



# Dexco

## Quarterly Results – 1Q22

| GRI 102-52

### HEADLINES

Adjusted and Recurring EBITDA of R\$ 503.7 million in 1Q22, a new record for a first quarter, driven by significant growth in the Deca and Tiles divisions;

Greater investment in expansion projects led to a reduction in free cash flow of R\$298.9 million, resulting from the R\$ 243.9 million invested in growth projects;

#### WOOD

733.0k m³ sold in 1Q22, with a significant increase in exports;

Implementation of price increases along with improvement in the mix leading unit income to grow +35.1% versus to 1Q21;

Adjusted and Recurring EBITDA of R\$359.1 million, close to that achieved in 1Q21, despite greater seasonality and cost pressures.

#### DECA

Pricing strategy led to a +42.7% increase in unit revenue versus 1Q21;

Improved EBITDA margin demonstrating the continued focus on growing the profitability of the Division;

Growth of 11.4% in the Adjusted and Recurring EBITDA versus 1Q21, totaling R\$72.4 million.

#### TILES

Unit revenue increased by 37.4% in the quarter arising from better brand positioning and an increase in prices;

Margins maintained despite pressure on costs, especially with respect to natural gas;

Record Adjusted and Recurring EBITDA of R\$ 72.2 million, 31.4% greater than for 1Q21.

#### DISSOLVING WOOD PULP

Start up of operations at the unit and the ramp-up of production;

Investment of R\$ 93.3 million in 1Q22.

as at 03/31/2022

**MARKET CAP** | GRI 102-7  
R\$10,782.1 million

#### SHARES IN ISSUE

760,962,951

#### CLOSING SHARE PRICE

R\$14.68

#### TREASURY SHARES

26,489,405

#### FREE FLOAT

40%

**DEXCO INVESTOR RELATIONS** | GRI 102-53  
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**DXCO**  
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IGC-NM B3

IMAT B3

INDX B3

ISE B3

ITAG B3

MLCX B3

# Consolidated Financial Results

In BRL '000	1Q22	1Q21	%	4Q21	%
<b>Highlights</b>					
Volume shipped Deca ('000 items)	<b>4,858</b>	6,544	-25.8%	7,163	-32.2%
Volume shipped Tiles (m <sup>2</sup> )	<b>5,363,620</b>	5,385,111	-0.4%	6,210,976	-13.6%
Volume shipped Wood (m <sup>3</sup> )	<b>732,974</b>	801,588	-8.6%	757,151	-3.2%
<b>Consolidated Net Revenue</b>	<b>2,131,002</b>	<b>1,768,126</b>	<b>20.5%</b>	<b>2,250,839</b>	<b>-5.3%</b>
<b>Consolidated Net Revenue - Pro Forma</b>	<b>2,131,002</b>	<b>1,768,126</b>	<b>20.5%</b>	<b>2,250,839</b>	<b>-5.3%</b>
Gross profit	<b>742,946</b>	606,439	22.5%	791,063	-6.1%
Gross profit - Pro Forma <sup>(1)</sup>	<b>742,946</b>	606,439	22.5%	798,468	-7.0%
Gross margin	<b>34.9%</b>	34.3%		35.1%	
Gross margin - Pro Forma <sup>(1)</sup>	<b>34.9%</b>	34.3%		35.5%	
EBITDA according to CVM No. 527/12 <sup>(2)</sup>	<b>600,877</b>	464,610	29.3%	461,316	30.3%
EBITDA Mg CVM No. 527/12	<b>28.2%</b>	26.3%		20.5%	
Adjustments for non-cash events	<b>(70,818)</b>	(21,520)	229.1%	(27,182)	160.5%
Non-recurring events <sup>(3)</sup>	-	8,579	N/A	137,266	N/A
Dissolving Wood Pulp	<b>(26,384)</b>	44,253	N/A	16,714	N/A
<b>Adjusted and Recurring EBITDA <sup>(4)</sup></b>	<b>503,675</b>	<b>495,922</b>	<b>1.6%</b>	<b>588,114</b>	<b>-14.4%</b>
<b>Adjusted and Recurring EBITDA margin <sup>(4)</sup></b>	<b>23.6%</b>	<b>28.0%</b>		<b>26.1%</b>	
Net Income	<b>223,715</b>	172,699	29.5%	581,047	-61.5%
<b>Recurring Net Income <sup>(1)(3)</sup></b>	<b>198,322</b>	<b>222,440</b>	<b>-10.8%</b>	<b>407,057</b>	<b>-51.3%</b>
<b>Recurring Net Margin <sup>(1)(3)</sup></b>	<b>9.3%</b>	<b>12.6%</b>		<b>18.1%</b>	
<b>INDICATORS</b>					
Current ratio <sup>(5)</sup>	<b>1.31</b>	1.69	-22.5%	1.38	-5.1%
Net debt <sup>(6)</sup>	<b>3,259,939</b>	1,869,810	74.3%	2,448,346	33.1%
Net debt / EBITDA LTM <sup>(7)</sup>	<b>1.48</b>	1.19	24.4%	1.12	32.1%
Average Shareholders' equity	<b>5,619,954</b>	5,106,733	10.0%	5,875,003	-4.3%
<b>ROE <sup>(8)</sup></b>	<b>15.9%</b>	<b>13.5%</b>		<b>39.6%</b>	
<b>Recurring ROE</b>	<b>14.1%</b>	<b>17.4%</b>		<b>27.7%</b>	
<b>SHARES</b>					
Earnings per share (BRL) <sup>(9)</sup>	<b>0.3011</b>	0.2505	20.2%	0.8258	-63.5%
Closing share price (BRL)	<b>14.68</b>	18.69	-21.5%	14.96	-1.9%
Net equity per share (BRL)	<b>7.50</b>	7.31	2.6%	7.60	-1.3%
Treasury Shares	<b>26,489,405</b>	4,650,928	469.6%	6,489,405	308.2%
Market Cap (BRL1.000)	<b>10,782,072</b>	12,842,526	-16.0%	11,286,924	-4.5%

(1) Cost of Goods Sold: **4Q21** Impairment (+) R\$7,405k.

(2) EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization): measure of operating performance in accordance with CVM Instruction 527/12.

(3) Non-recurring events listed in the attachment to this material.

(4) EBITDA adjusted for non-cash events arising from variation in the fair value of biological assets and combination of businesses, in addition to extraordinary events.

(5) Current liquidity: Current assets divided by current liabilities. Indicates the amount available in R\$ to cover each R\$ of short-term obligations.

(6) Net Corporate Debt: Total Financial Debt (-) Cash.

(7) Financial leverage calculated on the rolling EBITDA over the last 12 months, adjusted for events of a purely accounting and non-cash nature.

(8) ROE (Return on Equity): measure of performance obtained by taking the annualized Net Earnings over the period, annualized, and dividing by Average Net Equity.

(9) Net earnings per share is calculated by dividing the earnings attributable to the company's shareholders by the average weighted number of ordinary shares issued during the period, excluding the ordinary shares held by the Treasury.



## Market & Business Scenario GRI 203-1

The year 2022 began amid a scenario characterized by uncertainty. The increase in the spread of the Omicron variant of Covid-19 raised the possibility of further economic disruption in this quarter. Meanwhile, the ongoing scenario of high inflation and consequent higher interest rates, exacerbated by the conflict in Ukraine, continues to put Brazilian consumption to the test along with the industry's ability to pass on price increases. These factors, allied to the electoral race, have contributed to instability in the local market and in the construction sector. Faced with this scenario, Dexco has been able to offset the adversities with well-implemented projects that have enhanced the profitability of its operations and once again delivered record results for a first quarter, with an Adjusted and Recurring EBITDA of R\$ 503.7 million. This performance is the fruit of the restructuring process the Company has carried out in recent years and, in particular, the focus on directing its products to more resilient markets while exploiting the potential of its brands. Through this process, the Company has demonstrated, once again, the new level of its operations and its differential over the long term.

The main highlights for the quarter were the strong performance of the Deca and Tiles Divisions, which managed to raise prices and improve the positioning of their products even in the face of the market challenges on the retail side, another positive reflection of the Company's proactive growth strategy centered around building strong brands and getting ever closer to the end consumer. According to data from the Brazilian Association of Construction Materials (ABRAMAT), gross deflated revenue for the construction materials industry shrank 9.9% in relation to the first quarter of 2021, while Deca's results fell only 2.3%. With a smaller fall than seen by the industry as a whole, Deca managed to introduce price increases and a stronger product mix in the quarter, factors which more than compensated for cost increases seen, and led the Division to report an Adjusted and Recurring EBITDA of R\$ 72.4 million, 11.4% greater than for 1Q21.

The Ceramic Tiles market ended the first quarter of the year reporting an 11% drop in sales volumes, and factory utilization of 85.0%, according to data from National Association of Ceramic Tile Manufacturers (ANFACER). Dexco's Tiles division, for its part, continued to operate at full capacity, with factory utilization of 99.0%, while also maintaining sales volumes at the same level seen over the same period in 2021. This result, allied to price adjustments and the increased sale of large format products, compensated for the increase in costs over the period, especially with respect to natural gas, and led the Division to report growth of 31.4% to its Adjusted and Recurring EBITDA on an annual comparison, totaling R\$72.2 million in the period.

The Wood Division also began the year with a very solid performance as expected, maintaining the levels seen in 1Q21 despite the adversities faced in the period, such as greater seasonality and strong cost pressures, especially with respect to urea. The wood panel sector closed the quarter with a 13.0% drop in sales versus 1Q21, with an 18.0% drop in the domestic market partly offset by a 23.0% increase in exports, according to data from the Brazilian Tree Industry (IBÁ). The Wood Division, for its part, reported a lower fall than that of the market as a whole due to market share gain and increased shipping to the external market, thanks to the ongoing strategy of enhancing its product positioning in new markets and strengthening its brands in Latin America. In addition, productivity gains and new price points led the Division to close the quarter with an Adjusted and Recurring EBITDA of R\$359.1 million.

With the new record of results in the first quarter of the year, Dexco continues with positive expectations for 2022. The Company remains attentive to market movements, especially in relation to inflation, always working in a structured way in productivity projects and eventual adjustments of prices when needed. Furthermore, it continues to carry out its expansion plans, including the start-up of LD Celulose's new Dissolving Wood Pulp unit.

# Consolidated Financial Results GRI 103-2 e 103-3

## EXCLUSION OF ICMS FROM THE BASE CALCULATION OF PIS AND COFINS

A decision by the Federal Supreme Court, published on May 14, 2021, decreed that the ICMS (a form of VAT) to be excluded from the PIS and COFINS (social security contributions) base calculation is the one shown on the invoice. The Company and its subsidiaries recognized in 2021, the accumulated credit of R\$ 614.7 million (before tax effects), of which R\$ 8.9 million in 4Q21, in addition, in the second quarter of 2021 there was a reversal of the accounting provision previously constituted as a result of the limitation imposed by COSIT Solution 13/2018, in the amount of BRL 141.7 million before tax effects.

This impact was distributed in the year between the Cash Cost of Product Sold in the amount of R\$ 27.2 million, Other Operating Results in the amount of R\$ 496.6 million and in the Financial Result in the amount of R\$ 221.6 million. This result was considered non-recurring in 2021, which is why the Company is disclosing the pro forma result in the impacted lines.

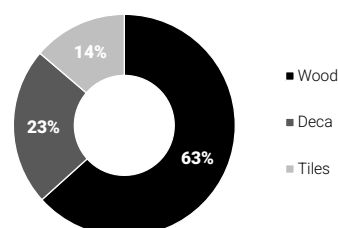
Until the issuance of these interim financial statements, there was still no final decision on the Company's judicial measure, relating to the extinct CNPJ of Duratex S.A., after the association with Satipel and Duratex Florestal Ltda, which covers the period from 2001 to 2015.

## NET REVENUE

Net Revenue in the quarter grew at an annual rate of 20.5%, despite the fall in volumes shipped by the Deca and Wood divisions, arising from the return of the traditional seasonality seen during this period, which was attenuated in 1Q21 by the pandemic scenario. This result was possible due to base prices being higher than those reported in the first quarter of 2021 and to the price increases announced at the beginning of 2022. The price increases led to growth in unit revenue in all of the divisions when compared to 4Q21, but were not sufficient to offset the fall in volumes, with revenues thus falling 5.3% in relation to the prior period.

The return of seasonality, particularly in the Wood Division, led the Company to channel more products to the external market, with an increase of around 26.0% in the volume shipped versus the same quarter in 2021, discounting sales made by the unit in Colombia. This change led to an increase of 42.0% in net revenue arising from exports over the same period.

Net revenue breakdown 1Q22 (%)



BRL '000 - consolidated	1Q22	1Q21	%	4Q21	%
<b>Net Revenue</b>	<b>2,131,002</b>	<b>1,768,126</b>	<b>20.5%</b>	<b>2,250,839</b>	<b>-5.3%</b>
Domestic market	<b>1,659,901</b>	1,414,639	17.3%	1,888,683	-12.1%
Foreign Market	<b>471,101</b>	353,487	33.3%	362,156	30.1%

## COST OF GOODS SOLD

The pro-forma Cash Cost, Cost of Goods Sold net of depreciation, amortization and exhaustion and of the net change in biological assets and benefits calculated with the exclusion of ICMS from the PIS and COFINS base calculation, ended the first quarter of the year at R\$1,283.6 million, an increase of 26.0% in relation to the same period in 2021. This increase arose mainly from the strong pressure on costs on the main materials and consumables, in particular urea and natural gas. However, when compared to the period immediately prior, there was a fall of 3.1%, stemming from the lower volume shipped and the maintenance of factory productivity indices in the period.

A better price base and mix enabled a 22.5% increase in pro-forma Gross Income in 1Q22, which contributed to the Company finishing the period with a gross margin of 34.9%.

BRL'000 - Consolidated	1Q22	1Q21	%	4Q21	%
<b>Cash COGS</b>	<b>(1,283,576)</b>	<b>(1,018,465)</b>	<b>26.0%</b>	<b>(1,332,712)</b>	<b>-3.7%</b>
Non Recurring Event <sup>(1)</sup>	-	-	N/A	7,405	N/A
<b>Cash COGS Pro Forma</b>	<b>(1,283,576)</b>	<b>(1,018,465)</b>	<b>26.0%</b>	<b>(1,325,307)</b>	<b>-3.1%</b>
Variation in fair value of biological assets	71,092	17,829	298.7%	36,212	96.3%
Depletion of biological assets	(38,047)	(27,030)	40.8%	(26,792)	42.0%
Depreciation, amortization and depletion	(137,525)	(134,021)	2.6%	(136,484)	0.8%
<b>Gross Profit</b>	<b>742,946</b>	<b>606,439</b>	<b>22.5%</b>	<b>791,063</b>	<b>-6.1%</b>
<b>Recurring Gross Profit <sup>(1)</sup></b>	<b>742,946</b>	<b>606,439</b>	<b>22.5%</b>	<b>798,468</b>	<b>-7.0%</b>
Gross Margin	34.9%	34.3%		35.1%	
Recurring Gross Margin <sup>(1)(2)</sup>	34.9%	34.3%		35.5%	

(1) Non-recurring events: **4Q21**: Impairment (+) R\$7,405k;

(2) pro forma gross income / consolidated pro forma net revenue.

## COST OF SALES

During the quarter, the Company participated in the Revestir Fair, the most important event of the year for exhibiting its products, which did not take place in 2021 due to restrictions arising from the COVID-19 pandemic. This event, together with higher spending on freight, due to the growth in exports, resulted in a 40.3% increase in sales expenses versus 1Q21, totaling R\$282.8 million in the quarter. It should be noted that with the drop in sales volumes versus 4Q21, this figure was stable.

BRL'000 – consolidated	1Q22	1Q21	%	4Q21	%
<b>Sales Expenses</b>	<b>(282,837)</b>	<b>(205,988)</b>	<b>37.3%</b>	<b>(331,041)</b>	<b>-14.6%</b>
% of Net Revenue	13.3%	11.7%		14.7%	
<b>Non-recurring events <sup>(1)</sup></b>	<b>-</b>	<b>4,390</b>	<b>N/A</b>	<b>48,127</b>	<b>N/A</b>
<b>Recurring Sales Expenses <sup>(1)</sup></b>	<b>(282,837)</b>	<b>(201,598)</b>	<b>40.3%</b>	<b>(282,914)</b>	<b>0.0%</b>
% Recurring Net Revenue <sup>(1)</sup>	13.3%	11.4%		12.6%	

(1) Non-recurring events: **4Q21**: Restructuring of Deca e Tiles (+) R\$48,127k; **1Q21**: Restructuring of Deca e Tiles (+) R\$4,390k.

## GENERAL AND ADMINISTRATIVE EXPENSES

As part of the Company's digitalization strategy, Dexco has been investing in the automation of its processes and implementing technologies that support the diversification of its business. These investments partially account for the 30.0% increase in general and administrative expenses in the quarter versus 1Q21. In addition, it is important to highlight the increase in the base salary of Dexco's employees, with collective bargaining agreements of approximately 10.0% implemented at the end of 2021.

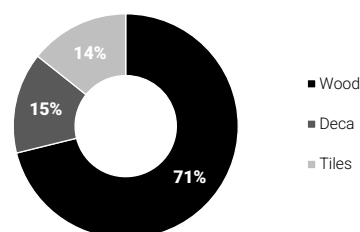
BRL'000 – consolidated	1Q22	1Q21	%	4Q21	%
<b>General and Administrative Expenses</b>	<b>(73,772)</b>	<b>(56,595)</b>	<b>30.4%</b>	<b>(84,569)</b>	<b>-12.8%</b>
% of Net Revenue	3.5%	3.2%		3.8%	
Non-recurring events <sup>(1)</sup>	-	-	N/A	6,662	N/A
<b>Recurring General and Administrative Expenses<sup>(1)</sup></b>	<b>(73,772)</b>	<b>(56,595)</b>	<b>30.4%</b>	<b>(77,907)</b>	<b>-5.3%</b>
% Recurring Net Revenue <sup>(1)</sup>	3.5%	3.2%		3.5%	

(1) Non-recurring events: **4Q21**: Brand restructuring (+) R\$6,662k; **1Q21**: Dissolving Wood Pulp (+) R\$513k.

## EBITDA

The first quarter of 2022 was marked by the return of seasonality, which led to a drop in sales volumes on an annual comparison, especially in the Wood Division. However, higher pricing points together with significant operational and sales improvements in the Deca and Tiles Divisions offset the drop in sales and led to another record first quarter for Dexco, with an Adjusted and Recurring EBITDA of R\$503.7 million. Despite the improvement in the absolute result, pressure on the costs of materials and

Adjusted and Recurring EBITDA breakdown  
1Q22 (%)





consumables, such as urea and natural gas, was a major contributor to the EBITDA margin shrinking during the period, ending the quarter at 23.6%.

It should be noted that the results for the new Dissolving Wood Pulp Division (LD Celulose) were treated as a non-recurring event, as it was still considered an investment project that has only an accounting effect in 1Q22. Thus, the negative impact of R\$26.4 million in the quarter, calculated using the equity equivalence method, was not reflected in the Adjusted and Recurring EBITDA of the Company.

The table below shows the reconciliation of EBITDA, in accordance with CVM Instruction 527/12. From this result, and in order to better convey the Company's potential operating cash generation, two adjustments have been made: the exclusion from EBITDA of events of an accounting and non-cash nature, and the disregard of events of an extraordinary nature. Thus, in line with best practices, we present below the calculation of the indicator that best reflects the Company's cash generation potential.

EBITDA reconciliation in BRL'000 – consolidated	1Q22	1Q21	%	4Q21	%
<b>Net income</b>	<b>223,715</b>	<b>172,699</b>	<b>29.5%</b>	<b>581,047</b>	<b>-61.5%</b>
Income tax and social contribution	75,960	96,875	-21.6%	(316,225)	-124.0%
Net financial result	109,724	19,585	460.2%	17,703	519.8%
EBIT	409,399	289,159	41.6%	282,525	44.9%
Depreciation, amortization and depletion	153,431	148,421	3.4%	152,001	0.9%
Depletion of biological assets	38,047	27,030	40.8%	26,791	42.0%
<b>EBITDA according to CVM No. 527/12</b>	<b>600,877</b>	<b>464,610</b>	<b>29.3%</b>	<b>461,317</b>	<b>30.3%</b>
EBITDA margin CVM No. 527/12	28.2%	26.3%		20.5%	
Change in fair value of biological assets	(71,092)	(17,829)	298.7%	(36,212)	96.3%
Employee benefits	274	(3,691)	N/A	9,030	-97.0%
Non-Recurring events <sup>(1)</sup>	-	8,579	N/A	137,266	N/A
Dissolving Wood Pulp	(26,384)	44,253	N/A	16,714	N/A
<b>Adjusted and Recurring EBITDA <sup>(1)</sup></b>	<b>503,675</b>	<b>495,922</b>	<b>1.6%</b>	<b>588,114</b>	<b>-14.4%</b>
<b>Adjusted and Recurring EBITDA margin <sup>(1)</sup></b>	<b>23.6%</b>	<b>28.0%</b>		<b>26.1%</b>	

(1) Non-recurring events listed in the attachment to this report.

## FINANCIAL RESULTS

For the first quarter of the year, the pro forma Financial Result was negative by R\$108.2 million, a consumption of R\$88.6 million in relation to 1Q21, and of R\$70.1 million versus 4Q21. This deterioration is explained by the upward trajectory of base interest rates over the last twelve months, which has a direct impact on the Company's financial burden.

It should be noted that both the Company's financial investments and its debt are significantly linked to the CDI, so that changes to the base interest rate tend to directly impact Dexco's financial result.

BRL'000 – consolidated	1Q22	1Q21	%	4Q21	%
Financial Revenues	61,312	34,084	79.9%	92,993	-34.1%
Financial Expenses	(171,036)	(53,669)	218.7%	(110,696)	54.5%
<b>Financial Result</b>	<b>(109,724)</b>	<b>(19,585)</b>	<b>460.2%</b>	<b>(17,703)</b>	<b>519.8%</b>
Non-recurring events <sup>(1)</sup>	1,502	-	N/A	(20,384)	N/A
Recurring Financial Revenues <sup>(1)</sup>	61,312	34,084	79.9%	70,322	-12.8%
Recurring Expenses Revenues <sup>(1)</sup>	(169,534)	(53,669)	215.9%	(108,409)	56.4%
<b>Recurring Financial Result <sup>(1)</sup></b>	<b>(108,222)</b>	<b>(19,585)</b>	<b>452.6%</b>	<b>(38,087)</b>	<b>184.1%</b>

(1) non-recurring event: **1Q22:** Expense: compensation (+) R\$1,502k; **4Q21:** Revenue: Update of ICMS on the base calculation of PIS and COFINS (-) R\$22,671k; expense: tax contingencies (+) R\$2,287k.

## NET INCOME

The Company ended 1Q22 with Recurring Net Income of R\$198.3 million, a drop of 10.8% versus 1Q21, and of 51.3% versus 4Q21. On an annual comparison, the fall is principally explained by the negative impacts on the Financial Result mentioned above. In relation to the prior quarter, in addition to the worsening financial result, the challenging scenario with respect to costs and expenses, and the drop in sales also had a direct impact on the indicator.

It should be noted that, even with the gains arising from an increase in the Fair Value of Biological Assets, which reflects an increase in the value of wood this quarter, was insufficient to mitigate the negative effects mentioned above.

The drop in Net Income is also reflected in a reduction in the Recurring ROE in the period, which ended 1Q22 at 14.1%, a fall of 3.3 p.p. on an annual comparison and of 13.6 p.p. in relation to 4Q21.

BRL'000 – consolidated	1Q22	1Q21	%	4Q21	%
<b>Net Income</b>	<b>223,715</b>	<b>172,699</b>	<b>29.5%</b>	<b>581,047</b>	<b>-61.5%</b>
Non recurring event <sup>(1)</sup>	<b>991</b>	5,662	-82.5%	(190,551)	-100.5%
Dissolving Wood Pulp	<b>(26,384)</b>	44,079	-159.9%	16,561	-259.3%
<b>Recurring Net Income <sup>(1)</sup></b>	<b>198,322</b>	<b>222,440</b>	<b>-10.8%</b>	<b>407,057</b>	<b>-51.3%</b>
ROE	<b>15.9%</b>	13.5%		39.6%	
Recurring ROE <sup>(1)</sup>	<b>14.1%</b>	17.4%		27.7%	

(1) Non-recurring events listed in the attachment to this material.

## CASH FLOW GRI 201-1

The Company closed out the first quarter of 2022 with a sustaining cash flow of negative R\$55.0 million, which reflects a greater consumption of Working Capital and greater investment in forestry assets, significant in the increase of sustaining CAPEX.

In the last year, the Company has operated with low inventory levels, which has negatively influenced the quality of customer service. In the first quarter of 2022, with the return of seasonality and greater channeling of products to the external market, which requires a greater volume of inventory ahead of sale, Dexco was able to partially restore finished goods inventory levels, thus improving customer service levels and enabling the sale of goods to different markets. It should be noted that even with this recovery, the Company's inventory levels remain at levels below the historical average for the operation. In addition, inflation in the cost of the main materials and consumables was reflected in an increase in the value of the inventories of raw materials. These factors led to the consumption of R\$338.0 million over the period and, coupled to periodic increases in the Average Payment Lead Times, contributed to the 24-day increase in the financial cycle. However, these effects made no significant impact on the ratio of investment in Working Capital to Revenue, which ended the period at 14.3%, an increase of 1.1 p.p. versus 1Q21, but still at low levels.

With respect to the increase of R\$80.9 million in sustaining CAPEX, this mainly reflects higher investment in forestry OPEX, resulting from the rebuilding of the Company's forestry base, whose harvest over the last 24 months has exceeded expectations. In addition, strategic purchases of standing wood were also made, by way of reducing the average transport radius and, consequently, ensuring the lowest production cost of the Company's products.

In addition, when considering non-recurring events, such as investment in expansion projects, investment of R\$93.3 million in LD Celulose, R\$103.6 million of expenditure in acquiring Castelatto, R\$43.8 million in expansion CAPEX, and others, the Company closed 1Q22 having consumed R\$298.9 million.

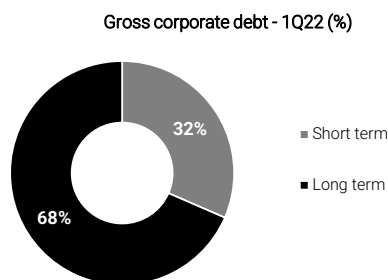
BRL millions	1Q22	1Q21	%	4Q21	%
Adjusted and Recurring EBITDA	<b>503.7</b>	495.9	1.6%	588.1	-14.4%
CAPEX Sustaining	<b>(197.9)</b>	(117.2)	68.9%	(290.6)	-31.9%
Δ Working Capital	<b>(338.0)</b>	(148.1)	128.2%	223.8	N/A
Financial Flow	<b>8.1</b>	4.3	88.0%	(87.8)	N/A
Income tax and social contribution paid	<b>(24.6)</b>	(51.8)	-52.5%	(132.9)	-81.5%
Others	<b>(6.2)</b>	4.1	N/A	0.1	N/A
<b>Free Cash Flow Sustaining</b>	<b>(55.0)</b>	<b>187.2</b>	<b>N/A</b>	<b>300.7</b>	<b>N/A</b>
Projects <sup>(1)</sup>	<b>(243.9)</b>	(9.3)	2534.7%	(295.9)	-17.6%
<b>Free Cash Flow Total</b>	<b>(298.9)</b>	<b>178.0</b>	<b>N/A</b>	<b>4.8</b>	<b>N/A</b>
Cash Conversion Ratio <sup>(2)</sup>	<b>N/A</b>	37.8%		51.1%	

(1) Projects: **1Q22:** DX Ventures (-) R\$9,200 thousand, Dissolving Wood Pulp R\$ (-) 93,300 thousand. Castelatto Acquisition (-) R\$ 103.6 million, Sale of assets (+) R\$ 6,300 thousand, Acquisition of BP Madeira Lines (-) R\$ 13,200 thousand, Forestry expansion (-) R\$ 4,700 thousand, Expansion and improvement of the Deca mix (-) R\$ 3,200 thousand, Ceramic Coatings Expansion R\$ 22,300 thousand; **4Q21:** DX Ventures (-) R\$34,300k, Dissolving Wood Pulp (-) R\$81,900k, Acquisition of Linhas BP Woods and de-bottlenecking (-) R\$41,200k, Deca projects (-) R\$17,200k, expansion, modernization and other - Tiles (-) R\$8,700k, ABC da Construção (-) R\$102,300k, Acquisition of Cetrissa (-) R\$10,300; **1Q21:** Acquisition of BP Wood line and others (-) 2,500k; modernization Tiles (-) R\$6,200k; receipt, divestment of land and forest (+) R\$6,900k; restart of Deca ovens (-) R\$4,400k; Hydra expansion (-) R\$2,600k.

(2) Cash Conversion Ratio: Sustaining Cash Flow / Adjusted and Recurring EBITDA

## CORPORATE DEBT

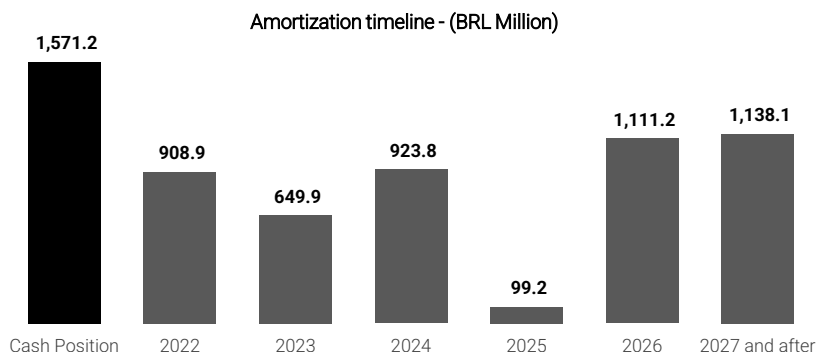
The Company ended the first quarter of the year with consolidated corporate debt of R\$4,831.1 million and Net Debt of R\$ 3,259.9 million. In relation to 4Q21, there was a nominal increase of R\$ 811.6 million of net debt, which can be explained mainly by the total disbursement of R\$ 274.9 million on the Share Buy-Back Program, greater consumption of cash during the period, and the accrual of interest. These effects, together with the maintenance of results over the last twelve months, led to a slight increase in leverage, which closed the period at 1.5x Net Debt/Adjusted and Recurring EBITDA, still at low levels.



Continuing with the liability management strategy, the following funding was secured during the quarter: (i) 1<sup>st</sup> issue of commercial notes to the amount of R\$300.0 million, (ii) draw-down of R\$187.1 million from the BNDES credit line and (iii) financing of USD 75.0 million, equivalent to R\$ 811.6 million. These activities led the Company to finish 1Q22 with an average term of 3.5 years and an increase in the cost to 111.8% of the CDI, mainly impacted by the volatility of the future interest curve.

BRL'000	03/31/2022	03/31/2021	Var R\$	12/31/2021	Var R\$
Short-Term debt	<b>1,487,870</b>	519,548	968,322	849,252	638,618
Long-Term debt	<b>3,231,894</b>	2,612,263	619,631	3,020,396	211,498
Financial instruments <sup>(1)</sup>	<b>111,333</b>				
<b>Total debt</b>	<b>4,831,097</b>	<b>3,131,811</b>	<b>1,699,286</b>	<b>3,869,648</b>	<b>961,449</b>
Cash and equivalent	<b>1,571,158</b>	1,262,001	309,157	1,421,302	149,856
<b>Net debt</b>	<b>3,259,939</b>	<b>1,869,810</b>	<b>1,390,129</b>	<b>2,448,346</b>	<b>811,593</b>
<b>Net debt/Adjusted and Recurring EBITDA</b>	<b>1.48</b>	<b>1.19</b>		<b>1.12</b>	
<b>Net debt/Equity (in %)</b>	<b>59.2%</b>	<b>37.2%</b>		<b>42.7%</b>	

(1) – Hedge of debt: exchange and tax swap



## MANAGEMENT STRATEGY AND INVESTMENT

In the first quarter of 2022, Dexco maintained its focus on rebuilding its forestry assets, arising from the harvest exceeding expectations over the last two years, in line with the greater utilization of its production facilities. For this reason, during the period there was a R\$90.0 million increase in the Company's Forestry OPEX, which is reflected in Sustaining CAPEX of R\$197.9 million. In addition, the continued focus on investment projects announced in 2021, led the Company to disburse R\$43.8 million in the first quarter, allocated between:

(i) R\$22.3 million on the construction of a new Ceramic Tiles line at Botucatu (SP);

(ii) R\$17.9 million on the acquisition of new wood panel coatings lines, debottlenecking projects and increasing the forestry base in the North East;



(iii) R\$3.2 million on growth projects in Metals and Sanitary Ware lines;

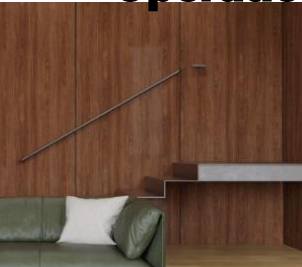
In addition, the Company allocated an additional R\$9.2 million to its corporate venture capital, DX Venture, which will be used to invest in selected scale-ups. In the quarter, DX announced investment in Brasil ao Cubo S.A. ("Brasil ao Cubo"), an investment contract worth up to R\$74.0 million. Brasil ao Cubo is a construtech founded in 2016, specialized in agile construction solutions through the industrialized offsite modular construction technique and the BR3 plug-and-play method. Through the modular construction model, it produces metallic structures ready for assembly at the construction site, with all the electrical, hydraulic and other finishing pre-installed. Currently, it operates in the commercial, industrial, residential, corporate and health segments, with more than 200 projects delivered in 14 states.

The Company has also completed the Castelatto acquisition process, with the payment of R\$103.6 million. Castelatto is a leader in the premium segment of architectural concrete floors and finishings. This is another important step in Dexco's one-stop-shop strategy, as well as the crystallization of its proposition of offering Solutions for Better Living.

Finally, Dexco invested R\$93.3 million in LD Celulose.

# Operations

GRI 102-45



## WOOD

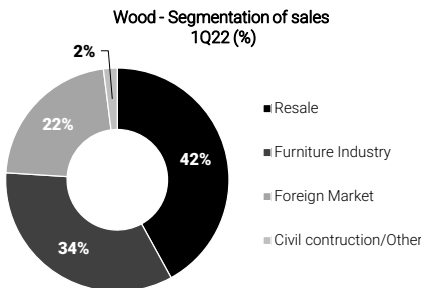
HIGHLIGHTS	1Q22	1Q21	%	4Q21	%
<b>SHIPMENTS (in m³)</b>					
STANDARD	366,061	470,534	-22.2%	408,412	-10.4%
COATED	366,913	331,054	10.8%	348,739	5.2%
<b>TOTAL</b>	<b>732,974</b>	<b>801,588</b>	<b>-8.6%</b>	<b>757,151</b>	<b>-3.2%</b>
<b>FINANCIAL HIGHLIGHTS (BRL'000)</b>					
<b>NET REVENUE</b>	<b>1,349,461</b>	<b>1,092,756</b>	<b>23.5%</b>	<b>1,302,164</b>	<b>3.6%</b>
DOMESTIC MARKET	931,396	787,072	18.3%	1,006,987	-7.5%
FOREIGN MARKET	418,065	305,684	36.8%	295,177	41.6%
<b>Net revenue per unit (BRL/m³ shipped)</b>	<b>1,841.1</b>	<b>1,363.2</b>	<b>35.1%</b>	<b>1,719.8</b>	<b>7.1%</b>
<b>Cash cost per unit (BRL/m³ shipped)</b>	<b>(1,090.4)</b>	<b>(730.2)</b>	<b>49.3%</b>	<b>(942.6)</b>	<b>15.7%</b>
Gross profit	481,056	398,192	20.8%	496,536	-3.1%
Gross margin	35.6%	36.4%		38.1%	
Selling expenses	(177,818)	(114,792)	54.9%	(164,753)	7.9%
General and administrative expenses	(28,921)	(21,955)	31.7%	(37,841)	-23.6%
General and administrative expenses Pro Forma <sup>(1)</sup>	(28,921)	(21,955)	31.7%	(33,795)	-14.4%
<b>Operating profit before financial results</b>	<b>280,326</b>	<b>255,100</b>	<b>9.9%</b>	<b>260,986</b>	<b>7.4%</b>
Depreciation, amortization and depletion	111,320	109,115	2.0%	109,947	1.2%
Depletion tranche of biological assets	38,047	27,030	40.8%	26,791	42.0%
EBITDA according to CVM No. 527/12 <sup>(2)</sup>	429,693	391,245	9.8%	397,724	8.0%
EBITDA margin according to CVM No. 527/12	31.8%	35.8%		30.5%	
Variation in fair value of biological assets	(71,092)	(17,829)	298.7%	(36,212)	96.3%
Employee benefits	449	27	1563.0%	4,311	-89.6%
Non-recurring events <sup>(3)</sup>	-	2,514	N/A	19,625	N/A
<b>Adjusted and Recurring EBITDA</b>	<b>359,050</b>	<b>375,957</b>	<b>-4.5%</b>	<b>385,448</b>	<b>-6.8%</b>
<b>Adjusted and Recurring EBITDA margin</b>	<b>26.6%</b>	<b>34.4%</b>		<b>29.6%</b>	

(1) General & Admin Expenses: 4Q21: Brand restructuring (+) R\$4,046k.

(2) EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization): measure of operational performance in accordance with CVM instruction 527/12.

(3) Non-recurring events: listed in the attachment to this material.

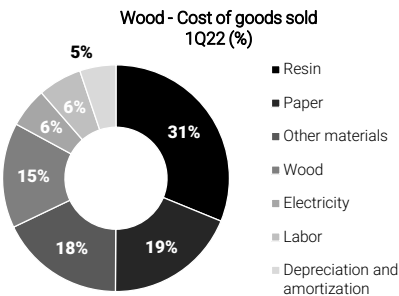
The wood panel market began the year with a fall in sales volumes of 13.0% versus 1Q21, due to stoppages for collective vacations in the industry and greater seasonality in the period. In the domestic market, sales decreased by 18.0%, while export volumes grew 23.2% on the same time comparison, according to IBA data. Dexco, for its part, saw a smaller drop off in sales in the domestic market, confirming one more quarter of market share growth, which was also partially offset by significant growth in exports, the quarter ending with sales having fallen 8.2%.



The Wood Division ended the quarter with 733.0k m<sup>3</sup> of panels sold, of which approximately 26.0% were sent to the Colombian operation and the external market, 5.0 p.p. above the volume shipped in 1Q21. The greater channeling of products to the external market is the result of the Company's strategy to improve its positioning in diversified markets and the creation of long-term relationships with strategic clients, ensuring greater flexibility and stability to the panel business even under different scenarios, as seen during the quarter itself.

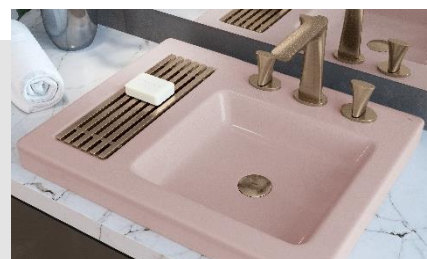
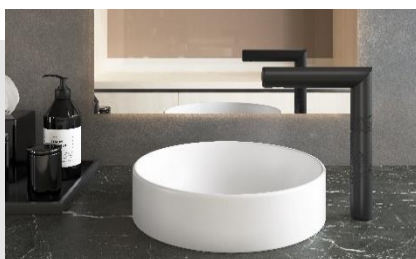
The results of the well-implemented trade strategy, with the prioritization of more profitable channels, and price increases carried out in 2021, raised the pricing points in the quarter. In addition, there was a significant improvement in the product mix, with 50.1% of the volume sold being coated products. Such factors drove an increase in unit revenue of 35.1% in relation to the same period in 2021 and of 7.1% versus 4Q21. This increase led to Net Revenue of R\$1,349.5 million, 23.5% and 3.6% greater than for 1Q21 and 4Q21 respectively. Of this, R\$418.1 million was generated by sales in Colombia and the external market.

Pressure on the cost of materials and consumables had a negative impact on the Wood Division's results, with a significant increase in the cost of urea, which currently represents around 20.0% of the Division's costs. Consequently, the Company closed out the first quarter of the year with a 49.3% decrease in unit cash cost versus the same period last year and a 15.7% decrease in relation to the prior quarter. The increase in the cost of international freight also put pressure on the Division's results, leading to an increase in Sales Expenses of 54.9% versus 1Q21 and 7.9% versus 4Q21. General & Admin Expenses, as well as the consolidated results, were impacted by spending on digitalization and by an increase to base salaries, which resulted from the 2021 collective bargaining agreement. Compared to 4Q21, this account showed a fall of 14.4%.



The higher pricing points and improved mix were not enough to offset the drop off in sales volumes or the cost pressures felt during the period, the Division ending the quarter with an Adjusted and Recurring EBITDA of R\$359.1 million, 4.5% lower than for 1Q21, with a margin of 26.6%. But this still demonstrates the new levels the Division has reached with its results.

Reinforcing the strategy for differentiation, R\$17.9 million was invested in the factory debottlenecking project, in the acquisition of equipment for expanding panel coating capacity, and in increasing the base of forestry assets in the Northeast.



## DECA

HIGHLIGHTS	1Q22	1Q21	%	4Q21	%
<b>SHIPMENTS (in '000 items)</b>					
BASIC GOODS	1,714	1,959	-12.5%	2,771	-38.1%
FINISHING GOODS	3,144	4,585	-31.4%	4,392	-28.4%
<b>TOTAL</b>	<b>4,858</b>	<b>6,544</b>	<b>-25.8%</b>	<b>7,163</b>	<b>-32.2%</b>
<b>FINANCIAL HIGHLIGHTS (BRL 1,000)</b>					
<b>NET REVENUE (sales in items)</b>	<b>488,597</b>	<b>461,266</b>	<b>5.9%</b>	<b>630,068</b>	<b>-22.5%</b>
NET REVENUE (sales in items) Pro Forma	488,597	461,266	5.9%	630,068	-22.5%
DOMESTIC MARKET	463,604	434,263	6.8%	598,487	-22.5%
FOREIGN MARKET	24,993	27,003	-7.4%	31,581	-20.9%
<b>Net revenue per unit (BRL/ per item shipped)</b>	<b>100.6</b>	<b>70.5</b>	<b>42.7%</b>	<b>88.0</b>	<b>14.3%</b>
<b>Cash cost per unit (BRL/ per item shipped)</b>	<b>(65.7)</b>	<b>(46.6)</b>	<b>41.1%</b>	<b>(60.8)</b>	<b>8.1%</b>
<b>Cash cost per unit Pro Forma (BRL/per item shipped)<sup>(1)</sup></b>	<b>(65.7)</b>	<b>(46.6)</b>	<b>41.1%</b>	<b>(59.8)</b>	<b>9.9%</b>
Gross profit	146,423	133,633	9.6%	171,257	-14.5%
Gross profit - Pro Forma <sup>(1)</sup>	146,423	133,633	9.6%	178,662	-18.0%
Gross margin	30.0%	29.0%		27.2%	
Gross margin - Pro Forma <sup>(1)</sup>	30.0%	29.0%		28.4%	
Selling expenses	(61,280)	(66,708)	-8.1%	(118,243)	-48.2%
Selling expenses - Pro Forma <sup>(2)</sup>	(61,280)	(62,318)	-1.7%	(75,041)	-18.3%
General and administrative expenses	(31,124)	(27,553)	13.0%	(33,221)	-6.3%
General and administrative expenses - Pro Forma <sup>(3)</sup>	(31,124)	(27,553)	13.0%	(31,351)	-0.7%
<b>Operating profit before financial results</b>	<b>44,999</b>	<b>34,438</b>	<b>30.7%</b>	<b>20,652</b>	<b>117.9%</b>
Depreciation and amortization	27,635	26,893	2.8%	28,584	-3.3%
EBITDA according to CVM No. 527/12 <sup>(4)</sup>	72,634	61,331	18.4%	49,236	47.5%
EBITDA margin according to CVM No. 527/12	14.9%	13.3%		7.8%	
Employee benefits	(197)	(2,387)	-91.7%	3,585	N/A
Non-recurring events <sup>(5)</sup>	-	6,065	N/A	65,586	N/A
<b>Adjusted and Recurring EBITDA</b>	<b>72,437</b>	<b>65,009</b>	<b>11.4%</b>	<b>118,407</b>	<b>-38.8%</b>
<b>Adjusted and Recurring EBITDA margin</b>	<b>14.8%</b>	<b>14.1%</b>		<b>18.8%</b>	

(1) Cost of Goods Sold: **4Q21**: Impairment (+) R\$7,405k.

(2) Sales expenses: **4Q21**: restructuring Deca (+) R\$43,202k; **1Q21**: restructuring Deca Sales (+) R\$4,390k.

(3) General & Admin Expenses: **4Q21**: Brand restructuring (+) R\$1,870k;

(4) EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization): measure of operational performance in accordance with CVM instruction 527/12.

(5) Non-recurring events: listed in the attachment to this material.



Deca was impacted by greater seasonality in the quarter, which led to a significant drop off in sales of electric showers and, consequently, the Division's total sales. However, the well-implemented pricing and positioning strategy partially offset the fall in sales and led to the Division outperforming the market, with deflated gross sales shrinking only 2.3%, compared to 9.9% for the sector, as reported by ABRAMAT.

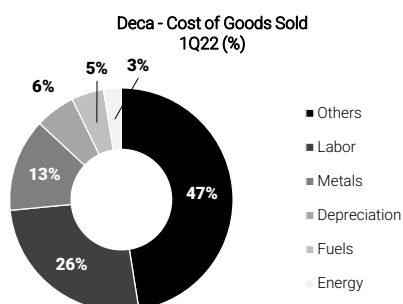
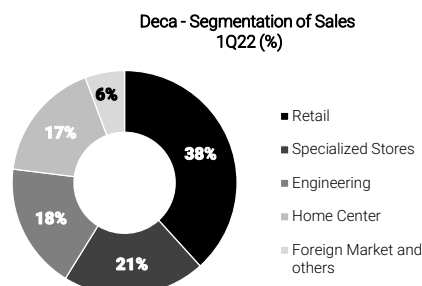
The Deca Division sold 4,858k pieces in the quarter, a fall of 25.8% in relation to 1Q21, mainly due to the drop off in electric shower sales combined with a reduction in retail sales typical for the time of year. It should be noted that in January 2022, the increase in the spread of COVID-19 infections had a negative impact on the Division's operation and on the sector's sales, which has since showed signs of recovery. By March, Deca had already seen sales return to being in line with the previous year.

Even given the drop in sales, Deca managed to improve its product positioning and implement price increases during the period. Thus the unit revenue increased by 42.7% versus the first quarter of 2021. As a result, Recurring Net Revenue was R\$488.6 million, 5.9% higher than for 1Q21. This result demonstrates the brand's resilience and positioning differential even under the most diverse scenarios.

The cost of its main materials and consumables, especially those denominated in dollars, remains high, as reported in 2021, but with more weighted increases, which allowed the implementation of productivity projects to offset these increases. Thus the Cost of Goods Sold rose only 5.0% in relation to 1Q21. For the unit Cost of Goods Sold, this increase was more significant, mainly due to the lower dilution of fixed costs, as a result of the fall in sales volumes. Sales Expenses also benefited from the lower volumes sold which, even under a strong inflationary scenario, led to a 1.7% fall versus the same quarter in 2021. General & Admin Expenses, as with other divisions, were impacted by the salary increases resulting from the collective bargaining agreement, introduced at the end of 2021, which explains the 13.0% year-on-year increase.

The factors mentioned above led to an Adjusted and Recurring EBITDA of R\$72.4 million, 11.4% greater than that reported for 1Q21, and to a margin of 14.8%.

The Division recently announced some organic growth projects, which will involve the disbursement of approximately R\$600.0 million in order to expand capacity and improve the mix of its metals lines. Of this amount, R\$3.2 million was disbursed in 1Q22, giving a total investment to date of R\$45.1 million.







## TILES

HIGHLIGHTS	1Q22	1Q21	%	4Q21	%
<b>SHIPMENTS (in 'm²)</b>					
FINISHING GOODS	5,363,620	5,385,111	-0.4%	6,210,976	-13.6%
TOTAL	5,363,620	5,385,111	-0.4%	6,210,976	-13.6%
<b>FINANCIAL HIGHLIGHTS (BRL1,000)</b>					
<b>NET REVENUE</b>	<b>292,944</b>	<b>214,104</b>	<b>36.8%</b>	<b>318,607</b>	<b>-8.1%</b>
<b>Net Revenue - Pro Forma</b>	<b>292,944</b>	<b>214,104</b>	<b>36.8%</b>	<b>318,607</b>	<b>-8.1%</b>
DOMESTIC MARKET	264,901	193,304	37.0%	283,209	-6.5%
FOREIGNT MARKET	28,043	20,800	34.8%	35,398	-20.8%
<b>Net revenue per unit (BRL per m² shipped)</b>	<b>54.6</b>	<b>39.8</b>	<b>37.4%</b>	<b>51.3</b>	<b>6.5%</b>
<b>Cash cost per unit (BRL per m² shipped)</b>	<b>(30.8)</b>	<b>(23.8)</b>	<b>29.3%</b>	<b>(29.5)</b>	<b>4.3%</b>
Gross profit	115,467	74,614	54.8%	123,270	-6.3%
Gross margin	39.4%	34.8%		38.7%	
Selling expenses	(43,739)	(24,488)	78.6%	(48,045)	-9.0%
Selling expenses - Pro Forma <sup>(1)</sup>	(43,739)	(24,488)	78.6%	(43,120)	1.4%
General and administrative expenses	(13,241)	(6,574)	101.4%	(13,058)	1.4%
General and administrative expenses - Pro Forma <sup>(2)</sup>	(13,241)	(6,574)	101.4%	(12,312)	7.5%
<b>Operating profit before financial results</b>	<b>57,690</b>	<b>43,874</b>	<b>31.5%</b>	<b>17,600</b>	<b>227.8%</b>
<b>Depreciation and amortization</b>	<b>14,476</b>	<b>12,413</b>	<b>16.6%</b>	<b>13,470</b>	<b>7.5%</b>
EBITDA according to CVM No. 527/12 <sup>(3)</sup>	72,166	56,287	28.2%	31,070	132.3%
EBITDA margin according to CVM No. 527/12	24.6%	26.3%		9.8%	
Employee benefits	22	(1,331)	N/A	1,134	-98.1%
Non-recurring events <sup>(4)</sup>	-	-	N/A	52,055	N/A
<b>Adjusted and Recurring EBITDA</b>	<b>72,188</b>	<b>54,956</b>	<b>31.4%</b>	<b>84,259</b>	<b>-14.3%</b>
<b>Adjusted and Recurring EBITDA margin</b>	<b>24.6%</b>	<b>25.7%</b>		<b>26.4%</b>	

(1) Sales Expenses: 4Q21: restructuring Tiles (+) R\$4,925k;

(2) General & Admin Expenses: 4Q21: Brand restructuring (+) R\$746k;

(3) EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization): measure of operational performance in accordance with CVM instruction 527/12.

(4) Non-recurring events: listed in the attachment to this material.





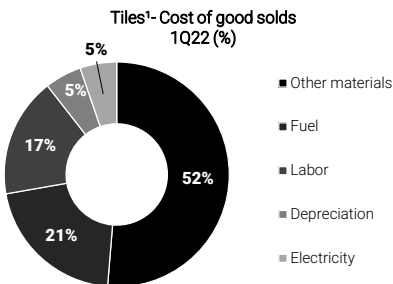
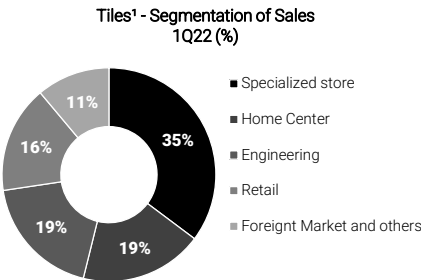
The Ceramic Tiles market ended the first quarter of 2022 with a fall of 11.0% in sales volumes compared to the first quarter of 2021. The sector's installed capacity utilization was 85.0%, according to ANFACER data. Dexco's Tiles Division once again outperformed the market with 99.1% utilization in the quarter, despite sales volumes remaining at 1Q21 levels. In March, the Division began to consolidate Castelatto's results, but with no significant impact on the Division's quarterly results.

Sales volumes for 1Q22 totaled 5,363.6k m<sup>2</sup> sold, in line with the result for 1Q21. Despite this fall, the Division was very successful in implementing price increases and improving the mix of products sold, enhancing its exposure in the market for large formats with the Portinari brand. These factors led to total Net Revenue of R\$292.9 million, growth of 36.8% versus the same period in 2021, while Unit Revenue grew 37.4% on the same comparison.

With respect to Sales Expenses, recent increases in the cost of its main energy source, natural gas, led to a 29.3% growth in the Division's Pro forma Unit Cost in the quarter, offset by a smaller increase in Revenue, thus maintaining the Division's Gross Margin. Sales Expenses increased by 78.6%, due to increases in the cost of exportation - which provides around 10.0% of the Division's sales - and greater expenditure on marketing and fairs. General & Admin Expenses totaled R\$13.2 million, arising from the higher apportionment of corporate expenses, especially those related to the process of digitalization, and the increase in the employee salaries in keeping with that seen in the other Divisions.

Despite the increases in costs and expenses, high levels of productivity, an improved sales mix and price increases led the Division to report an Adjusted and Recurring EBITDA of R\$72.2 million, 31.4% greater than for 1Q21, while the margin was 24.6% for the period. With this result, the Division represented 14.0% of the Company's earnings, 3 p.p. higher than for 1Q21.

It should be noted that the Tiles Division announced its new organic growth project, with which it intends to increase its production capacity for giant formats by 35.0%. Furthermore, the Division has announced investment of R\$20.0 million in the modernization of its existing lines. Of this amount, R\$22.3 million was invested in 1Q22.



1 –Ceusa and Portinari Brands.

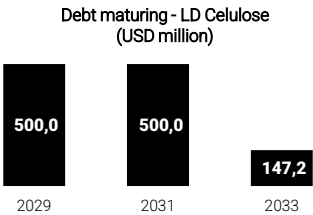
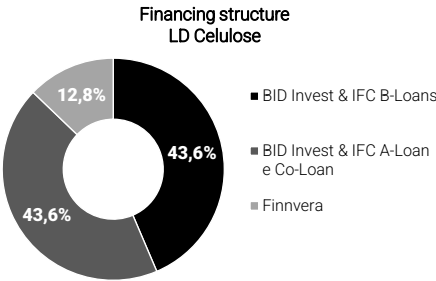


# DISSOLVING WOOD PULP

In an event that took place after the end of the first quarter, the Company announced the launch and ramp up of operations at LD Celulose’s new Dissolving Wood Pulp unit. The results for this business are already reflected in Dexco’s results via the equity method reflecting the proportion to Dexco’s share (49%).

Located in the Triângulo Mineiro, with 500k tons capacity, LD Celulose is the fruit of a Joint Venture between Dexco and the Austrian company Lenzing AG, which will receive 100% of the volume sold. Investment in the project was approximately USD 1.38 billion, including the infrastructure and taxes incurred. It should be noted that the project was completed both on time and to budget, in line with initial estimates.

With this project, the Company has invested R\$623.6 million, of which R\$93.3 million was invested in 1Q22, in addition to a contribution of 43.0k hectares of forest, valued at R\$487.0 million. In the quarter, LD Celulose had a positive impact of R\$26.3 million, allowing for consulting expenses, exchange rate variation and structuring of the new company. It should be noted that the results were treated as a non-recurring event, given that they represent only accounting effects and this is an investment project.



# Capital Markets GRI 102-5

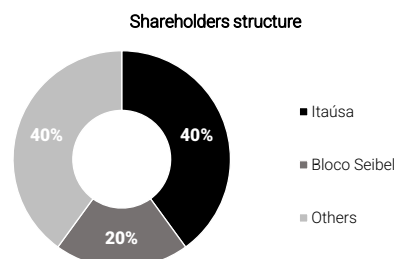
## SHAREHOLDER RETURN

At the end of first quarter of 2022, the Company had a market value of R\$10,716.0 million, with a closing share price of R\$14.59 on 31/03/2022.

The final share price fell by 1.9% versus the prior quarter, while the Ibovespa index presented the growth of 14.5% over the period, considering a historical adjustment reflecting the impact of the payment of dividends and bonuses.

747,088 trades were carried out on the B3 spot market in the quarter, which represents turnover of approximately R\$ 3.4 billion, or a daily average trade value of R\$55.0 million.

In the 1st quarter of 2022, a new Share Buyback Plan was announced for the acquisition of 20,000,000 common shares with the objective of maximizing the generation of shareholder value. Also in the same quarter, the plan was finalized with the total repurchase of shares and total expenditure of R\$274.9 million.



## Socio-environmental Performance (ESG)

In line with Dexco's strategic vision for Sustainability, we have advanced discussions that involve economic and social themes, the impact of the Company on the environment and best practices in Corporate Governance. Thus, we have introduced into the quarterly results report the Global Reporting Initiative (GRI) indicators, as a transparent means of measuring progress against the Company's sustainability targets.

## ADDED VALUE GRI 201-1

Value Added for 1Q22 totaled R\$913.6 million, with 25.7% of this total paid to the federal, state and municipal governments in the form of tax and social security contributions.

## PEOPLE MANAGEMENT GRI 102-8

The Company finished the first quarter of 2022 with 14,188 employees, in line with the number reported in the previous year.

(R\$ '000)	1Q22	1Q21	%	4Q21	%
<b>Employees (quantity)</b>	<b>14,188</b>	<b>13,723</b>	<b>3.4%</b>	<b>14,228</b>	<b>-0.3%</b>
Remuneration	157,848	139,404	13.2%	159,333	-0.9%
Obligatory legal charges	86,042	76,008	13.2%	82,762	4.0%
Differentiated benefits	43,708	35,818	22.0%	40,644	7.5%

## ACCIDENT RATE GRI 403-9

The rate of Lost Time Accidents (LTA), indicates the frequency of injuries in relation to the total time worked by all employees during a given period. In the first quarter of the year, the Company reported a total of 29 lost time accidents, and 4 accidents that did not involve lost time, in more than 5.0 million man-hours worked.

Work-Accident   GRI 403-9		YTD 2022	YTD 2021	%
<b>Brazil</b>	Deaths Resulting from Work Accidents	-	-	-
	Mandatory Communication Work Accidents	8,80	3,30	166,7%
	Occupational Accidents with Serious Consequences (except deaths)	-	-	-
<b>Colombia</b>	Deaths Resulting from Work Accidents	-	-	-
	Mandatory Communication Work Accidents	23,32	32,70	-28,7%
	Occupational Accidents with Serious Consequences (except deaths)	-	-	-
Work-related injuries		YTD 2022	YTD 2021	%
<b>Brazil</b>	Deaths Resulting from Work Accidents	3,59	1,97	82,2%
<b>Colombia</b>	Accident Frequency Rate (TFA)	23,32	23,31	0,0%

## EMISSION OF GREENHOUSE GASES (GEE) GRI 305-1, 305-2 e 305-3

Dexco tracks and controls the Company's emissions, in keeping with the accepted guidelines of Scopes 1, 2 and 3, with the Annual Inventory audit by a third-party. The greenhouse gas emissions are published annually in the Public Registry of Emissions of the Brazilian Program GHG Protocol. The Company also reports the intensities of direct emissions, thus enabling tracking of the evolution of performance in each business of the company.

Absolute greenhouse gas emissions are in line when compared to the same period of the previous year. Regarding the emissions of each scope, the increase in the scope 2 category is notable, due to the higher consumption of electricity in the administrative units, as a result of the return of administrative employees to the office. In addition, the Grid's emission factor, which showed an increase of approximately 60.0% compared to the beginning of the previous year, boosting emissions.

At Deca Metals e Sanitary Ware, the increase in fuel consumption is explained by the increased use of compressors to service production.

Direct and indirect GHG emissions   GRI 305-1   GRI 305-2   GRI 305-3		YTD 2022	YTD 2021	%
<b>Brazil</b>	Scope 1 (tCO2e)	76.872	72.886	5,5%
	Scope 2 (tCO2e)	22.264	19.156	16,2%
	Scope 3 (tCO2e)	74.464	79.251	-6,0%
<b>Colombia</b>	Scope 1 (tCO2e)	3.493	4.682	-25,4%
	Scope 3 (tCO2e)	2.822	2.967	-4,9%
	Scope 2 (tCO2e)	4.176	6.384	-34,6%
<b>Total (Brasil + Colombia)</b>		184.090	185.326	-0,7%
GHG emissions intensity   GRI 305-4		YTD 2022	YTD 2021	%
<b>Brazil</b>	Deca Metals (tCO2e/piece)	0,000558	0,000485	15,1%
	Deca Sanitary Ware (tCO2e/kg)	0,000528	0,000393	34,2%
	Hydra (tCO2e/piece)	0,000146	0,000109	33,2%
	Pannels (tCO2e/m³)	0,038259	0,033498	14,2%
	Tiles (tCO2e/m²)	0,008640	0,008750	-1,3%
<b>Colombia</b>	Pannels (tCO2e/m³)	0,101870	0,134226	-24,1%
Direct and indirect GHG emissions   GRI 305-1   GRI 305-2   GRI 305-3		YTD 2022	YTD 2021	%
<b>Brazil</b>	Deca (tCO2e)	18.059	25.955	-30,4%
	Wood (tCO2e)	95.727	89.865	6,5%
	Tiles (tCO2e)	59.815	55.473	7,8%
<b>Colombia</b>	Wood (tCO2e)	10.491	14.033	-25,2%

(1) Scope 1: Direct emissions from the Company, including the consumption of fuel in our factories, such as, for example, in the operations for generating energy, or transporting materials, generators, own vehicles used for the transfer of goods between units, cooling gases used in air conditioning, carbon from fire extinguishers, etc. (2) Scope 2: Indirect emissions, originating from the purchase of mains electricity.

## ENERGY CONSUMPTION GRI 302-1

The total electricity consumption of the operations includes the consumption of renewable and non-renewable fuels. The proportion of renewable electricity consumed is also reported, as is the energy intensity of the units.

The Company closed out another quarter with significant consumption of renewable energy in its operations, which represented more than 50.0% of the energy supply, both in Brazil and Colombia. This result is driven by the significant quantities of biomass consumption in the Panels units.

It should also be noted that the change in the processes for obtaining energy, with the prioritization of fuels from renewable sources and the use of biomass has led to a reduction in the consumption of combustible oil and propane. In the Sanitary Ware operation, the increase in energy consumption is explained by the increase in the use of the refiring kilns, which are fueled by natural gas. In the Tiles units, for their part, improvements have been made to products that impact energy consumption.

In addition, due to its energy efficiency, gasoline has replaced ethanol in some of the units.

Energy consumption   GRI 302-1				Brazil			Colombia			Total (Brazil + Colombia)		
A. Energy generated by fuel consumption	YTD 2022	YTD 2021	%	YTD 2022	YTD 2021	%	YTD 2022	YTD 2021	%			
Acetylene	18	40	-54,0%	-	-	-	18	40	-54,0%			
biomass	746.036	785.331	-5,0%	66.108	18.873	250,3%	812.145	804.204	1,0%			
sub-bituminous coal	227.347	209.366	8,6%	-	-	-	227.347	209.366	8,6%			
Diesel	76.999	71.884	7,1%	1.811	525	244,7%	78.809	72.409	8,8%			
Biodiesel	-	-	-	-	-	-	-	-	-			
Ethanol	50	228	-78,2%	-	-	-	50	228	-78,2%			
Natural gas	721.523	702.905	2,6%	19.418	5.403	259,4%	740.941	708.309	4,6%			
Gasoline	2.325	4.051	-42,6%	-	-	-	2.325	4.051	-42,6%			
LPG	25.184	19.530	28,9%	31.213	13.438	132,3%	56.397	32.968	71,1%			
GMP oil	7.847	20.509	-61,7%	-	-	-	7.847	20.509	-61,7%			
Propane	97	201	-51,7%	-	-	-	97	201	-51,7%			
A. Subtotal of Renewable Fuels (Biomass, Biodiesel and Ethanol)	746.086	785.559	-5,0%	66.108	18.873	250,3%	812.194	804.432	1,0%			
Total energy generated by fuel consumption	1.807.426	1.814.045	-0,4%	118.551	38.239	210,0%	1.925.977	1.852.285	4,0%			
B. Electricity (Acquired Energy)	778.930	779.213	0,0%	50.045	52.620	-4,9%	828.975	831.833	-0,3%			
Total renewable energy (A + B)	1.525.016	1.564.772	-2,5%	116.154	71.492	62,5%	1.641.170	1.636.264	0,3%			
Total energy consumed	2.586.356	2.593.259	-0,3%	168.596	90.859	85,6%	2.754.952	2.684.118	2,6%			
Percentage of energy from renewable sources on the total energy consumed (%)	54,4	55,8	-1,4	64,4	70,0	-5,5	59,6	61,0	-1,4			

GRI 302-3 – Energy Intensity		YTD 2022	YTD 2021	%
Brazil	Deca Metals (GJ/piece)	0,0153	0,0147	4,1%
	Deca Sanitary Ware (GJ/kg)	0,0092	0,0081	13,7%
	Hydra (GJ/piece)	0,0049	0,0043	15,6%
	Pannels (GJ/m³)	1,9519	1,8670	4,5%
	Tiles (GJ/m²)	0,1373	0,1406	-2,3%
Colombia	Pannels (GJ/m³)	2,7199	0,9907	174,6%

GRI 302-3 – Energy Intensity		YTD 2022	YTD 2021	%
Brazil	Deca Metals (GJ/piece)	0,0153	0,0147	4,1%
	Deca Sanitary Ware (GJ/kg)	0,0092	0,0081	13,7%
	Hydra (GJ/piece)	0,0049	0,0043	15,6%
	Pannels (GJ/m³)	1,9519	1,8670	4,5%
	Tiles (GJ/m²)	0,1373	0,1406	-2,3%
Colombia	Pannels (GJ/m³)	2,7199	0,9907	174,6%

## WATER CONSUMPTION GRI 303-5

The water consumed by Duratex is mostly subterranean in origin, followed by water supplied by utility companies and surface water. The volume of water reuse at the Company is very significant, especially due to the large volume of water reused in the Tiles processes.

Compared to the same period of the previous year, there was a reduction in the percentage of reuse due to maintenance shutdowns at the panels units and operational adjustments to Metals.

The consumption of collected water increased in the business compared to the same period last year, arising from the critical scenario during the pandemic in 2020. In addition, there was an increase in water consumption in part of the forestry operations due to the lack of rain in some regions.

Recycled and reused water   GRI 303-3			YTD 2021		YTD 2020		%
Water withdrawal   GRI 303-5			Water stress		Water stress		
Uptake by source (m³)			No	Yes	No	Yes	
Brazil	Surface water	Fresh water	211.113	-	142.981	-	47,7%
	Third party water	Fresh water	97.884	13.661	99.203	15.689	-1,3%
	Underground water	Fresh water	807.387	-	799.684	-	1,0%
	Total		1.116.384	13.661	1.041.868	15.689	7,2%
Colombia	Surface water	Fresh water	33.714	-	34.730	-	-2,9%
	Third party water	Fresh water	1.392	-	1.618	-	-14,0%
	Underground water	Fresh water	2.942	-	3.234	-	-9,0%
	Total		38.048	-	39.582	-	-3,9%
			YTD 2021		YTD 2020		
Brazil	Percentage of water reused (%)		159,30		190,18		-16,2%
Colombia	Percentage of water reused (%)		0,89		0,61		44,6%

Brazil	Intensity of water consumption	YTD 2022	YTD 2021	%
	Deca Metls (m³/piece)	0,01007	0,00975	3,3%
	Deca Sanitary Ware (m³/kg)	0,00405	0,00381	6,4%
	Hydra (m³/piece)	0,00324	0,00278	16,5%
	Pannels (m³/m³)	1,03606	0,93889	10,3%
	Tiles (m³/m²)	0,03829	0,02932	30,6%
Colombia	Pannels (m³/m³)	0,61382	0,20608	197,9%

Brazil	Water consumption   303-5	YTD 2022	YTD 2021	%
	Deca (m³)	128.801	149.522	-13,9%
	Wood (m³)	744.454	728.236	2,2%
	Tiles (m³)	256.790	179.799	42,8%
Colombia	Wood (m³)	38.048	39.582	-3,9%

## WASTE GENERATION GRI 306-1

The Company monitors the generation of waste from its processes, as well as the volume sent by the industrial units to pre-approved receivers, in keeping with the internal guidelines established. Seeking to minimize the volume of waste allocated for landfill, a program of internal re-use is carried out, as well as allocation of waste for recycling, co-processing, re-utilization and the generation of electricity, for example, enabling the tracking of external re-use and new uses for the waste

Year to date in 2022, 21.0% of waste has been reutilized internally, while 57.0% has been sent for external reuse, while 22.0% has been disposed of.

At the beginning of the year, the cleaning of the units led to an increase in the amount of waste. In Tiles and Panels, the increase in production impacted the generation of waste, as shown in the relative indicators. In tableware, the greatest impact refers to the increase in mass (scrap), sent to landfill or reused in the production itself. Furthermore, the Company is evaluating new procedures for the storage and disposal of ceramic sludge generated in Louças. At the units in Colombia, there was less waste generation.



## Waste discharge by quality and destination GRI 306-1

Waste discharge by quality and destination (R1300-1)							
	Location	Destination	Operations	YTD 2021	YTD 2020	%	
Brasil	Within the organization	Reused	Other recovery operations	2.702,00	-	-	
			Preparation for reuse	11.046,62	20.602,30	-46,4%	
			Recycling	7.051,68	8.355,05	-15,6%	
	Outside organization	Intended for disposition	Containment in landfill	7.723,99	6.564,03	17,7%	
			Incineration without energy recovery	0,07	2,93	-97,6%	
			Other disposition operations	13.509,63	7.394,42	82,7%	
		Reused	Other recovery operations	-	-		
			Other disposition operations	-	-		
			Other recovery operations	2.718,31	736,46	269,1%	
			Preparation for reuse	15.817,05	8.705,17	81,7%	
Recycling	34.476,32	33.356,80	3,4%				
Colombia	Outside organization	Intended for disposition	Containment in landfill	112,25	144,64	-22,4%	
			Incineration without energy recovery	4,11	4,36	-5,7%	
			Other disposition operations	-	-		
		Reused	Other recovery operations	-	1,50	-100,0%	
			Other disposition operations	-	-		
			Other recovery operations	0,04	0,03	33,3%	
			Preparation for reuse	31,75	120,70		
			Recycling	3.514,88	3.406,84	3,2%	
Waste discharge (Brasil + Colombia)			YTD 2021	% total	YTD 2020	% total	Var.
Intended for reuse			77.359	78,4%	78.242	84,7%	-1,1%
Reused internally			20.800	21,1%	31.916	34,6%	-34,8%
Externally reused			56.558	57,3%	46.326	50,2%	22,1%
Intended for disposal			21.350	21,6%	14.112	15,3%	51,3%
Total waste discharge			98.709	-	92.354	-	6,9%

Intensity of waste destination			YTD 2022	YTD 2021	%
<b>Brazil</b>	Deca Metals (kg/piece)		<b>0,0004</b>	0,0004	1,6%
	Deca Sanitary ware (kg/kg)		<b>0,0007</b>	0,0004	68,1%
	Hydra (kg/piece)		<b>0,0002</b>	0,0001	11,1%
	Pannels(kg/kg)		<b>0,0410</b>	0,0276	48,8%
	Tiles (kg/m²)		<b>0,0040</b>	0,0036	10,3%
<b>Colombia</b>	Pannels (kg/kg)		<b>0,0591</b>	0,0191	208,6%

Water discharge by quality and destination   GRI 306-1			YTD 2022	YTD 2021	%
<b>Brazil</b>	Deca (t)		<b>17.839,3</b>	13.202,4	35,1%
	Wood (t)		<b>29.490,8</b>	21.387,7	37,9%
	Tiles (t)		<b>26.915,3</b>	22.169,7	21,4%
<b>Colombia</b>	Wood (t)		<b>3.663,0</b>	3.678,2	-0,4%

# Attachments

## Financial Statements

CONSOLIDATED ASSETS	03/31/2022	AV%	03/31/2021	AV%	12/31/2020	AV%
<b>CURRENT</b>	<b>5.167.174</b>	<b>36,5%</b>	<b>4.661.437</b>	<b>34,7%</b>	<b>3.979.630</b>	<b>35,5%</b>
Cash and cash equivalents	1.571.158	11,1%	1.421.302	10,6%	1.262.001	11,2%
Trade accounts receivable	1.445.231	10,2%	1.407.630	10,5%	1.238.994	11,0%
Related parties accounts receivable	35.349	0,2%	22.535	0,2%	6.740	0,1%
Inventories	1.718.096	12,1%	1.433.223	10,7%	1.118.733	10,1%
Other receivables	68.527	0,5%	80.431	0,6%	68.946	0,6%
Recoverable taxes and contributions	185.749	1,3%	200.172	1,5%	151.919	1,4%
Derivative Financial Instruments	41.045	0,2%	7.170	0,0%	-	-
Other credits	43.561	0,3%	30.516	0,1%	34.258	0,3%
Non current assets available for sale	58.458	0,4%	58.458	0,4%	98.039	0,9%
<b>NON-CURRENT</b>	<b>8.994.709</b>	<b>63,5%</b>	<b>8.758.894</b>	<b>65,3%</b>	<b>7.243.793</b>	<b>64,5%</b>
Restricted deposits	94.814	0,8%	86.586	0,6%	67.762	0,6%
Other receivables	99.643	0,7%	109.151	0,8%	125.651	1,1%
Pension plan credits	98.613	0,7%	98.029	0,7%	100.385	0,9%
Recoverable taxes and contributions	767.673	5,4%	801.194	6,0%	16.667	0,1%
Deferred income tax and social contribution	277.760	2,0%	294.868	2,2%	255.345	2,3%
Marketable securities	49.189	0,3%	39.947	0,3%	-	-
Investments in subsidiaries and associates	1.327.137	9,4%	1.311.129	9,8%	1.014.922	9,0%
Other investments	2.588	0,0%	3.518	0,0%	4.227	0,0%
Property, plant and equipment	3.638.505	25,7%	3.628.446	27,0%	3.457.535	30,9%
Assets of use rights	413.612	2,9%	366.988	2,7%	339.892	3,0%
Biological assets	1.387.410	9,8%	1.268.648	9,5%	1.129.358	10,1%
Intangible assets	837.765	5,9%	750.390	5,6%	732.049	6,5%
<b>TOTAL ASSETS</b>	<b>14.161.883</b>	<b>100,0%</b>	<b>13.420.331</b>	<b>100,0%</b>	<b>11.223.423</b>	<b>100,0%</b>

CONSOLIDATED LIABILITIES AND STOCKHOLDERS' EQUITY	03/31/2022	AV%	03/31/2021	AV%	12/31/2020	AV%
<b>CURRENT</b>	<b>3.950.413</b>	<b>27,9%</b>	<b>3.371.691</b>	<b>25,1%</b>	<b>2.360.786</b>	<b>21,0%</b>
Loans and financing	880.416	6,3%	836.277	6,2%	510.635	4,5%
Related parts loans and financing	562.678	4,0%	-	0,0%	-	0,0%
Debentures	44.776	0,3%	12.975	0,1%	8.913	0,1%
Suppliers	1.530.827	10,8%	1.649.162	12,3%	1.151.965	10,3%
Related parties suppliers	3.137	0,0%	4.499	-	-	0,0%
Lease liability	28.587	0,2%	25.794	0,2%	23.094	0,2%
Related party lease liabilities	-	0,0%	-	0,0%	119	0,0%
Personnel	195.786	1,4%	203.823	1,5%	168.385	1,5%
Accounts payable	533.857	3,8%	540.743	4,0%	376.255	3,4%
Related parties accounts payable	4.396	0,0%	3.269	0,0%	2.242	0,0%
Taxes and contributions	117.423	0,8%	92.090	0,7%	117.253	1,0%
Dividends and interest on capital	2.735	0,0%	3.059	0,0%	1.925	0,0%
Derivative Financial Instruments	45.795	0,3%	-	0,0%	-	0,0%
<b>NON-CURRENT</b>	<b>4.706.473</b>	<b>33,2%</b>	<b>4.313.729</b>	<b>32,2%</b>	<b>3.837.535</b>	<b>34,2%</b>
Loans and financing	2.033.059	14,4%	1.275.643	9,6%	893.995	8,0%
Related parts loans and financing	-	0,0%	546.010	4,1%	519.801	4,6%
Debentures	1.198.835	8,5%	1.198.743	8,9%	1.198.467	10,7%
Lease liability	384.702	2,7%	339.929	2,5%	310.404	2,8%
Lease liability of Related Parties	34.350	0,3%	31.786	0,2%	29.824	0,3%
Contingencies	322.085	2,3%	323.094	2,4%	449.340	4,0%
Deferred income tax and social contribution	144.347	1,0%	132.832	1,0%	135.045	1,2%
Accounts payable	427.952	3,0%	392.715	2,9%	217.489	1,9%
Related parties	16.800	0,1%	-	0,0%	196	0,0%
Income tax and social contribution	65.390	0,5%	68.128	0,5%	82.974	0,7%
Derivative Financial Instruments	78.953	0,6%	4.849	0,0%	-	-
<b>STOCKHOLDERS' EQUITY</b>	<b>5.504.997</b>	<b>39,0%</b>	<b>5.734.911</b>	<b>42,7%</b>	<b>5.025.102</b>	<b>44,8%</b>
Capital	2.370.189	16,7%	2.370.189	17,7%	1.970.189	17,6%
Costs on issue of shares	(7.823)	-0,1%	(7.823)	-0,1%	(7.823)	-0,1%
Capital reserves	368.167	2,6%	366.122	2,7%	359.005	3,2%
Capital transactions with partners	(18.731)	-0,1%	(18.731)	-0,1%	(18.731)	-0,2%
Revaluation reserves	34.892	0,2%	35.094	0,3%	35.835	0,3%
Revenue reserves	2.634.334	18,6%	2.410.475	18,0%	2.135.280	19,0%
Carrying value adjustments	501.032	3,5%	681.368	5,2%	625.772	5,6%
Treasury shares	(378.017)	-2,7%	(103.113)	-0,8%	(76.021)	-0,7%
Noncontrolling interests	954	0,0%	1.330	0,0%	1.596	0,0%
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>14.161.883</b>	<b>100,0%</b>	<b>13.420.331</b>	<b>100,0%</b>	<b>11.223.423</b>	<b>100,0%</b>

INCOME STATEMENT	1Q22	1Q21	%	4Q21	%
<b>CONTINUING OPERATIONS</b>					
<b>Gross Income</b>	<b>2.611.334</b>	<b>2.192.704</b>	<b>19,1%</b>	<b>2.810.863</b>	<b>-7,1%</b>
<b>Domestic Market</b>	<b>2.096.101</b>	<b>1.804.482</b>	<b>16,2%</b>	<b>2.413.410</b>	<b>-13,1%</b>
Wood	1.190.582	1.014.336	17,4%	1.296.637	-8,2%
Deca	575.232	548.252	4,9%	763.346	-24,6%
Ceramic Tiles	330.287	241.894	36,5%	353.427	-6,5%
<b>Foreign Market</b>	<b>515.233</b>	<b>388.222</b>	<b>32,7%</b>	<b>397.453</b>	<b>29,6%</b>
Wood	462.195	340.419	35,8%	330.473	39,9%
Deca	24.994	27.003	-7,4%	31.582	-20,9%
Ceramic Tiles	28.044	20.800	34,8%	35.398	-20,8%
<b>Taxes and Sale Contributions</b>	<b>(480.332)</b>	<b>(424.578)</b>	<b>13,1%</b>	<b>(560.024)</b>	<b>-14,2%</b>
Wood	(303.316)	(261.999)	15,8%	(324.947)	-6,7%
Deca	(111.629)	(113.989)	-2,1%	(164.859)	-32,3%
Ceramic Tiles	(65.387)	(48.590)	34,6%	(70.218)	-6,9%
<b>NET INCOME FOR THE PERIOD</b>	<b>2.131.002</b>	<b>1.768.126</b>	<b>20,5%</b>	<b>2.250.839</b>	<b>-5,3%</b>
<b>Domestic Market</b>	<b>1.659.901</b>	<b>1.414.639</b>	<b>17,3%</b>	<b>1.888.683</b>	<b>-12,1%</b>
Wood	931.396	787.072	18,3%	1.006.987	-7,5%
Deca	463.604	434.263	6,8%	598.487	-22,5%
Ceramic Tiles	264.901	193.304	37,0%	283.209	-6,5%
<b>Foreign Market</b>	<b>471.101</b>	<b>353.487</b>	<b>33,3%</b>	<b>362.156</b>	<b>30,1%</b>
Wood	418.065	305.684	36,8%	295.177	41,6%
Deca	24.993	27.003	-7,4%	31.581	-20,9%
Ceramic Tiles	28.043	20.800	34,8%	35.398	-20,8%
Biological asset	71.092	17.829	298,7%	36.212	96,3%
Cost of goods sold	(1.283.576)	(1.018.465)	26,0%	(1.332.712)	-3,7%
Depreciation/amortization/depletion	(137.525)	(134.021)	2,6%	(136.484)	0,8%
Depletion of biological assets	(38.047)	(27.030)	40,8%	(26.792)	42,0%
<b>GROSS PROFIT</b>	<b>742.946</b>	<b>606.439</b>	<b>22,5%</b>	<b>791.063</b>	<b>-6,1%</b>
Selling expenses	(282.837)	(205.988)	37,3%	(331.041)	-14,6%
General and administrative expenses	(73.772)	(56.595)	30,4%	(84.569)	-12,8%
Management compensation	(4.958)	(4.749)	4,4%	(4.898)	1,2%
Other operating results, net	1.150	(6.208)	N/A	(71.765)	-101,6%
Equity Equivalence Results	26.870	(43.740)	N/A	(16.265)	-265,2%
<b>OPERATING PROFIT BEFORE FINANCIAL RESULTS</b>	<b>409.399</b>	<b>289.159</b>	<b>41,6%</b>	<b>282.525</b>	<b>44,9%</b>
Financial revenues	61.312	34.084	79,9%	92.993	-34,1%
Financial expenses	(171.036)	(53.669)	218,7%	(110.696)	54,5%
<b>PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>299.675</b>	<b>269.574</b>	<b>11,2%</b>	<b>264.822</b>	<b>13,2%</b>
Income tax and social contribution - current	(33.287)	(74.612)	-55,4%	(19.635)	69,5%
Income tax and social contribution - deferred	(42.673)	(22.263)	N/A	335.860	N/A
<b>NET INCOME FOR THE PERIOD</b>	<b>223.715</b>	<b>172.699</b>	<b>29,5%</b>	<b>581.047</b>	<b>-61,5%</b>

CASH FLOW	1Q22	1Q21	%	4Q21	%
<b>Profit before tax. Income and Social Contribution</b>	<b>299,675</b>	<b>269,574</b>	<b>11.2%</b>	<b>264,822</b>	<b>13.2%</b>
Depreciation, amortization and depletion	191,534	175,451	9.2%	178,794	7.1%
Change in the fair value of biological assets	(71,092)	(17,829)	298.7%	(36,212)	96.3%
Interest, net exchange and monetary variations	187,784	23,758	690.4%	96,725	94.1%
Interest on leases	1,219	1,583	-23.0%	838	45.5%
Equity Income from subsidiaries	(26,870)	43,740	N/A	16,265	N/A
Impairment of trade accounts receivable	3,580	2,846	25.8%	10,049	-64.4%
Provisions, write-off of assets	(16,772)	7,619	N/A	94,468	N/A
Reversal of ICMS provision based on PIS and COFINS	-	-	N/A	2,304	N/A
Exclusion of ICMS based on PIS and COFINS	-	-	N/A	(30)	N/A
<b>Working Capital Investments</b>	<b>(414,824)</b>	<b>(110,793)</b>	<b>N/A</b>	<b>130,595</b>	<b>-417.6%</b>
Accounts receivable from customers	(55,635)	(7,052)	688.9%	84,350	N/A
Stocks	(272,781)	(179,489)	52.0%	(223,269)	22.2%
Other assets	40,721	14,617	178.6%	(164,616)	N/A
Providers	(113,633)	68,762	-265.3%	376,970	-130.1%
Staff obligations	(9,050)	(18,652)	-51.5%	(23,556)	-61.6%
Bills to pay	32,049	17,266	85.6%	207,922	-84.6%
Taxes and contributions	266	16,807	-98.4%	(127,696)	-100.2%
Other liabilities	(36,761)	(23,052)	59.5%	490	N/A
<b>Cash from Operations</b>	<b>154,234</b>	<b>395,949</b>	<b>-61.0%</b>	<b>758,618</b>	<b>-79.7%</b>
Income Tax and Social Contribution Paid	(11,060)	(50,947)	-78.3%	(17,167)	-35.6%
Interest Paid	(8,376)	(6,782)	23.5%	(70,397)	-88.1%
<b>Cash generated by operating activities</b>	<b>134,798</b>	<b>338,220</b>	<b>-60.1%</b>	<b>671,054</b>	<b>-79.9%</b>
Investments in fixed assets	(95,252)	(76,491)	24.5%	(197,606)	-51.8%
Investments in Intangible Assets	(8,265)	(7,971)	3.7%	(26,201)	-68.5%
Investments in biological assets	(126,481)	(47,937)	163.8%	(72,965)	73.3%
Receipt for sale of fixed assets	4,900	9,544	-48.7%	5,643	-13.2%
Marketable securities	(9,193)	-	N/A	(34,040)	-73.0%
Acquisition of subsidiaries, net of cash acquired	(96,199)	-	N/A	(102,250)	-5.9%
Capital contribution / Capital increase	(93,346)	-	N/A	(81,340)	14.8%
<b>Cash Used in Investing Activities</b>	<b>(423,836)</b>	<b>(122,855)</b>	<b>245.0%</b>	<b>(508,759)</b>	<b>-16.7%</b>
Financing tickets	919,087	1,792	51188.3%	910,144	1.0%
Amortization of the principal amount of financing	(174,164)	(90,486)	92.5%	(163,674)	6.4%
Amortization of lease liabilities	(17,175)	(16,185)	6.1%	(16,802)	2.2%
Interest on own capital and dividends	-	(516,385)	N/A	(877,364)	N/A
Treasury and other shares	(274,838)	(62,277)	341.3%	2,159	N/A
<b>Cash Generated (used) in Financing Activities</b>	<b>452,910</b>	<b>(683,541)</b>	<b>N/A</b>	<b>(145,537)</b>	<b>N/A</b>
Exchange variation on cash and cash equivalents	(14,016)	1,764	N/A	(1,480)	847.0%
<b>Increase (decrease) in cash in the period / year</b>	<b>149,856</b>	<b>(466,412)</b>	<b>-132.1%</b>	<b>15,278</b>	<b>N/A</b>
<b>Opening balance</b>	<b>1,421,302</b>	<b>1,728,413</b>	<b>-17.8%</b>	<b>1,406,024</b>	<b>1.1%</b>
<b>Final balance</b>	<b>1,571,158</b>	<b>1,262,001</b>	<b>24.5%</b>	<b>1,421,302</b>	<b>10.5%</b>

## Non-recurring events (Adjusted and Recurring EBITDA )

In BRL '000 - Consolidated	<b>1Q22</b>	1Q21	4Q21
<b>EBITDA according to CVM No. 527/12</b>	<b>600.877</b>	<b>464.610</b>	<b>461.316</b>
Tax contingencies (Extemporaneous Credits)	-	4.189	8.600
Exclusion of ICMS from the PIS COFINS base	-	-	8.900
Impairment (reversal) of assets	-	-	60.261
Rouanet Law	-	-	4.716
Brands restructuring	-	-	6.662
Deca and Ceramic Tiles restructuring	-	4.390	48.127
Dissolving Wood Pulp	(26.384)	44.253	16.714
Change in fair value of biological assets	(71.092)	(17.829)	(36.212)
Employee benefits	274	(3.691)	9.030
<b>Adjusted and Recurring EBITDA</b>	<b>503.675</b>	<b>495.922</b>	<b>588.114</b>
In BRL '000 - Wood	<b>1Q22</b>	1Q21	4Q21
<b>EBITDA according to CVM No. 527/12</b>	<b>429.693</b>	<b>391.245</b>	<b>397.724</b>
Tax contingencies (Extemporaneous Credits)	-	2.514	4.891
Exclusion of ICMS from the PIS COFINS base	-	-	7.063
Impairment (reversal) of assets	-	-	2.176
Rouanet Law	-	-	1.449
Brands restructuring	-	-	4.046
Change in fair value of biological assets	(71.092)	(17.829)	(36.212)
Employee benefits	449	27	4.311
<b>Adjusted and Recurring EBITDA</b>	<b>359.050</b>	<b>375.957</b>	<b>385.448</b>
In BRL '000 - Deca	<b>1Q22</b>	1Q21	4Q21
<b>EBITDA according to CVM No. 527/12</b>	<b>72.634</b>	<b>61.331</b>	<b>49.236</b>
Tax contingencies (Extemporaneous Credits)	-	1.675	3.709
Exclusion of ICMS from the PIS COFINS base	-	-	1.837
Impairment (reversal) of assets	-	-	13.520
Rouanet Law	-	-	1.448
Brands restructuring	-	-	1.870
Deca restructuring	-	4.390	43.202
Employee benefits	(197)	(2.387)	3.585
<b>Adjusted and Recurring EBITDA</b>	<b>72.437</b>	<b>65.009</b>	<b>118.407</b>
In BRL '000 - Ceramic Tiles	<b>1Q22</b>	1Q21	4Q21
<b>EBITDA according to CVM No. 527/12</b>	<b>72.166</b>	<b>56.287</b>	<b>31.070</b>
Impairment (reversal) of assets	-	-	44.565
Rouanet Law	-	-	1.819
Brands restructuring	-	-	746
Ceramic Tiles restructuring	-	-	4.925
Employee benefits	22	(1.331)	1.134
<b>Adjusted and Recurring EBITDA</b>	<b>72.188</b>	<b>54.956</b>	<b>84.259</b>



In BRL '000 - Consolidated	1Q22	1Q21	4Q21
<b>Net Income</b>	<b>223.715</b>	<b>172.699</b>	<b>581.047</b>
Tax contingencies (Extemporaneous Credits)	-	2.765	<b>7.185</b>
Exclusion of ICMS from the PIS COFINS base	-	-	<b>(79.544)</b>
Impairment (reversal) of assets	-	-	<b>39.772</b>
Brands restructuring	-	-	<b>4.397</b>
Deca and Ceramic Tiles restructuring	-	2.897	<b>31.764</b>
Subsidy for investments	-	-	<b>(14.821)</b>
IR/CS credit on IPI premium selic	-	-	<b>(13.723)</b>
IR/CS on previous JCP	-	-	<b>(165.581)</b>
Provisions	<b>991</b>	-	-
Dissolving Wood Pulp	<b>(26.384)</b>	44.079	<b>16.561</b>
<b>Recurring Net Income</b>	<b>198.322</b>	<b>222.440</b>	<b>407.057</b>

<sup>1</sup> Services related to the exclusion of ICMS from the base calculation of PIS COFINS, Wood restructuring, overseas income tax not paid, INSS support and credit lines.

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