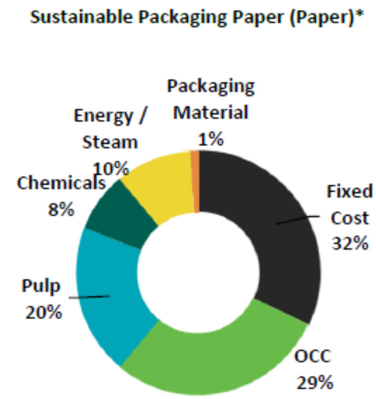


Cost of goods sold

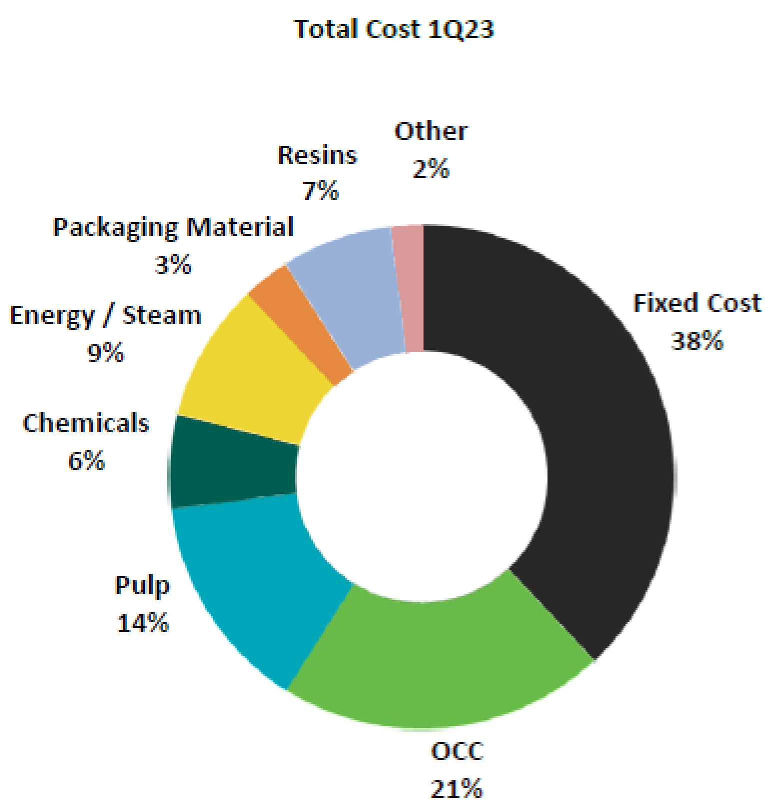
The cost of goods sold in 1Q23 was R$ 246,115 thousand, 5.6% higher than in 1Q22, mainly due to the growth of fixed costs in the period and to the decrease in OCC prices. The changes in the fair value of biological assets are not considered in the cost of goods sold in both periods.

The formation of the cost per Segment of Irani's operations in 1Q23 is shown in the graphs below.





* the formation of the cost of the Sustainable Packaging Paper (Paper) Segment does not consider the changes in the fair value of biological assets.



Operating income and expenses

Selling expenses in 1Q23 totaled R$ 31,544 thousand, 8.2% higher than in 1Q22, and represented 7.8% of consolidated net revenue, higher than 7.1% in 1Q22 due to the increase in sales freight prices.

Administrative expenses in 1Q23 totaled R$ 27,608 thousand (R$ 20,653 thousand in 1Q22), an increase of 33.7% compared to 1Q22, mainly due to the increase in personnel expenses due to the adjustment for collective agreements, and also the effects of inflation on other expenses, and represented 6.8% of consolidated net revenue, higher than 5.1% in 1Q22.

Other net operating income/expenses resulted in an income of R$ 5,083 thousand in 1Q23, against an income of R$ 5,042 thousand in 1Q22.

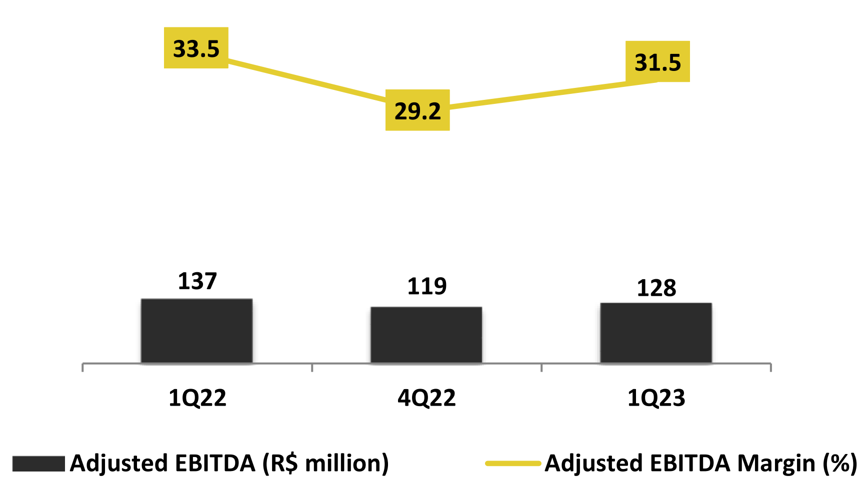
Operating Cash Generation (Adjusted EBITDA)

Consolidated (R$ thousand)	1Q23	4Q22	1Q22	Chg. 1Q23/ 4Q22	Chg. 1Q23/ 1Q22	LTM23	LTM22	Chg. LTM23 / LTM22
Profit for the period	**82,958**	**85,919**	**112,148**	**-3.4%**	**-26.0%**	**349,020**	**340,760**	**2.4%**
Current and deferred income tax and social contribution	34,409	28,455	27,440	20.9%	25.4%	147,119	105,872	39.0%
Depletion	5,026	6,243	7,847	-19.5%	-36.0%	29,700	25,262	17.6%
Depreciation and amortization	20,314	19,176	16,028	5.9%	26.7%	74,793	69,070	8.3%
Financial income (expenses)	19,178	14,175	16,420	35.3%	16.8%	64,261	55,028	16.8%
EBITDA	**161,885**	**153,968**	**179,883**	**5.1%**	**-10.0%**	**664,893**	**595,992**	**11.6%**
EBITDA margin	***39.8%***	***37.7%***	***44.1%***	***2,1p.p.***	***-4,3p.p.***	***39.4%***	***36.0%***	***3,4p.p.***
Adjustments according to CVM Instruction 527/12								
Changes in the fair value of biological assets (1)	(33,923)	(40,208)	(26,086)	-15.6%	30.0%	(146,840)	(58,124)	152.6%
Non-recurring events (2)	(3,870)	3,151	(17,229)	-222.8%	-77.5%	(7,993)	(21,759)	-63.3%
Managers' profit sharing (3)	4,118	2,325	-	77.1%	-	19,570	14,032	39.5%
Adjusted EBITDA	***128,210***	***119,236***	***136,568***	***7.5%***	***-6.1%***	***529,630***	***530,141***	***-0.1%***
Adjusted EBITDA margin	***31.5%***	***29.2%***	***33.5%***	***2,3p.p.***	***-2,0p.p.***	***31.4%***	***32.0%***	***-0,6p.p.***

1 Changes in the fair value of biological assets for not
2 Non-recurring events: The amount of (R$ 3,870 thousand)
3 Management profit sharing: The amount of R$ 4,118

Operating cash generation, measured by Adjusted EBITDA of the operation, totaled R$ 128,210 thousand in 1Q23, with a margin of 31.5%, 6.1% lower than R$ 136,568 thousand in 1Q22 and 7.5% higher than in 4Q22, amounting to R$119,236 thousand. The main factor relating to the growth in Adjusted EBITDA in this 1Q23 compared to 4Q22 is the reduction in OCC price in the period. In the last 12 months, the Adjusted EBITDA was R$ 529,630 thousand, with a margin of 31.4%.

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



Financial result

The financial result is distributed as follows:

R$ thousand	1Q23	4Q22	1Q22	LTM23[1]	LTM22[1]
Financial income	41,159	44,016	19,789	124,195	60,161
Financial expenses	(60,337)	(58,191)	(36,209)	(188,456)	(115,189)
Financial result	(19,178)	(14,175)	(16,420)	(64,261)	(55,028)
Foreign exchange gain	3,373	4,524	7,718	18,517	28,346
Foreign exchange loss	(3,647)	(4,197)	(11,633)	(17,979)	(35,577)
Net exchange-rate variation	(274)	327	(3,915)	538	(7,231)
Financial income without exchange-rate variation	37,786	39,492	12,071	105,678	31,815
Financial expenses without exchange-rate variation	(56,690)	(53,994)	(24,576)	(170,477)	(79,612)
Financial income (expenses) without exchange-rate variation	(18,904)	(14,502)	(12,505)	(64,799)	(47,797)
Fixed interest and sureties (BNDES)[2]	(12,557)	(7,521)	(7,126)	(41,364)	(17,365)

[1]*Accumulated in the last twelve months.*

[2]*Not included in the other lines above, as they do not impact the financial result.*

The financial income (expenses) without exchange-rate variation was negative by R$ 19,178 thousand in 1Q23 compared to R$16,420 thousand in 1Q22 and R$ 14,175 thousand in 4Q22. In 1Q23, R$ 12,557 thousand of interest and guarantees related to the financing of FINAME (BNDES) was recorded for the investments in Gaia Platform , and LTM23 R$ 41,364 thousand. The increase in financial income (expenses) compared to 1Q22, considering these amounts, is mainly due to: (i) the increase in the basic interest rate (SELIC), which impacted the average cost of debt; and (ii) the increase in net debt, mainly due to disbursements of Gaia platform investments. The increase in comparison with 4Q22 arises mainly from: (i) the increase in net debt, mainly due to disbursements of investments in Gaia platform, (ii) the increase in interest on financial transactions in connection with the 5th Issuance of Private Green Debentures (CRA - Agribusiness Receivables Certificates) completed during 4Q22 and (iii) the positive impact from recognizing the monetary adjustment of the balance of sale of an industrial property where Vila Maria Packaging Unit was located, which has its operations discontinued in 2019.

The exchange-rate variation negatively impacted the Company's results by R$ 274 thousand in 1Q23, compared to the negative impact of R$ 3,915 thousand in 1Q22 and against a positive impact of R$ 327 thousand in 4Q22. The appreciation of the real against the dollar in this quarter negatively impacts the balance of accounts receivable from external customers and positively impacts the balance of debt in foreign currency.

As of March 31, 2023, the Company maintained only 2% of its debt in foreign currency, in order to tackle any change in the balance of export customers, thus minimizing the effects of exchange-rate variations on the result.

Considering the aforementioned factors, the financial income (expenses) recorded was negative by R$ 18,904 thousand in 1Q23, representing an increase of 51.2% in relation to 1Q22 and of 30.4% in relation to 4Q22.

Foreign exchange

The exchange rate, computed at R$ 4.74/US$ as of March 31, 2022, was 7.17% higher at the end of March 2023 (2.68% lower when compared to 4Q22), and reached R$ 5.08/US$. The average exchange rate for this quarter was R$ 5.19/US$, stable when compared to the exchange rate of the same period of 2022 and 1.33% lower when compared to 4Q22.

R$ thousand	1Q23	4Q22	1Q22	Δ1Q23/4T22	Δ1Q23/1T22
Final foreign exchange rate - Dollar	5.08	5.22	4.74	-2.68%	+7.17%
Average foreign exchange rate - Dollar	5.19	5.26	5.23	-1.33%	-0.76%

Indebtedness

Consolidated (R$ thousand)	1Q23	1Q22
Current	242,469	83,965
Non-current	1,591,044	803,174
Gross debt[1]	1,833,513	887,139
Current	13%	9%
Non-current	87%	91%
Local currency	1,799,101	862,961
Foreign currency	34,412	24,178
Gross debt[1]	1,833,513	887,139
Local currency	98%	97%
Foreign currency	2%	3%
Cash balance	1,033,819	409,199
Net debt	799,694	477,940
EBITDA LTM	529,630	530,141
Debt debt/EBITDA	**1.51**	**0.90**

[1] Gross debt is calculated by adding up loans and financing, debentures and derivative financial instruments – swap.

Net debt, as of March 31, 2023, totaled R$ 799,694 thousand compared to R$ 477,940 thousand as of March 31, 2022, representing an increase of 67.3% or R$ 321,754 thousand, due to negative free cash flow in the period mainly caused by disbursements of Gaia platform investments.

Gross indebtedness as of March 31, 2023 totaled R$ 1,833,513 thousand compared to R$ 887,139 thousand as of March 31, 2022, representing an increase of 106.7% or R$ 946,374 thousand, mainly due to (i) the 5th Issuance of Private Green Debentures in 4Q22 in the amount of R$ 720,000 thousand, and (ii) the partial entry of Finame Direto resources from with BNDES, in the amount of R$ 176,099 thousand in 2Q22 and R$ 71,385 in 1Q23.

The gross indebtedness profile as of March 31, 2023 was 13% with short-term maturity and 87% maturing in the long term and 98% was denominated in local currency and 2% in foreign currency. The average cost of debt in 1Q23 was 13.8% p.a. The cost of debt considers the fixed interest and guarantees related to the financing of Gaia platform investments.

The cash position at the end of March 2023 was R$ 1,033,819 thousand (composed of financial investments and cash and cash equivalents), compared to R$ 409,199 thousand as of March 31, 2022. Information about the variation in cash position is disclosed in the Free Cash Flow section as well as in the Cash Position section of this report.

The Net Debt/Adjusted EBITDA ratio was 1.51 times in 1Q23, against 0.90 times in 1Q22. Releverage is natural during the execution of investments and is in line with the parameters established in the Company's Financial Management Policy, which sets a goal of 2.5x.

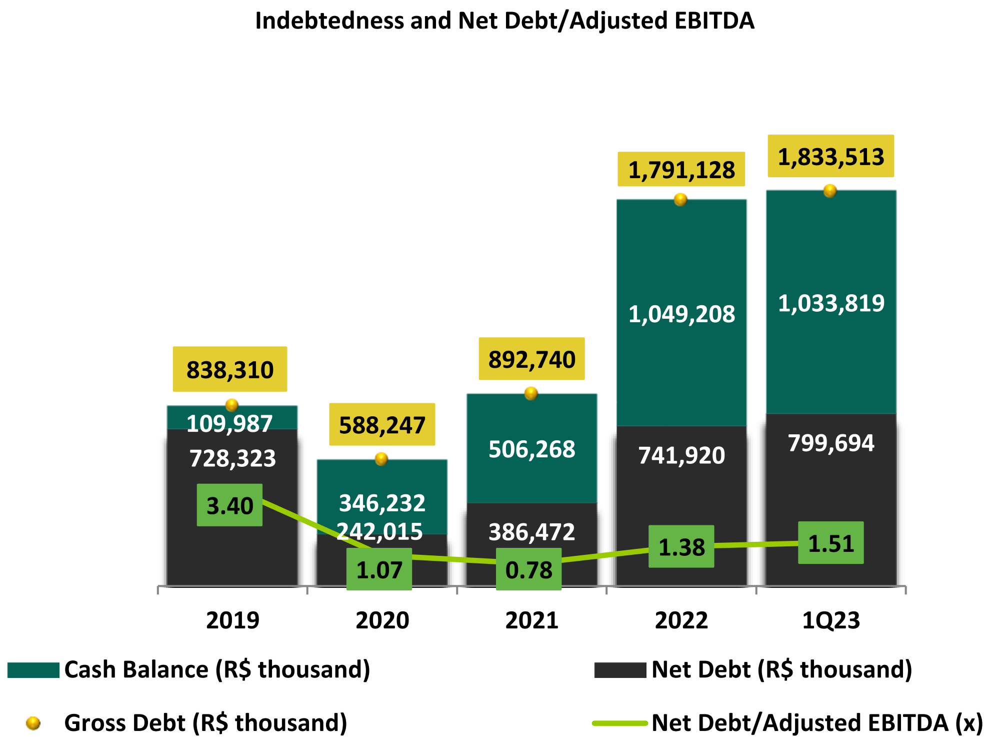
According to a Material Fact dated May 28, 2021, the Company's Board of Directors approved the contracting of financing with the Agência Especial de Financiamento Industrial S.A. - FINAME (BNDES), in the amount of up to R$ 484,000 thousand, to be used in the execution of the planned investments in the Gaia Platform. The granting of financing to the Company was approved by FINAME Executive Board on May 27, 2021, under the credit facility named FINAME DIRETO, and the agreement was signed on May 31, 2021.

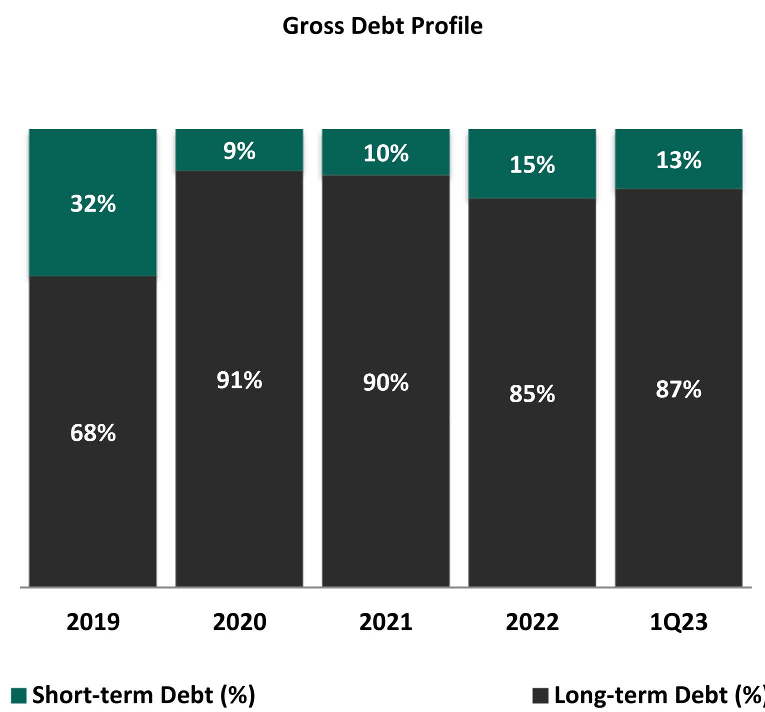
The operation has a total term of 16 years, of which 3 years are a grace period for amortization of principal. Interest is payable semi-annually during the grace period and amortization period.

The effective interest, which considers the cost of BNDES and the commission of the letters of guarantees for the operation is IPCA + 6.24% p.a.

The inflow of funds occurred upon three release requests, as the acquisitions and payment for the Gaia platform equipment were made, the first during 4Q21 in the amount of R$ 236,517, the second during 2Q22 in the amount of R$ 176,099, and the third and last one during 1Q23 in the amount of R$ 71,385.

Performance Comment





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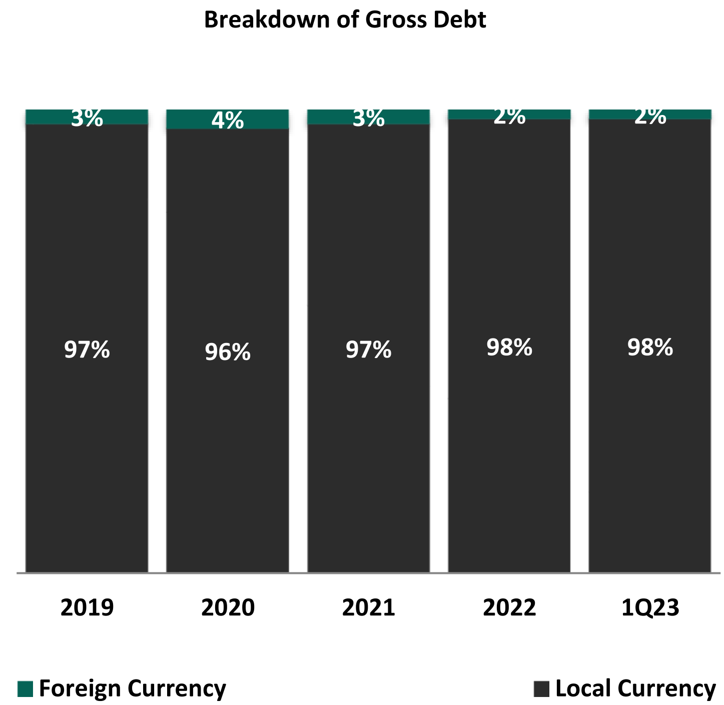


Credit rating

On February 27, 2023, S&P Global Ratings reviewed the Company's annual credit ratings and debenture issues. The long-term issuer credit rating of 'brAA' was maintained on the National Brazilian Scale, assigned on July 5, 2021. 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.

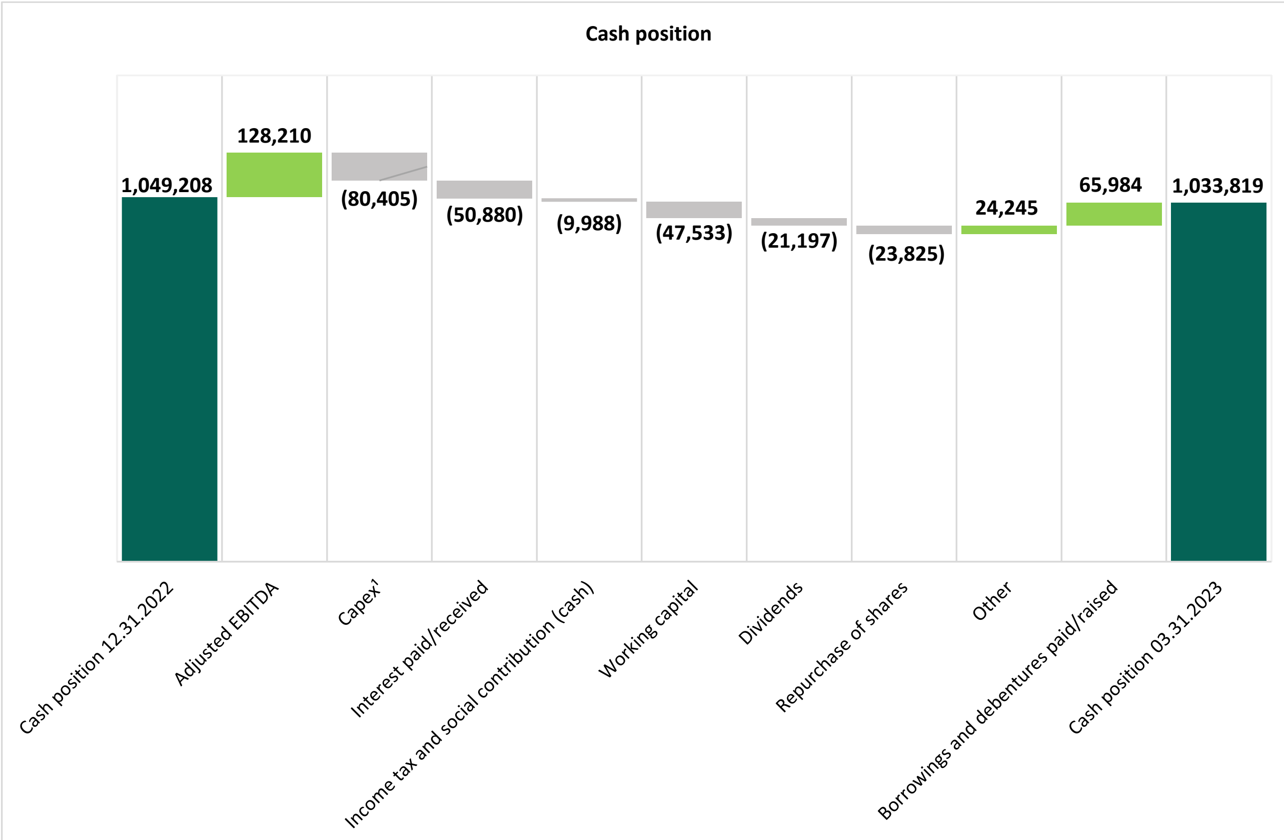
The 'brAA+' ratings assigned on July 5, 2021 were also maintained for the 3rd Public Issue of Green Debentures and 4th Private Issuance of Green Debentures.

On December 20, 2022, S&P Global Ratings carried out the quarterly review of the ratings of the 1st and 2nd Series of CRAs of the 194th Issuance of Eco Securitizadora linked and pegged to the 5th Private Issuance of Green Debentures of Irani. The ‘brAA (sf)’ rating, assigned on September 26, 2022, was maintained.

Cash position

At December 31, 2022, the Company's cash position was R$ 1,049,208 thousand and recorded a decrease of 1.5% in 1Q23, reaching R$ 1,033,819 thousand as of March 31, 2023. The sources and applications of the resources are presented as follows:

Performance Comment



[1] Considers the disbursement of R$ 4,144 thousand related to interest and fixed guarantees of property, plant and equipment referring to the financing of investments in Gaia Platform.

Free Cash Flow

Free cash flow	1Q23	4Q22	1Q22	LTM23	LTM22
Adjusted EBITDA	**128,210**	**119,236**	**136,568**	**529,630**	**530,141**
1)	(80,405)	(136,778)	(122,203)	(502,891)	(485,980)
(-) Interest paid/received	(50,880)	28,162	(19,314)	(42,927)	(43,980)
(-) Income tax and social contribution (cash)	(9,988)	(26,847)	(25,865)	(86,569)	(102,261)
(+/-) Working capital	(47,533)	(7,042)	(40,935)	(17,136)	(17,891)
(-) Dividends + interest on capital	(21,197)	(23,567)	(15,892)	(164,091)	(95,464)
(-) Repurchase of shares	(23,825)	(4,479)	(12,224)	(58,072)	(30,789)
(+/-) Other	30,567	(1,267)	11,083	47,980	16,718
Free cash flow	**(75,051)**	**(52,582)**	**(88,782)**	**(294,076)**	**(229,505)**
Dividends + interest on capital	21,197	23,567	15,892	164,091	95,464
Repurchase of shares	23,825	4,479	12,224	58,072	30,789
form(1)	60,238	108,510	97,926	402,651	394,744
Expansion projects	222	25	52	248	1,259
free cash flow(2)	**30,431**	**83,999**	**37,312**	**330,987**	**292,750**
FCF Yield(3)				**17,4%**	**16,3%**

(1) Considers the disbursement of R$ 1,162 thousand in 1Q22, R$ 10,120 thousand in 4Q22, R$ 4,144 thousand in 1Q23, R$ 7,128 thousand in LTM22 and R$ 40,438 thousand in LTM23 of interest and guarantees paid, referring to the financing of investments in the Gaia Platform.

dividends, interest on capital and repurchase of shares, Gaia Platform and Expansion Projects.

(3) Yield - Adjusted Free Cash Flow divided by average market value in the LTM.

Adjusted Free Cash Flow, disregarding investments in the Gaia Platform and other Expansion Projects, as well as shareholder compensation, was R$ 30,431 thousand in 1Q23, a decrease of 22.6% in relation to 1Q22.

The increase in interest paid refers to the seasonal payment in January and July of the interest on the 3rd Issuance of Green Debentures (CELU13) and in February and August on the 5th Private Issuance of Green Debentures.

Negative working capital in this quarter arises mainly from the decrease in social charges and social security obligations account due to the payment of variable compensation for the year 2022, in view of the changes in the other cyclical accounts, which historically have negative seasonality in 1Q.

In this quarter, R$ 21,197 thousand in dividends related to the 4Q22 results were distributed, representing a payout of 25% of the base profit for dividend distribution for that quarter, an increase of 33.4% over the amount paid in 1Q22. More details on shareholder compensation are available in the Capital Market section of this report.

The line “Others” was positively impacted in this quarter by the full receipt of the sale of the industrial property of Vila Maria packaging plant, which had its operations discontinued in 2019, in the amount of R$ 29,525 thousand.

In the last 12 months ended March 31, 2023, Adjusted Free Cash Flow was R$ 330,987 thousand, an increase of 13.1% over the R$ 292,750 thousand recorded in the 12 months ended March 31, 2022. This increase was positively affected by the lower payment of income taxes and social contribution, and proceeds from the sale of asset previously mentioned.

Free Cash Flow Yield was 17.4% for the last 12 months ended March 31, 2023, an increase of 1.1 p.p. when compared to the 12 months ended March 31, 2022, due to the increase in Free Adjusted Cash Flow in higher proportion than the average market value of the Company in this period.

Return on invested capital (ROIC)

Return on Invested Capital (ROIC) was 22.8% in the last 12 months, a decrease of 0.2 p.p. compared to the 12 months ended December 31, 2022, and of 2.6 p.p. in relation to the 12 months ended March 31, 2022. The decrease recorded in the periods being compared is mainly due to the increase in Adjusted Invested Capital. This effect is natural during the ramp-up of Gaia Platform investments, once that the finalized CAPEX is immediately added to the Adjusted Invested Capital, while the returns generated by the Projects gradually impact the Adjusted Operating Cash Flow.

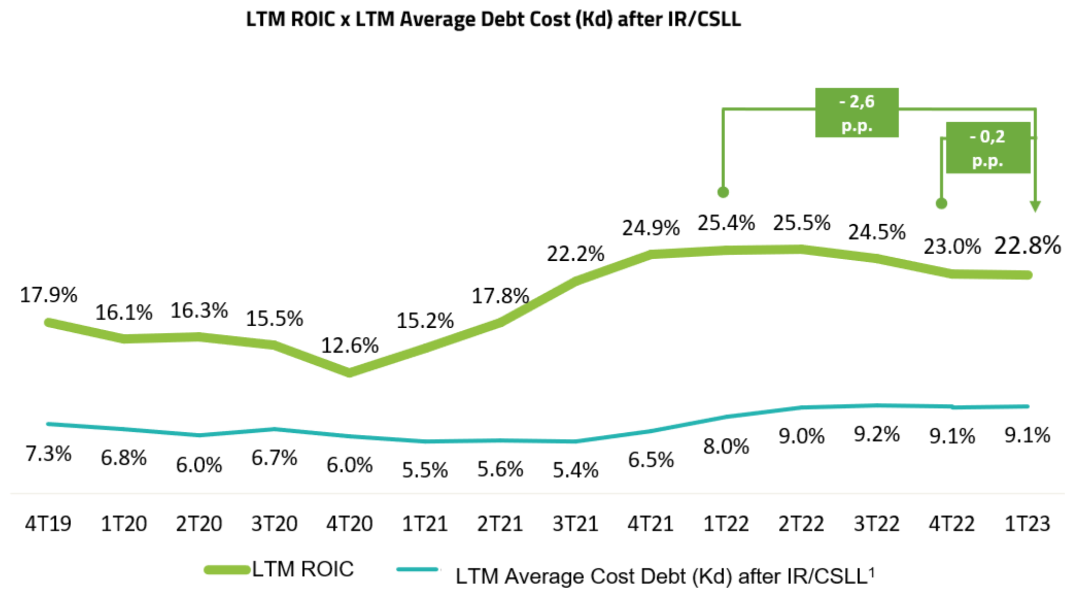
ROIC at high levels demonstrates the commitment to generate consistent returns above the cost of capital (WACC). Our ROIC is a reference in the sustainable packaging sector in Brazil and abroad, demonstrating the strength of sustainability (ESG) as a secular trend that drives our economic results.

ROIC (R$ thousand) - LTM[(1)]	1Q23	4Q22	1Q22
Total assets	**2,855,006**	**2,689,926**	**2,211,765**
(-) Total liabilities (former debt)	(556,947)	(533,924)	(489,426)
(-) Works in progress	(639,756)	(580,687)	(305,550)
Capital invested	**1,658,304**	**1,575,316**	**1,416,789**
(-) Adjustment - CPC 29[(2)]	(156,278)	(132,556)	(87,891)
Adjusted invested capital	**1,502,026**	**1,442,760**	**1,328,898**
Adjusted EBITDA	**529,630**	**537,988**	**530,141**
(-) Capex for maintenance	(99,991)	(104,272)	(89,977)
(-) Income tax and social contribution (cash)	(86,569)	(102,446)	(102,261)
Adjusted operating cash flow	**343,070**	**331,270**	**337,903**
ROIC[(3)]	**22.8%**	**23.0%**	**25.4%**

(1) Average equity balances for the last 4 quarters (Last Twelve Months)

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

(3) ROIC (Last Twelve Months - LTM): Adjusted operating cash flow / Adjusted invested capital



1 LTM Average Cost Debt (Kd) after IR/CSLL: LTM interest/average gross debt for the last 4 quarters net of IR/CSLL of 34%. It considers fixed interest on financing of Gaia Platform investments.

Since the Company: (i) has a full or partial Optional Early Redemption option and optional early amortization option of the 3rd Issuance of Green Debentures as of July 19, 2023; and (ii) it has a robust cash position with resources not allocated to EBITDA generation; the Company opted, for the purposes of calculating the ROIC, to reduce the principal balance of mentioned operation, in the amount of R$ 505,000 thousand, of adjusted Invested Capital, as of 4Q22. This adjustment aims to better reflect the Capital actually invested in the generation of EBITDA. Without the adjustment, the ROIC reported in the last twelve months ended March 31, 2023 would be 19.5%.

Profit for the Period

Profit for 1Q23 was R$ 82,958 thousand compared to profit of R$ 112,148 thousand for 1Q22 and of R$ 85,919 thousand for 4Q22. The main impact in relation to 4Q22 arises from the small decrease in changes in the fair value of biological assets.

Investments

The Company maintains its strategy of investing in the modernization and automation of its production processes. This quarter’s investments totaled R$ 84,986 thousand and were basically directed to reforestation, maintenance and improvement in the Company’s physical structures, software, machinery and equipment. Of this amount, R$ 42,122 thousand were allocated to the execution of investments in Gaia I, II and III Projects (1st Cycle), in addition to R$ 13,971 thousand in Gaia VI, VII, VIII and IX Projects (2nd Cycle).

R$ thousand	1Q23
Buildings	37
Equipment	75,344
Intangible	5,266
Reforestation	4,339
Total	**84,986**

Gaia Platform

1st Cycle

The highlights in the first quarter of 2023 in the **Gaia I** - Expansion of Chemicals and Utilities Recovery project begin with the startup of the chipwood yard, process and start of commissioning of new ETA (Water Treatment Stations). In addition, blowing was carried out in the evaporation compressed air lines and recovery boiler and recovery boiler steam lines. Finally, training was held for teams engaged in recovery boiler process, evaporation and heat recovery. In progress are the planning of commissioning of other sets, assembly of last equipment, instruments, cabling in the caustification cooking and washing areas.

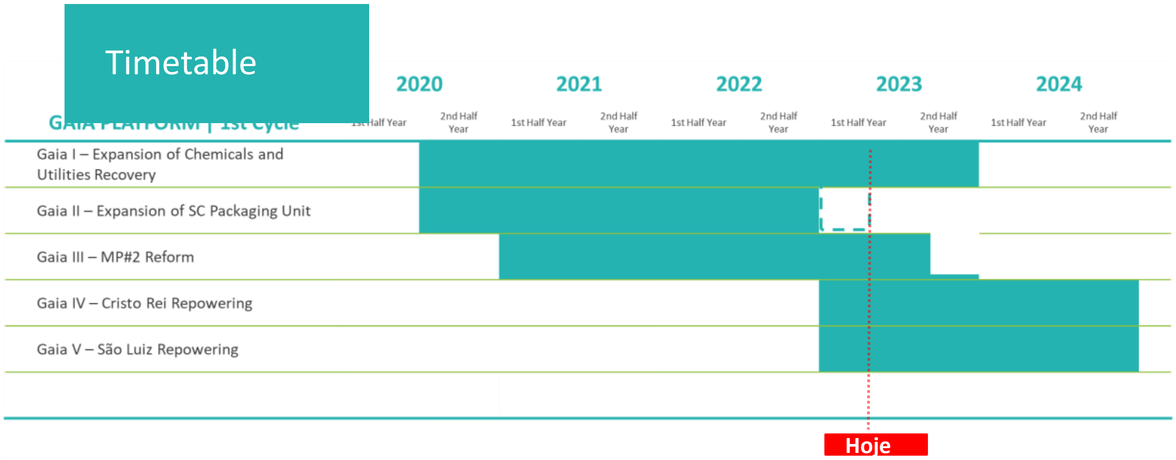
Project **Gaia II** is on its way to completion. The Ward printer was upgraded in March, as well as the performance tests on the box palletizing line, thus completing 100% of the planned scope of the project. In progress, civil finishes are being carried out, finalization of the PPCI (Fire Prevention and Protection Project), SPDA (Atmospheric Discharge Protection System) and issuance of documents for NR12.

Project **Gaia III** - MP#2 Reform. We continue to monitor the machine's performance curve, which remains above expectations, signaling a higher production volume with a significant improvement in paper quality and higher than expected return indicators.

Project **Gaia IV** - Cristo Rei Repowering: Environmental studies have been carried out for the environmental licensing process and obtaining the LAP - Prior Environmental License and EAS - Simplified Environmental Study.

Project **Gaia V** - São Luiz Repowering: We obtained the LAP - Previous Environmental License, valid for 60 months. We are currently budgeting for supplementary studies of Reófitas and Cagado Rajado of AIBH (Integrated Assessment of the Water Basin) of Irani River.

In 1Q23, R$ 42,122 thousand were invested in the first Gaia Platform Cycle, of which R$ 36,055 thousand were invested in Gaia I, R$ 5,004 thousand in Gaia II and R$ 1,063 thousand in Gaia III. In total, R$ 715,028 thousand have been invested since the beginning of the first cycle, with a total of R$ 528,165 thousand in Gaia I, R$ 127,063 thousand in Gaia II and R$ 59,800 in Gaia III.



Gaia Platform – 1st Cycle	Basic Engineering	Physical Execution
Gaia I – Expansion of Chemicals and Utilities Recovery	100%	94.9%
Gaia II – Expansion of SC Packaging Unit	100%	98.5%
Gaia III – MP#2 Reform	100%	100%
Gaia IV – Cristo Rei Repowering	100%	
Gaia V – São Luiz Repowering	100%	

2nd Cycle

Gaia VI project - Process Information Management System - PIMS, during the first quarter of 2023, for SC Paper Plant, the configuration of the collection network for the stock preparation process has been completed and the structuring of screens and automated reports is in progress. At MG Paper Plant and RS Resins Plant, data is being collected and organized. At SC Packaging, the installation and configuration of the data collection network were completed and the survey of the screens and reports that will be developed began was started.

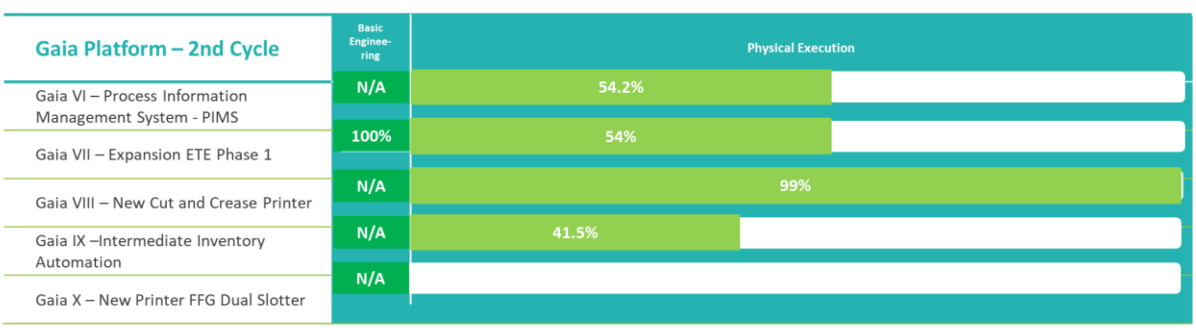
Gaia VII project– Expansion ETP Phase 1 - We can highlight the completion of the concreting of the last stage of the walls of the equalization tank, the execution of backfill and structure of the blower house and the completion of installations in the other structures. In progress are the development of the new supervision and control system of the ETE, hydrostatic tests of the equalization tank, passage of cables, performance tests of the filters and preparation of the armor for the walls of the aeration tank. It is also important to point out that, due to price readjustments in civil construction, mechanics and equipment packages, as well as necessary changes in scope and engineering, the project's budget was adjusted from R$ 22,886 thousand to R$ 49,957 thousand.

Gaia VIII project - New Cut and Crease Printer carried out the startup of the printer, and delivery of racks for the shape of the mezzanine of the clicheria. Therefore, the project has been completed. We are currently monitoring the performance curve of the new printer.

Gaia IX project - Intermediate Inventory Automation: technical visits were made at the supplier's headquarters to verify the equipment being manufactured and we received the prefeeders at the port in Brazil. The execution of the civil works, the adaptation of the paint house, the manufacture of the metallic structure of the mezzanine and the assembly of the electrical infrastructure are in progress.

And finally, the **GAIA X** - New FFG Dual Slotter Printer project, the printer acquisition process has been completed. The prefeeder acquisition process is underway, the detailed project schedule is being drawn up and, in the design and engineering phase, the palletizing solution for the machine is in progress.

In 1Q23, R$ 13,971 thousand were invested in the second Gaia Platform Cycle, being R$ 1,053 thousand in Gaia VI, R$6,896 thousand in Gaia VII, R$ 1,228 thousand in Gaia VIII and R$ 4,794 thousand in Gaia IX. In total, R$ 52,508 thousand have been invested since the beginning of the second cycle, with a total of R$ 4,368 thousand in Gaia VI, R$ 21,772 thousand in Gaia VII, R$ 13,506 in Gaia VIII and R$ 12,862 in Gaia IX.



Gaia Platform – 1st and 2nd Cycle	Unit	Estimated investment (Gross)	Estimated investment (Net)	Investment made 1Q23	Investment made up to 03/31/2023
Gaia I – Expansion of Chemicals and Utilities Recovery	Papel SC Campina da Alegria	581,309	494,849	36,055	528,165
Gaia II – Expansion of SC Packaging Unit	Embalgem SC Campina da Alegria	150,433	118,189	5,004	127,063
Gaia III – MP#2 Reform	Papel SC Campina da Alegria	57,613	44,556	1,063	59,800
Gaia IV – Cristo Rei Repowering	Papel SC Campina da Alegria	31,300	28,318	-	-
Gaia V – São Luiz Repowering	Papel SC Campina da Alegria	62,864	58,855	-	-
Gaia VI – Process Information Management System - PIMS	Papel SC Campina da Alegria	18,400	15,304	1,053	4,368
Gaia VII – ETE Expansion Phase 1	Papel SC Campina da Alegria	49,597	45,159	6,896	21,772
Gaia VIII – New Cut and Crease Printer	Embalagem SP Indaiatuba	21,318	15,034	1,228	13,506
Gaia IX – Intermediate Inventory Automation	Embalagem SP Indaiatuba	42,860	29,897	4,794	12,862
Gaia X – New Printer FFG Dual Slotter	Embalagem SC Campina da Alegria	50,916	37,073	-	-
	Total	1,066,970	887,234	56,093	767,536

Capital Market

GREEN DEBENTURES

3rd ISSUANCE OF GREEN DEBENTURES

In 2019, the Company issued Green Debentures (CELU13) 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. Debentures are traded on the secondary market by code CELU13. The issue was carried out with CDI rate + 4.5% p.a. and, at the end of 1Q23, was being traded on the secondary market by CDI rate + 3.40% p.a.

As described in the 3rd Issuance of Green debentures contract, the Company has full or partial Optional Early Redemption options and Optional Early Amortization option as of July 19, 2023.

The issue has a brAA+ rating by S&P Global Ratings and is characterized as "Green Debentures" based on a Second Opinion issued by the specialized consultancy SITAWI Finanças do Bem, based on the Green Bond Principles guidelines of June 2018.

4th ISSUANCE OF GREEN DEBENTURES

On March 3, 2021, the Company issued Green Debentures (RANI14) with 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 + 5.5% p.a., and its public trading is prohibited.

During 4Q21, the interest rate market in Brazil suffered a strong stress due to inflationary pressure and to uncertainties about the government's fiscal accounts. With this scenario of rising future interest rates in the market, a window of opportunity emerged to convert the interest rate of the 4th Issuance of Green

Debentures (RANI14), from IPCA + 5.50% p.a. to CDI + 0.71% p.a. through a Swap operation. The converted rate of CDI + 0.71% pa is far below the interest rate of the 3rd Issuance of Green Debentures (CELU13) that was issued at CDI + 4.50% pa, and, at the end of 4Q21, it was being traded at CDI + 2.45% p.a. on the secondary market. The Company's Management believes that it is healthy to maintain a larger part of the debt indexed to the CDI since the financing of Gaia Platform, via FINAME (BNDES), is being contracted at IPCA + rates. Similarly, the Company's cash is invested at CDI rate and the debt bears CDI + and ensures greater alignment for hedging purposes. The Swap contract was approved by the Company's Board of Directors, as required by the Financial Management Policy.

The issue has a brAA+ rating by S&P Global Ratings and is characterized as "Green Debentures" based on a Second Opinion issued by the specialized consultancy SITAWI Finanças do Bem, based on the Green Bond Principles guidelines of June 2018.

5th ISSUANCE OF GREEN DEBENTURES (CRA - AGRIBUSINESS RECEIVABLES CERTIFICATES)

According to the Meeting of the Board of Directors of August 10, 2022 reratified by the Meeting of the Board of Directors of September 8, 2022, Material Fact of August 11, 2022 and Notice to the Market of October 18, 2022, Irani concluded the 5th (fifth) issuance of 720,000 (seven hundred and twenty thousand) simple debentures, not convertible into shares, of the unsecured type, in two series, for private placement, with a unit value of R$ 1 thousand each, at the date of its issuance, in the total amount of R$ 720,000 thousand, of which:

(i) 486,307 (four hundred and eighty-six thousand, three hundred and seven) Debentures of the 1st Series, corresponding to R$ 486,307 thousand, remunerated to CDI + 1.40% p.a. with semi-annually periodicity and amortized in a single installment at maturity on August 12, 2027.

(ii) 233,693 (two hundred and thirty-three thousand, six hundred and ninety-three) Debentures of the 2nd Series, corresponding to the amount of R$ 233,693 thousand, remunerated to CDI + 1.75% with semi-annually periodicity and amortized in two installments of equal value, on August 11, 2028 and on August 13, 2029.

The Debentures do not have any real or fidejusory guarantee, or any segregation of Irani's assets as collateral, and were linked to a securitization operation, serving as a ballast for the issuance and public distribution, pursuant to CVM Instruction No. 400, of agribusiness receivables certificates (CRAs) of the 1st (first) and 2nd (second) series of the 194th issuance of Eco Securitizadora De Direitos Creditórios Do Agrinegócio S.A.

The CRAs issue has brAA (sf) rating by S&P Global Ratings. The Debentures and, consequently, the CRA were characterized as "green debentures" and "Green CRA" (Green Bond), respectively, based on a Second Opinion issued by the specialized consultancy NINT - Natural Intelligence Ltda.

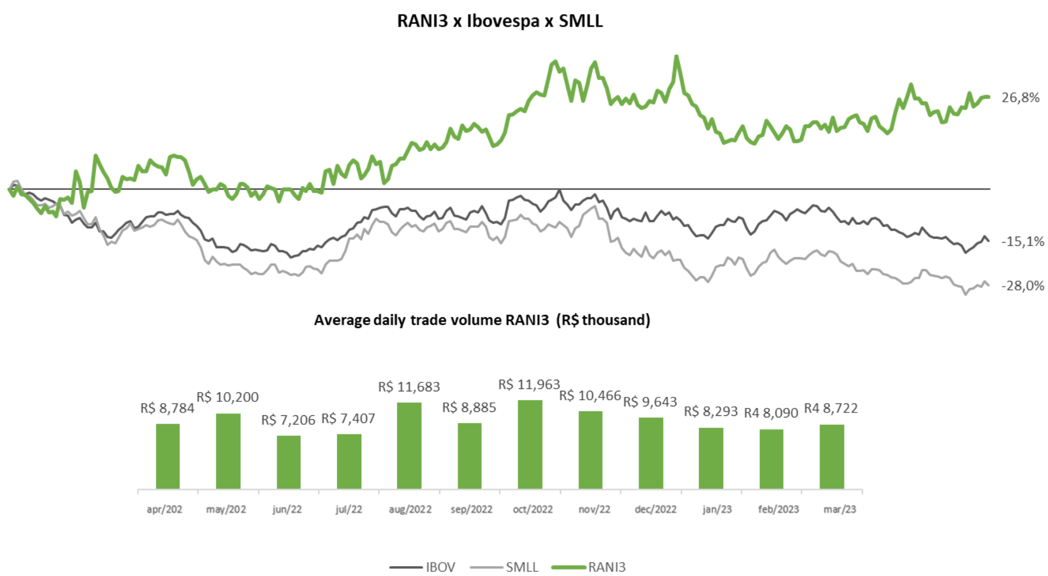
During 1Q23, the CRAs were traded on the secondary market at an average rate of CDI + 1.57% in the 1st Series and CDI + 1.98% in the 2nd Series.

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.

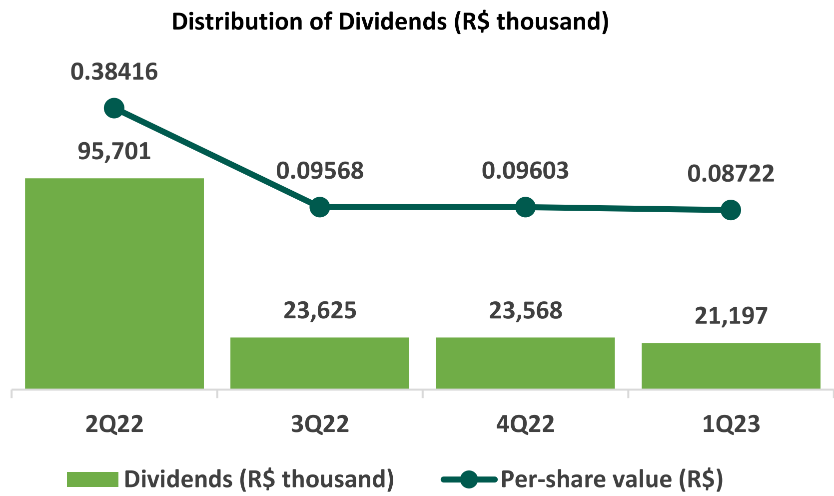
All shares have voting rights and are 100% tag along. At the end of 1Q23, common shares were traded at R$ 8.62. The Company's shares currently comprise the IGC-NM, IGCX, ITAG, IMAT, IBRA, SMLL, IGCT, IGPTW, IAGRO, IDIV and ISE indices of B3.

The performance and trading volume of the Company's share in the accumulated for the last 12 months, compared to the Ibovespa index (the main performance indicator of shares traded on B3) and the SMLL (performance indicator of B3 companies with lower capitalization, which Irani is part of the theoretical portfolio), can be observed in the chart below.



DIVIDENDS

The dividends distributed by the Company in the last 12 months are presented in the chart below:



Total dividends and interest on capital paid in the last twelve months was R$ 0.66309 per share, totaling R$ 164,091 thousand, and equivalent to an annual dividend yield of 9.75%, considering the share price of R$ 6.80 as of March 31, 2022.

REPURCHASE PROGRAM

At a Meeting of the Board of Directors held on August 17, 2022, the new Repurchase Program of shares issued by the Company ("Repurchase Program 2022") was approved with the objective of maximizing the generation of value to shareholders by means of an efficient management of the capital structure. The program became effective on August 18, 2022, with a purchase limit of up to 9,833,806 common shares, representing 10% of the total common issued by the Company in circulation. As of March 31, 2023 the Company repurchased 4,402,700 shares, representing 44.77% of the executed program , at R$ 35,467 thousand, including trading costs, equivalent to an average price per share repurchased of R$ 8.06. Irani's share capital, as of March 31, 2023, was represented by 246,359,319 common shares (RANI3) and the Company held in treasury 4,402,700 common shares.

SUBSEQUENT EVENTS

According to a Material Fact disclosed on April 17, 2023, Resolution 784/22 was published in the Official Gazette of the State of Santa Catarina (pg.5) on April 14, 2023, referring to the concession to the Company of PRODEC - Program for the Development of Company from Santa Catarina, with the following characteristics:

- Financing of 70% of the NORMAL ICMS increase calculated on the average generated in the period from April 2021 to March 2022;
- Amount up to R$ 743 million;
- Payment term for each financed installment (grace period): 48 months;
- Interest rate: 0%;
- Monetary adjustment: 50% of the index used to adjust state taxes;

- Period of fruition: up to 15 years.

The objective of PRODEC is to support expansion projects, which aim to increase the Company's production capacity and energy sufficiency, and which are being implemented in the State of Santa Catarina (Gaia Platform).

It is important to point out that this is not a tax credit, but a financing to increase the NORMAL ICMS with 0% interest. The State finances 70% of the incremental ICMS for payment after 48 months, during a period of 15 years or until reaching the limit of R$ 743 million financed. The actual financed amounts depend on the increase in the projects' production capacity, as well as on future market conditions.

At the moment, the procedures for proving the investments to enter into the contract and the subsequent start of fruition of the benefit are being followed. The Company is still evaluating the future effects of PRODEC on its results.

IRANI PAPEL E EMBALAGEM S.A.

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS

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

1. OPERATIONS

Irani Papel e Embalagem S.A. ("Company") is a public company domiciled in Brazil and listed on B3 S.A. – Brasil, Bolsa, Balcão, New Market segment, and headquartered at Avenida Carlos Gomes, 400, salas 502/503, Edifício João Benjamin Zaffari, Bairro Boa Vista, in the city of Porto Alegre, state of Rio Grande do Sul. The Company and its subsidiaries are primarily engaged in sustainable packaging industry, such as corrugated paper, packaging paper and processing of resinous products and their byproducts. The Company is also engaged in forestation and reforestation activities and utilizes the production chain of planted forests (renewable natural resource) and paper recycling as the basis for all its production.

The direct subsidiaries are listed in note 4.

Its direct parent company is Irani Participações S.A., a privately-held Brazilian corporation. Its ultimate parent company is D.P Representações e Participações Ltda., both companies belonging to the Habitasul Group.

2. PRESENTATION OF FINANCIAL STATEMENTS

The parent company and consolidated interim financial statements included in the Quarterly Information Form - ITR are prepared in accordance with the accounting standard CPC 21 (R1) - Interim Financial Reporting, and with the international accounting standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and presented in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information - ITR, and disclose all (and only) the applicable significant information related to the financial statements, which is consistent with the information utilized by management in the performance of its duties.

The Group's operations do not present cyclical or seasonal characteristics that could affect the comparability and interpretation of these interim financial statements.

The issuance of these interim financial statements of the Company was authorized by the Company's Management on April 27, 2023.

The interim financial statements have been prepared based on historical cost convention, except for biological assets measured at their fair values less costs to sell, derivative financial instruments – swap and financial instruments measured at their fair values, as described in Notes 15, 18 and 29, respectively.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting practices adopted by the Company and its subsidiaries in the preparation of the interim financial statements for the three-month period ended March 31, 2023 are consistent with those applied in the preparation of the last annual financial statements at December 31, 2022 and are disclosed in Notes 2.1, 2.2 and 3.

4. CONSOLIDATION OF FINANCIAL STATEMENTS

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

Equity interest - (%)			
Subsidiaries – direct interest	Business activity	03/31/2023	12/31/2022
Habitasul Florestal S.A.	Forestry production	100,00	100,00
HGE - Geração de Energia Sustentável S.A. *	Electric power generation	100,00	100,00
Iraflor - Comércio de Madeiras Ltda.	Trade of timber	100,00	100,00
Irani Soluções para E-Commerce Ltda.	E-commerce for packaging	100,00	100,00
Irani Ventures Ltda.	Interest in other companies or projects	100,00	100,00

* non-operating.

The accounting policies adopted by the subsidiaries are consistent with those adopted by the Company. The investments in subsidiaries, the equity in the earnings of subsidiaries, as well as the balances of transactions carried out and unrealized intercompany profit and/or loss were eliminated in the consolidated interim financial statements. The financial information of the subsidiaries, used for consolidation, was prepared for the same base reporting date as that of the parent 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	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Fixed fund	12	15	14	17
Banks	10.823	5.293	10.851	5.302
Financial investments with immediate liquidity i)	449.269	697.454	483.024	729.875
Total cash and cash equivalents	460.104	702.762	493.889	735.194
Financial investments ii)	539.930	314.014	539.930	314.014
Total financial investments	539.930	314.014	539.930	314.014
Total cash and cash equivalents and financial investments	1.000.034	1.016.776	1.033.819	1.049.208

i) Short-term investments are intended to meet the Company's immediate cash needs.

ii) Financial investments are intended to meet the Company's non-immediate commitments, which mainly refer to investments in the Gaia platform, as described in Note 14.

Short-term investments with no grace period and short-term investments with a grace period of less than 89 days are remunerated with fixed income at an average rate of 103.6% (103.0% at December 31, 2022) of the CDI (Interbank Deposit Certificate). Cash management is carried out in accordance with the Company's Financial Management Policy approved by the Board of Directors on July 23, 2021.

6. TRADE RECEIVABLES

	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Trade receivables from:				
Customers – domestic market	229.025	242.583	229.392	242.840
Customers - related parties	259	259	259	259
Customers - foreign market	32.220	24.726	32.220	24.726
Customers - renegotiation	2.687	2.687	2.687	2.687
	264.191	270.255	264.558	270.512
Estimates losses on trade receivables	(11.040)	(11.056)	(11.040)	(11.056)
	253.151	259.199	253.518	259.456
Current	252.581	258.215	252.948	258.472
Non-current	570	984	570	984

The aging analysis of trade receivables is presented in the table below:

	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Not yet due	241.947	244.812	242.314	244.993
Up to 30 days past due	8.399	12.293	8.399	12.371
31 to 60 days past due	1.850	1.717	1.850	1.717
61 to 90 days past due	438	431	438	431
91 to 180 days past due	658	111	658	111
More than 180 days past due	10.899	10.891	10.899	10.889
	264.191	270.255	264.558	270.512

The Company records the provision for estimated losses on trade receivables for the relevant portion of accounts receivable overdue for more than 180 days. Provisions for impairment of trade receivables are also recorded for notes falling due and past due for less than 180 days in cases where the amounts are not considered realizable, based on the financial situation of each debtor, the prospective analysis and historical analyses of losses obtained by the Company. Individual analyses are performed for those customers who do not yet have past due notes, considering their credit risks. The following table provides information on the credit risk exposure and expected credit losses for individual trade receivables and contract assets at March 31, 2023:

Consolidated

Exposure to credit risk and credit losses

	Estimated weighted average loss rate	Gross book value at 03/31/2023	Allowance for expected credit losses at 03/31/2023
Not yet due	0,23%	242.314	(559)
Up to 30 days past due	0,36%	8.399	(30)
31 to 180 days past due	33,13%	2.946	(976)
More than 181 days past due	86,93%	10.899	(9.475)
		264.558	(11.040)

Loss rates are based on the actual credit loss experience. These rates were multiplied by scale factors to reflect differences between the economic conditions in the period in which the historical data was collected, the current conditions and the Company's view on economic conditions over the expected lifetime of the receivables.

The credit quality of financial assets that were neither past due nor impaired at March 31, 2023 was assessed with reference to historical information on the Company's default rates. In general, 96% of trade receivables do not have a default history.

Changes in the allowance are as follows:

	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Balance at the beginning of the period	(11.056)	(30.452)	(11.056)	(30.464)
Allowance for recognized losses	-	(443)	-	(431)
Trade receivables written off during the period as uncollectible	-	19.839	-	19.839
Reversal of allowance for recognized losses	16	-	16	-
Balance at the end of the period	(11.040)	(11.056)	(11.040)	(11.056)

At March 31, 2023, a portion of receivables, amounting to R$ 50,000, has been assigned as collateral for certain financing transactions (R$ 50,000 at December 31, 2022), as disclosed in Notes 16 and 17.

7. INVENTORIES

	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Finished products	72.877	64.799	73.645	66.096
Production materials	34.316	37.978	34.342	38.034
Consumable materials	27.265	28.647	27.532	28.929
Other inventories	141	699	141	699
	134.599	132.123	135.660	133.758
	134.599	132.123	135.660	133.758

The Company did not recognize provisions for its inventories for the three-month period ended March 31, 2023 and for the year 2022.

8. TAXES RECOVERABLE AND INCOME TAX AND SOCIAL CONTRIBUTION

a) Taxes recoverable

They are as follows:

	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Value-added Tax on Sales and Services (ICMS)	50.522	47.772	50.522	47.772
Social Integration Program (PIS)/Social Contribution on Revenues (COFINS)	25.658	25.828	25.658	25.828
Excise Tax (IPI)	34	35	34	35
Income Tax Withheld at Source (IRRF) on investments	-	-	94	66
Other	583	935	594	954
	76.797	74.570	76.902	74.655
Current	28.894	28.554	28.999	28.639
Non-current	47.903	46.016	47.903	46.016

ICMS credits are basically credits on purchases of property, plant and equipment items and interstate purchases of raw material by Resinas-RS unit that the Company sells to third parties. Additionally, during the first quarter of 2022, the Company recognized previous period's ICMS credit related to the deemed credit in the state of Santa Catarina in the amount of R$ 18,526, which has been offset monthly, with a positive impact on operating profit before taxes, net of legal fees, in the amount of R$ 17,229.

PIS and COFINS credit balances refer basically to credits on purchases of property, plant and equipment items, which have been recovered in 24 or 48 installments according to the classification and use of the purchased assets.

b) Income tax and social contribution recoverable

They are as follows:

	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Income tax recoverable	21.896	21.208	21.896	21.208
Social contribution recoverable	7.882	7.635	7.882	7.635
	29.778	28.843	29.778	28.843
Non-current	29.778	28.843	29.778	28.843

In 2013, the Company filed Ordinary Action 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 indexation accruals and default interest on such refunds.

On September 27, 2021, the Federal Supreme Court (STF) judged the Extraordinary Appeal 1.063.187 RG/SC – Topic 962 with general repercussion, in which the levying of IRPJ and CSLL on amounts related to the Selic rate received due to repetition of undue tax payment was declared unconstitutional.

On October 19, 2021, the Company filed a request for Guardianship of Evidence with the TRF1 for the Appeal filed to be judged according to the understanding that the STF adopted on the subject, which is awaiting analysis.

In view of the judgment mentioned above, in the context of general repercussion in the STF, and considering the probable favorable outcome of the Company's lawsuit, in accordance with CPC 32/IAS 12 and ICPC 22/IFRIC 23, the Company recognized in 2021, the amount of R$ 25,197 as IRPJ and CSLL on the SELIC rate in the repetition of undue tax payments, the updated amount of R$ 25,778 at March 31, 2023. Considering that there is no expectation of an immediate decision on the lawsuit filed by the Company and the probable delay in the procedures for releasing the credit for offsetting, it was classified as non-current.

9. OTHER ASSETS

	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Advances to suppliers	747	770	753	784
Receivables from employees	2.990	3.030	3.212	3.235
Rio Negro Propriedades Rurais e Participações S.A.	524	524	524	524
São José Desenvolvimento Imobiliário 93 Ltda.	-	25.650	-	25.650
Prepaid expenses	3.964	1.290	3.969	1.290
Receivable from lawsuit on abusive interest SP – Securities issued to cover court-ordered debts	5.251	5.086	5.251	5.086
Other	1.211	795	1.370	955
	14.687	37.145	15.079	37.524
Current	9.436	32.059	9.802	32.411
Non-current	5.251	5.086	5.277	5.113

The balance receivable from Rio Negro Propriedades Rurais e Participações S.A. refers to the sale of Rural Properties in the year ended December 31, 2019, which the Company expects to realize in the current year.

The balance receivable from the lawsuit on abusive interest SP – Securities issued to cover court-ordered debts refers to Ordinary Action 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 of the securities issued to cover court-ordered debts on July 6, 2021 is R$ 5,251, which the Company expects to realize by the end of 2024.

The balance receivable from São José Desenvolvimento Imobiliário 93 Ltda. refers to the sale of assets held for sale. The amount was fully received on March 10, 2023.

10. NON-CURRENT ASSETS HELD FOR SALE

At a meeting of the Board of Directors on June 21, 2022, the Company sold machinery and equipment replaced by new equipment within the scope of the Gaia Platform.

These assets were evaluated by Management and classified as held for sale, based on their condition, the high probability of the sale and the Company's Management's commitment to carry out the sale.

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

Provision for impairment was not recognized during the three-month period ended March 31, 2023.

(b) Assets held for sale

Machinery and equipment are stated at acquisition cost less accumulated depreciation.

Assets held for sale

	03/31/2023	12/31/2022
Machinery and equipment	2.562	2.562
Assets held for sale	2.562	2.562

(c) Accumulated gains and losses included in Other Comprehensive Income (OCI)

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

11. DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

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

In 2023, the Company computed income tax and social contribution on exchange-rate changes on the cash basis, and recorded a deferred tax liability related to unrealized exchange rate change. There was no change in the form of calculation of income tax and social contribution on exchange rate change in relation to the previous year.

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

ASSETS	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Deferred income tax assets				
On temporary provisions	1.003	5.856	1.003	5.856
On tax loss	-	-	43	49
Deferred social contribution assets				
On temporary provisions	361	2.108	361	2.108
On tax loss	-	-	15	18
	1.364	7.964	1.422	8.031

LIABILITIES	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Deferred income tax liabilities				
Unrealized exchange-rate change on the cash basis	45	419	45	419
Fair value of biological assets	59.718	53.739	62.354	56.205
Deemed cost of property, plant and equipment	94.309	94.899	96.246	96.837
Tax amortization of goodwill	25.158	25.158	25.158	25.158
Deferred social contribution liabilities				
Unrealized exchange-rate change on the cash basis	16	151	16	151
Fair value of biological assets	21.498	19.346	22.922	20.678
Deemed cost of property, plant and equipment	33.952	34.165	34.650	34.863
Tax amortization of goodwill	9.057	9.057	9.057	9.057
	243.753	236.934	250.448	243.368
Deferred tax liabilities (net)	242.389	228.970	249.026	235.337

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

Parent company assets	Opening balance 01/01/2022	Recognized in profit (loss)	Closing balance 12/31/2022
Deferred tax assets related to:			
Provision for sundry risks	(11.324)	3.360	(7.964)
Total temporary differences	(11.324)	3.360	(7.964)
Income tax and social contribution tax losses	(27.866)	27.866	-
	(39.190)	31.226	(7.964)

Parent company assets	Opening balance 01/01/2023	Recognized in profit (loss)	Closing balance 03/31/2023
Deferred tax assets related to:			
Provision for sundry risks	(7.964)	6.600	(1.364)
Total temporary differences	(7.964)	6.600	(1.364)
Income tax and social contribution tax losses	-	-	-
	(7.964)	6.600	(1.364)

Parent company liabilities	Opening balance 01/01/2022	Recognized in profit (loss)	Closing balance 12/31/2022	Recognized in profit (loss)	Closing balance 03/31/2023
Deferred tax liabilities related to:					
Exchange-rate change recognized on a cash basis	-	570	570	(509)	61
Fair value of biological assets	47.872	25.213	73.085	8.131	81.216
Deemed cost and review of useful life	157.918	(28.854)	129.064	(803)	128.261
Government grant	43	(43)	-	-	-
Tax amortization of goodwill	34.215	-	34.215	-	34.215
	240.048	(3.114)	236.934	6.819	243.753

Consolidated assets	Opening balance 01/01/2022	Recognized in profit (loss)	Closing balance 12/31/2022
Deferred tax assets related to:			
Provision for sundry risks	(11.324)	3.360	(7.964)
Total temporary differences	(11.324)	3.360	(7.964)
Income tax and social contribution tax losses	(27.899)	27.832	(67)
	(39.223)	31.192	(8.031)

Consolidated assets	Opening balance 01/01/2023	Recognized in profit (loss)	Closing balance 03/31/2023
Deferred tax assets related to:			
Provision for sundry risks	(7.964)	6.600	(1.364)
Total temporary differences	(7.964)	6.600	(1.364)
Income tax and social contribution tax losses	(67)	9	(58)
	(8.031)	6.609	(1.422)

Consolidated liabilities	Opening balance 01/01/2022	Recognized in profit (loss)	Closing balance 12/31/2022	Recognized in profit (loss)	Closing balance 03/31/2023
Deferred tax liabilities related to:					
Exchange-rate change recognized on a cash basis	-	570	570	(509)	61
Fair value of biological assets	49.944	26.939	76.883	8.393	85.276
Deemed cost and review of useful life	160.554	(28.854)	131.700	(804)	130.896
Government grant	43	(43)	-	-	-
Tax amortization of goodwill	34.215	-	34.215	-	34.215
	244.756	(1.388)	243.368	7.080	250.448

12. INVESTMENTS IN SUBSIDIARIES (PARENT COMPANY) AND OTHER INVESTMENTS

a) Investments in subsidiaries (Parent company)

	Habitasul Florestal	Iraflor Comércio de Madeiras	HGE Geração de Energia	Irani Soluções para E-Commerce	Irani Ventures	Total
At January 1, 2022	55.253	101.419	13	248	2.436	159.369
Equity in the earnings of subsidiaries	36.396	28.029	(2)	(847)	(66)	63.510
Dividends	-	(16.991)	-	-	-	(16.991)
Capital contribution (ii)	-	5.530	-	1.615	5.000	12.145
Advance for future capital increase (i)	-	-	-	232	-	232
At December 31, 2022	91.649	117.987	11	1.248	7.370	218.265
Equity in the earnings of subsidiaries	1.006	12.906	-	(125)	64	13.851
Capital contribution (ii)	-	-	-	-	2.500	2.500
At March 31, 2023	92.655	130.893	11	1.123	9.934	234.616

	Habitasul Florestal	Iraflor Comércio de Madeiras	HGE Geração de Energia	Irani Soluções para E-Commerce	Irani Ventures
At March 31, 2023					
Current					
Assets	13.747	48.038	11	1.161	8.391
Liabilities	(2.528)	(468)	-	(38)	(15)
Current, net	11.219	47.570	11	1.123	8.376
Non-current					
Assets	85.608	85.906	-	-	1.558
Liabilities	(4.172)	(2.583)	-	-	-
Non-current, net	81.436	83.323	-	-	1.558
Equity	92.655	130.893	11	1.123	9.934
Net revenue	6.656	8.207	-	41	-
Profit (loss) before income tax and social contribution	1.311	13.612	-	(125)	88
Income tax and social contribution expense	(305)	(706)	-	-	(24)
Profit (loss) for the period	1.006	12.906	-	(125)	64
Equity interest - %	100,00	100,00	100,00	100,00	100,00

(i) On February 16, 2022, the Company made an advance for future capital increase in subsidiary Irani Soluções para E-commerce Ltda. in the amount of R$ 232.

(ii) During 2022, Iraflor Comércio de Madeiras Ltda. received a capital contribution from the parent company Irani Papel e Embalagem S.A. in the amount of R$ 5,530, paid through the merger of forest assets.

On February 16, 2022, Irani Soluções para E-commerce Ltda. received a capital contribution from the parent company Irani Papel e Embalagem S.A. in the amount of R$ 1,615, paid in cash.

On August 10, 2021, the Company's Board of Directors approved the organization of the company Irani Ventures Ltda., wholly-owned subsidiary of the Company with the objective of investing in selected startups, according to the company's investment thesis duly approved by the Investment Committee. The total amount of the approved contribution is R$ 10,000, of which R$ 2,500 was paid in immediately and R$ 5,000 on August 10, 2022 and the balance of R$ 2,500 was paid in on February 28, 2023.

b) Other investments

These refer to equity securities designated at cost related to a loan granted by the subsidiary of Companhia Irani Ventures Ltda. to Companhia Trashin Gestão e Coleta de Recicláveis S.A., as a loan convertible into equity interest in the amount of R$ 1,500.

The Company intends to hold this investment in the long term, in line with its thesis of investment in startups.

13. INVESTMENT PROPERTIES

Parent company

	Land	Buildings	Total
At December 31, 2022			
Opening balance	18.686	2.681	21.367
Write-offs/Disposals	(162)	(2.564)	(2.726)
Depreciation	-	(117)	(117)
Net book value	18.524	-	18.524
Cost	18.524	2.813	21.337
Accumulated depreciation	-	(2.813)	(2.813)
Net book value	18.524	-	18.524
At March 31, 2023			
Opening balance	18.524	-	18.524
Net book value	18.524	-	18.524
Cost	18.524	2.813	21.337
Accumulated depreciation	-	(2.813)	(2.813)
Net book value	18.524	-	18.524

Consolidated

	Land	Buildings	Total
At December 31, 2022			
Opening balance	18.686	2.681	21.367
Write-offs/Disposals	(162)	(2.564)	(2.726)
Depreciation	-	(117)	(117)
Net book value	18.524	-	18.524
Cost	18.524	2.813	21.337
Accumulated depreciation	-	(2.813)	(2.813)
Net book value	18.524	-	18.524
At March 31, 2023			
Opening balance	18.524	-	18.524
Net book value	18.524	-	18.524
Cost	18.524	2.813	21.337
Accumulated depreciation	-	(2.813)	(2.813)
Net book value	18.524	-	18.524

Land and buildings

Refers to:

i. Land held by the Company for future use or realization, located in the state of Rio Grande do Sul, and recognized at the acquisition cost of R$ 16,092. The areas were contributed to the Company together with the acquisition of São Roberto S.A. and are subject to a study for realization by use or sale.

ii. Land received by the Company in exchange for receivables from customers in the amount of R$ 2,432.

iii. Consisted of buildings and land located in Rio Negrinho - Santa Catarina. At a meeting of the Board of Directors on August 1, 2022, the sale of all buildings and land was approved, for the amount of R$ 10,000, fully received upon bookkeeping on August 9, 2022. The positive effect on the result before taxes on profit was R$ 7,274.

At March 31, 2023, investment properties are measured at historical cost. For disclosure purposes, the Company measured these properties at fair value, less any costs to sell, in the amount of R$ 22,754, Parent company and Consolidated, at December 31, 2022. The valuations were made by independent and internal appraisers, using market evidence about the prices of transactions carried out with similar properties. The fair value hierarchy for valuations is level 2.

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 PP&E (*)	Construction in progress	Leasehold improvements	Total
At December 31, 2022								
Opening balance	120.685	127.628	309.245	2.801	6.346	367.512	7.651	941.868
Purchases	-	5.114	59.823	4.518	2.540	431.686	-	503.681
Write-offs/Disposals	(200)	-	(595)	-	(36)	-	(5)	(836)
Reversal of impairment	-	-	3.151	219	504	-	-	3.874
Transfers	-	25.518	92.539	(5)	486	(118.538)	-	-
Depreciation	-	(6.284)	(45.653)	(1.178)	(2.220)	-	(1.109)	(56.444)
PIS and COFINS credits	-	2	61	-	1	103	-	167
Held for sale	-	-	(2.562)	-	-	-	-	(2.562)
Net book value	120.485	151.978	416.009	6.355	7.621	680.763	6.537	1.389.748
Cost	120.485	239.938	1.136.004	16.696	29.860	680.763	16.094	2.239.840
Accumulated depreciation	-	(87.960)	(719.995)	(10.341)	(22.239)	-	(9.557)	(850.092)
Net book value	120.485	151.978	416.009	6.355	7.621	680.763	6.537	1.389.748
At March 31, 2023								
Opening balance	120.485	151.978	416.009	6.355	7.621	680.763	6.537	1.389.748
Purchases	-	37	8.157	557	705	65.893	-	75.349
Write-offs/Disposals	-	-	(16)	(5)	-	-	-	(21)
Transfers	-	5.137	33.344	-	137	(38.618)	-	-
Depreciation	-	(1.973)	(13.307)	(406)	(602)	-	(277)	(16.565)
Net book value	120.485	155.179	444.187	6.501	7.861	708.038	6.260	1.448.511
Cost	120.485	245.112	1.177.489	17.248	30.702	708.038	16.094	2.315.168
Accumulated depreciation	-	(89.933)	(733.302)	(10.747)	(22.841)	-	(9.834)	(866.657)
Net book value	120.485	155.179	444.187	6.501	7.861	708.038	6.260	1.448.511

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Consolidated

	Land	Buildings and constructions	Equipment and facilities	Vehicles and tractors	Other PP&E (*)	Construction in progress	Leasehold improvements	Total
At December 31, 2022								
Opening balance	136.869	128.261	309.314	3.301	6.371	368.289	7.651	960.056
Purchases	-	5.190	59.858	4.518	2.552	431.793	-	503.911
Write-offs/Disposals	(200)	-	(595)	-	(37)	-	(5)	(837)
Reversal of impairment	-	-	3.151	219	504	-	-	3.874
Transfers	-	26.026	92.809	(5)	505	(119.335)	-	-
Depreciation	-	(6.451)	(45.704)	(1.311)	(2.233)	-	(1.109)	(56.808)
PIS and COFINS credits	-	2	61	-	1	103	-	167
Held for sale	-	-	(2.562)	-	-	-	-	(2.562)
Net book value	136.669	153.028	416.332	6.722	7.663	680.850	6.537	1.407.801
Cost	136.669	244.948	1.136.584	18.059	30.407	680.850	16.094	2.263.611
Accumulated depreciation	-	(91.920)	(720.252)	(11.337)	(22.744)	-	(9.557)	(855.810)
Net book value	136.669	153.028	416.332	6.722	7.663	680.850	6.537	1.407.801
At March 31, 2023								
Opening balance	136.669	153.028	416.332	6.722	7.663	680.850	6.537	1.407.801
Purchases	-	37	8.157	557	710	65.920	-	75.381
Write-offs/Disposals	-	-	(16)	(5)	(17)	-	-	(38)
Transfers	-	5.137	33.344	-	137	(38.618)	-	-
Depreciation	-	(2.018)	(13.329)	(439)	(606)	-	(277)	(16.669)
Net book value	136.669	156.184	444.488	6.835	7.887	708.152	6.260	1.466.475
Cost	136.669	250.122	1.178.069	18.611	31.237	708.152	16.094	2.338.954
Accumulated depreciation	-	(93.938)	(733.581)	(11.776)	(23.350)	-	(9.834)	(872.479)
Net book value	136.669	156.184	444.488	6.835	7.887	708.152	6.260	1.466.475

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

b) Breakdown of intangible assets

Parent company	Goodwill	Customer list	Software	Software under development	Total
At December 31, 2022					
Opening balance	104.380	-	31.959	-	136.339
Purchases	-	-	872	1.849	2.721
Write-offs/Disposals	-	-	(3)	-	(3)
Reversal of impairment	-	-	19	-	19
Transfers	-	-	1.849	(1.849)	-
Amortization	-	-	(5.039)	-	(5.039)
Net book value	104.380	-	29.657	-	134.037
Cost	104.380	5.347	57.083	-	166.810
Accumulated amortization	-	(5.347)	(27.426)	-	(32.773)
Net book value	104.380	-	29.657	-	134.037
At March 31, 2023					
Opening balance	104.380	-	29.657	-	134.037
Purchases	-	-	1.557	3.709	5.266
Transfers	-	-	3.709	(3.709)	-
Amortization	-	-	(1.280)	-	(1.280)
Net book value	104.380	-	33.643	-	138.023
Cost	104.380	5.347	62.349	-	172.076
Accumulated amortization	-	(5.347)	(28.706)	-	(34.053)
Net book value	104.380	-	33.643	-	138.023

Consolidated	Goodwill	Customer list	Software	Software under development	Total
At December 31, 2022					
Opening balance	104.380	-	31.959	-	136.339
Purchases	-	-	872	1.849	2.721
Write-offs/Disposals	-	-	(3)	-	(3)
Reversal of impairment	-	-	19	-	19
Transfers	-	-	1.849	(1.849)	-
Amortization	-	-	(5.039)	-	(5.039)
Net book value	104.380	-	29.657	-	134.037
Cost	104.380	5.347	57.091	-	166.818
Accumulated amortization	-	(5.347)	(27.434)	-	(32.781)
Net book value	104.380	-	29.657	-	134.037
At March 31, 2023					
Opening balance	104.380	-	29.657	-	134.037
Purchases	-	-	1.557	3.709	5.266
Transfers	-	-	3.709	(3.709)	-
Amortization	-	-	(1.280)	-	(1.280)
Net book value	104.380	-	33.643	-	138.023
Cost	104.380	5.347	62.357	-	172.084
Accumulated amortization	-	(5.347)	(28.714)	-	(34.061)
Net book value	104.380	-	33.643	-	138.023

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 %	
	03/31/2023	12/31/2022
Buildings and constructions *	2,90	2,90
Equipment and facilities	7,24	7,11
Furniture, fixtures and IT equipment	14,84	15,17
Vehicles and tractors	18,06	18,26
Software	11,64	10,84

* including weighted rates for leased improvements

d) Other information

The assets under construction refer to the projects for improvement and maintenance of existing fixed assets, adding value to the assets to maintain the Company's production process, and the execution of the investments of Gaia Platform.

During the three-month period ended March 31, 2023, interest on financing in the amount of R$ 10,388 (R$ 28,564 in 2022) and expenses with commission of letters of guarantee in the amount of R$ 2,169 (R$ 10,482 in 2022) were capitalized, referring to Gaia Platform, considering that such assets under construction meet the criterion of qualifying assets that take substantial time to be ready.

Leasehold improvements relate to the renovation of the Packaging plant in Indaiatuba, state of São Paulo, and are 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 absorbed by Irani Papel e Embalagem S.A.

The breakdown of the depreciation of property, plant and equipment in the three-month period ended March 31, 2023 and in the three-month period ended March 31, 2022 is as follows:

	Parent company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Administrative	402	250	449	290
Productive	16.163	12.245	16.219	12.291
	16.565	12.495	16.668	12.581

The breakdown of the amortization of intangible assets in the three-month period ended March 31, 2023 and in the three-month period ended March 31, 2022 is as follows:

	Parent company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Administrative	396	290	396	290
Productive	884	936	884	936
	1.280	1.226	1.280	1.226

e) Impairment losses on property, plant and equipment

There was no need to recognize the impairment in the three-month period ended March 31, 2023.

f) Assets pledged as collateral

The Company has property, plant and equipment pledged as collateral for financial transactions, which are presented in detail 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 at the amount of R$ 104,380 and is attributable to the expectation of future profitability.

Impairment tests for intangible assets:

At December 31, 2022, the Company assessed the impairment of the goodwill based on its value in use, using the discounted cash flow method. The recoverable amount 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 applying the rate determined by the Weighted Average Cost of Capital (WACC), with the cost of equity calculated using the Capital Asset Pricing Model (CAPM) method, while the cost of debt considers the average cost of debt. Therefore, WACC considers the burden of financing, including debt and equity components, which are used by the Company to finance its activities.

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

	Assumptions
Average sales prices of Packaging Paper and Corrugated Cardboard	
Packaging (% of annual growth rate)	4,0%
Gross margin (% on net revenue)	38,7%
Estimated growth rate	5,0%
Discount rate (WACC)	10,88%

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

The Company defined its full operation as a CGU for impairment testing purposes since its main packaging paper and corrugated cardboard packaging activities are integrated with each other. Similarly, the operations acquired in a business combination of São Roberto S.A. in 2013 arise from these segments and joined the activities already existing in the Company, thus making it impossible to separate the CGU acquired for impairment testing purposes.

Goodwill is allocated to the business segment, which represents the lowest level at which goodwill is monitored by Management. The total amount of goodwill is allocated to the CGU represented by the Sustainable Packaging Paper (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 9.0% in the discount rate and of 5.0% in the growth rate, in the aggregate, the recoverable amount continues higher than the carrying amount.

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 Company's biological assets 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 fair value adjustment on formation cost. Consequently, the balance of biological assets as a whole is recorded at fair value as follows:

	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Cost of formation of biological assets	64.969	61.669	97.593	95.829
Fair value adjustment of biological assets	158.728	134.289	279.370	247.898
	223.697	195.958	376.963	343.727

Of the total consolidated biological assets, R$ 309,603 (R$ 276,450 at December 31, 2022) 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$ 287,340 (R$ 238,882 at December 31, 2022) 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 for the production of 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 sales of logs total R$ 67,360 (R$ 67,277 at December 31, 2022) and are located on the coast of Rio Grande do Sul. The resin is extracted according to the capacity of production of this product by the existing forest, and the timber is extracted for sale from logs according to the demand for supply in the region.

a) Assumptions for recognizing fair value less costs to sell of biological assets.

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 was the Income Approach with depletion of the forest in one cycle, which 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 determined based on the optimization of production, considering the price changes and the growth of the biological assets. The Income Approach assimilates the fair value for the calculation of the present value of the asset's expected net cash flow, discounted at a discount rate that reflects the expected return in relation to the risks associated with the business.

ii) The model adopted to determine 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 the market, assuming that an investor requires at least the return offered by securities considered risk free, plus the excess risk of the investment;

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 (AAI). Management alternatives are created to establish the ideal long-term production flow to maximize forest yields;

iv) The prices adopted for biological assets are based on an estimate of the price of Pinus and Eucalyptus wood, based on a 3-year history of the actual prices practiced in the regions where the assets are located and published 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;

v) The opportunity cost of the land (Lease) is calculated considering the cost of land availability, in accordance with international accounting practices. The average, in real terms, of the cost of lease for the last three years is considered, which is deducted from the forest as "Remuneration of own contributing assets (Lease)" in the percentages informed below for assets in SC and RS. The value of the land used as a basis for the lease, according to the Appraisal Report contracted by the Company for the appraisal of the Biological Assets, was R$

650,242 as it captures the current value of the land on the market. The book value of the land is R$ 136,669, as mentioned in Note 14.

vi) Planting expenditures used are the formation costs of biological assets practiced by the Company;

vii) The depletion of biological assets is calculated based on the average fair value of biological assets, multiplied by the volume harvested in the period;

viii) The Company reviews the fair value of its biological assets every three months, considering that this time-frame is enough to have no shortfall in the balance of fair value of the biological assets recorded in its financial statements.

	Consolidated		
	03/31/2023	12/31/2022	Impact on the fair value of biological assets
Planted area (hectare)	15.260	15.184	If the assumption increases, the fair value increases
Remuneration of own contributing assets SC	3,11%	3,11%	If the assumption increases, the fair value decreases
Remuneration of own contributing assets RS	4,00%	4,00%	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 (m³)	113,00	107,00	If the assumption increases, the fair value increases
Average Annual Increase (AAI) - Santa Catarina Forests (*)	38,4	38,4	If the assumption increases, the fair value increases
Average Annual Increase (AAI) - Rio Grande do Sul Forests (*)	21,5	21,5	If the assumption increases, the fair value increases

* The Average Annual Increase (AAI) 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 resin and subsequent sale of timber logs. The AAI is measured in m³ per hectare/year and updated in Company's annual financial statements

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

The period's main movements are shown below:

	Parent company	Consolidated
At 12/31/2021	109.798	219.056
Planting	7.647	11.258
Acquisition of forest	6.931	6.931
Depletion		
Historical cost	(2.505)	(8.330)
Fair value	(2.813)	(24.191)
Transfer for capitalization in subsidiary Iraflor	(5.530)	-
Changes in the fair value	82.430	139.003
At 12/31/2022	195.958	343.727
Planting	2.538	3.145
Acquisition of forest	1.194	1.194
Depletion		
Historical cost	(431)	(1.679)
Fair value	(577)	(3.347)
Changes in the fair value	25.015	33.923
At 03/31/2023	223.697	376.963

Depletion of biological assets in the three-month period ended March 31, 2023 and three-month period ended March 31, 2022 was recognized in profit (loss) for the respective periods, after the allocation in inventories through forest harvesting and use in production process or sale to third parties.

In 2022, the contribution of new biological assets to the subsidiary Iraflor Comércio de Madeiras Ltda., amounting to R$ 5,530, was authorized and had the ultimate purpose of improving the management of forestry assets.

b) Biological assets pledged as collateral

Part of the biological assets of the Company and its subsidiary Iraflor Comércio de Madeiras Ltda. is pledged part as collateral for financial transactions, as disclosed in Note 17.

c) Production on third-party land

The Company has entered into 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 on third-party land is approximately 1.4 thousand hectares and currently represents approximately 9.0% of the total area with the Company's biological assets. The lease liabilities are presented in Note 32.

16. BORROWINGS

a) Breakdown of book balances

Annual charges %	Currency	Parent company 03/31/2023	Parent company 12/31/2022	Consolidated 03/31/2023	Consolidated 12/31/2022
Fixed at 3.80%, TLP + 5.10%, Selic + 3.71%, IPCA + 6.24%	Real	14.775	7.235	14.775	7.235
		14.775	7.235	14.775	7.235
Fixed at 4.90%	Dollar	34.412	40.298	34.412	40.298
		34.412	40.298	34.412	40.298
		49.187	47.533	49.187	47.533
Fixed at 3.80%, TLP + 5.10%, Selic + 3.71%, IPCA + 6.24%	Real	484.001	412.672	484.001	412.672
		484.001	412.672	484.001	412.672
		484.001	412.672	484.001	412.672
		533.188	460.205	533.188	460.205

Long-term maturities:	Parent company 03/31/2023	Parent company 12/31/2022	Consolidated 03/31/2023	Consolidated 12/31/2022
2024	1	57	1	57
2025	18.194	18.194	18.194	18.194
2026	34.485	31.740	34.485	31.740
2027	37.231	31.739	37.231	31.739
2028 onwards	394.090	330.942	394.090	330.942
	484.001	412.672	484.001	412.672

b) Significant transactions in the period

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, 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 term for use is two (2) years and can be used for another year.

The operation has a total term of 16 years: 3 years are the grace period for amortization of principal. Interest is payable semi-annually during the grace period and amortization period.

The effective interest, which considers the cost of BNDES and commission of the letters of guarantee for the operation is IPCA + 6.24% p.a.

The inflow of funds occurred in three releases, linked to the acquisitions and payment for the Gaia Platform equipment, the first during the 4th quarter of 2021 in the amount of R$ 236,517, the second during the 2nd quarter of 2022 in the amount of R$ 176,099, and the third and last during the 1st quarter of 2023 in the amount of R$ 71,384.

c) Guarantees

The Company maintains as collateral for the borrowing operations the lien of machinery and equipment.

As a guarantee for the FINAME DIRETO operation, the Company presented Letters of Guarantee contracted with the financial institutions of its relationship and previously approved by BNDES.

Borrowings were contracted in accordance with the Company's Financial Management Policy.

17. DEBENTURES

a) 3rd issue of simple public debentures

In accordance with the Material Fact disclosed on July 31, 2019, the distribution of simple, unsecured, debentures, non-convertible into shares, was carried out, it was comprised by 505,000 debentures, with unit face value of R$ 1.00, totaling, on the date of issue, the amount of R$ 505,000, with the subsequent cancellation of unsubscribed or paid-up debentures. The debentures have final maturity on July 19, 2025 and amortization in 3 annual installments as of July 19, 2023.

The 3rd Issue of Simple Public Debentures has a brAA+ rating assigned by S&P Global Ratings and is characterized as "Green Debentures" based on the Second Opinion issued by the specialized advisory firm SITAWI Finanças do Bem, based on the June 2018 Green Bond Principles guidelines. The Issue is traded on the secondary market under the ticker CELU13.

b) 4th Issue of simple private debentures

According to the Minutes of the Board Meeting held on March 2, 2021, the 4th Issue of Simple Debentures, not convertible into shares, in a single series, of the type with real guarantee for private placement and a unit par value of R$ 1.00 was approved, totaling R$ 60,000 on the date of issue (March 3, 2021). The debentures have final maturity on December 15, 2029 and will be amortized in 8 semi-annual installments as of June 15, 2026.

The funds obtained by the Company with the Issue were used to make investments to achieve its corporate purpose in the normal course of its business, for which the Company has or will have, in accordance with the rules currently in force, a license and/or authorization valid, in effect and/or effective, as applicable and required by the Social and Environmental Legislation.

The 4th Issue of Simple Private Debentures has a brAA+ rating assigned by S&P Global Ratings and is characterized as "Green Debentures" based on the Second Opinion issued by the specialized advisory firm SITAWI Finanças do Bem, based on the June 2018 Green

Bond Principles guidelines.

In December 2021, the Company contracted derivative financial instruments (swap) to swap the remuneration of the 4th Issue of Simple Private Debentures from IPCA + 5.5% per annum to CDI + 0.71% per annum, pursuant to Note 18.

c) 5th Issue of simple private debentures (CRA - Agribusiness Receivables Certificates)

According to the Board of Directors' Meeting held on August 10, 2022 ratified by the Board of Directors' Meeting held on September 8, 2022, Material Fact of August 11, 2022 and Notice to the Market of October 18, 2022, on October 17, 2022 the Company concluded the 5th issue of 720,000 simple debentures, non-convertible into shares, unsecured, in two series, for private placement, with a unit par value of R$ 1.00, totaling, on the date of issue, the amount of R$ 720,000, of which:

(i) 486,307 1st Series Debentures, corresponding to the amount of R$ 486,307, remunerated at CDI + 1.40% p.a. on a semiannual basis and amortized in a single installment due on the maturity date, August 12, 2027.

(ii) 233,693 2nd Series Debentures, corresponding to the amount of R$ 233,693, remunerated at CDI + 1.75% p.a. on a semiannual basis and amortized in two equal installments, on August 11, 2028 and on the maturity date on August 13, 2029.

The Debentures do not have any real or personal guarantee, or any segregation of the Company's assets as collateral, and were linked to a securitization operation, serving as ballast for the issue and public distribution, in accordance with CVM Instruction 400, of Agribusiness Receivables Certificates (CRAs) of the 1st and 2nd series of the 194th Issue of Eco Securitizadora de Direito Creditórios do Agronegócio S.A.

The Debentures and, consequently, the CRAs were characterized as "Green Debentures" and "Green CRA" (Green Bonds), respectively, based on the Second Opinion issued by the specialized advisory firm NINT – Natural Intelligence Ltda.

The final risk rating of the CRA issue "brAA (sf)" was assigned by S&P Global Ratings do Brasil Ltda., on September 26, 2022.

The net funds obtained by the Company with the Issue will be used exclusively in its agribusiness activities, in forestry and agriculture, in particular through the use of resources in investments, costs and expenses related to forestation, reforestation, acquisition of pesticides, fertilizers, wood, forest management and harvesting services and byproducts such as resins and integrated logistics for transport, storage, debarking and wood chipping.

d) Breakdown of book balances

Current	Issue	Annual charges %	Parent company and Consolidated 03/31/2023	12/31/2022
In local currency				
3rd issue of debentures	07/19/2019	CDI + 4,50% a.a.	182.988	206.333
4th issue of debentures	03/03/2021	IPCA 5.50% p.a.	1.042	112
5rd issue of debentures	08/15/2022	CDI + 1,51% a.a.	9.494	19.617
Total current			193.524	226.062
Non-current				
In local currency				
3rd issue of debentures	07/19/2019	CDI + 4,50% a.a.	334.798	334.246
4th issue of debentures	03/03/2021	IPCA 5.50% p.a.	69.626	68.104
5rd issue of debentures	08/15/2022	CDI + 1,51% a.a.	704.310	703.558
Total non-current			1.108.734	1.105.908
			1.302.258	1.331.970

Long-term maturities:	Parent company and Consolidated 03/31/2023	12/31/2022
2024	164.593	167.123
2025	163.838	167.123
2026	13.055	17.026
2027	500.220	492.228
2028 onwards	267.028	262.408
	1.108.734	1.105.908

e) Schedule for amortization of funding costs

	Issue	2023	2024	2025	2026	2027 onwards	Total
In local currency							
3rd issue of debentures	07/19/2019	1.966	1.764	657	-	-	4.387
4th issue of debentures	03/03/2021	48	80	101	87	97	413
5rd issue of debentures	08/15/2022	2.114	3.219	3.737	4.351	5.135	18.556
Total local currency		4.128	5.063	4.495	4.438	5.232	23.356

f) Guarantees

i) The 3rd Issue of Simple Public Debentures has guarantees, as follows:

- Statutory lien of forest assets (6,740.39 hectares of commercial timber plantations, including Pinus and Eucalyptus plantations).
- Statutory lien of the Pulp and Paper Plant located in Vila Campina da Alegria, Vargem Bonita.
- Statutory lien of machinery and equipment owned by the Issuer, located in said plant.
- Statutory lien of rural properties (land), located in the cities of Ponte Serrada, Catanduvas, Água Doce, Irani and Vargem Bonita.
- Fiduciary assignment of credit rights arising from sales in the amount of R$ 50,000.

ii) The 4th Issue of Simple Private Debentures has guarantees, as follows:

- Statutory lien of the Issuer's properties, located in the city of Santa Luzia, in the State of Minas Gerais (Paper Plant).
- Statutory lien of machinery and equipment owned by the Issuer, located in said plant.

g) Covenants

At March 31, 2023 there was no need to measure financial ratios because they are annually measured as provided for in the contract. The financial ratios calculated in the last year comply with the clauses and are disclosed in the financial statements at December 31, 2022.

18. DERIVATIVE FINANCIAL INSTRUMENTS – SWAP

During 4Q21, the interest rate market in Brazil suffered a strong stress due to inflationary pressure. With this scenario of rising future interest rates in the market, a window of opportunity emerged to convert the interest rate of the 4th Issue of Debentures whose amount on the date of issue was R$ 60,000 plus IPCA + 5.50% p.a. to CDI + 0.71% p.a. The converted rate of CDI + 0.71% p.a. is far below the interest rate of the 3rd Issue of Debentures that was issued at CDI + 4.50% p.a., and, at the end of 4Q21, it was being traded at CDI + 2.45% p.a. on the secondary market. The swap contract was approved by the Company's Board of Directors, as required by the Financial Management Policy.

It is worth highlighting that the effect of said recognition will be diluted over the lifetime of the 4th Issue of Debentures, which has final maturity on December 15, 2029, so that its effective cost is ultimately the equivalent of CDI + 0.71% p.a.

Specific characteristics at March 31, 2023 and changes in this swap operation in the three-month period ended March 31, 2023 are as follows:

Maturity	Asset position IPCA+	Liability position CDI+	Notional	Fair value - asset position	Fair value - liability position	Gain
December 15, 2029	5,50%	0,71%	66.225	64.217	62.284	1.933

Changes in the derivative financial instrument - swap:

Parent company and Consolidated

	Asset position	Liability position
At December 31, 2021	-	419
Losses in the year (recognized in profit (loss))	(3.314)	-
Effect of settlement	4.361	(419)
At December 31, 2022	1.047	-
Gains in the period (recognized in profit (loss))	886	-
At March 31, 2023	1.933	-
Current	242	-
Non-current	1.691	-

19. TRADE PAYABLES

Trade payables consist of obligations to suppliers, as follows:

	Parent company		Consolidated	
CURRENT	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Domestic	155.608	172.099	156.398	173.182
Foreign	1.259	2.131	1.259	2.131
Related parties	35.646	25.082	-	-
	192.513	199.312	157.657	175.313

At March 31, 2023 and December 31, 2022, the Company did not have forfaiting transactions with its suppliers.

20. RELATED PARTIES

Parent company	Receivables		Payables		Revenues		Expenses	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Habitasul Florestal S.A.	-	-	3.935	2.088	-	-	5.283	6.414
Iraflor - Com. de Madeiras Ltda.	-	-	31.711	23.024	-	-	7.939	9.994
Irani Soluções para E-Commerce Ltda.	-	-	-	-	4	15	-	-
Companhia Habitasul de Participações	259	259	-	-	777	726	-	-
MCFD Administração de Imóveis Ltda.	-	-	-	-	-	-	573	543
PFD Administração de Imóveis Ltda.	-	-	-	-	-	-	573	543
Management compensation	-	-	1.405	3.341	-	-	3.916	3.134
Management profit sharing	-	-	7.891	14.549	-	-	-	-
Long-term profit sharing - Upside	-	-	10.776	10.776	-	-	-	-
Total	259	259	55.718	53.778	781	741	18.284	20.628
Current	259	259	47.827	39.229				
Non-current	-	-	7.891	14.549				

Consolidated	Receivables		Payables		Revenues		Expenses	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Companhia Habitasul de Participações	259	259	-	-	777	726	-	-
MCFD Administração de Imóveis Ltda.	-	-	-	-	-	-	573	543
PFD Administração de Imóveis Ltda.	-	-	-	-	-	-	573	543
Management compensation	-	-	1.405	3.341	-	-	3.929	3.149
Management profit sharing	-	-	7.891	14.549	-	-	-	-
Long-term profit sharing - Upside	-	-	10.776	10.776	-	-	-	-
Total	259	259	20.072	28.666	777	726	5.075	4.235
Current	259	259	12.181	14.117				
Non-current	-	-	7.891	14.549				

The debts with the subsidiary Habitasul Florestal S.A. are due to commercial operations and acquisition of raw material at prices and terms in conditions set forth among the parties. Said operations were approved by the Company's Board of Directors, as provided for in the Related Party Transactions policy.

The debits with the subsidiary Iraflor Comércio de Madeiras Ltda. are due to commercial operations and acquisition of raw material at prices and terms in accordance with the conditions set forth among the parties. Said operations were approved by the Company's Board of Directors, as provided for 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 under market conditions for a term of 20 years (renewable). The monthly amount paid to each of the related parties is R$ 210 as of January 2023. The contract is updated annually according to the change in the General Market Price Index (IGPM), as measured by the Getúlio Vargas Foundation. These agreements are recognized as lease as mentioned in Note 32. This operation was approved by the Company's Board of Directors, as provided for in the Related Party Transactions policy.

In the three-month period ended March 31, 2023, management fee expenses, excluding payroll charges and including benefits, totaled R$ 3,916 in the parent company (R$ 3,134 in the three-month period ended March 31, 2022), and R$ 3,929 in the consolidated in the three-month period ended March 31, 2023 (R$ 3,149 in the three-month period ended March 31, 2022). The total management remuneration proposed, in the maximum amount of R$ 20,000, was approved at the Annual General Meeting held on April 24, 2023.

The expenses with the profit sharing of Management arise from the statutory provision, pursuant to Article 24 of the Company's Bylaws,

limited to 10% of profit, or their annual remuneration, if this limit is lower.

The sharing in the Long-Term Results - Upside refers to the allocation for payment of a portion of the Management profit sharing to be distributed to those participating in the program, as approved by the Company's Board of Directors on August 4, 2022. This is not a Stock Option plan.

The amount receivable from Companhia Habitasul de Participações ("CHP") arises from a cost-sharing agreement resulting from the reimbursement of services provided by professionals allocated to support and/or administrative areas, with reviews of the amounts every six months. This operation was approved by the Company's Board of Directors, as provided for in the Related Party Transactions policy.

21. TAXES IN INSTALLMENTS

	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Current				
PIS installment payment	364	710	364	710
COFINS installment payment	1.677	3.272	1.677	3.272
IPI installment payment	1.220	1.189	1.220	1.189
ICMS installment payment	791	770	791	770
INSS installment payment	354	-	354	-
	4.406	5.941	4.406	5.941
Non-current				
IPI installment payment	1.118	1.386	1.118	1.386
ICMS installment payment	958	1.125	958	1.125
INSS installment payment	2.119	-	2.119	-
	4.195	2.511	4.195	2.511
Total installment payments	8.601	8.452	8.601	8.452

This is mainly a PIS and COFINS installment payment in which the Company made offsettings that originated the exclusion of ICMS from the basis of said contributions. 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 Federal Supreme Court (STF), it opted for its installment payment in July 2018. The total tax amount paid in installments was R$ 25,219 (R$ 31,349, updated with fine and interest), which was paid in 60 months.

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

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

In the first quarter of 2023, the Company divided into 40 monthly installments INSS debts referring to Tax Foreclosure 5001087-12.2019.4.04.7203. The total provisioned debt amount according to Note 22 was R$ 6,376, with a 61% reduction of R$ 3,830, remaining the installment payment amount of R$ 2,506.

22. 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 provision recorded for civil, labor and tax contingencies is sufficient to cover probable losses.

Breakdown of the balance of the provision:

	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Provision for civil risks	2.782	2.671	2.782	2.671
Provision for labor risks	4.893	5.027	4.953	5.196
Provision for tax risks	14.239	20.228	14.239	20.228
Total	21.914	27.926	21.974	28.095

Details about movements in provision:

Parent company	01/01/2022	Provision	Payments	Reversal	Restricted judicial deposits	12/31/2022
Civil	2.742	207	(96)	(182)	-	2.671
Labor	4.795	1.534	(1.413)	(29)	140	5.027
Tax	11.926	10.452	-	(2.150)	-	20.228
	19.463	12.193	(1.509)	(2.361)	140	27.926

Parent company	01/01/2023	Provision	Payments	Reversal	Restricted judicial deposits	03/31/2023
Civil	2.671	111	-	-	-	2.782
Labor	5.027	126	(277)	-	17	4.893
Tax	20.228	948	-	(6.937)	-	14.239
	27.926	1.185	(277)	(6.937)	17	21.914

Consolidated	01/01/2022	Provision	Payments	Reversal	Restricted judicial deposits	12/31/2022
Civil	2.742	207	(96)	(182)	-	2.671
Labor	5.145	1.587	(1.426)	(250)	140	5.196
Tax	11.926	10.452	-	(2.150)	-	20.228
	19.813	12.246	(1.522)	(2.582)	140	28.095

Consolidated	01/01/2023	Provision	Payments	Reversal	Restricted judicial deposits	03/31/2023
Civil	2.671	111	-	-	-	2.782
Labor	5.196	126	(352)	(34)	17	4.953
Tax	20.228	948	-	(6.937)	-	14.239
	28.095	1.185	(352)	(6.971)	17	21.974

The provision recorded is mainly related to:

a) Civil lawsuits relate, among other matters, to compensation for losses and indemnification claims due to commercial representation contractual terminations. At March 31, 2023, the provision for possible convictions in these lawsuits totaled R$ 2,782 in the consolidated.

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 past experience and on the opinion of its legal counsel, the Company maintained a provision of R$ 4,953 in the consolidated at March 31, 2023, which is considered sufficient to cover probable losses arising from labor losses.

c) Tax provisions totaled R$ 14,239 at March 31, 2023 and refer 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 were not started since the Company is awaiting authorization from the Environmental Bodies and for its strategic market reasons. The amount recognized up to March 31, 2023 totaled R$ 9,296, and a related provision for tax risks was recorded, at the adjusted amount of R$ 12,713.

ii) Administrative and judicial proceedings relating to the disallowance of ICMS credits by the Finance Department of the State of São Paulo, totaling R$ 1,048. The proceedings are in process at the administrative and judicial levels and pending judgment.

In relation to Tax Foreclosure 5001087-12.2019.4.04.7203, whose purpose was to collect an overdue federal tax liability relating to the social contribution on the gross revenue from sales of the production of agro-industrial companies, from 01/2002 to 08/2003, provisioned in December 2022 in the amount of R$ 6,376, this quarter the amount was reversed because of the installment payment of said debt, as detailed in note 21.

Contingencies

No accounting provisions were recorded for contingencies assessed by Management, together with its legal advisors as possible losses. At March 31, 2023 and December 31, 2022, the amounts of these possible contingencies of a labor, civil, environmental and tax nature were as follows.

	Consolidated	
	03/31/2023	12/31/2022
Labor contingencies	25.138	25.396
Civil contingencies	10.095	9.816
Tax contingencies	146.853	145.260
	182.086	180.472

-

Labor contingencies:

The labor lawsuits assessed by Management and its legal advisors as involving possible losses totaled R$ 25,138 at March 31, 2023. Part of the amount refers mainly to labor claims arising from the closing of activities at the Vila Maria – SP unit (discontinued operation) in 2019, and mainly include causes of indemnity (hazardous work, unhealthy work, overtime, premiums, material damages resulting from occupational accidents and requests for a work relationship with Irani, by employees of service providers). These lawsuits are currently at different procedural stages.

Civil contingencies:

The tax lawsuits classified by Management and its legal advisors as involving risk of possible losses totaled R$ 10,095 at March 31, 2023, and relate mainly to indemnity claims that are currently at different procedural stages.

Tax liabilities contingencies:

The tax lawsuits assessed by Management and its legal advisors as involving possible losses totaled R$ 146,853 at March 31, 2023, and mainly include the following:

- Administrative and judicial proceedings relating to tax assessments notices 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 those states, which amounted to R$ 52,541 at March 31, 2023. 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$ 43,140 at March 31, 2023. The Company has challenged these assessments at the administrative and legal levels and awaits the respective trials.

- Administrative and judicial proceedings filed by the National Institute of Social Security (INSS), with respect to a Tax Assessment Notice referring to the social security contribution on the offset of debts against credits arising from the application of a higher Environmental Occupational Risk (RAT) rate at the Company's Administrative Units and regarding the INSS tax assessment notice from the offset of debits from these taxes against credits from the same taxes, totaling R$ 10,678 at March 31, 2023. The Company is discussing said tax assessment notices in the administrative and judicial spheres.

- Administrative Proceeding relating to federal taxes offset against deemed Excise Tax (IPI) credits on exports, amounting to R$ 6,590 at March 31, 2023. 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 taxes, amounting to R$ 3,522 at March 31, 2023. The Company is discussing said tax assessment notices in the administrative and judicial spheres.

- Tax assessment notice aimed 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 profit for each year. The Brazilian Revenue Service understood that the reductions, with an increase in tax loss, would have arisen from tax 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 amount of the tax assessment notice is R$ 340. In the case of the Company not receiving a favorable decision, there will be additional effect of the reversal of tax loss by amortization of the goodwill used in the period, which results in a reduction of approximately R$ 19,551 of income tax and social contribution asset on the amortized goodwill value.

Tax assets contingencies:

On June 7, 2021, the STF closed the judgment regarding the theme 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 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 11,196/05. The aforementioned judicial measure had an Extraordinary Appeal before the STF and, given the matter being addressed in the General Repercussion Topic 304, determined the return of the Company's case 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 5035028-10.2015.4.04.7100 to the STF Decision. On August 16, 2022, the Vice-President of TRF4 ordered the transfer of the records to the Judging Body of the Court, that is, the 2nd Panel for judgment of the retraction. On November 22, 2022, the judgment of the retraction was closed, upholding the Company's appeal. On December 1, 2022 and December 9, 2022, the Federal Government and Irani, respectively, filed Motions for Clarification which are awaiting analysis and judgment. The Company estimates the gain on this lawsuit between R$ 200,000 and R$ 220,000, 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 likelihood of success, characterized as contingent asset. As it is a contingent asset, the estimated gain on the lawsuit was not recognized in the Company's financial statements.

STF decision on ‘res judicata’ in tax matters:

On February 8, 2023, the Plenary of the Federal Supreme Court (STF) unanimously decided, in Extraordinary Appeals 955,227 (Topic 885) and 949,297 (Topic 881) on the possibility of modifications to res judicata in tax matters.

After the analysis by the respective Law Firms of the tax lawsuits to which the Company is or was a party, both as plaintiff and as defendant, no situation was identified that could be affected by said decision.

23. EQUITY

a) Capital

The capital at March 31, 2023 is R$ 566,895 (R$ 566,895 at December 31, 2022), comprised at March 31, 2023 of 246,359,319 common shares with no par value (246,359,319 common shares with no par value at December 31, 2022).

The amount of capital, net of share issue costs of R$ 22,961, is R$ 543,934 at March 31, 2023 (R$ 543,934 at December 31, 2022).

b) Shareholders’ remuneration

i) Interim dividends

In accordance with the Company's Dividend Distribution and Payment of Interest on Capital Policy, which determines the quarterly distribution of the equivalent of 25% of the profit determined in the Financial Statements, calculated in accordance with articles 22 to 29 of the Company's Bylaws, the interim dividends for the 1st Quarter of 2023 to be approved by the Board of Directors will be R$ 20,376.

The Board of Directors approved, on March 1, 2023, "ad referendum" of the Company's General Shareholders' Meeting, the distribution of interim dividends on the profit calculated in the fourth quarter of 2022, in the amount of R$ 21,197, corresponding to R$ 0.087216399 per common share, to shareholders holding shares issued by the Company on March 7, 2023, paid on March 22, 2023. The Interim Dividends – 4th Quarter of 2022 distributed will be allocated to the minimum mandatory dividend eventually declared by the Company's Annual General Meeting that approves the management accounts for the year 2022, as provided for in the aforementioned Article 29, heading, of the Company's Bylaws.

ii) Additional dividends proposed

The Annual and Extraordinary General Meeting approved, on April 24, 2023, the distribution of additional dividends on the profit calculated for the year 2022, in the amount of R$ 93,204, corresponding to R$ 0.385889841, per common share, to be paid until May 31, 2023.

c) Treasury shares

	Parent company			
	03/31/2023		12/31/2022	
	Quantity	Value	Quantity	Value
Share repurchase program 2022	4.402.700	35.467	1.487.700	11.642
	4.402.700	35.467	1.487.700	11.642

2022 share repurchase program: The Company's Board of Directors approved the 2022 Share Repurchase Program on August 17, 2022, which came into effect on August 18, 2022 and ends on February 17, 2024, with an acquisition limit of up to 9,833,806 common shares, representing 10% of the total outstanding common shares issued by the Company, aiming to maximize the generation of value for shareholders through an efficient management of the Company's capital structure.

Changes in treasury shares are shown in the table below:

	Parent company					
	01/01/2023		Acquisitions		03/31/2023	
	Quantity	Value	Quantity	Value	Quantity	Value
Share repurchase program 2022	1.487.700	11.642	2.915.000	23.825	4.402.700	35.467
	1.487.700	11.642	2.915.000	23.825	4.402.700	35.467

d) Revenue reserves

Revenue reserves consist of: i) legal reserve, ii) biological assets reserve, iii) profit retention reserve, iv) tax incentive reserves.

In compliance with the Company's Bylaws, the legal reserve is formed through the allocation of 5% of profit 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 Extraordinary General Meeting held on February 29, 2012, when the amount previously recognized in the unrealized profit reserve was transferred to this account.

iii) The profit retention reserve is composed of the balance of retained earnings after the offsetting of losses and the formation of the legal reserve, and net of the 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 General 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 profit from previous years derived from government grants for investments for the modernization and expansion of paper production capacity in Minas Gerais and expansion of industrial unit located in Santa Catarina, and is excluded from the basis of mandatory dividend.

e) Carrying value adjustments

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 occur through the depreciation of the respective deemed cost value when it will also be offered on the basis of dividends. The net balance of taxes at March 31, 2023 corresponds to credit balance of R$ 134,628 (R$ 136,865 at December 31, 2022).

Changes in carrying value adjustments are shown in the table below:

	Consolidated
At December 31, 2021	145.812
Annual realization – deemed cost	(8.947)
At December 31, 2022	136.865
Period realization – deemed cost	(2.237)
At March 31, 2023	134.628

24. EARNINGS PER SHARE

The basic and diluted earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of shares available during the period. The shares are not subject to the effects of potential dilution, such as debt convertible into shares. Consequently, diluted earnings per share are equal to basic earnings per share.

a) Basic and diluted earnings:

Parent company and Consolidated	03/31/2023	
	Common shares (ON)	Common shares (ON) Total
Weighted average number of shares	244.090.852	244.090.852
Profit for the period attributable to each type of share	82.958	82.958
Basic and diluted earnings per share - R$	0,3399	

Parent company and Consolidated	03/31/2022	
	Common shares (ON)	Common shares (ON) Total
Weighted average number of shares	249.623.519	249.623.519
Profit for the period attributable to each type of share	112.148	112.148
Basic and diluted earnings per share - R$	0,4493	

25. NET SALES REVENUE

The Company's net revenue is as follows:

	Parent company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Gross revenue from sales of products	520.579	513.475	521.904	515.438
Sales taxes	(106.823)	(101.467)	(106.914)	(101.568)
Sales returns	(8.105)	(5.839)	(8.106)	(5.926)
Net sales revenue	405.651	406.169	406.884	407.944

The Company's revenues are recognized when performance obligations are met, which generally occurs when products are delivered to customers in sales to the domestic market or when products sold are shipped to the foreign market. The main products sold by the Company represent the operating segments established pursuant to Note 30.

All sales transactions generate receivables, which are described in Note 6. There are no other recognized contract assets or liabilities.

26. COSTS, EXPENSES AND OTHER REVENUES BY NATURE

The breakdown of expenses by nature is as follows:

	Parent company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Changes in the fair value of biological assets				
Change in the fair value of biological assets	25.015	13.046	33.923	26.086
	25.015	13.046	33.923	26.086
Cost of goods sold				
Fixed and variable costs (raw and consumable materials)	(176.422)	(175.155)	(164.201)	(159.817)
Costs of personnel	(45.234)	(39.634)	(48.571)	(42.874)
Services contracted	(8.562)	(7.306)	(9.012)	(7.306)
Depreciation, amortization and depletion	(20.210)	(16.106)	(24.331)	(23.087)
	(250.428)	(238.201)	(246.115)	(233.084)
Selling expenses				
Personnel expenses	(3.312)	(2.991)	(3.312)	(2.991)
Services contracted	(254)	(286)	(254)	(286)
Logistics expenses (freight)	(19.684)	(18.283)	(20.095)	(18.751)
Depreciation, amortization and depletion	(112)	(85)	(112)	(85)
Sales commissions	(3.667)	(3.782)	(3.667)	(3.782)
Other (i)	(3.971)	(3.173)	(4.104)	(3.251)
	(31.000)	(28.600)	(31.544)	(29.146)
Impairment losses on trade receivables				
Impairment losses on trade receivables	40	(181)	40	(181)
	40	(181)	40	(181)
General and administrative expenses				
Personnel expenses	(22.879)	(15.453)	(22.879)	(15.621)
Services contracted	(917)	(962)	(917)	(962)
Depreciation, amortization and depletion	(896)	(703)	(897)	(703)
Other (i)	(2.386)	(2.784)	(2.915)	(3.367)
	(27.078)	(19.902)	(27.608)	(20.653)
Other operating income (expenses), net				
Income from claimed and disposed goods	48	-	48	-
Income from sale of assets	1.018	3.394	1.018	3.394
Income from sale of carbon credit	-	1.375	-	1.375
Provision for government grants - State of MG	163	(246)	163	(246)
Reversal of INSS contingency - Cont. Replacement	3.870	-	3.870	-
Other operating income (expenses), net (i)	(3)	489	(16)	519
	5.096	5.012	5.083	5.042
Management profit sharing				
Management profit sharing	(4.118)	-	(4.118)	-
	(4.118)	-	(4.118)	-

27. FINANCE INCOME AND COSTS

	Parent company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Finance income				
Income from financial investments	31.089	10.548	32.181	11.024
Interest	5.087	859	5.088	859
Discounts obtained	517	188	517	188
	36.693	11.595	37.786	12.071
Exchange-rate change				
Foreign exchange gains	3.373	7.718	3.373	7.718
Foreign exchange loss	(3.647)	(11.633)	(3.647)	(11.633)
Net exchange-rate change	(274)	(3.915)	(274)	(3.915)
Finance costs				
Interest	(54.840)	(23.427)	(54.842)	(23.435)
Discounts granted	(9)	(498)	(9)	(498)
Negative goodwill/bank expenses	(92)	(111)	(97)	(116)
Interest payable on leases	(525)	(592)	(525)	(592)
Derivatives instruments - swap	886	691	886	691
Other	(2.090)	(620)	(2.103)	(626)
	(56.670)	(24.557)	(56.690)	(24.576)
Finance result, net	(20.251)	(16.877)	(19.178)	(16.420)

28. INCOME TAX AND SOCIAL CONTRIBUTION

Reconciliation of effective tax rate:

	Parent company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Operating profit before taxes	116.778	139.042	117.367	139.588
Basic rate	34%	34%	34%	34%
Tax debit (credit) at the basic rate	(39.705)	(47.274)	(39.905)	(47.460)
Tax effect of permanent (additions)/exclusions:				
Equity in the earnings of subsidiaries	4.709	6.316	-	-
Non-deductible expenses	(102)	(117)	(102)	(117)
Formation (reversal) of tax incentives	-	(14)	-	(14)
PIS/COFINS credits on depreciation	(262)	-	(262)	-
Exclusion - impairment of discontinued operation	-	13.692	-	13.692
Difference in taxation (subsidiaries)	-	-	4.120	5.770
Other permanent differences	1.540	503	1.740	689
	(33.820)	(26.894)	(34.409)	(27.440)
Current income tax and social contribution	(20.401)	(31.144)	(20.720)	(31.335)
Deferred income tax and social contribution	(13.419)	4.250	(13.689)	3.895
Effective rate - %	29,0	19,3	29,3	19,7

29. FINANCIAL INSTRUMENTS

Capital risk management

The Company's capital structure consists of its net debt (fundings, debentures and

derivative financial instruments - swap detailed in Notes 16, 17 and 18, less cash, bank balances and financial investments), as detailed in Note 5, and equity (which includes issued capital, reserves and retained earnings, as disclosed in Note 23).

The Company’s management periodically reviews its capital structure. As part of this review, Management considers the cost of capital and risks associated to each class of capital. Pursuant to its Financial Management Policy, the Company intends to maintain a capital structure from 30% to 50% of own capital and from 70% to 50% of third-party capital. The capital structure at March 31, 2023 was 39% in own capital and 61% in third-party capital

Debt-to-equity ratio

At March 31, 2023 and 2022, the debt-to-equity ratio is as follows:

	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Debt (a)	1.835.446	1.792.175	1.835.446	1.792.175
Derivatives instruments - swap (a)	(1.933)	(1.047)	(1.933)	(1.047)
Cash and cash equivalents and financial investments	(1.000.034)	(1.016.776)	(1.033.819)	(1.049.208)
Net debt	833.479	774.352	799.694	741.920
Equity	1.184.218	1.125.085	1.184.218	1.125.085
Debt-to-equity ratio	0,70	0,69	0,68	0,66

(a) Debt is defined as short and long-term borrowings, debentures and derivative financial instruments – short and long-term swap, as detailed in Notes 16, 17 and 18.

Categories of financial instruments

	Note	Parent company 03/31/2023	Parent company 12/31/2022	Consolidated 03/31/2023	Consolidated 12/31/2022
Financial assets					
Designated at fair value through profit or loss					
Derivative instruments - swap	18	1.933	1.047	1.933	1.047
Amortized cost					
Cash and banks	5	460.104	702.762	493.889	735.194
Financial investments	5	539.930	314.014	539.930	314.014
Trade receivables	6	253.151	259.199	253.518	259.456
Other receivables	9	3.514	29.204	3.736	29.409
Financial liabilities					
Amortized cost					
Borrowings	16	533.188	460.205	533.188	460.205
Debentures	17	1.302.258	1.331.970	1.302.258	1.331.970
Trade payables	19	192.513	199.312	157.657	175.313
Lease liabilities	32	25.689	20.687	25.689	20.687
Taxes in installments	21	8.601	8.452	8.601	8.452
Dividends payable		1.000	22.120	1.000	22.120
Other payables		14.462	11.529	14.998	11.692

Financial risk factors

The Company is exposed to several financial risks: market risk (including foreign exchange risk and interest rate), credit risk 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. The derivative financial instrument – swap in force was contracted with the purpose of swapping the interest rate index to optimize the long-term financial liabilities and cash management strategy, as described in Note 18.

Foreign exchange exposure risk

The Company has transactions in the foreign market that are exposed to fluctuations in the exchange rates of foreign currencies. At March 31, 2023 and December 31, 2022, these transactions presented a net exposure as shown in the table below:

	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Trade receivables	32.220	24.726	32.220	24.726
Advances from customers	(1.167)	(1.493)	(1.167)	(1.493)
Trad payables	(1.259)	(2.131)	(1.259)	(2.131)
Advances to suppliers	11.341	10.948	11.341	10.948
Borrowings	(34.412)	(40.298)	(34.412)	(40.298)
Net exposure	6.723	(8.248)	6.723	(8.248)

The Company maintains operations in foreign currency to address possible changes in the balance of export customers.

The Company has identified the main risk factors that could generate losses in connection with its financial instruments. Accordingly, a sensitivity analysis was performed, which is considered reasonable for the business, taking into account the uncertainties of assumptions, 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 profit (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 (June 30, 2023).

2 – Adverse scenario: 25% deterioration in the foreign exchange rate compared to that projected for June 30, 2023.

3 – Remote scenario: 50% deterioration in the foreign exchange rate compared to that projected for June 30, 2023.

Transaction	Balance at 3/31/2023 US$	Rate	Base scenario Gain (loss) R$	Rate	Adverse scenario Gain (loss) R$	Rate	Remote scenario Gain (loss) R$
Assets							
Trade receivables and banks restricted acccount	6.342	5,16	481	6,45	8.656	7,73	16.832
Advances to suppliers	2.232	5,16	169	6,45	3.046	7,73	5.924
Liabilities							
Trade payables and advances from customers	(478)	5,16	(36)	6,45	(652)	7,73	(1.269)
Borrowings	(6.773)	5,16	(514)	6,45	(9.244)	7,73	(17.976)
Net effect			100		1.806		3.511

This sensitivity analysis intends to measure the impact of changes in market variables on each financial instrument of the Company. The balances at March 31, 2023 were used as a basis for the projection of the future balance. The effective behavior of the debt balances will respect their respective contracts. Moreover, the balances of trade receivables and payables may fluctuate due to the normal activities of the Company and its subsidiaries.

However, settling the transactions involving such estimates may result in sums different from those estimated, owing to the subjectivity contained in the procedure used to prepare these analyses. The Company seeks to maintain its borrowings exposed to exchange rate changes by making annual net payments that are equivalent to or below its export customer portfolio.

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 TLP (Long-term interest rate from BNDES), CDI (Interest rate of Interbank Deposit Certificates), SELIC (Official Interest Rate) and IPCA (National Extended Consumer Price Index).

The sensitivity analysis calculated for the base, adverse and remote scenarios on the borrowings, debentures and derivative financial instruments – swap contracts subject to floating interest rates is as follows:

1 – Base scenario: the CDI and SELIC are set according to futures market projections B3 for the next disclosure (June 30, 2023). The Long-term interest rate is obtained from BNDES and the IPCA from Boletim Focus.

2 – Adverse scenario: correction of 25% of interest rates in relation to the level forecast for June 30, 2023.

3 – Remote scenario: 50% of interest rates are corrected when compared with the level forecast for December 31, 2022.

Transaction	Index	Balance at 3/31/2023	Base scenario Gain (Loss) Rate % p.a.	R$	Adverse scenario Gain (Loss) Rate % p.a.	R$	Remote scenario Gain (Loss) Rate % p.a.	R$
Cash and cash equivalents and financial investments								
CDB	CDI	1.022.954	13,62%	(317)	17,03%	35.664	20,43%	71.645
Proceeds from borrowings								
Working capital	CDI	(1.254.532)	13,62%	387	17,03%	(43.508)	20,43%	(87.402)
Working capital	IPCA	(71.083)	3,79%	649	4,74%	(61)	5,69%	(770)
Finame Direto	IPCA	(498.486)	3,79%	4.496	4,74%	(421)	5,69%	(5.338)
Finame	TLP	(1)	7,28%	-	9,10%	-	10,92%	-
Finame	SELIC	(207)	13,72%	-	17,15%	(7)	20,58%	(15)
Derivative financial instruments - swap								
Swap Assets	IPCA	70.790	3,79%	(646)	4,74%	60	5,69%	767
Swap Liabilities	CDI	(66.488)	13,62%	20	17,03%	(2.260)	20,43%	(4.540)
Net effect on results				4.589		(10.533)		(25.653)

Fair value versus carrying amount

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

- The carrying amounts of current trade receivables and trade payables presented in the Company's balance sheet approximate their fair values due to the short terms of settlement.

- Borrowings, debentures and derivative financial instruments - swap - considering the debts, market information and interest rates of borrowings and debentures contracted, the fair value at March 31, 2023 is R$ 1,739,182 (carrying amount of R$ 1,833,513 at March 31, 2022). The Company used discounted cash flow as a valuation technique, considering the present value of the payment expected, discounted by a risk-adjusted discount rate of the Company. In fair value hierarchy, the fair value determined is Level 2.

Credit risk

The carrying amount of financial assets represents the maximum credit exposure as shown below:

	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Financial assets				
Banks	10.823	5.293	10.851	5.302
Financial investments with immediate liquidity	449.269	697.454	483.024	729.875
Financial investments	539.930	314.014	539.930	314.014
Trade receivables	253.151	259.199	253.518	259.456
Other receivables	3.514	3.554	3.736	3.759
Maximum credit exposure	1.256.687	1.279.514	1.291.059	1.312.406

a) Trade receivables

The Company's credit sales are managed through a credit rating and credit granting policy. Expected credit losses are adequately covered by a provision to cover possible losses on their realization, as detailed in Note 6.

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

Renegotiations with customers are mostly backed by debt acknowledgment agreements, in addition to individual sureties to guarantee the amount of debt.

b) Banks, financial investments with immediate liquidity and financial investments

The credit risk of banks, financial investments with immediate liquidity and financial investments is managed by the Company in accordance with the Financial Management Policy, aiming to establish guidelines for the management of the Company’s financial funds.

The table below shows the balance of banks, financial investments with immediate liquidity and financial investments of the Company, classifying the amounts according to the national long-term ratings of S&P and Fitch Rating of the credit risk of financial institutions:

	Consolidado	
	31.03.23	Agência
Rating nacional AAA (br)	665.989	Fitch/S&P
Rating nacional AA + (br)	362.188	Fitch
Rating nacional BB- (br)	5.628	Fitch/S&P
	1.033.805	

Liquidity risk

Management monitors the liquidity level based on the expected cash flow, in accordance with the Financial Management Policy, which comprises cash, financial investments, flows of trade receivables and payables, repayment of borrowings and adjustments of derivative financial instruments - swap. The liquidity management policy involves projections of cash flows in currencies used and the consideration of the level of 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 plan.

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 at March 31, 2023, and the details on the expected maturity dates for non-derivative, undiscounted financial assets, including accrued interest on these assets and for derivative financial instruments liabilities - swap, the details on the expected maturity dates, as well as its discounted amounts.

Parent company

	2023	2024	2025	2026	After 2027
Liabilities					
Trade payables	192.493	20	-	-	-
Borrowings	71.452	29.433	47.109	61.638	581.906
Debentures	220.705	190.785	183.362	28.770	785.498
Derivative instruments - swap	4.467	2.815	2.410	(1.506)	(10.119)
Taxes in installments	4.406	2.190	2.005	-	-
Lease liabilities	7.980	3.196	4.261	4.068	6.184
Dividends and interest on capital payable	1.000	-	-	-	-
Other payables	14.403	59	-	-	-
	516.906	228.498	239.147	92.970	1.363.469

Consolidated

	2023	2024	2025	2026	After 2027
Liabilities					
Trade payables	157.637	20	-	-	-
Borrowings	71.452	29.433	47.109	61.638	581.906
Debentures	220.705	190.785	183.362	28.770	785.498
Derivative instruments - swap	4.467	2.815	2.410	(1.506)	(10.119)
Taxes in installments	4.406	2.190	2.005	-	-
Lease liabilities	7.980	3.196	4.261	4.068	6.184
Dividends and interest on capital payable	1.000	-	-	-	-
Other payables	14.939	59	-	-	-
	482.586	228.498	239.147	92.970	1.363.469

The amounts included for floating-rate instruments (non-derivative financial liabilities and derivative financial instruments – swap) are subject to change if the change in floating interest rate differs from these estimates at the end of the reporting period.

Derivative financial instruments

On December 1, 2021, the Company entered into a derivative instrument – rate swap with Banco Santander to modify the associated remuneration at the interest rate of the 4th Issue of Debentures.

The reference value assigned on the contracting date (notional) is R$ 66,225. The adjustments will take place on the same payment dates of the 4th Issue of Debentures, which has final maturity on December 15, 2029, so that its actual cost is equivalent to CDI + 0.71% p.a.

Note 18 contains further information on the aforementioned transaction.

30. OPERATING SEGMENTS

a) Criteria for identifying operating segments

The Company has three main strategic divisions based on the manner in which Management runs the business. The Company's revenue is segmented according to defined products and operating segments.

Management defined as operating segments: Sustainable Packaging (Corrugated Cardboard) Segment; Sustainable Packaging Paper (Paper) Segment; Sustainable Resins (Rosin and Turpentine) Segment, as described below:

Sustainable Packaging (Corrugated Cardboard) Segment: this division manufactures boxes and light and heavy corrugated cardboard sheets, and has two production plants: SC Packaging Plant Campina da Alegria and SP Packaging Plant Indaiatuba.

Sustainable Packaging Paper (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 SC Campina da Alegria and Paper MG – Santa Luzia.

Sustainable Resins (Rosin and Turpentine) Segment: through this segment, the Company grows pine for its own use, sells wood and extracts resin from pine that serves as raw material for the production of rosin and turpentine.

b) Consolidated information about the operating segments

	Consolidated 03/31/2023				
	Sustainable Packaging (Corrugated Cardboard)	Sustainable Packaging Paper (Paper)	Sustainable resins (Tar and Turpentine)	Corporate/ eliminations	Total
Net sales revenue					
Domestic market	224.052	123.086	1.774	-	348.912
Foreign market	-	27.626	30.346	-	57.972
Total net sales revenue	224.052	150.712	32.120	-	406.884
Changes in the fair value of biological assets	-	33.739	184	-	33.923
Cost of goods sold	(142.860)	(77.170)	(26.085)	-	(246.115)
Gross profit	81.192	107.281	6.219	-	194.692
Operating expenses	(22.709)	(3.779)	(4.467)	(27.192)	(58.147)
Operating profit (loss) before finance result	58.483	103.502	1.752	(27.192)	136.545
Finance result	(9.710)	(12.107)	(1.441)	4.080	(19.178)
Operating income (expenses), net	48.773	91.395	311	(23.112)	117.367
Depreciation, amortization and depletion	(5.859)	(17.538)	(1.254)	(689)	(25.340)

	Consolidated 03/31/2022				
	Sustainable Packaging (Corrugated Cardboard)	Sustainable Packaging Paper (Paper)	Sustainable resins (Tar and Turpentine)	Corporate/ eliminations	Total
Net sales revenue					
Domestic market	209.186	119.556	2.803	24	331.569
Foreign market	-	24.515	51.860	-	76.375
Total net sales revenue	209.186	144.071	54.663	24	407.944
Changes in the fair value of biological assets	-	21.007	5.079	-	26.086
Cost of goods sold	(134.918)	(60.098)	(37.496)	(572)	(233.084)
Gross profit	74.268	104.980	22.246	(548)	200.946
Operating expenses	(19.726)	(4.984)	(6.286)	(13.942)	(44.938)
Operating profit (loss) before finance result	54.542	99.996	15.960	(14.490)	156.008
Finance result	(6.214)	(4.624)	(5.642)	60	(16.420)
Operating income (expenses), net	48.328	95.372	10.318	(14.430)	139.588
Depreciation, amortization and depletion	(4.314)	(18.098)	(913)	(550)	(23.875)

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.

Finance result is allocated by operating segment, taking into consideration the specific allocation of each item of finance income and costs to the segment, and the distribution of corporate expenses and revenues is proportional to the billing 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 revenue

Net sales revenue in the three-month period ended March 31, 2023 totaled R$ 406,884 (R$ 407,944 in the three-month period ended March 31, 2022).

Net sales revenue for the foreign market in the three-month period ended March 31, 2023 totaled R$ 57,972 (R$ 76,375 in the three-month period ended March 31, 2022), distributed across several countries, as follows:

Consolidated		
03/31/2023		
Country	Net export revenue	% of total net revenue
China	9.988	2,45%
Germany	7.228	1,78%
Saudi Arabia	6.000	1,47%
Paraguay	4.724	1,16%
South Africa	3.691	0,91%
Chile	3.205	0,79%
Argentina	3.001	0,74%
Pakistan	2.738	0,67%
Mexico	2.548	0,63%
India	2.395	0,59%
Japan	2.250	0,55%
Peru	1.794	0,44%
Portugal	1.769	0,43%
Uruguay	1.184	0,29%
USA	1.092	0,27%
Bolivia	977	0,24%
Other countries	3.388	0,83%
	57.972	14,24%

Consolidated		
03/31/2022		
Country	Net export revenue	% of total net revenue
Portugal	11.656	2,86%
Germany	10.006	2,45%
Argentina	8.555	2,10%
France	6.032	1,48%
Japan	4.841	1,19%
Mexico	4.629	1,13%
Saudi Arabia	4.220	1,03%
Paraguay	3.917	0,96%
Spain	3.764	0,92%
South Africa	2.814	0,69%
India	2.572	0,63%
Chile	2.519	0,62%
Peru	2.214	0,54%
Netherlands	1.959	0,48%
USA	1.751	0,43%
Pakistan	1.131	0,28%
Other countries	3.795	0,93%
	76.375	18,72%

The Company's net sales revenues in the three-month period ended March 31, 2023 in the domestic market totaled R$ 348,912 (R$ 331,569 in the three-month period ended March 31, 2022).

In the three-month period ended March 31, 2023, a single customer accounted for 6.5% of net sales in the domestic market of Sustainable Packaging (Corrugated Cardboard) segment, equivalent to R$ 9,788. 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.

31. GOVERNMENT GRANT

The Company has ICMS tax incentive from the state of Minas Gerais:

ICMS/MG – Deemed 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. The effect on operating profit before tax effects in the three-month period ended March 31, 2023 was R$ 1,515 (R$ 1,933 in the three-month period ended March 31, 2022).

32. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Parent company and Consolidated	Land	Buildings and constructions	Equipment and facilities	Total
At 01/01/2022	5.022	15.369	4.083	24.474
Depreciation	(1.287)	(3.316)	(3.940)	(8.543)
Addition/write-off of agreements - principal effect	840	2.707	2.510	6.057
Net book value at 12/31/22	4.575	14.760	2.653	21.988
Cost	8.598	24.831	17.236	50.665
Accumulated depreciation	(4.023)	(10.071)	(14.583)	(28.677)
Net book value at 12/31/22	4.575	14.760	2.653	21.988
At 01/01/2023	4.575	14.760	2.653	21.988
Depreciation	(369)	(982)	(1.014)	(2.365)
Addition/write-off of agreements - principal effect	749	2.265	3.805	6.819
Net book value at 03/31/23	4.955	16.043	5.444	26.442
Cost	9.347	27.096	21.041	57.484
Accumulated depreciation	(4.392)	(11.053)	(15.597)	(31.042)
Net book value at 03/31/23	4.955	16.043	5.444	26.442

The measurement of the right-of-use asset corresponds to the initial value of the lease liability at present value at rates of 12.06% to 14.43% p.a., calculated considering the risk-free rate (NTN), the Company's risk spread, the country's equivalent risk and the risk specific to the asset. Depreciation is calculated using the straight-line method over the remaining term of contracts with an average term of 6.5 years.

Leases have lease liabilities as follows:

Parent company and Consolidated	Land	Buildings and constructions	Equipment and facilities	Total
At 01/01/2022	4.412	15.658	2.996	23.066
Lease installment	(165)	(4.688)	(4.141)	(8.994)
Addition/write-off of agreements - principal effect	(2.058)	2.779	3.505	4.226
Interest on lease	539	1.300	550	2.389
Net book value at 12/31/22	2.728	15.049	2.910	20.687
At 01/01/2023	2.728	15.049	2.910	20.687
Lease installment	(47)	(1.182)	(1.014)	(2.243)
Addition/write-off of agreements - principal effect	917	1.997	5.488	8.402
Interest on lease	(162)	651	(1.646)	(1.157)
Net book value at 03/31/23	3.436	16.515	5.738	25.689

Current	7.980
Non-current	17.709

Lease interest is recognized as a finance cost and appropriated according to the remaining term of the agreements.

Long-term payments, considering their future (undiscounted) cash flows, are distributed as follows:

	Controladora e Consolidado
Vencimentos no longo prazo:	
2024	3.196
2025	4.261
2026	4.068
2027	3.212
2028 em diante	2.972
	17.709

The Company has the potential right of PIS/COFINS recoverable 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	Nominal	Adjustment to present value
Lease consideration	45.050	32.442
PIS/COFINS (9.25%)	4.167	3.001

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.

In the three-month period ended March 31, 2023 no renegotiations were made for leases.

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:

	Actual flow		Nominal flow	
Parent company and Consolidated	01/01/2019	03/31/2023	01/01/2019	03/31/2023
Lease liabilities	41.769	32.526	48.992	45.050
Embedded interest	(16.147)	(6.837)	(19.687)	(12.608)
	25.622	25.689	29.305	32.442

33. NON-CASH TRANSACTIONS

The Company carried out non-cash transactions relating to operating and investing activities,~~;~~ therefore, they were not reflected in the statements of cash flows.

During the three-month period ended March 31, 2023, the Company made payments for purchases of property, plant and equipment, intangible assets and biological assets in the amount of R$ 2,790, which were previously financed by suppliers.

During the three-month period ended March 31, 2022, the Company realized PIS and

COFINS credits on property, plant and equipment items of R$ 79.

34. INFORMATION SUPPLEMENTARY TO THE CASH FLOW

	Parent company			Consolidated		
	Liabilities			Liabilities		
	Borrowings and debentures	Interest on capital and dividends	Lease liabilities	Borrowings and debentures	Interest on capital and dividends	Lease liabilities
At 12/31/2021	892.740	16.345	23.066	892.740	16.345	23.066
Changes affecting cash	(31.320)	(15.892)	(2.407)	(31.320)	(15.892)	(2.407)
Payment of dividends and interest on capital	-	(15.892)	-	-	(15.892)	-
Payment of lease liabilities	-	-	(1.797)	-	-	(1.797)
Proceedings from borrowings	5.250	-	-	5.250	-	-
Repayments of borrowings and debentures	(6.536)	-	-	(6.536)	-	-
Payment of interest on borrowings and debentures	(30.034)	-	-	(30.034)	-	-
Payment of interest on lease liabilities	-	-	(610)	-	-	(610)
Changes not affecting cash	25.719	66	9.346	25.719	66	9.346
Lease liabilities - Addition/write-off	-	-	8.736	-	-	8.736
Indexation accruals and interest on borrowings and debentures	17.839	-	-	17.839	-	-
Interest on lease liabilities	-	-	610	-	-	610
Capitalized interest	7.880	-	-	7.880	-	-
Dividends and interest on capital	-	66	-	-	66	-
At 03/31/2022	887.139	519	30.005	887.139	519	30.005

	Parent company			Consolidated		
	Liabilities			Liabilities		
	Borrowings, debentures and swap	Interest on capital and dividends	Lease liabilities	Borrowings, debentures and swap	Interest on capital and dividends	Lease liabilities
At 12/31/2022	1.792.175	22.120	20.687	1.792.175	22.120	20.687
Changes affecting cash	(20.323)	(21.197)	(4.557)	(20.323)	(21.197)	(4.557)
Payment of dividends and interest on capital	-	(21.197)	-	-	(21.197)	-
Payment of lease liabilities	-	-	(3.400)	-	-	(3.400)
Proceeds from borrowings	71.385	-	-	71.385	-	-
Repayments of borrowings and debentures	(5.401)	-	-	(5.401)	-	-
Payment of interest on borrowings, debentures and swap	(82.515)	-	-	(82.515)	-	-
Payment of interest on lease liabilities	-	-	(1.157)	-	-	(1.157)
Capitalized interest	(3.792)	-	-	(3.792)	-	-
Changes not affecting cash	63.594	77	9.559	63.594	77	9.559
Lease liabilities - Addition/write-off	-	-	8.402	-	-	8.402
Indexation accruals and interest on borrowings, debentures and swap	51.545	-	-	51.545	-	-
Interest on lease liabilities	-	-	1.157	-	-	1.157
Capitalized interest	11.163	-	-	11.163	-	-
Dividends and interest on capital	-	77	-	-	77	-
Swap adjustment	886	-	-	886	-	-
At 03/31/2023	1.835.446	1.000	25.689	1.835.446	1.000	25.689

35. EVENTS AFTER THE REPORTING PERIOD

According to the material fact disclosed on April 17, 2023, the Company had published in the Official Gazette of the State of Santa Catarina (page 5) of April 14, 2023 Resolution 784/22, referring to the concession of PROTEC - Program for the Development of Company from Santa Catarina, with the following characteristics:

- Financing of 70% of the NORMAL ICMS increase calculated on the average generated in the period from April 2021 to March 2022;
- Amount of up to R$ 743 million;
- Payment term of each financed installment (grace period): 48 months;
- Interest rate: 0%;
- Indexation accruals: 50% of the index used for indexation accruals of state taxes;
- Enjoyment period: up to 15 years.

The purpose of PRODEC is to support expansion projects aimed at expanding the Company's production capacity and energy sufficiency, which are being implemented in the State of Santa Catarina (Gaia Platform).

It is important to point out that this is not a tax credit, but a financing of the increase in the NORMAL ICMS with interest of 0%. The State finances 70% of the incremental ICMS for payment after 48 months, during the period of 15 years or until reaching the limit of R$ 743 million financed. The actual financed amounts depend on the increase in the projects' production capacity as well as on future market conditions.

At the moment, the procedures for proving the investments made for the signing of the contract and the subsequent start of the enjoyment of the benefit are in progress. The Company is still assessing the future effects of PRODEC on its results.

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Opinions and Representations / Report on Review of Quarterly Information - Unqualified

Report on review of quarterly information
To the Board of Directors and Stockholders
Irani Papel e Embalagem S.A.

Introduction
We have reviewed the accompanying parent company and consolidated interim financial statements of Irani Papel e Embalagem S.A. (“Company”), included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2023, comprising the balance sheet at that date and the statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended, and explanatory notes.

Management is responsible for the preparation of these parent company and consolidated interim financial statements in accordance with accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC) and International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on these interim financial statements based on our review.

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

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

Other matters

Statements of value added
The quarterly information referred to above includes the parent company and consolidated statements of value added for the three-month period ended March 31, 2023. These statements are the responsibility of the Company's management and are presented as supplementary information under IAS 34 These statements have been subjected to review procedures performed together with the review of the quarterly information for the purpose of concluding whether they are reconciled with the interim financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated interim financial statements taken as a whole

Audit and review of prior year's figures
The Quarterly Information (ITR) mentioned in the first paragraph includes the interim financial statements, comprising the statements of income, comprehensive income, changes in equity, cash flows and value added for the quarter ended March 31, 2022, obtained from the Quarterly Information (ITR) for that quarter, and the balance sheet as at December 31, 2022, obtained from the financial statements at December 31, 2022, presented for purposes of comparison. The review of the Quarterly Information (ITR) for the quarter ended March 31, 2022 and the audit of the financial statements for the year ended December 31, 2022 were conducted under the responsibility of other independent auditors who issued unqualified review reports and audit reports thereon, dated April 29, 2022 and February 24, 2023, respectively.

Porto Alegre, April 27, 2023

PricewaterhouseCoopers Auditores Independentes Ltda.
CRC 2SP000160/O-5

Rafael Biedermann Mariante
Contador CRC 1SP243373/O-0

Opinions and Representations / Officers' Representation on the Financial Statements

Officers’ Representation
For the purposes of Article 27 of CVM Resolution 80/22

The Officers of Irani Papel e Embalagem S.A., a corporation headquartered at Avenida Carlos Gomes, 400, salas 502/503, Bairro Boa Vista, in the city of Porto Alegre, state of Rio Grande do Sul, enrolled in the National Corporate Taxpayers’ Registry (CNPJ/MF) 92.791.243/0001-03, for the purposes of complying with the provisions of Article 27, paragraph 1, of CVM Resolution 80 of March 29, 2022, REPRESENT that they have reviewed, discussed and agreed with the Company's interim financial statements for the three-month period ended March 31, 2023.

Porto Alegre, RS, April 28, 2023.

Sérgio Luiz Cotrim Ribas - Chief Executive Officer

Odivan Carlos Cargnin - Chief Administrative, Financial and Investor Relations Officer

Henrique Zugman - Chief Paper and Forestry Business Officer

Lindomar Lima de Souza - Chief Packaging Business Officer

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

Opinions and Representations / Officers' Representation on the Independent Auditor's Review Report

Officers' Representation
For the purposes of Article 27 of CVM Resolution 80/22

The Officers of Irani Papel e Embalagem S.A., a corporation headquartered at Avenida Carlos Gomes, 400, salas 502/503, Bairro Boa Vista, in the city of Porto Alegre, state of Rio Grande do Sul, enrolled in the National Corporate Taxpayers' Registry (CNPJ/MF) 92.791.243/0001-03, for the purposes of complying with the provisions of Article 27, paragraph 1 of CVM Resolution 80 of March 29, 2022, REPRESENT that they have reviewed, discussed and agreed with the conclusion expressed in the independent auditor's review report on the interim financial statements for the three-month period ended March 31, 2023.

Porto Alegre, RS, April 28, 2023.

Sérgio Luiz Cotrim Ribas - Chief Executive Officer

Odivan Carlos Cargnin - Chief Administrative, Financial and Investor Relations Officer

Henrique Zugman - Chief Paper and Forestry Business Officer

Lindomar Lima de Souza - Chief Packaging Business Officer

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