Klabin S.A.

Quarterly Information (ITR) at September 30, 2021 and report on review of quarterly information

All amounts in thousands of Reais

Officers' statement on the Quarterly Information

We, as Officers of KLABIN S.A., a corporation headquartered in the city of São Paulo, State of São Paulo, at 3600 Brigadeiro Faria Lima Avenue, 3rd, 4th and 5th floors, Itaim Bibi, Zip Code 04538-132, Brazil, enrolled in the National Corporate Taxpayers' Registry (CNPJ) under No. 89.637.490/0001-45, declare that we have reviewed, discussed and agreed with the set of quarterly information, dated August 10, 2021, related to the quarterly information for the period ended September 30, 2021.

São Paulo, October 26, 2021.

Cristiano Cardoso Teixeira	Chief Executive Officer
Marcos Paulo Conde Ivo	Chief Financial Officer and Investor Relations Officer
Flavio Deganutti	Officer
Francisco Cezar Razzolini	Officer

All amounts in thousands of Reais

Officers' statement on the independent auditor's report

We, as Officers of KLABIN S.A., a corporation headquartered in the city of São Paulo, State of São Paulo, at 3600 Brigadeiro Faria Lima Avenue, 3rd, 4th and 5th floors, Itaim Bibi, Zip Code 04538-132, Brazil, enrolled in the National Corporate Taxpayers' Registry (CNPJ) under No. 89.637.490/0001-45, declare that we have reviewed, discussed and agreed with the opinions expressed in the independent auditor's report dated August 10, 2021, related to the quarterly information for the period ended September 30, 2021.

São Paulo, October 26, 2021.

Cristiano Cardoso Teixeira	Chief Executive Officer
Marcos Paulo Conde Ivo	Chief Financial Officer and Investor Relations Officer
Flavio Deganutti	Officer
Francisco Cezar Razzolini	Officer

A free translation from Portuguese into English of Independent Auditor's Review Report on Individual and Consolidated Interim Financial Information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and Accounting Pronouncement NBC TG 21 (R4) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and specific CVM rules.

Independent auditor's review report on quarterly information

To the Shareholders, Board of Directors and Officers of
Klabin S.A.
São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of Klabin S.A. (the "Company"), for the quarter ended September 30, 2021 comprising the statement of financial position as at September 30, 2021 and the related statements of profit or loss and of comprehensive income for the three and nine-month periods then ended and the statements of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with accounting pronouncement NBC TG 21 (R4) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this financial information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial 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 auditing standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with NBC TG 21 (R4) and IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Statements of value added

The abovementioned quarterly information includes the individual and consolidated statements of value added (SVA) for the nine-month period ended September 30, 2021, prepared under Company’s Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, in accordance with the criteria defined in referred to Standard and consistently with the overall individual and consolidated interim financial information.

São Paulo, October 26, 2021

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP034519/O-6

Rita de C. S. Freitas
Accountant CRC-1SP214160/O-5

Financial Highlights

R$ million	3Q21	2Q21	3Q20	Δ 3Q21/2Q21	Δ 3Q21/3Q20	9M21	9M20	Δ 9M21/9M20
Sales Volume (thousand tonnes)	**951**	**946**	**910**	**0%**	**4%**	**2,806**	**2,617**	**7%**
% Domestic Market	59%	59%	55%	+ 0 p.p.	+ 4 p.p.	60%	53%	+ 7 p.p.
Net Revenue	**4,358**	**4,076**	**3,109**	**7%**	**40%**	**11,900**	**8,657**	**37%**
% Domestic Market	61%	60%	58%	+ 1 p.p.	+ 3 p.p.	61%	56%	+ 5 p.p.
Adjusted EBITDA	**1,928**	**1,798**	**1,233**	**7%**	**56%**	**5,000**	**3,594**	**39%**
Adjusted EBITDA Margin	44%	44%	40%	+ 0 p.p.	+ 4 p.p.	42%	42%	+ 0 p.p.
Adjusted EBITDA (excl. non-recurring effects)[1]	**1,928**	**1,798**	**1,233**	**7%**	**56%**	**4,980**	**3,594**	**39%**
Adjusted EBITDA Margin (excl. non-recurring effects)[1]	44%	44%	40%	+ 0 p.p.	+ 4 p.p.	42%	42%	+ 0 p.p.
Net Income	**1,215**	**719**	**(191)**	**69%**	**n/a**	**2,355**	**(3,716)**	**n/a**
Net Debt	**19,950**	**18,770**	**21,053**	**6%**	**-5%**	**19,950**	**21,053**	**-5%**
Net Debt / EBITDA (LTM - BRL)	3.2x	3.3x	4.6x			3.2x	4.6x	
Net Debt / EBITDA (LTM - USD)	3.1x	3.6x	4.0x			3.1x	4.0x	
CAPEX	**1,000**	**904**	**1,348**	**11%**	**-26%**	**2,719**	**3,166**	**-14%**

[1] Disconsidering the non-recurring effect of R$20 million referring to the net gain from the sale of Nova Campina in 1Q21

Note: Klabin presents its consolidated financial statements according to international accounting standards (International Financial Reporting Standards - IFRS) as determined by CVM 457/07 and CVM 485/10 instructions. Adjusted EBITDA is in accordance with CVM Instruction 527/12. Some of the figures on the charts and tables may not express a precise result due to rounding

Quarterly Message

Strong demand for Klabin's products in both international and domestic markets continued in the third quarter. These favorable market conditions combined with the Company's commercial flexibility and solid operational performance boosted results in the period.

In the pulp market, the balance between supply and demand remained in equilibrium during the quarter in the light of sharp differences in consumption between geographies. Demand weakened in China but remained strong in Europe, USA and Latin America while supply continued to be affected by logistical constraints. Set against this scenario, Klabin proved the benefits of its flexibility in the sales mix between regions and of its diversified pulp portfolio (short fiber, long fiber and fluff), with price differentials remaining considerable throughout the period. As a result, the Pulp Business's EBITDA was a record in the quarter at R$ 1.042 billion.

In the paper for packaging segment, demand for kraftliner continued intense. In the USA, the largest producer and exporter of this product, robust domestic consumption remained the key factor in the reduction of export volume, 34% down for the period between January and July 2021 compared to the same period in the preceding year. With this, the average FOEX Europe price for kraftliner was US$ 883/t in 3Q21, 30% greater than the average for 3Q20 and 9% above the preceding quarter.

Set against this positive market background, Klabin has just increased its kraftliner production capacity. During the quarter, the Company took a further important step forward in the implementation of its growth strategy with the startup of the first paper machine ("PM27") of the Puma II Project, the largest investment in Klabin's history, as announced in the Material Fact published on August 30, 2021. With a productive capacity of 450 thousand tons annually, PM27 begins production of Eukaliner®, the first kraftliner in the world made exclusively from eucalyptus fiber.

Still in the paper for packaging segment, the accelerated tendency towards replacing single-use plastic with sustainable packaging continues to drive demand for coated board. Brazilian Tree Industry data (IBÁ) shows sales to the Brazilian market growing by approximately 21% year-on-year for the period from January to August 2021. In this context and parallel to the startup of PM27, work on the construction of the second paper machine ("PM28") in the Puma II Project has already begun. With a productive capacity of 460 thousand tons of coated board every year, PM28 startup is scheduled for the second quarter of 2023, continuing the Company's ongoing expansion plans.

In the packaging market, Empapel reported a decline of 2.5% in preliminary data for shipment volumes of corrugated boxes in the third quarter of 2021 compared to the same period of the previous year. Even with this reduction, volumes still represent the second best result for the historical series in the period. For the year to the end of the third quarter 2021, shipment volumes increased 7.3% in relation to the same period in 2020. In the light of this scenario and the effect of price increases on revenue, the corrugated boxes segment reported robust growth both on an annual and also quarterly basis.

Still in the packaging business, sales in the industrial bags segment have been driven by increased cement output in Brazil, the latter accumulating a price increase of 9.7% in the period between

January and September 2021 compared to the same period in 2020 and based on preliminary National Cement Industry Union (SNIC) data. In addition, consumption of industrial bags for new uses with greater value added continues at a fast pace.

Increased sales volume together with price readjustments across all the businesses produced strong revenue growth in the third quarter, amounting to R$ 4.358 billion, 40% more than the same period in the preceding year or 29% when excluding revenue from assets acquired from IP. This result combined with the Company's cost discipline lifted the Adjusted EBITDA for the quarter to R$ 1.928 billion, 56% up on 3Q20. The higher Adjusted EBITDA and efficient capital allocation helped drive cash generation in the period and consequently, creation of shareholder value, measured by ROIC, of about 20% over the last 12 months.

ROIC reached **19.8%** and FCF Yield **15.0%** in the last twelve months

The third quarter also saw the roll out of the Container Rail Terminal operation in the state of Paraná and planned to provide additional capacity for handling the Company's new expansion cycle as well as optimizing the current paper products operation. The terminal brings both an increase in productivity as well as lesser environmental impact with the distribution of products by rail reducing both traffic on the highways as well as CO2 emissions.

The Company also became a signatory to the Business and LGBTI+ Rights Forum, assuming ten commitments for promoting respect diversity in the LGBTI+ community. This initiative is aligned to the Klabin 2030 Agenda's KODS - Klabin's Sustainable Development Goals.

The operational results for recent quarters have shown the benefits of Klabin's integrated, diversified and flexible business model and the consistent generation of value for all stakeholders. Throughout its history, Klabin has transformed sustainability in its essence and will continue growing, committed to the construction of a sustainable future for all.

Operating and Economic-Financial Performance

Pulp and Paper Production

Volume (k tons)	3Q21	2Q21	3Q20	Δ 3Q21/2Q21	Δ 3Q21/3Q20	9M21	9M20	Δ 9M21/9M20
Pulp	**413**	**416**	**415**	**-1%**	**0%**	**1,242**	**1,224**	**2%**
Short Fiber	296	298	319	-1%	-7%	889	900	-1%
Long Fiber/Fluff	117	118	96	-1%	22%	353	323	9%
Paper	**555**	**549**	**488**	**1%**	**14%**	**1,606**	**1,494**	**8%**
Kraftliner	266	259	258	2%	3%	779	768	1%
Coated Boards	190	189	165	1%	16%	530	534	-1%
Recycled	99	101	65	-3%	51%	298	191	56%
Total Production Volume	**968**	**966**	**903**	**0%**	**7%**	**2,848**	**2,717**	**5%**

In the third quarter 2021, pulp **production volume** remained stable at a high level on both an annual and quarterly basis. Project for debottlenecking together with productivity gains have enabled the Puma Unit to operate above its nominal capacity.

Paper production in 3Q21 was 14% higher than for the same period in 2020. The increase is a reflection largely of the acquisition of two recycled paper units acquired from International Paper. The startup of the first machine in the Puma II Project on August 30, 2021 with the production of 17 thousand tons of Eukaliner® already produced in this quarter, also contributed to output.

Maintenance Stoppages

As scheduled, during the third quarter, there was a general maintenance stoppage at the Otacílio Costa Unit at a cost of approximately R$ 22 million. The Company has thus completed all its programmed stoppages for 2021 as shown below.

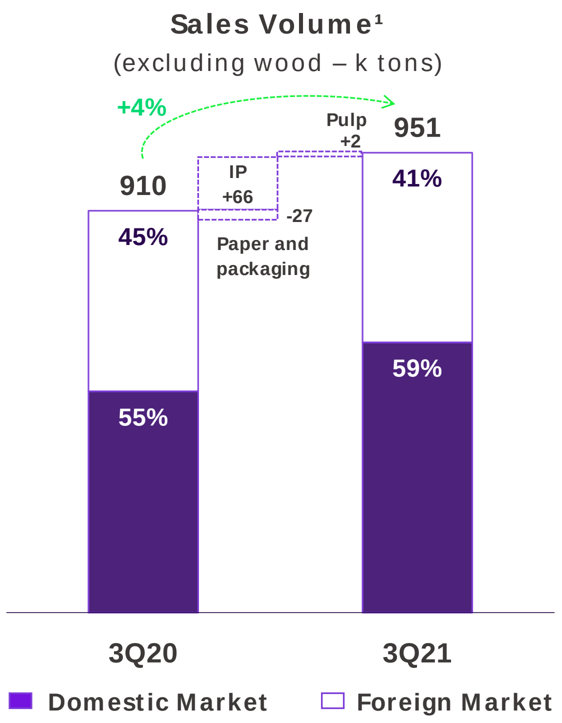
Manufacturing Plant	Maintenance Stoppage Schedule 2021											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Ortigueira (PR) - Puma I												
Monte Alegre (PR)		MA										
Correia Pinto (SC)												
Otacílio Costa (SC)							OC					

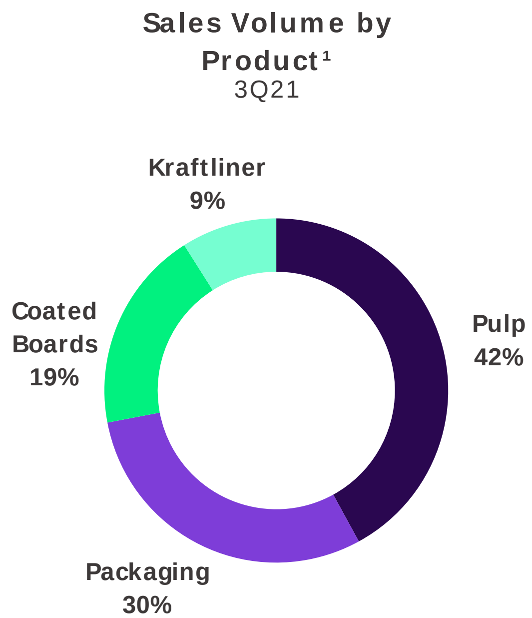
Legend: Executed

Sales Volume

Volume (k tons)	3Q21	2Q21	3Q20	Δ 3Q21/2Q21	Δ 3Q21/3Q20	9M21	9M20	Δ 9M21/9M20
Pulp	**400**	**399**	**398**	**0%**	**0%**	**1,172**	**1,161**	**1%**
Short Fiber	285	289	281	-1%	2%	843	836	1%
Long Fiber/Fluff	115	110	117	4%	-2%	329	325	1%
Paper	**271**	**265**	**295**	**2%**	**-8%**	**792**	**866**	**-9%**
Kraftliner	87	90	111	-3%	-21%	281	330	-15%
Coated Boards	183	175	185	5%	-1%	511	536	-5%
Packaging	**279**	**282**	**217**	**-1%**	**29%**	**841**	**589**	**43%**
Corrugated Boxes	239	243	175	-2%	36%	723	481	50%
Industrial Bags	40	39	42	2%	-4%	119	109	9%
Total Sales Volume (ex-wood)	**951**	**946**	**910**	**0%**	**4%**	**2,806**	**2,617**	**7%**

In line with the movement in previous quarters, in 3Q21 all product sales continued robust as a result of strong demand in the Company's chosen markets. **Total sales volume**, excluding wood, was 951 thousand tons in the period, a growth of 4% compared with the same quarter in the preceding year. Since Klabin is already operating at maximum production capacity, this increase largely reflects the output of 66 thousand tons from the assets acquired from IP. On a quarter-on-quarter basis, sales remained stable.





[1]Excludes Wood

Foreign Exchange

R$ / US$	3Q21	2Q21	3Q20	Δ 3Q21/2Q21	Δ 3Q21/3Q20	9M21	9M20	Δ 9M21/9M20
Average Rate	5.23	5.29	5.38	-1%	-3%	5.33	5.08	5%
End of Period	5.44	5.00	5.64	9%	-4%	5.44	5.64	-4%

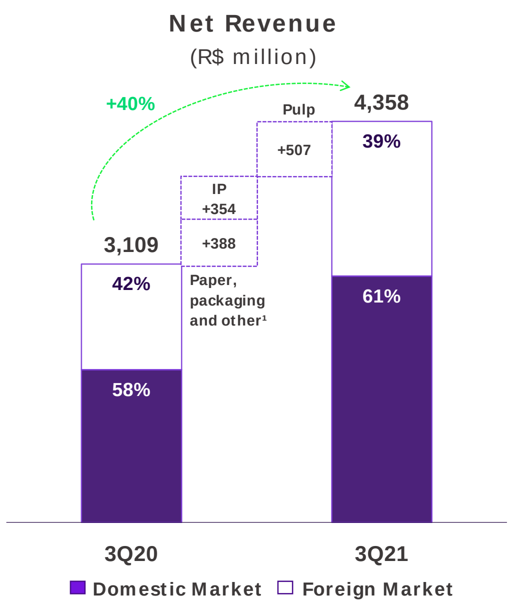
Source: Brazilian Central Bank

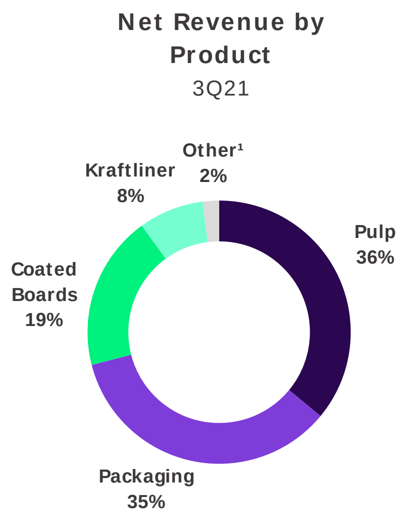
Net Revenue

Net Revenue (R$ million)	3Q21	2Q21	3Q20	Δ 3Q21/2Q21	Δ 3Q21/3Q20	9M21	9M20	Δ 9M21/9M20
Wood	**60**	**96**	**57**	**-38%**	**5%**	**218**	**153**	**42%**
Pulp	**1,558**	**1,511**	**1,051**	**3%**	**48%**	**4,263**	**2,900**	**47%**
Short Fiber	1,002	991	660	1%	52%	2,775	1,881	48%
Long Fiber/Fluff	557	520	391	7%	42%	1,488	1,020	46%
Paper	**1,180**	**1,113**	**1,064**	**6%**	**11%**	**3,267**	**3,092**	**6%**
Kraftliner	361	333	310	9%	16%	1,017	901	13%
Coated Boards	819	780	754	5%	9%	2,249	2,191	3%
Packaging	**1,547**	**1,387**	**900**	**12%**	**72%**	**4,193**	**2,413**	**74%**
Corrugated Boxes	1,286	1,129	656	14%	96%	3,416	1,763	94%
Industrial Bags	261	258	244	1%	7%	777	649	20%
Other[1]	**13**	**(31)**	**36**	**n/a**	**-65%**	**(39)**	**98**	**n/a**
Total Net Revenue	**4,358**	**4,076**	**3,109**	**7%**	**40%**	**11,900**	**8,657**	**37%**

[1] Includes by-product sales and hedge accounting

Net Revenue amounted to R$ 4.358 billion in 3Q21, a growth of 40% in relation to 3Q20. Excluding the effect of the additional revenue from the units acquired from IP, R$ 354 million in the quarter, there was an increase of 29% on an annual comparative basis. This performance is a result of significant price readjustments across all the business segments in domestic and international markets in the light of strong demand for Klabin's products. Additionally, revenue from the pulp business benefited from the Company's flexibility in the sales mix between regions as well as the diversified portfolio of products (short fiber, long fiber and fluff).





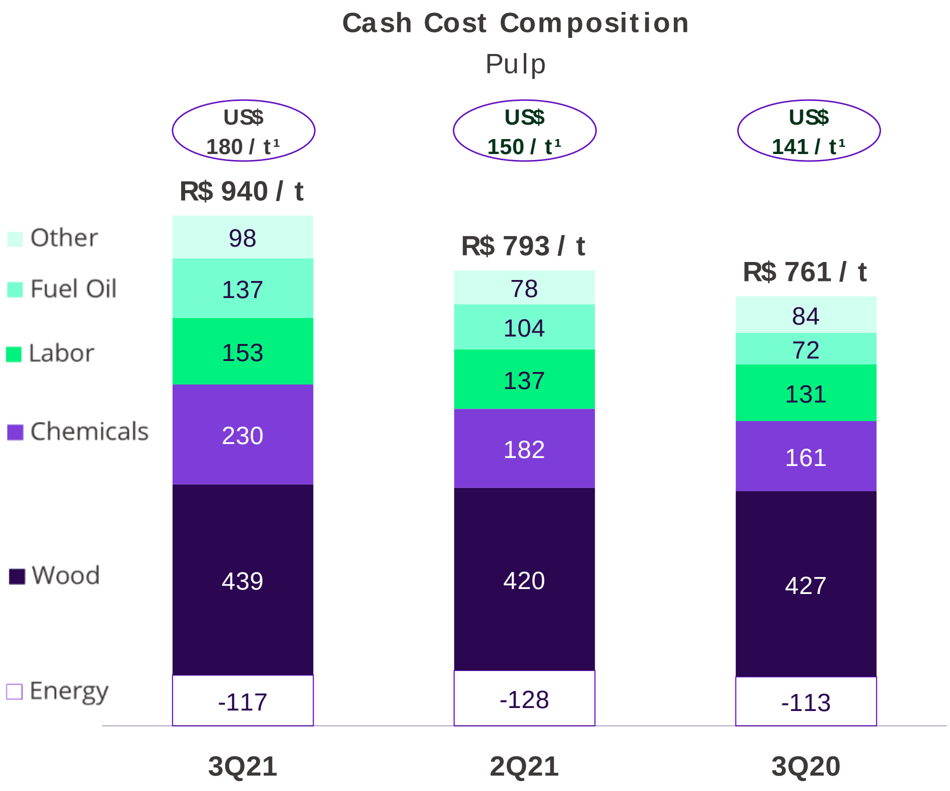
[1]Includes wood, by-product sales and hedge accounting

Operational Costs and Expenses

Pulp Cash Cost

For informational purposes, the unitary cash cost of pulp production is shown, covering the production costs of short and long/fluff fibers in relation to the output of pulp volume in the period. Production cash costs do not include selling, general and administrative expenses, constituting solely the amount expended on pulp production as such.

The production **cash cost** of pulp in 3Q21 was R$ 940/t, a growth of 24% compared to 3Q20, and 19% compared with 2Q21. The main reasons for the increase on an annual comparative basis are related to rising commodity prices impacting the costs of fuel and chemical inputs, above all sulfuric acid, in addition to the inflation in the period.

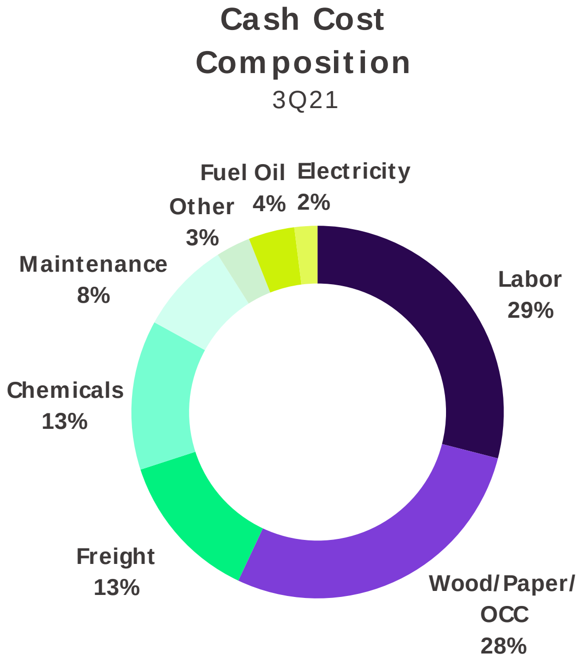


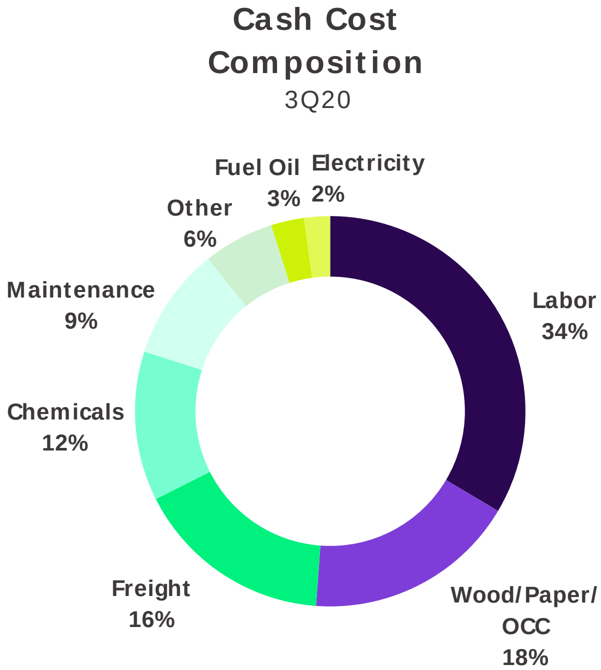
[1]Calculated on the average US Dollar for the period

Total Cash Cost

Encompassing the sale of all the Company's products and excluding the impact of the maintenance stoppages at the Otacílio Costa Unit in 3Q21 and the Monte Alegre Unit in 3Q20, **total unitary cash cost** was R$ 2,538/t in the quarter, 25% higher than the cost in 3Q20. About a quarter of this increase, as mentioned in previous quarters, reflects the changing product sales mix following the acquisition of IP's packaging assets, since the corrugated board business, which has become more representative, has a higher cash cost in relation to the other products given the greater value added involved. Additionally, there was also the impact from the increase in OCC costs for supplying the recycled paper plants. Market data published by Anguti shows average OCC costs increasing to R$ 1,331/t in 3Q21 compared to the average of R$ 755/t in 3Q20.

Compared with 2Q21, which already includes the effect of the IP assets incorporation in the Company's sales mix, and excluding the impact of the maintenance stoppage at Otacílio Costa in 3Q21, there was a 5% increase in cash cost per ton. This increase is explained by higher commodity prices, which had an impact on fuel and chemical inputs costs, in addition to the increase in inflation in general, offsetting the reduction in OCC costs – 27% lower compared to the previous quarter, according to market data from Anguti.





Costs and Expenses (R$ million)	3Q21	2Q21	3Q20	Δ 3Q21/2Q21	Δ 3Q21/3Q20	9M21	9M20	Δ 9M21/9M20
Cost of Goods Sold (COGS)[1]	**(1,965)**	**(1,764)**	**(1,409)**	**11%**	**39%**	**(5,493)**	**(3,813)**	**44%**
Variable Costs	(1,356)	(1,271)	(789)	7%	72%	(3,722)	(2,243)	66%
Labor and Third Parties	(529)	(504)	(438)	5%	21%	(1,515)	(1,260)	20%
Other	(81)	11	(182)	n/a	56%	(256)	(310)	-17%
COGS/t	*(2,067)*	*(1,864)*	*(1,548)*	*11%*	*34%*	*(1,958)*	*(1,457)*	*34%*
Sales Expenses	**(310)**	**(296)**	**(296)**	**5%**	**5%**	**(873)**	**(833)**	**5%**
Administrative Expenses	**(196)**	**(220)**	**(166)**	**-11%**	**18%**	**(620)**	**(472)**	**31%**
Other Net Expenses[2]	**36**	**3**	**(4)**	**n/a**	**n/a**	**71**	**55**	**30%**
Total Cash Cost	**(2,435)**	**(2,277)**	**(1,876)**	**-7%**	**-30%**	**(6,916)**	**(5,063)**	**-37%**

[1] Net of Depreciation, Amortization and Exhaustion contained in COGS and SG&A. Includes maintenance downtime cost

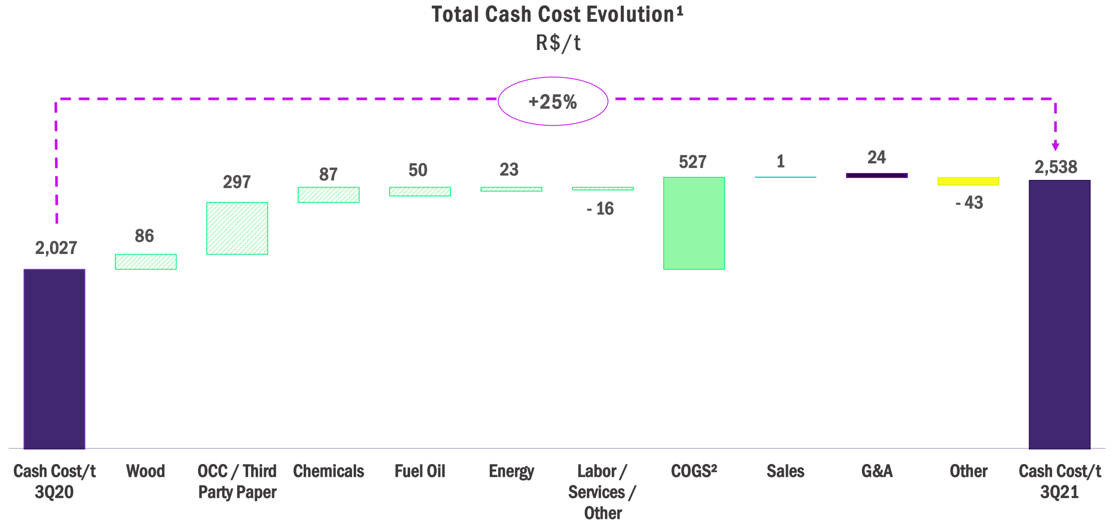
[2] Includes the non-recurring effect of R$20 million regarding the net gain from the sale of Nova Campina in 1Q21

The **cost of goods sold (COGS)**, excluding depreciation, amortization and depletion, was R$ 1.965 billion in the third quarter of 2021, equivalent to R$ 2,067/t, 34% more than 3Q20. As already mentioned, this increase is explained by the product mix with a greater share of packaging at a higher average unitary cost and higher value added, as well as the increase of 76% in average OCC prices in 3Q21 compared to 3Q20 together with the rise in the costs of chemicals and fuels.

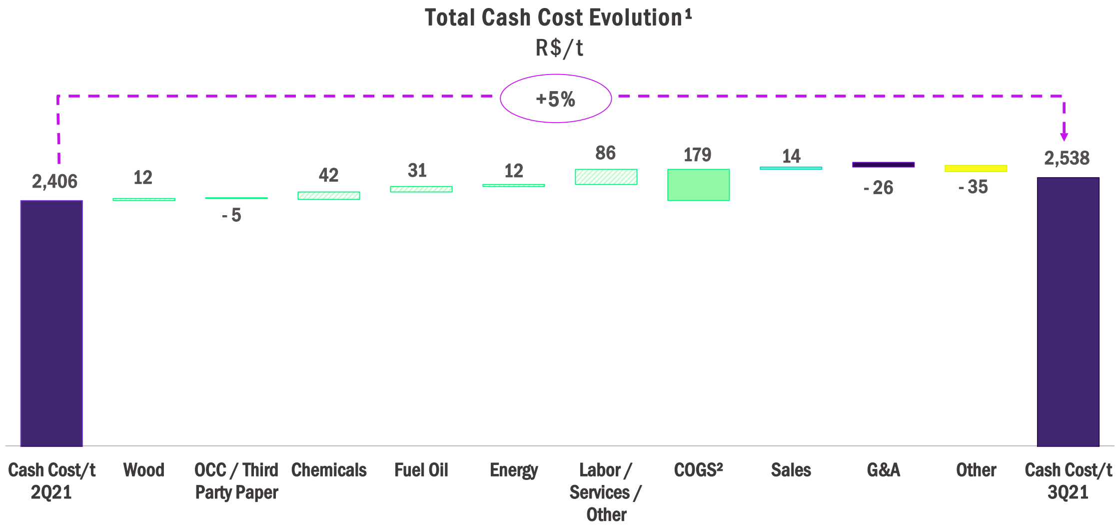
Sales expenses amounted to R$ 310 million in the period, equivalent to 7.1% of net revenue, a decrease in relation to the 9.5% reported in 3Q20, and 7.3% in 2Q21. On the basis of an annual comparison, the reduction in relation to net revenue is explained by smaller export volumes and by the elimination of royalty payments from 1Q21. Additionally, the Company has been successful in maintaining freight costs under control through the use of long-term freight agreements, mainly in the form of break bulk cargos, in spite of the worldwide challenges to logistics experienced since last year.

General and administrative expenses amounted to R$ 196 million in 3Q21, an increase of 18% on an annual comparison basis and in addition to inflation, represents the greater number of employees due to the incorporation of the IP units and by the engagement of consultancies for strategic projects. In relation to the preceding quarter, there was a reduction in general and administrative expenses of 11%.

Other net expanses produced a revenue of R$ 36 million in the quarter.



[1] Cost of goods sold and operating expenses, excluding depreciation, amortization and exhaustion. [2] COGS represents the sum of the categories detailed in the graph: Forestry / Paper / OCC + Chemicals + Fuel Oil + Energy + Labor / Services / Others



[1] Cost of goods sold and operating expenses, excluding depreciation, amortization and exhaustion. [2] COGS represents the sum of the categories detailed in the graph: Forestry / Paper / OCC + Chemicals + Fuel Oil + Energy + Labor / Services / Others

Effect of the variation of fair value of biological assets

Biological Assets (R$ million)	3Q21	2Q21	3Q20	Δ 3Q21/2Q21	Δ 3Q21/3Q20	9M21	9M20	Δ 9M21/9M20
Beginning Balance	**4,579**	**4,543**	**4,402**	**1%**	**4%**	**4,658**	**4,712**	**-1%**
Additions and Subtractions	**285**	**291**	**109**	**-2%**	**161%**	**785**	**329**	**138%**
Planting	285	291	109	-2%	161%	785	377	108%
Disposal of Biological Assets	-	-	-	n/a	n/a	-	(48)	n/a
Exhaustion	**(421)**	**(454)**	**(208)**	**-7%**	**103%**	**(1,241)**	**(914)**	**36%**
Historical Cost	(258)	(197)	(75)	31%	243%	(590)	(231)	155%
Fair Value Adjustment	(163)	(256)	(132)	-36%	-23%	(651)	(683)	-5%
Fair Value Variation	**403**	**199**	**69**	**103%**	**489%**	**645**	**245**	**163%**
Price	588	131	53	349%	998%	913	(40)	n/a
Growth	(184)	68	15	n/a	n/a	(269)	358	n/a
SPV Constitution	-	-	-	n/a	n/a	-	(72)	n/a
Ending Balance	**4,846**	**4,579**	**4,373**	**6%**	**11%**	**4,846**	**4,373**	**11%**

The **evaluation of the biological assets** at their fair value takes into account certain estimates such as the price of wood, discount rate, forest harvest plan and productivity, variations of which have non-cash effects on the Company's results.

In the third quarter 2021, the variation in fair value of the biological assets resulted in revenue of R$ 403 million, mainly due to the impact from the increase in price of the biological assets (standing timber) based on market surveys published by specialized companies, partially offset by the negative effect of growth following the revision of the harvest plan. The plan has been revised to take into account the large volume of purchases from third parties, this leading to a longer period required for harvesting proprietary wood. Additionally, the depletion effect of the fair value of biological assets on the costs of products sold was R$ 163 million in the same period. Hence, the non-cash effect of the fair value of the biological assets on operating results (EBIT) in 3Q21 was a positive R$ 240 million.

EBITDA and Operating Cash Generation

R$ million	3Q21	2Q21	3Q20	Δ 3Q21/2Q21	Δ 3Q21/3Q20	9M21	9M20	Δ 9M21/9M20
Net Income (loss)	**1,215**	**719**	**(191)**	**69%**	**n/a**	**2,355**	**(3,716)**	**n/a**
(+) Income Taxes and Social Contribution	192	372	(95)	-49%	n/a	621	(2,076)	n/a
(+) Net Financial Revenues	291	207	1,072	40%	-73%	701	7,958	-91%
(+) Depreciation, Amortization, Depletion	637	701	517	-9%	23%	1,964	1,773	11%
Adjustments According to IN.CVM 527/12 art. 4								
(+) Variation of Fair Value of Biological Assets	(403)	(199)	(69)	-103%	489%	(645)	(317)	-103%
(+) Cash Flow Hedge Effect	5	-	-	n/a	n/a	16	-	n/a
(+) Equity Pickup	(9)	(2)	(1)	-405%	742%	(11)	(27)	58%
Adjusted EBITDA	**1,928**	**1,798**	**1,233**	**7%**	**56%**	**5,000**	**3,594**	**39%**
Adjusted EBITDA Margin	44%	44%	40%	+ 0 p.p.	+ 4 p.p.	42%	42%	+ 0 p.p.
(+) Non-Recurring Effects[1]	-	-	-	n/a	n/a	(20)	-	n/a
Adjusted EBITDA (excluding non-recurring effects)[1]	**1,928**	**1,798**	**1,233**	**7%**	**56%**	**4,980**	**3,594**	**39%**
Adjusted EBITDA Margin (excluding non-recurring effects)[1]	44%	44%	40%	+ 0 p.p.	+ 4 p.p.	42%	42%	+ 0 p.p.
Cash Generation (Adjusted EBITDA - Maintenance Capex)	**1,681**	**1,613**	**1,042**	**4%**	**61%**	**4,317**	**3,047**	**42%**
Cash Generation/t[2]	**1,768**	**1,705**	**1,144**	**54%**	**55%**	**1,539**	**1,164**	**32%**

[1] Refers to the net gain from the sale of Nova Campina in 1Q21
[2] Sales volume disconsidering wood

Higher sales volume and price readjustments were determining factors in the increase in net income in 3Q21 compared with the same period in 2020. Combined with the Company's cost discipline, the increase resulted in an **Adjusted EBITDA** of R$ 1.928 billion in the third quarter, 56% higher than 3Q20 and 7% more than 2Q21. Adjusted EBITDA Margin in 3Q21 was 44%, a 4 p.p. increase in relation to the same period in 2020. Cash generation per ton, measured by the Adjusted EBITDA less maintenance Capex in relation to volume sold, was R$ 1,768/t in 3Q21, an increase of 55% on an annual comparative basis, an indication of the Company's capacity to match growth with value creation.

EBITDA by Segment[1]	3Q21	2Q21	3Q20	Δ 3Q21/2Q21	Δ 3Q21/3Q20	9Q21	9Q20	Δ 9Q21/9Q20
Adjusted EBITDA (R$ million)	**1,928**	**1,798**	**1,233**	**7%**	**56%**	**5,000**	**3,594**	**39%**
Pulp	1,042	992	564	5%	85%	2,749	1,548	78%
% EBITDA Participation	54%	55%	46%	- 1 p.p.	+ 9 p.p.	55%	43%	+ 12 p.p.
Paper and Packaging	886	806	669	10%	32%	2,251	2,045	10%
% EBITDA Participation	46%	45%	54%	+ 1 p.p.	- 9 p.p.	45%	57%	- 12 p.p.
Adjusted EBITDA/t[2]	**2,028**	**1,900**	**1,354**	**7%**	**50%**	**1,782**	**1,373**	**30%**
Pulp	2,605	2,489	1,417	5%	84%	2,347	1,334	76%
Paper and Packaging	1,609	1,472	1,305	9%	23%	1,377	1,405	-2%

[1] Excluding non-recurring effects. For purposes of this EBITDA by segment calculation, the 'others' results were allocated in the respective businesses
[2] Sales volume disconsidering wood sales to third parties

In 3Q21, total Adjusted EBITDA per ton was R$ 2,028/t, 50% greater than 3Q20, the effect of price readjustments across all business lines and implemented over recent quarters. The Adjusted EBITDA for the Pulp Business reported a record result for the quarter at R$ 1.042 billion, while EBITDA/t for the segment increased year-on-year by a significant 84% in 3Q21. This result was mainly a reflection of the increases in prices as well as the benefits arising from flexibility of sales between the different regions of the world and Klabin's exposure to three grades of pulp fiber. In the paper and packaging segment, the increase in EBITDA/t of 23% versus 3Q20 is mainly explained by the price readjustments which more than offset inflationary pressures and increased OCC costs, mentioned above.

Debt and Financial Investments

Debt (R$ million)	Sep-21	Prop. %	Jun-21	Prop. %
Short Term				
Local Currency	1,218	4%	1,128	4%
Foreign Currency	580	2%	426	2%
Total Short Term	**1,798**	**6%**	**1,554**	**6%**
Long Term				
Local Currency	4,397	15%	4,384	16%
Foreign Currency	22,707	79%	21,083	78%
Total Long Term	**27,105**	**94%**	**25,467**	**94%**
Total Local Currency	5,615	19%	5,512	20%
Total Foreign Currency[1]	23,287	81%	21,509	80%
Gross Debt	**28,903**		**27,021**	
(-) Cash	8,953		8,250	
Net Debt	**19,950**		**18,770**	
Net Debt / EBITDA (LTM) - US$	**3.1 x**		**3.6 x**	
Net Debt / EBITDA (LTM) - R$	**3.2 x**		**3.3 x**	

[1]Includes BRL to USD swaps, as well as the market fair value of these instruments

Gross debt stood at R$ 28.903 billion as of September 30, 2021, an increase of R$ 1.882 billion in relation to the close of 2Q21. This increase is largely explained by the effect of exchange rate depreciation on currency denominated debt, albeit without a material cash effect in the period.

Average Maturity / Cost of Debt	3Q21	2Q21	3Q20
Local Currency Cost	10.4% a.a.	8.5% a.a.	4.1% a.a.
Foreign Currency Cost	5.1% a.a.	5.1% a.a.	4.7% a.a.
Average maturity	**108 months**	**110 months**	**117 months**

The total average maturity of loans and financing at the end of 3Q21 was 108 months, 58 months for debt in Reais and 119 months in currency denominated debt. The average cost of currency denominated financing, the main source of the Company's credit, remained unchanged on a quarterly comparison basis at 5.1% annually. For debt in local currency, the increase in financial cost to 10.4% p.a. in 3Q21 reflects accelerating inflation as measured by the accumulated IPCA for the past twelve months, the latter increasing from 8.4% in June 2021 to 10.3% in September in the same year and the CDI, which increased from 4.2% in June 2021 to 6.2% in September 2021.

Cash and financial investments ended the third quarter 2021 at R$ 8.953 billion, an increase of R$ 703 million in relation to 2Q21, and reflecting cash generation in the period. This cash position would be sufficient to amortize 65 months of debt. As per Notice to the Market of October 7, 2021, the Company has a Revolving Credit Facility, characterized as Sustainability-Linked, for US$ 500 million (equivalent to R$ 2.720 billion) maturing in October 2026, its cost being conditional on the performance of the environmental indicator. The commitment fee will be between 0.36% p.a. and 0.38% p.a. and in case the line is drawn, the cost will vary between Libor + 1.20% p.a. and Libor + 1.25% p.a..

Klabin also has financing earmarked to the execution of the Puma II Project, contracted, and partially drawn for the following amounts: (i) BID Invest, IFC and JICA, US$ 700 million; (ii) Finnvera, US$ 178 million; (iii) BNDES, R$ 2 billion. These credit lines may be drawn either in full or partially, according to the progress of the construction schedule of the Puma II Project and/or Company's cash requirements.

Consolidated net debt as of September 30, 2021 amounted to R$ 19.950 billion, an increase of R$ 1,179 billion compared to the net amount at the close of 2Q20 and largely due to the negative impact of exchange variation on US$ denominated debt – with no material cash effect during the period - although partially offset by cash generation.

Financial leverage measured by the Net Debt/Adjusted EBITDA ratio in US$ - which best reflects Klabin's financial leverage - continued a deleveraging trajectory, begun in the previous quarter and terminating in 3Q21 at 3.1 times compared with 3.6 times in 2Q21, this being implemented in parallel with the ongoing Puma II investment cycle. The positive performance is related to increased cash generation and to the accumulated Adjusted EBITDA over the past twelve months, maintaining leverage within the parameters established in the **Company's Financial Debt Policy.**

Hedge Accounting

From January 2021, Klabin implemented the cash flow hedge accounting method. This practice, in line with the Company's risk management and strategy, seeks to demonstrate the equalization of the effects of foreign exchange variation in the income statement as they are effectively realized with their cash effect.

Debts in US$ are designated as instruments of protection of the highly probable future revenues in US$ and the effects of the currency variation on these debts are recorded under shareholders' equity in the "Valuation adjustments to shareholders' equity" line. With the realization of revenues in US$ linked to the designated debts for hedge accounting purposes, so the respective accumulated amounts of currency variation are recorded in the income statements under "Net Revenue".

At the end of 3Q21, the currency variation of debt designated for hedge accounting totaled a net negative effect of R$ 560 million in the "Valuation adjustments to shareholders' equity" in the shareholders' equity. This amount related to the positive balance of R$ 865 million in the financial result less the R$ 16 million realization of the hedge reserve plus R$ 288 million in Income Tax and Social Contribution.

In 3Q21, revenue was realized in the amount of US$ 18 million linked to the settlement of loans and financing, designated as a hedge instrument. This revenue generated an accumulated foreign exchange expense of R$ 5 million, excluded from the Adjusted EBITDA to better show the Company's cash generation.

The implementation of hedge accounting is exclusively of an accounting nature and does not impact the Company's cash generation and Adjusted EBITDA.

For more information, please see the financial statements for the period.

Financial Result[1]

R$ million	3Q21	2Q21	3Q20	Δ 3Q21/2Q21	Δ 3Q21/3Q20	9M21	9M20	Δ 9M21/9M20
Financial Expenses	(310)	(379)	(316)	-18%	-2%	(1,159)	(1,142)	1%
Financial Revenues	83	72	63	15%	30%	184	296	-38%
Subtotal	**(228)**	**(307)**	**(252)**	**-26%**	**-10%**	**(975)**	**(846)**	**15%**
Net Foreign Exchange Variation	(1,199)	1,845	(535)	n/a	124%	(509)	(4,646)	-89%
Derivative Instruments (SWAP)	(430)	684	(285)	n/a	51%	(81)	(2,466)	-97%
Hedge Accounting Effect	1,566	(2,429)	-	n/a	n/a	865	-	n/a
Subtotal	**(63)**	**100**	**(819)**	**n/a**	**-92%**	**274**	**(7,112)**	**n/a**
Financial Result	**(291)**	**(207)**	**(1,072)**	**40%**	**-73%**	**(701)**	**(7,958)**	**-91%**

[1] Pro-forma numbers. For more details, please access the Company's Financial Statements

In 3Q21, financial expenses excluding hedge accounting and swap effects amounted to R$ 310 million, 18% lower than the preceding quarter and in line with the same period in 2020. Financial revenues totaled R$ 83 million in the quarter, an increase of R$ 11 million in relation to 2Q21 and R$ 20 million compared with 3Q20, both a reflection of the increase in the CDI.

The closing FX rate for the quarter was R$ 5.44/US$, 9% above the rate at the end of 2Q21, thus generating the negative result in the net foreign exchange variation line of R$ 1.199 billion due to the impact on US$ denominated debt and R$ 430 million in the marking-to-market of interest rate swaps. These swaps are linked to loans and financing contracted in Reais and through these derivative instruments, have an effect similar to a liability contracted in US$.

As mentioned in the preceding section, the Company has adopted the hedge accounting methodology, with a positive pre-Income Tax/Social Contribution effect of R$ 1.566 billion in 3Q21, a reflection of the appreciation in the Real against the US$ on the marking of currency denominated debt. This amount ceases to be booked to the income statement through an offsetting amount to stockholders equity in the "Valuation adjustments to shareholders' equity" line. Important to note that the currency variation on US$ denominated debt, the marking-to-market of the swaps as well as the partial compensation according to the hedge accounting methodology – amounting to negative R$ 63 million in 3Q21 - had no cash effect in the period.

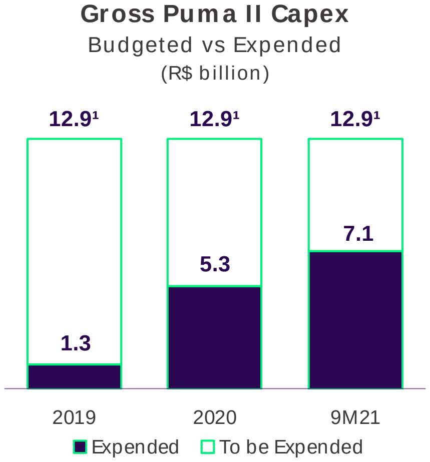
Investments

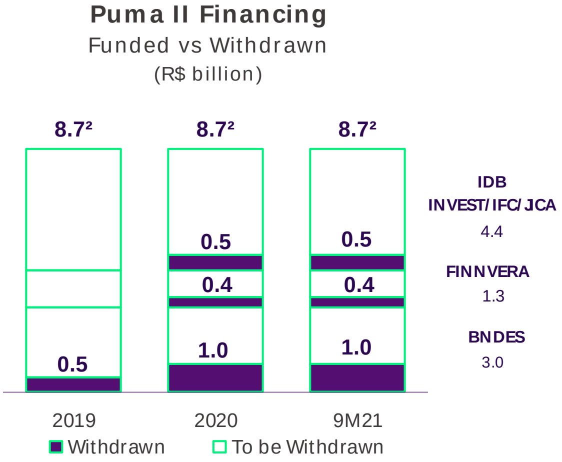
R$ million	3Q21	2Q21	3Q20	Δ 3Q21/2Q21	Δ 3Q21/3Q20	9M21	9M20	Δ 9M21/9M20
Forestry	134	70	88	90%	52%	271	206	31%
Operational Continuity	113	115	104	-1%	9%	413	340	21%
Maintenance Capex	**247**	**185**	**191**	**33%**	**29%**	**683**	**546**	**25%**
Special Projects and Growth	130	18	15	607%	743%	216	43	407%
Puma II Project	623	700	1,141	-11%	-45%	1,820	2,577	-29%
Total	**1,000**	**904**	**1,348**	**11%**	**-26%**	**2,719**	**3,166**	**-14%**

In 3Q21, Klabin invested R$ 1.0 billion in its operations and expansion. Of the total amount invested, R$ 134 million were allocated to forestry operations and R$ 113 million to the operational continuity of the plants. The total of these two amounts, R$ 247 million, represents the investments in the operational maintenance of the Company. On an annual comparison basis, the largest investments reflect principally the impact of accelerating inflation on services and inputs during the period. A further R$ 130 million were invested in special projects and expansions, among which those projects approved at the end of June 2021.

As these are investments from a cash point of view, the amounts do not consider investments related to the forestry activities of the subsidiaries through Special Purpose Corporations (SPC's), executed via the injection of forestry assets already existing in Klabin's balance sheet.

Regarding the Puma II Project investments, to the present, R$ 7.136 billion has been invested, of which R$ 5.316 billion up to 2020 and R$ 1.820 billion in the first nine months of 2021. As already commented, the startup of the Project's first machine took place during the third quarter 2021 and the startup of the second machine is scheduled for the second quarter of 2023. Remaining investments required to conclude the project will be financed out of the Company's cash position and from the generation of cash from current business activity. Complementary funding can be obtained by drawing against credit lines already in place with the ECA's, BNDES, BID Invest, IFC and JICA, with no requirements for additional financing.





[1] Initial gross capex of R$9.1 bi (2019) updated to 2021 prices by exchange rate variation and inflation added to incremental capex of R$2.6 bi due to the change in PM 28 to coated board

[2] Considers the end of period R$/US$ rate

Free Cash Flow

R$ million	3Q21	2Q21	3Q20	LTM 3Q21	LTM 3Q20
Adjusted EBITDA	**1,928**	**1,798**	**1,233**	**6,313**	**4,558**
(-) Capex[1]	(1,000)	(904)	(1,348)	(4,727)	(4,017)
(-) Interest Paid/Received	(134)	(391)	(179)	(1,383)	(1,256)
(-) Income Tax	(203)	(71)	(2)	(316)	(9)
(+/-) Working Capital Variation	206	328	915	928	1,568
(-) Dividends & IOC	-	-	-	-	(517)
(+/-) Others	(86)	3	(19)	(249)	(48)
Free Cash Flow	**712**	**763**	**600**	**566**	**279**
Dividends & IOC	-	-	-	-	517
Puma II Project	623	700	1,141	3,288	3,130
Special Projects and Growth	130	18	15	512	52
Adjusted Free Cash Flow[2]	**1,465**	**1,481**	**1,757**	**4,366**	**3,978**
Adjusted FCF Yield[3]				**15.0%**	**18.7%**

[1] Capex under cash accrual method does not consider investments into SPVs (Special Purpose Vehicles)

[2] Excluding dividends and expansion projects

[3] Yield - Adjusted FCF per share (excluding treasury stock) divided by the average price of the Units in the LTM (Last Twelve Months)

The Adjusted Free Cash Flow for the third quarter 2021 was driven by the increase in Adjusted EBITDA as well as the reduction in working capital, largely the result of monetization of tax credits, and a larger outstanding balance to suppliers.

In the 'Interest Paid/Received' line, the amount in 3Q21 was less than compared to 2Q21 due to the interest on bonds maturing in 2029 and 2049 and settled in the preceding quarter.

The 'Others' line reported higher expenses in 3Q21 when compared to 2Q21 and 3Q20. This line incorporates the booking of dividends paid by companies controlled by Klabin, SCPs/SPEs, whose main objective is the exploitation of forestry activities with efficient use of capital.

Excluding discretionary factors and growth projects, the **Adjusted Free Cash Flow** for the last twelve months amounted to R$ 4.366 billion, equivalent to a Free Cash Flow Yield of 15.0%.

ROIC - Return on Invested Capital

ROIC (R$ million) - LTM[1]	3Q21	2Q21	3Q20
Total Asset	**38,242**	**36,993**	**35,402**
(-) Total Liability (ex-debt)	(4,861)	(4,435)	(3,473)
(-) Construction in Progress	(6,067)	(6,010)	(3,230)
Invested Capital	**27,314**	**26,548**	**28,699**
(-) CPC 29 Adjustment[2]	(1,745)	(1,716)	(1,645)
Adjusted Invested Capital	**25,569**	**24,831**	**27,054**
Adjusted EBITDA	**6,313**	**5,618**	**4,558**
(-) Maintenance Capex	(927)	(872)	(835)
(-) Income Tax and Soc. Contr. (cash)	(316)	(116)	(9)
Adjusted Operating Cash Flow	**5,069**	**4,630**	**3,714**
ROIC[3]	**19.8%**	**18.6%**	**13.7%**

[1] Average of the last 4 quarters (Last Twelve Months)

[2] Fair Value of Biological Assets minus Deferred Taxes of Biological Assets

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

Klabin's consolidated return as measured by the Return on Invested Capital (ROIC)[1] metric was 19.8% in the last 12 months, better than the results for previous quarters. The improvement in this indicator is directly related to the better performance of Adjusted EBITDA over the past 12 months and as explained in the preceding sections. As already described, the startup of the first stage of the Puma II Project took place during the quarter, albeit still with no material impact on EBITDA. Consequently, the investments continue being deducted from the Asset in the 'Construction in Progress' line for the purpose of calculating the ROIC.

Business Performance

Consolidated information by unit in 3Q21:

R$ million	Forestry	Pulp	Papers	Packaging	Eliminations	Total
Net revenue						
Domestic market	75	578	644	1,443	(63)	2,677
Exports	-	982	545	103	52	1,681
Third part revenue	**75**	**1,560**	**1,188**	**1,546**	**(11)**	**4,358**
Segments revenue	433	48	588	9	(1,078)	0
Total net revenue	**507**	**1,608**	**1,776**	**1,555**	**(1,088)**	**4,358**
Change in fair value - biological assets	403	-	-	-	-	403
Cost of goods sold[1]	(797)	(542)	(1,178)	(1,229)	1,143	(2,602)
Gross income	**114**	**1,067**	**598**	**327**	**54**	**2,159**
Operating expenses	10	(171)	(151)	(150)	-	(461)
Op. results before financial results	**124**	**896**	**447**	**177**	**54**	**1,698**

Note: In this table, total net revenue includes sales of other products; Comparison basis in Appendix V

[1] Forestry COGS includes the exaustion on the fair value of biological assets in the period

Forestry Business Unit

Volume (k tons)	3Q21	2Q21	3Q20	Δ 3Q21/2Q21	Δ 3Q21/3Q20	9M21	9M20	Δ 9M21/9M20
Wood	515	1,369	429	-62%	20%	2,294	1,224	87%
Revenue (R$ million)								
Wood	60	96	57	-38%	5%	218	153	42%

In 3Q21, 515 thousand tons of wood were sold, in volume terms 20% higher than the same quarter in 2020, the result of stronger sales of standing timber. With this, revenue amounted to R$ 60 million in the period. On a quarter-on-quarter basis, the reduction is explained by the one-off sale of 819 thousand tons of standing timber in 2Q21.

Pulp Business Unit

Volume (k tons)	3Q21	2Q21	3Q20	Δ 3Q21/2Q21	Δ 3Q21/3Q20	9M21	9M20	Δ 9M21/9M20
Short Fiber DM	83	84	79	-2%	5%	244	244	0%
Short Fiber EM	202	204	202	-1%	0%	599	592	1%
Short Fiber	**285**	**289**	**281**	**-1%**	**2%**	**843**	**836**	**1%**
Long Fiber/Fluff DM	57	57	51	-1%	13%	167	141	19%
Long Fiber/Fluff EM	57	53	66	9%	-13%	162	184	-12%
Long Fiber/Fluff	**115**	**110**	**117**	**4%**	**-2%**	**329**	**325**	**1%**
Total Pulp	**400**	**399**	**398**	**0%**	**0%**	**1,172**	**1,161**	**1%**
Revenue (R$ million)								
Short Fiber	1,002	991	660	1%	52%	2,775	1,881	48%
Long Fiber/Fluff	557	520	391	7%	42%	1,488	1,020	46%
Total Pulp	**1,558**	**1,511**	**1,051**	**3%**	**48%**	**4,263**	**2,900**	**47%**
Net Price (R$/ton)								
Short Fiber	3,511	3,435	2,350	2%	49%	3,292	2,250	46%
Long Fiber/Fluff	4,861	4,719	3,345	3%	45%	4,526	3,136	44%
Total Pulp	**3,898**	**3,790**	**2,642**	**3%**	**48%**	**3,639**	**2,498**	**46%**

Pulp volume sold in 3Q21 was 400 thousand tons, in line with volumes for the same quarter of 2020, the result of the Puma Unit's solid operational performance and the strong demand across all pulp grades, notably in the European, United States and Latin American markets.

In the light of the sharp differences in relation to pulp consumption in the different geographical markets in the period, the balance between supply and demand remained in equilibrium. On the demand side, China reported some market weakness for seasonal reasons, together with government restrictions introduced due to the energy crisis. On the other hand, demand continued robust in Europe, USA and Latin America, driven by the lifting of COVID -19 pandemic restrictions. On the supply side, logistical difficulties continued with little expectation of normalization in the short-term, the equilibrium between supply and demand growing tighter.

In this scenario, Klabin benefited from the flexibility in the sales mix between regions, increasing sales volume in line with reference prices in Europe, USA and for domestic business, these markets together increasing by approximately 14% on average both for short as well as long fiber in 3Q21 compared with the average for 2Q21. By contrast, in China, prices for short and long fiber reported an average of US$ 657/t and US$ 855/t, respectively. These amounts represent a decline of 15% and 12% respectively in relation to 2Q21. Both grades measured at the FOEX price index.

Klabin's position as the only Brazilian company producing hardwood, softwood and fluff pulps translates into greater flexibility in building a strategic sales mix, allowing the Company to benefit from price increases in the three fibers, thus maximizing returns from the business. The price differential between hardwood and softwood pulp remained high, ending the quarter at US$ 208/t in China. It is worth also highlighting the solid performance in fluff pulp, with characteristics of greater resilience both in terms of demand as well as price.

Given this favorable market scenario and in spite of a more appreciated Real against the US$, net revenue from the pulp business was R$ 1.558 billion in 3Q21, a growth of 48% compared to the same period in 2020, the result of the strong price recovery and better sales mix.

Paper Business Unit

Volume (k tons)	3Q21	2Q21	3Q20	Δ 3Q21/2Q21	Δ 3Q21/3Q20	9M21	9M20	Δ 9M21/9M20
Kraftliner DM	39	43	48	-10%	-20%	135	135	0%
Kraftliner EM	49	48	62	3%	-22%	146	195	-25%
Kraftliner	**87**	**90**	**111**	**-3%**	**-21%**	**281**	**330**	**-15%**
Coated Boards DM	114	107	116	6%	-2%	330	305	8%
Coated Boards EM	69	68	68	2%	1%	181	231	-22%
Coated Boards	**183**	**175**	**185**	**5%**	**-1%**	**511**	**536**	**-5%**
Paper	**271**	**265**	**295**	**2%**	**-8%**	**792**	**866**	**-9%**
Revenue (R$ million)								
Kraftliner	361	333	310	9%	16%	1,017	901	13%
Coated Boards	819	780	754	5%	9%	2,249	2,191	3%
Paper	**1,180**	**1,113**	**1,064**	**6%**	**11%**	**3,267**	**3,092**	**6%**
Net Price (R$/ton)								
Kraftliner	4,139	3,691	2,807	12%	47%	3,622	2,729	33%
Coated Boards	4,465	4,455	4,078	0%	9%	4,400	4,087	8%
Paper	**4,360**	**4,195**	**3,602**	**4%**	**21%**	**4,124**	**3,570**	**16%**

Kraftliner

Demand in the kraftliner market remained intense throughout the 3Q21 both in the domestic as well as the export market. The United States, the main producer and exporter of kraftliner, continues converting more of its output internally and reducing exports, that in the accumulated period between January and July fell 34% in relation to the same period in 2020. In 3Q21, the average price in Europe as measured by the FOEX price index for kraftliner, was US$ 883/t, 30% more than the average for 3Q20 and 9% greater compared with the average for 2Q21.

During the quarter, Klabin's sales volume of kraftliner fell 21% on an annual comparative basis due to the programmed maintenance stoppage at the Otacílio Costa Unit and the higher integrated volume in conversion to meet the high demand for packaging in the Brazilian market. Despite the reduction in sales volume, net revenue rose 16% in the same period as a result of price readjustments implemented in recent quarters.

Coated Boards

The coated board market continues in the same vein of robust demand in the domestic and international markets, driven by the accelerated tendency of replacing single-use plastic packaging for sustainable packaging, manufactured from recyclable, renewable and biodegradable raw materials. According to the Brazilian Tree Industry (IBÁ), domestic sales rose 20.9% in the accumulated period from January to August 2021 in relation to the same period in 2020.

Klabin's sales volume of coated boards in the third quarter of 2021 reported stability on an annual comparative basis given that the Company is already operating at maximum production capacity. Revenue from the segment rose 9% year-on-year on the back of price readjustments in the period.

Packaging Business Unit

Volume (k tons)	3Q21	2Q21	3Q20	Δ 3Q21/2Q21	Δ 3Q21/3Q20	9M21	9M20	Δ 9M21/9M20
Corrugated Boxes	239	243	175	-2%	36%	723	481	50%
Industrial Bags	40	39	42	2%	-4%	119	109	9%
Packaging	**279**	**282**	**217**	**-1%**	**29%**	**841**	**589**	**43%**
Revenue (R$ million)								
Corrugated Boxes	1,286	1,129	656	14%	96%	3,416	1,763	94%
Industrial Bags	261	258	244	1%	7%	777	649	20%
Packaging	**1,547**	**1,387**	**900**	**12%**	**72%**	**4,193**	**2,413**	**74%**
Net Price (R$/ton)								
Corrugated Boxes	5,380	4,645	3,743	16%	44%	4,728	3,666	29%
Industrial Bags	6,511	6,574	5,846	-1%	11%	6,544	5,983	9%
Packaging	**5,542**	**4,913**	**4,147**	**13%**	**34%**	**4,984**	**4,093**	**22%**

Corrugated Boxes

Klabin's sales volume of corrugated boxes posted 239 thousand tons in 3Q21, an increase of 36% compared to the same period in 2020, considering additional volumes from the IP acquisition. Excluding sales from the acquisition, volume remained flat year-on-year. In turn, revenue grew 96% in relation to 3Q20 and 43% on the same comparative basis if the revenue from the new units is excluded. Increased revenue is largely a reflection of price increases in the period, driven by strong demand and the passing through to prices of increased OCC costs since the outset of the pandemic.

Data published by Empapel, formerly the Brazilian Association of Corrugated Board (ABPO), shows shipments of corrugated boxes in 3Q21 were 2.5% down on the same period in the preceding year, taking into account preliminary information for the month of September. Following a sequence of 13 consecutive months of growth, August and September reported declining volumes on an annual comparative basis, although the historic series for both months still representing the second largest shipment volumes on record. This expected accommodation in shipments is explained by the resumption of services that were affected during the period of social isolation.

Industrial Bags

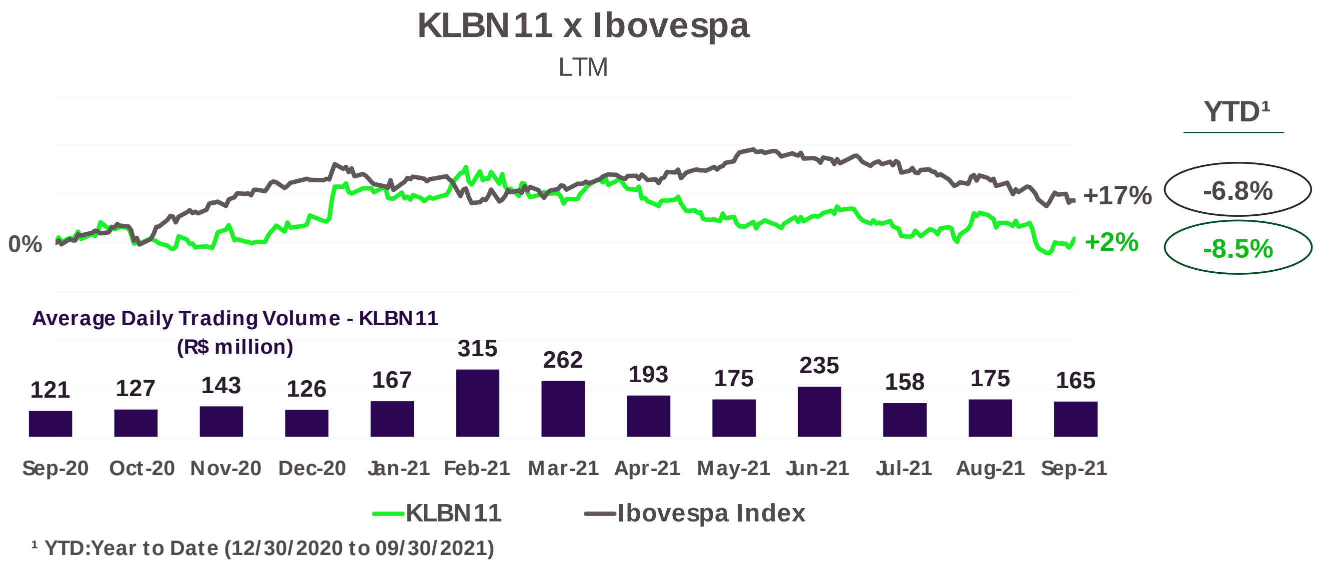
Preliminary data published by the National Cement Industry Union (SNIC) indicates Brazilian cement consumption - directly impacting Klabin's sales of industrial bags in Brazil – posting an increase of 9.7% from January to September 2021 compared with the preceding year, 10.2% considering sales per business day.

The Company's industrial bags conversion units operated at maximum capacity to meet strong demand from both domestic and export markets. In 3Q21, the segment reported increased net revenue of 7% compared with the same period in 2020 reflecting a greater sales mix directed to new bag uses with greater value added as well as the passing on of increased costs to prices in the period.

Capital Markets

Equity Income

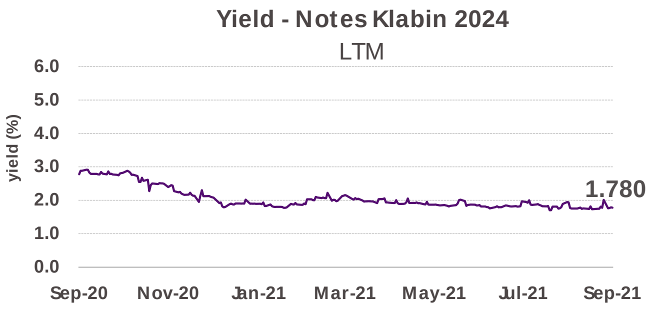
In the third quarter of 2021, Klabin's Units (KLBN11) reported a depreciation of 8% as against a depreciation of 12% in the Ibovespa, closing the period priced at R$ 24.21/unit. The units were traded on all the days B3 was open for business, in the quarter turnover amounting to approximately 420 million transactions with an average daily trading volume of R$ 165 million. The maximum price reached during the period was R$27.34/unit on July 7, 2021, while the minimum was R$ 22.80/unit on September 20, 2021.

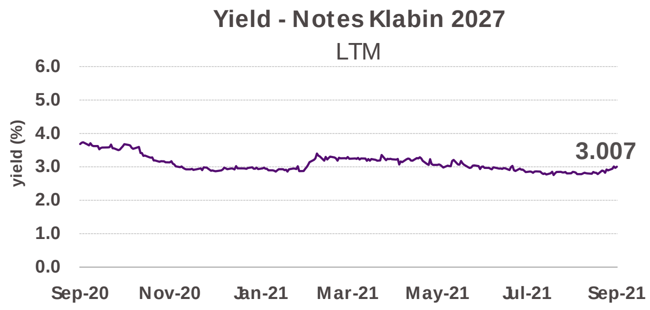


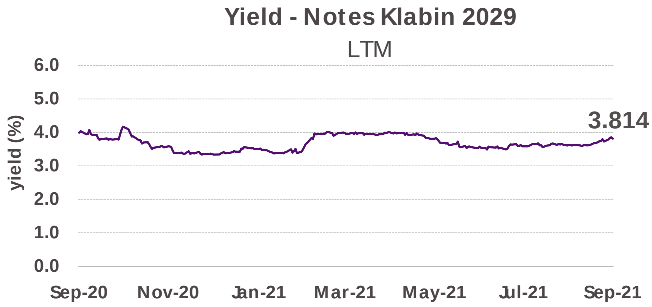
Fixed Income

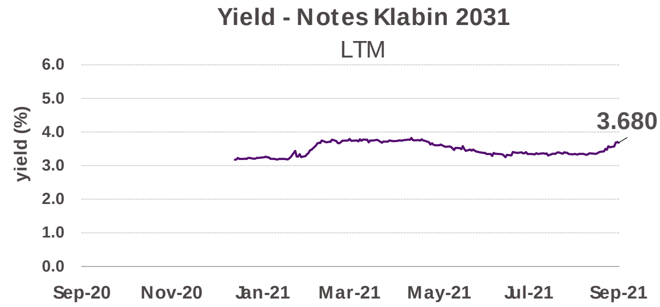
The Company has five active note or bond issues in the international market. Among these are two Green Bond issues, the securities of which must necessarily have their resources earmarked to eligible green projects. There are also two conventional debt issues. And finally, a Sustainability Linked Bond (SLB), the coupon of which is linked to sustainability performance metrics. Differently from the other issues, interest paid on SLB securities is directly linked to meeting certain goals by 2025 and described in the issue's Framework, published in the Company's Investor Relations website. All coupons and maturities are shown in the respective graphs below.

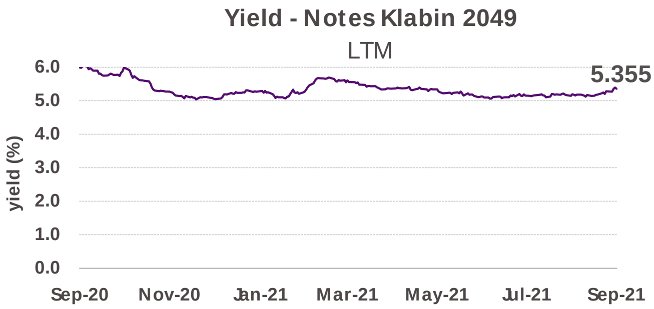
In 3Q21, Klabin maintained its credit risk rating at BB+, with a stable outlook by the agencies Fitch Ratings and Standard & Poors.











Shareholder Remuneration

As explained in the fourth quarter 2020 earnings release, Klabin's booked net income in 2020 was negatively affected by the intense devaluation of the Real against the US$. Consequently, in compliance with bookkeeping and corporate legislation, Klabin was temporarily unable to distribute earnings to its shareholders and consequently there was no distribution of earnings in the first nine months of 2021.

The Controlling Company reported a book net income of R$ 2.1 billion in the first nine months of 2021. With this, accumulated results in the balance sheet at the end of 3Q21 totaled approximately R$ 1.1 billion, making the Company eligible to pay out dividends. Klabin's Dividend and Interest on Capital Policy, approved in June 2020, established a target percentage for payment of shareholder remuneration of between 15% and 25% of the Adjusted EBITDA. To see the Policy in full, click here.

Subsequent Events

Revolving Credit Facility Agreement

Pursuant to the Notice to the Market published on October 7, 2021, the Company contracted a Revolving Credit Facility worth US$ 500 million, characterized as Sustainability-Linked. The cost of this facility is conditional on the annual performance of the environmental indicator relative to the increased reutilization of solid industrial waste. To access the Notice, please click here.

Green Bonds Report

On October 20, 2021, according to the Notice the Market released, Klabin published its annual Green Bonds Report. In this report, Klabin accounts for the use of resources raised under the Green Bonds in the period from July 2020 and June 2021. To access the Report, please click here.

Klabin S.A.

Klabin

Quarterly Information (ITR) at September 30, 2021

(A free translation of the original in Portuguese)

KLABIN S.A.
All amounts in thousands of Reais

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BALANCE SHEET AT SEPTEMBER 30, 2021 AND DECEMBER 31, 2020

(All amounts in thousands of Reais)

		Parent Company		Consolidated	
	Note	09/30/2021	12/31/2020	09/30/2021	12/31/2020
ASSETS					
Current					
Cash and cash equivalents	4	6,001,971	4,529,748	6,958,432	5,208,830
Marketable securities	5	1,981,155	1,335,257	1,994,787	1,347,897
Accounts receivable:					
. Trade receivables	6	2,274,730	1,296,273	2,719,339	1,883,028
. Provision for expected credit loss ("PECL")	6	(60,932)	(56,106)	(62,701)	(76,110)
Related parties	7	415,121	675,185	-	-
Inventory	8	1,695,337	1,203,968	1,789,381	1,379,131
Taxes recoverable	9	322,106	795,780	393,111	824,771
Other assets		205,106	155,218	282,939	218,324
Total current assets		**12,834,594**	**9,935,323**	**14,075,288**	**10,785,871**
Assets held for sale	12	-	**138,769**	-	**175,064**
Non-current					
long-term receivables					
Deferred income tax and social contribution	10	704,630	770,453	693,581	765,099
Judicial deposits	19	111,855	117,409	113,289	118,843
Taxes recoverable	9	789,908	763,475	789,908	769,092
Related parties	7	56	21,076	-	-
Other assets		195,647	175,228	195,979	175,502
		1,802,096	**1,847,641**	**1,792,757**	**1,828,536**
Investments:					
. Interests in subsidiaries and joint venture	11	1,958,360	2,090,500	252,542	256,072
. Other		12,291	12,372	12,291	12,372
Property, plant and equipment	13	18,112,747	16,033,030	18,658,891	16,670,773
Biological assets	14	3,350,688	3,357,941	4,846,420	4,657,821
Right of use asset	15	1,026,006	803,477	1,052,433	808,420
Intangible assets		85,359	67,362	145,438	75,332
		24,545,451	22,364,682	24,968,015	22,480,790
Total non-current assets		**26,347,547**	**24,212,323**	**26,760,772**	**24,309,326**
Total assets		**39,182,141**	**34,286,415**	**40,836,060**	**35,270,261**

(A free translation of the original in Portuguese)

KLABIN S.A.
All amounts in thousands of Reais

BALANCE SHEET AT SEPTEMBER 30, 2021 AND DECEMBER 31, 2020
(All amounts in thousands of Reais)

	Note	Parent Company		Consolidated	
LIABILITIES AND EQUITY		09/30/2021	12/31/2020	09/30/2021	12/31/2020
Current					
Borrowings	16	1,518,741	698,634	1,732,143	652,983
Debentures	17	66,057	68,038	66,057	68,038
Trade payables	18	1,815,795	1,610,535	2,021,598	1,754,137
Trade payables (Forfait)	18	440,326	248,892	440,326	248,892
Lease liability	15	193,182	141,837	193,012	143,721
Tax payables		173,129	163,104	211,285	193,871
Social security and labor obligations		467,988	346,868	474,861	377,816
Provision for income tax and social contribution		4,332	-	-	-
Related parties	7	10,228	37,150	-	-
Other payables and provisions		241,525	148,976	276,349	202,537
Total current liabilities		**4,931,303**	**3,464,034**	**5,415,631**	**3,641,995**
Property liabilities held for sale	12	-	-	-	**36,295**
Non-current					
Borrowings	16	25,584,738	24,015,045	25,409,346	23,853,204
Debentures	17	1,695,329	1,764,765	1,695,329	1,764,765
Lease liability	15	856,346	676,464	881,625	679,591
Payables - Investors in Special Partnership Companies (SPCs)		-	-	197,976	301,671
Provision for tax, social security, labor and civil contingencies	19	50,299	51,789	50,514	51,951
Actuarial liabilities		405,702	342,053	408,450	392,024
Tax payables		204,961	85,567	204,961	85,567
Other payables and provisions		55,465	76,393	115,076	78,437
Total non-current liabilities		**28,852,840**	**27,012,076**	**28,963,277**	**27,207,210**
Total liabilities		**33,784,143**	**30,476,110**	**34,378,908**	**30,885,500**
Equity					
Share capital		4,475,625	4,475,625	4,475,625	4,475,625
Capital reserves		(343,463)	(365,791)	(343,463)	(365,791)
Revaluation reserve		48,705	48,705	48,705	48,705
Other compreenseve income		254,873	823,476	254,873	823,476
Retained earnings		1,130,821	(993,826)	1,130,821	(993,826)
Treasury shares		(168,563)	(177,884)	(168,563)	(177,884)
Shareholders' equity of Klabin	20	**5,397,998**	**3,810,305**	**5,397,998**	**3,810,305**
Non-controlling interest	20	-	-	**1,059,154**	**574,456**
Consolidated shareholders' equity		**5,397,998**	**3,810,305**	**6,457,152**	**4,384,761**
Total liabilities and equity		**39,182,141**	**34,286,415**	**40,836,060**	**35,270,261**

The accompanying notes are an integral part of this quarterly information.

KLABIN S.A.
All amounts in thousands of Reais

STATEMENT OF OPERATIONS FOR THE AND THREE AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021 AND 2020
(All amounts in thousands of Reais unless otherwise stated)

		Parent Company			
	Note	From 07/01 to 09/30/2021	From 01/01 to 09/30/2021	From 07/01 to 09/30/2020	From 01/01 to 09/30/2020
Net sales revenue	21	4,284,073	11,490,475	3,060,070	8,666,012
Variation in the fair value of biological assets	14	295,006	381,254	46,058	254,749
Cost of products sold	22	(2,647,066)	(7,480,924)	(1,971,600)	(5,592,015)
Gross profit		1,932,013	4,390,805	1,134,528	3,328,746
Operating expenses					
Sales	22	(284,457)	(796,302)	(267,597)	(765,100)
General and administrative	22	(219,769)	(625,265)	(156,429)	(455,911)
Other net	22	27,451	54,305	(7,112)	54,803
		(476,775)	(1,367,262)	(431,138)	(1,166,208)
Equity in the results of joint venture	11	207,983	421,606	(1,449)	122,921
Profit before finance result and taxes		1,663,221	3,445,149	701,941	2,285,459
Finance result	23	(388,826)	(712,600)	(998,550)	(8,175,243)
Profit (loss) before taxes on income		**1,274,395**	**2,732,549**	**(296,609)**	**(5,889,784)**
Income tax and social contribution					
. Current	10	(38,034)	(235,326)	3,551	(403,407)
. Deferred	10	(142,083)	(372,576)	94,175	2,485,723
		(180,117)	(607,902)	97,726	2,082,316
Profit (loss) for the period		**1,094,278**	**2,124,647**	**(198,883)**	**(3,807,468)**
From continuing operations		**1,094,278**	**2,122,431**	**(198,883)**	**(3,807,468)**
From discontinued operations	12	-	**2,216**	-	-
Attributed to Klabin's shareholders		**1,094,278**	**2,124,647**	**(198,883)**	**(3,807,468)**
Attributed to non-controlling shareholders		-	-	-	-
Earnings (loss) per share:					
Basic earnings per common share - R$	25	0.1994	**0.3871**	**(0.0366)**	**(0.7032)**
Diluted earnings per common share - R$	25	0.1994	**0.3871**	**(0.0366)**	**(0.7032)**
Earnings (loss) per share - discontinued operations:					
Basic earnings per common share - R$	25	-	**0.0004**	-	-
Diluted earnings per common share - R$	25	-	**0.0004**	-	-

The accompanying notes are an integral part of this quarterly information.

KLABIN S.A.
All amounts in thousands of Reais

	Note	From 07/01 to 09/30/2021	From 01/01 to 09/30/2021	From 07/01 to 09/30/2020	From 01/01 to 09/30/2020
					Consolidated
Net sales revenue	21	4,358,231	11,900,331	3,108,828	8,656,612
Variation in the fair value of biological assets	14	403,232	644,637	68,515	317,336
Cost of products sold	22	(2,602,482)	(7,457,245)	(1,926,325)	(5,585,660)
Gross profit		2,158,981	5,087,723	1,251,018	3,388,288
Operating expenses					
Sales	22	(310,379)	(873,307)	(296,275)	(832,697)
General and administrative	22	(195,921)	(620,258)	(165,833)	(472,072)
Other net	22	36,184	70,837	(4,404)	54,509
		(470,116)	(1,422,728)	(466,512)	(1,250,260)
Equity in the results of joint venture	11	8,749	11,406	1,039	27,071
Profit before finance result and taxes		1,697,614	3,676,401	785,545	2,165,099
Finance result	23	(290,696)	(700,851)	(1,071,700)	(7,957,634)
Profit (loss) before taxes on income		**1,406,918**	**2,975,550**	**(286,155)**	**(5,792,535)**
Income tax and social contribution					
. Current	10	(44,760)	(249,933)	674	(412,334)
. Deferred	10	(146,854)	(370,849)	94,264	2,488,379
		(191,614)	(620,782)	94,938	2,076,045
Profit (loss) for the period		**1,215,304**	**2,354,768**	**(191,217)**	**(3,716,490)**
From continuing operations		**1,215,304**	**2,352,552**	**(191,217)**	**(3,716,490)**
From discontinued operations	12	-	**2,216**	-	-
Attributed to Klabin's shareholders		**1,094,278**	**2,124,647**	**(198,883)**	**(3,807,468)**
Attributed to non-controlling shareholders		**121,026**	**230,121**	**7,666**	**90,978**
Earnings (loss) per share:					
Basic earnings per common share - R$	25	**0.1994**	**0.3871**	**(0.0366)**	**(0.7032)**
Diluted earnings per common share - R$	25	**0.1994**	**0.3871**	**(0.0366)**	**(0.7032)**
Earnings (loss) per share - discontinued operations:					
Basic earnings per common share - R$	25	-	**0.0004**	-	-
Diluted earnings per common share - R$	25	-	**0.0004**	-	-

The accompanying notes are an integral part of this quarterly information.

STATEMENT OF COMPREHENSIVE INCOME (LOSS) FOR THE AND THREE AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021 AND 2020

(All amounts in thousands of Reais)

	Parent Company			
	From 07/01 to 09/30/2021	From 01/01 to 09/30/2021	From 07/01 to 09/30/2020	From 01/01 to 09/30/2020
Income (loss) for the period	**1,094,278**	**2,124,647**	**(198,883)**	**(3,807,468)**
Other comprehensive income:				
. Foreign currency translation adjustments (i)	(1,911)	3,835	1,015	(18,862)
. Actuarial liability remeasurement	(5,320)	(15,964)	1,173	3,519
. Deferred income tax on actuarial liabilities	1,809	5,428	-	-
. Hedge accounting update	(1,560,495)	(848,468)	-	-
.Deferred income tax on hedge accounting	530,568	288,479	-	-
Total comprehensive income for the period, net of taxes	**58,929**	**1,557,957**	**(196,695)**	**(3,822,811)**
Attributed to Klabin's shareholders	**58,929**	**1,557,957**	**(196,695)**	**(3,822,811)**
Attributed to non-controlling shareholders	-	-	-	-

	Consolidated			
	From 07/01 to 09/30/2021	From 01/01 to 09/30/2021	From 07/01 to 09/30/2020	From 01/01 to 09/30/2020
Income (loss) for the period	**1,215,304**	**2,354,768**	**(191,217)**	**(3,716,490)**
Other comprehensive income:				
. Foreign currency translation adjustments (i)	(1,911)	3,835	1,015	(18,862)
. Actuarial liability remeasurement	(5,320)	(15,964)	1,173	3,519
. Deferred income tax on actuarial liabilities	1,809	5,428	-	-
. Hedge accounting update	(1,560,495)	(848,468)	-	-
.Deferred income tax on hedge accounting	530,568	288,479	-	-
Total comprehensive income for the period, net of taxes	**179,955**	**1,788,078**	**(189,029)**	**(3,731,833)**
Attributed to Klabin's shareholders	**58,929**	**1,557,957**	**(196,695)**	**(3,822,811)**
Attributed to non-controlling shareholders	**121,026**	**230,121**	**7,666**	**90,978**

(i) Effects that may impact the result in the future only in the event of disposal or demise of the investee.

The accompanying notes are an integral part of this quarterly information.

STATEMENT OF CHANGES IN EQUITY FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021 AND 2020

(All amounts in thousands of Reais)

			Revaluation reserve	Revenue reserves									
	Share capital	Capital reserves	Own assets	Legal	Tax incentives	Biological assets	Investments and working capital	Other comprehensive income value adjustments	Treasury shares	Retained earnings	Shareholder's equity from Klabin	Non-controlling interest	Consolidated shareholder's equity
At December 31, 2019	**4,076,035**	**(350,622)**	**48,705**	**184,739**	**238,637**	**470,658**	**623,010**	**942,994**	**(187,274)**	**-**	**6,046,882**	**454,391**	**6,501,273**
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	(3,807,468)	**(3,807,468)**	89,540	**(3,717,928)**
Other comprehensive income for the period	-	-	-	-	-	-	-	(15,343)	-	-	**(15,343)**	-	**(15,343)**
Comprehensive income for the period	-	-	-	-	-	-	-	(15,343)	-	(3,807,468)	**(3,822,811)**	**89,540**	**(3,733,271)**
Conversion of debentures (7th issue - 1st series)	399,446	(28,502)	-	-	-	-	-	-	-	-	**370,944**	-	**370,944**
Prepaid dividends for 2020	-	-	-	-	-	-	-	-	-	(23,000)	**(23,000)**	(13,824)	**(36,824)**
Capital contribution from non-controlling shareholders (Note 1)	-	-	-	-	-	-	-	-	-	-	**-**	50,000	**50,000**
<u>Stock option plan (Note 24):</u>	-	-	-	-	-	-	-	-	-	-	**-**	-	**-**
. Treasury shares sold	-	8,872	-	-	-	-	-	-	4,716	-	**13,588**	-	**13,588**
. Award of treasury shares	-	-	-	-	-	-	-	(4,716)	4,716	-	**-**	-	**-**
. Recognition of the stock option plan remuneration	-	-	-	-	-	-	-	9,300	-	-	**9,300**	-	**9,300**
. Maturity of stock option plan	-	4,506	-	-	-	-	-	(4,506)	-	-	**-**	-	**-**
. Grant plan outflow	-	(45)	-	-	-	-	-	74	(29)	-	**-**	-	**-**
At September 30,2020	**4,475,481**	**(365,791)**	**48,705**	**184,739**	**238,637**	**470,658**	**623,010**	**927,803**	**(177,871)**	**(3,830,468)**	**2,594,903**	**580,107**	**3,175,010**
At December 31, 2020	**4,475,625**	**(365,791)**	**48,705**	**-**	**-**	**-**	**-**	**823,476**	**(177,884)**	**(993,826)**	**3,810,305**	**574,456**	**4,384,761**
Profit for the period	-	-	-	-	-	-	-	-	-	2,124,647	**2,124,647**	197,698	**2,322,345**
Other comprehensive income for the period	-	-	-	-	-	-	-	(566,690)	-		**(566,690)**	-	**(566,690)**
Comprehensive income for the period	-	-	-	-	-	-	-	**(566,690)**	-	**2,124,647**	**1,557,957**	**197,698**	**1,755,655**
Capital contribution from non-controlling shareholders (Note 1)	-	-	-	-	-	-	-	-	-	-	**-**	287,000	**287,000**
<u>Stock option plan (Note 24):</u>	-	-	-	-	-	-	-	-	-	-	**-**	-	**-**
. Treasury shares sold	-	14,250	-	-	-	-	-	-	4,696	-	**18,946**	-	**18,946**
. Award of treasury shares	-	-	-	-	-	-	-	(4,696)	4,696	-	**-**	-	**-**
. Recognition of the stock option plan remuneration	-	-	-	-	-	-	-	10,802	-	-	**10,802**	-	**10,802**
. Maturity of stock option plan	-	8,090	-	-	-	-	-	(8,090)	-	-	**-**	-	**-**
. Grant plan outflow	-	(12)	-	-	-	-	-	71	(71)	-	**(12)**	-	**(12)**
At September 30,2021	**4,475,625**	**(343,463)**	**48,705**	**-**	**-**	**-**	**-**	**254,873**	**(168,563)**	**1,130,821**	**5,397,998**	**1,059,154**	**6,457,152**

The accompanying notes are an integral part of this quarterly information.

KLABIN S.A.
All amounts in thousands of Reais

STATEMENT OF CASH FLOWS FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021 AND 2020
(All amounts in thousands of Reais)

	Parent Company		Consolidated	
	From 01/01 to 09/30/2021	From 01/01 to 09/30/2020	From 01/01 to 09/30/2021	From 01/01 to 09/30/2020
Net cash provided by operating activities	**3,430,126**	**4,799,039**	**3,476,193**	**5,131,298**
Cash provided by operations	**4,716,914**	**3,613,765**	**4,991,533**	**3,692,587**
Net profit (loss) for the period from continuing operations	2,122,431	(3,807,468)	2,352,552	(3,716,490)
Net profit for the period from discontinued operations	2,216	-	2,216	-
Depreciation and amortization	759,051	841,641	723,076	858,818
Change in fair value of biological assets	(381,254)	(254,749)	(644,637)	(317,336)
Depletion of biological assets	1,100,000	716,029	1,240,928	914,275
Deferred income tax and social contribution	372,576	(2,485,723)	370,849	(2,488,379)
Interest and foreign exchange variations on borrowings and debentures	1,106,549	8,794,484	880,967	8,584,493
Realization of the hedge reserve	16,088	-	16,088	-
Interest on leases	36,788	(201,531)	39,633	(201,437)
Exchange variation on accounts receivable	59,517	98,500	57,233	98,100
Provision for expected credit loss (“PECL”)	(2,955)	6,655	(13,409)	26,641
Estimated losses with inventory	10,404	1,085	4,630	328
Result on disposal of assets	(9,849)	(2,036)	(9,849)	(2,036)
Equity result of investees and JV	(421,606)	(122,921)	(11,406)	(27,071)
Other	(53,042)	29,799	(17,338)	(37,319)
Changes in assets and liabilities	**(1,286,788)**	**1,185,274**	**(1,515,340)**	**1,438,711**
Trade receivables and related parties	(770,129)	(363,186)	(893,544)	(190,623)
Inventories	(501,773)	(51,089)	(414,880)	(47,216)
Taxes recoverable	748,686	772,946	724,671	768,972
Marketable securities	(645,898)	90,395	(646,890)	84,945
Other assets	(43,733)	199,704	(79,538)	195,754
Suppliers	(343,890)	107,284	(281,689)	139,101
Tax obligations	133,751	70,897	136,808	77,594
Social security and labor obligations	121,120	71,607	97,045	72,580
Other liabilities	108,343	286,716	156,504	344,773
Income tax and social contribution paid	(301,445)	-	(313,827)	(7,169)
Change in assets and liabilities under incorporation	208,180	-	-	-
Net cash used in investing activities	**(2,064,377)**	**(2,805,964)**	**(2,540,496)**	**(3,067,004)**
Purchase of property, plant and equipment	(1,686,957)	(2,679,222)	(1,934,078)	(2,788,663)
Planting cost of biological assets	(578,370)	(302,181)	(784,890)	(376,843)
Proceeds from disposal of assets	168,133	95,121	168,133	95,121
Dividends received from subsidiaries	32,817	80,318	10,339	3,381
Net cash provided used in financing activities	**106,474**	**(4,242,976)**	**813,905**	**(3,869,796)**
New borrowings	2,653,307	3,572,772	2,697,975	3,729,477
Repayment of borrowings and debentures	(1,102,131)	(5,990,726)	(1,039,578)	(6,195,753)
Payment of interest on borrowings and debentures	(1,203,898)	(1,504,023)	(840,035)	(1,075,130)
Payment of lease liabilities	(174,105)	(111,587)	(177,081)	(111,913)
Disposal of treasury shares	18,946	13,588	18,946	13,588
Acquisition of investments and payment in subsidiaries (cash)	(85,645)	-	287,000	50,000
Outflow of SPCs investors	-	-	-	(2,000)
Dividends paid SPCs	-	-	(133,322)	(55,065)
Dividends paid	-	(223,000)	-	(223,000)
Increase (Decrease) in cash and cash equivalents	**1,472,223**	**(2,249,901)**	**1,749,602**	**(1,805,502)**
Cash and cash equivalent at the beginning of the period	**4,529,748**	**7,735,568**	**5,208,830**	**8,340,386**
Cash and cash equivalent at the end of the period	**6,001,971**	**5,485,667**	**6,958,432**	**6,534,884**

The accompanying notes are an integral part of this quarterly information.

STATEMENT OF VALUE ADDED FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021 AND 2020

(All amounts in thousands of Reais)

	Parent Company		Consolidated	
	From 01/01 to 09/30/2021	**From 01/01 to 09/30/2021**	**From 01/01 to 09/30/2021**	**From 01/01 to 09/30/2021**
Revenues				
. Sales of products	13,604,135	10,066,354	14,047,446	10,071,893
. Change in fair value of biological assets	381,254	254,749	644,637	317,336
. Other income	168,133	95,121	168,133	95,121
. Provision for expected credit loss ("PECL")	2,827	7,956	3,004	8,884
	14,156,349	**10,424,180**	**14,863,220**	**10,493,234**
Inputs acquired from third parties				
. Cost of products sold	(4,709,454)	(1,633,714)	(4,757,198)	(1,750,752)
. Materials, electricity, outsourced services and other	(2,511,881)	(3,545,911)	(2,375,924)	(3,276,628)
	(7,221,335)	**(5,179,625)**	**(7,133,122)**	**(5,027,380)**
Gross value added	**6,935,014**	**5,244,555**	**7,730,098**	**5,465,854**
Retentions				
. Depreciation, amortization and depletion	(1,859,051)	(1,557,670)	(1,964,004)	(1,773,093)
Net value added generated	**5,075,963**	**3,686,885**	**5,766,094**	**3,692,761**
Value added received through transfer				
. Equity in the results of investees	421,606	122,921	11,406	27,071
. Finance income, including exchange variations	249,423	985,155	285,262	1,026,966
	671,029	**1,108,076**	**296,668**	**1,054,037**
Total value added to distribute	**5,746,992**	**4,794,961**	**6,062,761**	**4,746,798**
Distribution of value added:				
Personnel				
. Direct compensation	984,804	824,460	1,004,751	838,333
. Benefits	324,956	256,524	329,592	259,912
. Government Severance Indemnity Fund for Employees (FGTS)	77,355	49,611	77,515	49,762
	1,387,116	**1,130,595**	**1,411,858**	**1,148,007**
Taxes and contributions				
. Federal	1,039,289	(1,836,754)	1,076,106	(1,817,509)
. State	217,991	134,236	217,991	134,236
. Municipal	15,926	13,954	15,926	13,954
	1,273,206	**(1,688,564)**	**1,310,022**	**(1,669,319)**
Remuneration of third-party capital				
. Interest	962,023	9,160,398	986,113	8,984,600
	962,023	**9,160,398**	**986,113**	**8,984,600**
Remuneration of own capital				
. Dividends	-	23,000	-	23,000
. Profits (loss) reinvested for the period	2,124,647	(3,830,468)	2,124,647	(3,830,468)
. Net income attributable to non-controlling shareholders	-	-	230,121	90,978
	2,124,647	**(3,807,468)**	**2,354,768**	**(3,716,490)**
	5,746,992	**4,794,961**	**6,062,762**	**4,746,798**

The accompanying notes are an integral part of this quarterly information.

Notes to the quarterly information (Presented in thousands of Reais unless otherwise stated)

1 GENERAL INFORMATION

Klabin S.A. (the "Company") and its subsidiaries operate in segments of paper and pulp industry supplying domestic and foreign markets, with wood, packaging paper, paper sacks, corrugated cardboard boxes and pulp. Their operations are fully integrated, from forestry activities to the production of the final products. Klabin S.A. is a publicly held corporation whose shares and certificates of deposit of shares (Units) are traded under the code KLBN11, on the São Paulo Commodities, Futures and Stock Exchange – B3. The Company is domiciled in Brazil and headquartered in São Paulo.

The Company also has ownership interests in other companies (Notes 3 and 11) whose operational activities relate to the Company's business purposes.

1.1 Declaration of conformity

The issuance of this quarterly information of Klabin S.A. and its subsidiaries was authorized by the Chief Financial Officer on October 26, 2021.

Management evaluated the Company's and its subsidiaries' ability to continue its operation being convinced that it has the necessary resources and capacity to develop its business in the future on a continuous basis, with no knowledge of uncertainties or material probabilities that could generate significant doubts regarding its continuity.

Management affirms that all relevant information specific to the quarterly information, and only them, is being disclosed and that corresponds to those used by it in its management.

Certain accounts of these 2020 financial statements presented here have been reclassified to allow their comparison with the financial statements as of September 31, 2021. The reclassifications mentioned are part of the group of non-current liabilities and, therefore, did not impact net working capital or other statements financial indexes of the Company.

1.2 Expansion project - Puma II

As disclosed in the Material Fact to the market on April 16, 2019 and May 05, 2021, the capacity expansion project in the packaging paper segment called Puma II Project, was approved, covering the construction of two paper machines, with pulp production, located at Klabin's industrial unit in the city of Ortigueira (PR) ("Puma Unit").

The installation of the Puma II Project is divided into two stages:

(i) As communicated to the market through a material fact, the first stage of the Project was completed and production began on August 30, 2021, contemplating the construction of a main fiber line for the production of unbleached pulp integrated with a kraftliner and white kraftliner paper machine with a capacity of 450 thousand tons p.a., which will be marketed under the Eukaliner brand, the world's first kraftliner paper produced with 100% eucalyptus fibers.

(ii) The second stage includes the construction of a complementary fiber line integrated with a paperboard machine with a capacity of 460 thousand tons p.a. and expansion of some support structures. The startup of the second machine is scheduled for the second quarter of 2023.

The gross investment budgeted for the construction of the Puma II Project is R$ 12,9 billion, subject to exchange rate fluctuations and adjustments resulting from inflation, being R$ 7,1 billion disbursed up to September 30, 2021 and the remainder by 2023. Approximately R$ 1,2 billion of gross investment refers to recoverable taxes.

The Project's investments will be financed by the Company's cash position and cash generation from in the operation, which may be complemented by the withdrawal of financing already contracted and not yet withdrawn.

1.3 Constitution of Pinus Taeda Florestal S.A.

On January 21, 2020, the necessary agreements were signed for association with a Timber Investment Management Organization ("TIMO") for the incorporation of a Special Purpose Company ("SPC"), whose main stated purpose is the exploration of forestry activity in the center-south of the State of Paraná, allowing access to new lands to increase its forest base.

The Company's contribution to the build-up of the SPC's assets was through the contribution of approximately 9 thousand hectares of planted forests, in the amount of R$ 72,000, with a 26% interest in the SPC. TIMO, in turn, contributed with approximately 11 thousand hectares of forests and 7 thousand hectares of land assets.

The rights and obligations of the Company and TIMO were regulated by means of a shareholders' agreement signed between the parties. Considering the SPC's shared control structure, it is classified as a jointly controlled entity (joint venture), being recorded under the equity method in the individual and consolidated quarterly information of the Company.

The Company has the right of first refusal in the purchase of process wood produced by SPC, among other typical rights granted to shareholders of a company of this nature.

1.4 Conversion of 7th issue debentures (1st series)

According to the notice to shareholders published on June 15, 2020, the 1st series of debentures of the 7th issue matured, in which 27,739,244 debentures were converted into shares of the Company, in accordance with the terms of clause VI of the private deed instrument of the 7th private issuance of simple debentures, combined with a bonus dated April 22, 2014 by decision of the debenture holders.

27,739,244 "Units" were issued, comprising 27,739,244 common shares and 110,956,976 preferred shares, totaling a capital increase in the Company of R$ 399,446. As a result of this resolution, the Company's subscribed and paid-in capital increased from R$ 4,076,035 to R$ 4,475,481, divided into 5,548,498,060 shares, all nominative and with no nominal amount, with 2,012,333,899 common shares and 3,536,164,161 preferred shares.

1.5 Acquisition of International Paper do Brazil's assets

On October 14, 2020, the conditions for the acquisition of the packaging paper and corrugated cardboard business located in Brazil by International Paper do Brasil ("IP") were concluded and all legal agreements and approvals were signed, with the disbursement of the first installment of R$ 280,000 on this date, with R$ 50,000 remaining to be paid after one year, subject to certain contractual conditions, totaling R$ 330,000 for the acquisition, in addition to reimbursing IP for the working capital received in excess at that acquisition date in the amount of R$ 56,000 in the first quarter of 2021. The Company used its own funds for payment.

All amounts in thousands of Reais

The operations acquired from IP have a production capacity of 305 thousand tons of corrugated cardboard p.a.. The acquisition also includes packaging paper units (virgin and recycled fiber) with a total capacity of 310 thousand tons p.a..

The transaction is aligned with the Company's strategy of growth in the paper and paper packaging business, expanding its operational flexibility and bringing greater stability to its results. The ratification of the transaction by the shareholders is exempted since it does not fit the cases provided for in Article 256 of Law No. 6,404/76.

Acquisition balance sheet

The assets involved in the transaction with IP were effectively acquired on October 14, 2020 through the acquisition of all the shares of Embacorp Soluções em Embalagens de Papel Ltda. ("Embacorp") and Embacorp da Amazônia - Soluções em Embalagens de Papel Ltda. ("Embacorp Amazônia"), which became part of the Company's economic group as a wholly-owned subsidiary as of this date.

At the acquisition date, the acquirees' balance sheet present no balances that could not be reliably measured, and is represented the following group of assets and liabilities:

ASSETS		LIABILITIES AND EQUITY	
Cash and cash equivalents	62,597	Trade payables	96,715
Accounts receivable	228,222	Social security and labor obligations	47,264
Inventory	116,035	Tax payables	12,624
Other assets	13,219	Lease liability	13,374
Total current assets	**420,073**	Other payables and provisions	23,769
		Total current liabilities	**193,746**
Non-current		Actuarial liabilities	42,888
long-term receivables		Lease liability	8,401
Deferred income tax and social contribution	17,810	Deferred income tax and social contribution	19,226
Other assets	794	Other payables and provisions	10,188
Property, plant and equipment	193,668	**Total non-current liabilities**	**80,703**
Right of use asset	9,555		
Intangible assets	31,649	**Equity**	**399,100**
Total non-current assets	**253,476**		
Total assets	**673,549**	**Total liabilities and equity**	**673,549**

The inclusion of the new assets acquired in the Company's operations generated R$ 258,000 in Net Revenue and R$ 12,000 of Net Income, included in the Company's profit or loss on December 31, 2020.

CPC 15 - Business Combinations (IFRS3 Business Combinations) requires disclosure of the combined entity's revenue and profit or loss for the current reporting period as though the acquisition date for all business combinations that occurred during the year had been as of the beginning of the annual reporting period. The Company concluded that such disclosure is impracticable, as determining this effect should consider the operation under its management, including the synergies and business strategies that would have been applied, which could not be reliably measured, given the short period of its asset management, as the acquisition was completed at the end of 2020.

Business combination effects – gain from a bargain purchase

According to criteria of CPC 15 - Business Combinations (IFRS3 Business Combinations), the operation with IP, related to the acquisition of all shares of Embacorp and Embacorp Amazônia, is characterized as a business combination. Therefore, the fair value of assets and liabilities acquired is to be measured using the purchase price allocation process ("PPA" - Purchase Price Allocation).

At the end of 2020, the Company hired specialists to evaluate the assets and liabilities of Embacorp and Embacorp Amazônia, in which there was a net effect of an bargain purchase in the acquisition of assets from IP of R$ 206,061 allocated in the Company's results, in the "Other net" line. The gain was the result of R$ 11,101 of net assets acquired above the purchase price, the valuation at market value of fixed assets R$ 215,959 above the book values of the acquisition balance sheet and the reduction of intangible assets whose valuation at value of market was below book values by (R$ 20,999).

The fair value of the adjusted assets above was determined through an analysis obtained in comparison with similar property, plant and equipment items in the market, considering their best use. The appraisal of intangible assets presented a loss, due to the decrease in customer portfolio recorded in the initial acquisition balance.

Embacorp's corporate reorganization

On December 28, 2020, Embacorp's corporate reorganization was approved, with a partial spin-off of the net assets acquired from IP, excluding the net assets related to the assets and liabilities of the Nova Campina (SP) branch. The spun-off portion of R$ 467,396 was transferred to Riohold Holdings S.A., a wholly-owned subsidiary of the Company. On that date, Embacorp started to have in its balance sheet only the assets and liabilities related to the Nova Campina (SP) unit.

The operation is aligned with the Administration's strategy of integrating the assets acquired from IP. The merger into the parent company referring to assets transferred to Riohold Holdings S.A. took place on January 4, 2021, see details in note 1.11. On January 29, 2021, the sale of Embacorp was completed, see details in note 12.

1.6 Constitution of Aroeira Reflorestadora S.A.

On September 9, 2020, the Company incorporated the privately-held entity - Aroeira Reflorestadora S.A, a Special Purpose Entity (SPC), with the main purpose of exploring forestry activity in the state of Santa Catarina - SC.

On January 26, 2021, the necessary agreements were signed for association with a Timber Investment Management Organization ("TIMO"). The Company will contribute to the formation of the entity's equity by providing approximately 9.7 thousand hectares of planted forests, while TIMO will contribute up to R$ 500,000 in cash, a portion of which at the closing of the operation and the remaining portion in up to 3 years. Until September 30, 2021, an investment of R$ 53,657 was made by Klabin S.A. and R$ 187,000 by TIMO.

The funds contributed to the SPE will be used for acquisitions and leases of approximately 19,500 hectares of effective planting, as well as reforestation expenses, substantially from Pinus, in these areas. Klabin will have the preemptive right to purchase the wood produced by the SPE, among other typical rights granted to controlling shareholders of an entity of this nature. This association will allow the Company to expand its forest massif in the state of Santa Catarina with capital efficiency. This expansion aims at supplying the current factories in the region as well as making future expansion projects viable.

Klabin holds 51% of the voting capital and 18% of the total capital of the entity, while TIMO holds the remaining capital and may elect Board of Directors' members and participate in certain decisions of the entity with the right to vote, including in situations that require a qualified forum.

Klabin S.A. may exercise preemptive rights in the purchase of the entity's shares belonging to TIMO, an option to be exercised between 2031 and 2041.

On June 29, 2021, Aroeira acquired land and forests in the amount of R$ 124,000.

1.7 Constitution of Kla Holding S.A.

On November 12, 2020, the company Kla Holdings S.A. ("Kla Holdings") was created in order to facilitate the future acquisition of interests in other companies, aligned with the Company's growth strategy.

1.8 Acquisition of brands involved in royalties and merger of Sogemar

On November 26, 2020, the Special General Meeting approved the merger of SOGEMAR - Sociedade Geral de Marcas ("Sogemar"), owner of the brands involved in the royalties contract.

As a result of the merger, Klabin becomes the owner of the brands owned by Sogemar, with the consequent extinction on this date of the respective license agreement and payment of royalties related to such brands.

Given the merger, Sogemar's units of interest were replaced by the issue of 69,394,696 (sixty-nine million, three hundred and ninety-four thousand, six hundred and ninety-six) new common shares of the Company, all registered and without par value, to Sogemar partners, with a R$ 144 increase in the Company's capital stock.

After the transaction was approved, the Company's capital increased from R$ 4,475,481 to R$ 4,475,625, comprising 5,617,892,756 shares, of which 2,081,728,595 are common shares and 3,536,164,161 are preferred shares.

1.9 Closing of Special Partnership Company CG Forest

The merger of Special Partnership Company CG Forest ("SPC CG Forest") took place on December 9, 2020, as determined by its partners after the closing of the partnership's operations. In the settlement of assets, R$ 25,000 was paid to the investing partners related to their interest in the partnership, whereas the Company merged the remaining net assets comprising R$ 70,944 in cash and cash equivalents and R$ 39,660 in working capital.

1.10 Closure of subsidiaries

At the end of 2020, the Company closed the activities of its foreign subsidiaries Klabin Limited, Klabin Trade and Klabin Overseas, and of its national subsidiary Celucat. Their operations were terminated as they were not in operation and no operational use was expected.

1.11 Merger of Riohold Papel e Celulose S.A

On January 4, 2021, the Special General Meeting approved the merger of Riohold Papel e Celulose S.A. ("Riohold"). The merger did not result in a capital increase or issuance of new shares since the entire capital of Riohold was already held by the Company. The merger is part of management's strategy to integrate the assets acquired from Internacional Paper do Brasil Ltda.

All amounts in thousands of Reais

The transaction resulted in the merger of net asset balances of R$ 425,667 into the parent company's statement of financial position on January 4, 2021, distributed as follows:

ASSETS	04/01/2021	LIABILITIES AND EQUITY	04/01/2021
Cash and cash equivalents	1,703	Trade payables	53,645
Accounts receivable	225,249	Social security and labor obligations	24,685
Provision for expected credit loss ("PECL")	(7,781)	Tax payables	12,529
Inventory	69,462	Lease liability	1,078
Other assets	3,793	Other payables and provisions	8,208
Total current assets	**292,426**	**Total current liabilities**	**100,145**
Non-current			
long-term receivables			
Deferred income tax and social contribution	24,851		
Property, plant and equipment	257,496	Actuarial liabilities	47,686
Intangible assets	7,233	Deferred income tax and social contribution	9,599
Right of use asset	1,297	Lease liability	219
Other assets	174	Other payables and provisions	161
	291,051	**Total non-current liabilities**	**57,665**
		Total net assets	**425,667**

1.12 Sale of Nova Campina unit (SP)

On January 29, 2021, the Company signed the necessary documents to sell the unit located in Nova Campina (SP) to Klingele Paper & Packaging Group for R$ 160,000, of which R$ 132,000 were paid after the closing of the operation, on this date, and the remaining amount in two annual installments. The Nova Campina (SP) unit, with production capacity of 162 thousand tons of kraftliner, originated from the assets acquired from International Paper.

1.13 Capital Increase in Sapopema Reflorestadora S.A.

The special meeting held on January 12, 2021 approved, the capital increase amounting to R$ 50,000 subscribed and paid in by the investor (Timber XII SPE SA) for the purchase of forests, with 29,004,368 registered common shares with no par value, at the unit issue price of R$ 1.00, and 6,321,605 registered preferred shares with no par value, at the unit issue price of R$ 3.32. Accordingly, the Company's capital increased from R$ 318,199 to R$ 368,199, divided into 163,261,171 common shares and 77,450,118 preferred shares. After the increase, Klabin now holds 51% of the voting capital and 23% of the total capital of the Company (62% of voting capital and 26% of total capital on December 31, 2020).

The special meeting held on April 30, 2021 approved, the capital increase in the amount of R$ 50,000 subscribed and paid in by the investor (Timber XII SPE S.A.) for the purchase of forests with 15,054,570 registered preferred shares, without par value, at the unit issue price of R$ 3.32. Accordingly, the Company's capital increased from R$ 368,199 to R$ 418,199, divided into 163,261,171 common shares and 92,504,688 preferred shares. After the increase, Klabin now holds 51% of the voting capital and 20% of the Company's total capital (62% of the voting capital and 26% of the total capital on December 31, 2020).

1.14 Investment in special projects and expansions

According to the Notice to the Market on June 29, 2021, the Company approved a set of 23 Special Projects and Expansions of rapid and high return to continue its growth and deleveraging strategy, with a total investment of R$ 342 million, of which R$ 125 million will be disbursed in 2021 and the remaining amount in 2022.

Most of the investments, totaling R$ 251 million, will be used to increase the capacity for converting paper into packaging, with two new printers to be installed at the Betim (MG) and Goiana (PE) units and a new line of bags for miscellaneous hazardous materials at the unit in Lages (SC). The other projects are distributed across all of Klabin's operating segments and are substantially focused on cost optimization.

1.15 Construction of the Port of Paranaguá

As communicated to the market on August 13, 2019, in an auction held at B3's São Paulo's stock exchange, Klabin S.A. won the tender for the warehouse in the Port of Paranaguá to carry out unloading, loading and storage activities involving general cargo, especially paper and pulp.

The Company's purpose in the Port of Paranaguá is due to this port being key to the Company's export volume, targeting both current and projected considering the new paper machines of the Puma II Project. It will guarantee operations in the long-term, allowing direct rail connection of the manufacturing operations to the Terminal in the primary zone, with high loading efficiency and berthing preference.

The lease guarantees access to an area of 27,530 m2 for a period of 25 years, subject to extension for another 45 years; R$144 million is expected to be allocated to the construction of the warehouse, and the start of operations is scheduled for the second half of 2022.

On October 31, 2019, the wholly-owned subsidiary "Klabin Paranaguá SPE S.A.." headquartered in the municipality of Paranaguá – PR, was organized with subscribed and paid-in capital of R$ 20 million divided into 20,000 registered shares with no par value, and on May 10, 2021, an Advance for Future Capital Increase was approved by Klabin SA in the amount of R$80 million, which should occur within up to 120 days after the end of fiscal year 2021, in order to make the planned investments possible.

1.16 Closing of Special Partnership Companiy Monte Alegre

On September 24, 2021, the Special Partnership Company Monte Alegre ("SPC Monte Alegre") was merged by determination of its partners, after closing this company's operations. In the assets settlement, there was payment of R$50,000 to the investing partners relating to the interest they held in the company, R$1,100 in dividends, and R$3,100 in additional dividends, while the Company absorbed the remaining net assets, comprising R$119,773 in cash and cash equivalents, R$186,780 in biological assets, and R$69,685 in other liabilities.

1.17 Impacts of COVID-19

The Company is actively working on preventive measures to help control the spread of Coronavirus (COVID-19), reinforcing hygiene protocols, spreading information on the topic through its internal communication channels and following the guidelines of the World Health Organization (WHO), maintaining virtual internal events, and restricting travel, adopting flexible work routines to avoid crowding through electronic means of communication, among other initiatives.

To date, management has not identified any significant impacts on Company operations, maintaining its forecasts of production, sales, and shipment of products, which are part of the supply chain of essential items for the population, related to the food segment, cleaning and personal and hospital hygiene products, whose market boomed in order to meet current demands. In relation to Puma II project, additional expenses of R$ 159,000 were required so as to cover delays and schedule adjustments , which were absorbed by the project's contingent budget, without changing its overall budget.

Regarding financial market volatility, including the effects of the devaluation of Brazilian currency against the US dollar, the Company has a robust cash position and an extended debt profile. Additionally, in spite of the foreign exchange effects recorded in "Finance Income (Costs)" in referred to quarterly information, according to the analysis of the currency risk exposure mentioned in Note 28, this effect is not material on the Company's cash since it is substantially linked to loans and long-term foreign currency financing, will be offset against projected cash flow from export revenue, and exceed, or approximate, the payment flow of the respective liabilities. Additionally, the Company implemented a cash flow hedge accounting program as of January 4, 2021, reducing the volatilities caused by the recording of unrealized exchange variations in the result (see note 27), bringing the result closer to the Company's cash flow generation.

In view of the current scenario, and in line with the requirements of the Brazilian Securities and Exchange Commission ("CVM"), Company management analyzed any impacts due to an increase in expected losses or a significant change in the risks to which the Company is exposed (Note 28) based on the estimates, judgments and assumptions that could affect the recoverability of Company assets and measurement of the provisions presented in referred to quarterly information. This review considered the subsequent events that occurred up to the date of issue of this quarterly information and no significant impacts were identified that should be reflected in the quarterly information for the three and nine-month periods ended September 30, 2021.

2 BASIS OF PRESENTATION OF THE QUARTERLY INFORMATION AND SIGNIFICANT ACCOUNTING PRACTICES

2.1 Basis of presentation of the quarterly information

The Company presents the individual and consolidated Quarterly Information in accordance with NBC TG 21 (R4) - Interim Statement, issued by the CFC - Conselho Federal de Contabilidade and IAS 34 - Interim Financial Report, issued by the IASB - International Accounting Standards Board, applicable the preparation of the Quarterly Information - ITR, and presented in a manner consistent with the rules established by CVM - Comissão de Valores Mobiliários.

The Quarterly Information was prepared considering the historical cost as a basis of value, which, in the case of financial assets measured at fair value through profit or loss, other financial assets and liabilities and biological assets are adjusted to reflect the measurement at fair value.

2.2 Summary of significant accounting practices adopted and statement of compliance

The accounting practices adopted by the Company and its subsidiaries in the preparation of this Quarterly Information for the three and nine-month periods ended September 30, 2021 are consistent with those applied in the preparation of the last Annual Financial Statements as of December 31, 2020 and described in Note 2, except for the application of hedge accounting adopted as from January 4, 2021, whose accounting practice is described below. This Quarterly Information should be read in conjunction with those Annual Financial Statements disclosed on February 10, 2021.

The quarterly information for the three and nine-month periods ended September 30, 2021 contains all information that is relevant for obtaining an understanding of the Company's financial position in the period.

a) Hedge accounting / cash flow hedge

Based on CPC 48 - Financial Instruments / IFRS 9 - Financial Instruments, as from January 2021, the Company adopted the cash flow hedge accounting for highly probable future transactions, designating as hedging instruments its debts raised and/or converted by SWAP instruments into US dollars (USD) to protect its revenues in USD (hedged items), both nominally denominated in USD. This practice is aligned with the risk strategy adopted by management, which seeks to demonstrate the equalization between the effects of exchange rate variations in the statement of financial position to the extent that they are effectively realized and their cash effect.

The SWAPs agreed by the Company are considered “matched” transactions, directly linked to specific financing transactions, and result in the conversion of a specific loan and financing in domestic currency into a foreign currency transaction. Accordingly, the underlying risk involved in the SWAP is identical to the item protected in its hedge accounting program, therefore, such operations are included in hedging instruments.

The Company designates in its hedge program the spot element of the exchange rate involved in the financial instruments designated in the hedge. Changes in fair value of the future element of foreign exchange contracts (forward points) involved in SWAP operations included in the hedge are also recognized in equity under “Equity valuation adjustments”, however in a separate book account comprising the cost of the hedge.

The effects of exchange variation (fair value) of the financial instruments designated in the hedge (loans, financing and swaps) are recorded in equity, under “Equity valuation adjustments”, net of deferred income and social contribution taxes. To the extent that the respective revenue in USD designated in the hedge accounting program is generated, the respective exchange variation accumulated in “Equity valuation adjustments” will be matched against the hedged item in P&L, under “Net sales revenue”.

The Company evaluates the effectiveness of its hedge program through effectiveness tests using the criteria established in referred to accounting pronouncements, comparing changes in fair value of the hedging instrument with changes in fair value of the hedged item in relation to the hedged risk. If the hedging relationship is not effective within the limits established in relation to the desired protection, the ineffective portion of the effects of exchange rate variations on loans and financing are reclassified to the statement of profit or loss under "Finance income/(costs)".

Changes in the hedge accounting program are recognized in the calculation of comprehensive income for the period.

3 CONSOLIDATED QUARTERLY INFORMATION

The subsidiaries are fully consolidated from the date of acquisition of the control, and continue to be consolidated until the date when this control ceases to exist, except the subsidiaries that have joint control (joint venture) with other entities, which are evaluated by the equity accounting method both in the individual and consolidated quarterly information.

The quarterly information of the subsidiaries are prepared for the same reporting periods as those of the parent company, using accounting policies that are consistent with the policies adopted by the parent company. For the consolidation, the following criteria are adopted: (i) elimination of investments in subsidiaries, as well as the results of equity investments and (ii) elimination of profits from intercompany transactions between consolidated companies, as well as the corresponding asset and liabilities balances.

All amounts in thousands of Reais

The consolidated Quarterly Information covers Klabin S.A. and its subsidiaries as of September 30, 2021, December 31, 2020 and September 30, 2020, as follows:

				Ownership - %		
	Country	Activity	Participation	09/30/2021	12/31/2020	09/30/2020
Subsidiaries:						
Aroeira Reflorestadora S.A. (i)	Brazil	Reforestation	Direct	22	100	100
Celucat (i)	Brazil	Investment in companies	Direct	-	-	100
Cerejeira Reflorestadora S.A. (i)	Brazil	Reforestation	Direct	100	100	-
Embacorp Soluções em Embalagens de Papel Ltda (i)	Brazil	Manufacture and marketing of products	Direct	-	100	-
Embacorp da Amazônia - Soluções em Embalagens de Papel Ltda (i)	Brazil	Manufacture and marketing of products	Direct	100	100	-
Guaricana Reflorestadora S.A.	Brazil	Reforestation	Direct	35	35	35
Klabin Argentina S.A.	Argentina	Industrial sacks	Direct	100	100	100
Klabin Áustria GmbH	Áustria	Sale of products in the foreign market	Direct	100	100	100
Klabin do Paraná Produtos Florestais Ltda.	Brazil	Manufacture of phytotherapic products	Direct	100	100	100
Klabin Finance S.A.	Luxemburgo	Finance	Direct	100	100	100
Klabin Fitoprodutos Ltda.	Brazil	Manufacture of phytotherapic products	Direct	100	100	100
Klabin Florestal Ltda.	Brazil	Forestry	Direct	100	100	100
Klabin Forest Products Company	Estados Unidos	Sale of products in the foreign market	Direct	100	100	100
Klabin Limited (i)	Ilhas Cayman	Investment in companies	Direct	-	-	100
Klabin Overseas (i)	Inglaterra	Investment in companies	Direct	-	-	100
Klabin Paranaguá SPE S.A. (i)	Brazil	Port services	Direct	100	100	100
Klabin Trade (i)	Inglaterra	Sale of products in the foreign market	Direct	-	-	100
Kla Holding S.A. (i)	Brazil	Investment in companies	Direct	100	100	-
IKAPÊ Empreendimentos Ltda.	Brazil	Hotels	Direct	100	100	100
Monterla Holdings S.A.	Brazil	Investment in companies	Direct	100	100	100
Riohold Holdings (i)	Brazil	Investment in companies	Direct	-	100	100
Santa Catarina Florestal	Brazil	Packaging customization services	Direct	100	100	100
Sapopema Reflorestadora S.A. (i)	Brazil	Reforestation	Direct	20	26	26
Special Partnership Companies ('SPC'):						
CG Forest (i)	Brazil	Reforestation	Direct	-	-	71
Monte Alegre (i)	Brazil	Reforestation	Direct	-	75	72
Harmonia	Brazil	Reforestation	Direct	71	72	72
Serrana	Brazil	Reforestation	Direct	78	64	67
Araucária	Brazil	Reforestation	Direct	60	56	60
Joint ventures (not consolidated):						
Florestal Vale do Corisco S.A.	Brazil	Reforestation	Direct	51	51	51
Pinus Taeda Florestal S.A. (i)	Brazil	Reforestation	Direct	26	26	26

(i) See information in note 1.

Investment in joint ventures

Considering its characteristics, the investment in Florestal Vale do Corisco S.A. and Pinus Taeda Florestal S.A. is classified as a joint venture, and is recorded based on the equity accounting method in the parent company and consolidated quarterly information.

4 CASH AND CASH EQUIVALENTS

The Company, following its investment policy, has maintained its marketable securities in low-risk investments, in financial institutions that the Management believes are top notch both in Brazil and abroad, according to the rating released by investment agencies risk classification presented in Note 28. Management has considered these financial assets as cash equivalents due to their immediate liquidity with the issuing financial institutions, with an insignificant risk of change in value.

All amounts in thousands of Reais

	Parent Company		Consolidated	
	09/30/2021	**12/31/2020**	**09/30/2021**	**12/31/2020**
Cash and bank deposits - local currency	1,583	32,538	3,954	42,265
Cash and bank deposits - foreign currency (i)	-	-	21,175	7,723
Marketble securities- local currency	5,821,469	3,924,670	6,021,475	4,133,393
Marketble securities - foreign currency (i)	178,919	572,540	911,828	1,025,449
	6,001,971	**4,529,748**	**6,958,432**	**5,208,830**

(i) Substantially in US dollars

Marketable securities in national currency, corresponding to Bank Deposit Certificates - CDBs and other repurchase transactions, are indexed by the variation of the Interbank Deposit Certificate - CDI, with an average period remuneration rate in nine-months period of 6.45% (1.94% on 31 December 2020), and foreign currency investments corresponding to overnight operations, have an average period remuneration rate in nine-months period of 0.30% (0.28% of overnight operations on December 31, 2020), with immediate liquidity guaranteed by the financial institutions.

5 MARKETABLE SECURITIES

The balance of marketable securities is represented by:

(i) Financial Treasury Bills ("LFT") and Direct Treasury Bills ("NTN-B"). LFT has remuneration indexed to the SELIC variation and matures in 2023 and NTN-B is remunerated by the variation of the IPCA + 4.63% (average) p.a with maturities from 2022 to 2040, with an amount corresponding to R$ 1,981,155 in the parent company and R$1,994,787 in the consolidated on September 30, 2021 (R$1,335,257 in the parent company and R$1,347,897 in the consolidated on December 31, 2020).

(ii) Bonds, through its wholly-owned subsidiary Klabin Finance, signed in dollars with fixed interest rates from 3.52% to 4.02%, with maturity in 2028 and 2038 and an amount corresponding to R$ 13,632 on September 30, 2021 (R$ 12,640 on December 31, 2020).

As of September 30, 2021, the balance of these securities amounted to R$ 1,981,155 in the parent company and R$ 1,994,787 in the consolidated (R$ 1,335,257 and R$ 1,347,897 respectively, as of December 31, 2020). Considering its characteristics, the fair value is basically the principal amount plus the interest originally established in these securities. Management classified financial assets measured at fair value through profit or loss, in accordance with CPC 48/ IFRS9 - Financial Instruments, given the possibility of selling these securities to realize gains/losses.

The bonds and securities fall under Level 1 of the hierarchy of measurement at fair value, according to the hierarchy of CPC 46 IFRS 13 – Fair Value Measurement, as they are assets with prices quoted on the market .

6 TRADE RECEIVABLES

All amounts in thousands of Reais

	Parent Company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Trade receivables				
. Local	1,748,964	1,051,911	1,777,400	1,299,784
. Foreign	525,766	244,362	941,939	583,244
Total trade receivables	**2,274,730**	**1,296,273**	**2,719,339**	**1,883,028**
Provision for expected credit loss ("PECL")	(60,932)	(56,106)	(62,701)	(76,110)
	2,213,798	**1,240,167**	**2,656,638**	**1,806,918**
Overdue	**70,035**	**69,677**	**84,342**	**106,297**
% on total portfolio (without PECL)	0.40%	1.05%	0.80%	1.60%
1 to 10 days	1,435	1,910	1,439	1,910
11 to 30 days	6,351	7,521	8,972	10,872
31 to 60 days	2,365	1,333	6,954	1,600
61 to 90 days	464	810	4,840	1,308
Over 90 days	59,420	58,103	62,137	90,607
Falling due	2,204,695	1,226,596	2,634,997	1,776,731
Total portfolio	**2,274,730**	**1,296,273**	**2,719,339**	**1,883,028**

On September 30, 2021, the average term for receiving accounts receivable from customers corresponds to approximately 86 days (82 days on December 31, 2020) for domestic sales and approximately 131 days (112 days on December 31, 2020) December 2019) for sales in the foreign market, with interest charged after the expiration of the term defined in the negotiation. As mentioned in Note 28, the Company has rules for monitoring overdue credits and receivables and the risk of not receiving amounts arising from credit sales.

The Company analyzed the effects of adjustment to present value on the balance, considering its immaterial.

a) Provision for expected credit loss ("PECL")

In Management's assumptions, the provision for expected credit loss ("PECL") is considered sufficient to cover possible losses on the amounts receivable outstanding. The movement of estimated losses is shown below:

	Parent Company	Consolidated
At December 31, 2019	**(49,451)**	**(49,469)**
Provision for expected credit loss ("PECL")	(12,873)	(32,877)
Reversals	3,240	3,258
Write-off	2,978	2,978
At December 31, 2020	**(56,106)**	**(76,110)**
Provision for expected credit loss ("PECL")	(13,155)	(14,924)
Reversals	14,416	25,706
Write-off	1,694	2,627
Incorporation balance (i)	(7,781)	-
At September 30, 2021	**(60,932)**	**(62,701)**

(i) See note 1.

The balance of the provision for expected credit loss substantially corresponds to trade bills with a high risk of non-receipt. The Company constantly monitors the balance of receivables and its default estimates, considering the concept of loss incurred and expected loss and when in the least expectation that there is no possibility of receiving it, the provision for expected credit loss is constituted. The expense with the credit loss constitution is recorded in the income statement, under the caption "Operating expenses/revenues - with sales".

The Company maintains an insurance policy for receivables in the domestic and foreign markets for all business units, except for wood customers of the Forestry unit, in addition to certain customers who do not meet specific risk requirements, such as continuity and liquidity, analyzed by the insurer to be incorporated into the insurance policy. The current insurance policy expires in October 2021.

b) Receivables discount operations

In the nine-month period ended September 30, 2021, receivables discount operations with no right of return were carried out with specific customers in the amount of R$ 1,284,765 in the parent company and R$ 2,717,181 in the consolidated (R$ 1,234,195 in the parent company and R$ 2,773,151 in the consolidated at December 31, 2020), for which all risks and benefits associated with the assets were transferred to the counterparty, so that the receivables anticipated with third parties were derecognized from the quarterly information

The financial cost charged by the bank in the transaction is recorded in the income statement in the "Discounts and rebates" line (Note 21).

All amounts in thousands of Reais

7 RELATED PARTIES

a) Balances and transactions with related parties

	Klabin Argentina	Klabin Finance	Special Partnership Companies	Klabin Austria	Klabin Forest Company	Others	**Total**	**Total**	**Total**
	(i)	(vi)	(ii) e (iv)	(i) (vi)	(i)	(i) (iii) (iv) e (v)			
Type of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary				
Balances									
Current assets	158,425	-	14,231	198,056	37,320	7,089	**415,121**	**675,185**	**928,677**
Non-current assets	32	-	-	-	-	24	**56**	**21,076**	**20,753**
Current liabilities	521	21,359	10,174	42,178	34	(514)	**73,752**	**273,364**	**76,559**
Non-current liabilities	-	3,630,799	-	10,729,217	-	1	**14,360,017**	**12,793,815**	**14,592,389**
Transactions									
Sales revenue	63,936	-	42,405	2,707,682	55,341	70,462	**2,939,826**	-	**2,801,304**
Purchases	-	-	(167,396)	-	-	(118,090)	**(285,485)**	-	**(122,234)**
Interest expenses on financing	-	(148,365)	-	(554,266)	-	-	**(702,632)**	-	**(839,460)**
Guarantee commission - expenses	-	-	-	-	-	(482)	**(482)**	-	**(2,318)**
Royalty expenses	-	-	-	-	-	-	**-**	-	**(50,293)**

(i) Balance receivable from product sales operations carried out at prices and terms (average of 180 days) under the conditions established between the parties;
(ii) Purchase of wood made at prices and terms (45 days) under the conditions established between the parties. It considers SPCs described in note 3;
(iii) Guarantee commission paid semiannually, calculated based on the 7th issue debenture contracts.
(iv) Supply of seedlings, seeds and services at prices and terms in the commercial conditions established between the parties;
(v) Advances on future capital subscriptions.
(vi) Bonds (notes) described in note 16

KLABIN S.A.
All amounts in thousands of Reais

			Consolidated	Consolidado
		09/30/2021	12/31/2020	30/09/2020
	Klabin Irmãos S.A.	Total	Total	Total
Type of relationship	(i) Stockholder			
Balances				
Current liabilities	-	-	**5,929**	**13,207**
Non-current liabilities	-	-	**1,153,206**	**1,132,267**
Transactions				
Interest expense on financing	-	-	-	**(62,724)**
Guarantee commission - expenses	(482)	**(482)**	-	**(2,318)**
Royalty expense	-	-	-	**(50,293)**

(i) Guarantee commission, calculated on the BNDES financing balance of 0.8% p.a. - operation settled at the end of 2019, with the last installment settled in January 2020.

b) Management and Fiscal Board remuneration and benefits

Management and Fiscal Council compensation is set by shareholders at the Annual Shareholders' Meeting - AGM, in accordance with Brazilian corporate law and the Company's bylaws. Accordingly, it was proposed at the Annual General Meeting held on March 24, 2021, the global amount of the annual compensation of Management and the Fiscal Council, set at up to R$ 58,240 for fiscal year 2021 (R$ 49,947 disregarding the INSS burden of the Company as per CVM instruction).

The table below shows the remuneration of Management and the Fiscal Council:

								Parent company and Consolidated
	Short term		Long term					
	Board of directors remuneration		Pension plan		Remuneration based on shares		Total benefits	
	From 1/1 to 09/30/2021	From 1/1 to 09/30/2020	From 1/1 to 09/30/2021	From 1/1 to 09/30/2020	From 1/1 to 09/30/2021	From 1/1 to 09/30/2020	From 1/1 to 09/30/2021	From 1/1 to 09/30/2020
Fiscal Board and statutory director's	8,243	25,626	552	674	3,794	2,597	12,589	28,897

Management remuneration includes the fees paid to the Board, along with the fees paid to, and variable remuneration of statutory directors. Long-term benefits refer to contributions made by the Company to the pension plan and calculation of the stock option plan. These amounts are recorded substantially in the item “Operating expenses - general and administrative”.

In addition, the Company grants to the statutory directors and other executives a Stock Option Plan, described in Note 24.

All amounts in thousands of Reais

8 INVENTORY

	Parent Company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Finished products	396,569	263,804	429,073	327,996
Product in process	45,091	29,869	50,823	33,831
Timber and logs	310,820	250,645	310,969	250,645
Maintenance supplies	353,081	283,913	363,186	287,992
Raw materials	586,950	370,974	628,215	478,493
Estimated losses	(31,589)	(21,185)	(32,839)	(28,209)
Other	34,415	25,948	39,954	28,383
	1,695,337	**1,203,968**	**1,789,381**	**1,379,131**

Stocks of raw materials include reels of paper transferred from paper production units to conversion units.

The expense for the constitution of estimated losses on inventories is recorded in the income statement, under the caption “Cost of products sold”.

The increase in the inventory of raw materials as well as timber and logs is related to the new Puma II paper machine, as mentioned in Note 1.

The Company does not have inventories pledged as collateral.

9 TAXES RECOVERABLE

	09/30/2021		12/31/2020	
	Current assets	Non-current assets	Current assets	Non-current assets
Value-added Tax on Sales and Services (ICMS)	273,773	623,104	214,008	665,565
Social Integration Program (PIS)/Social Contribution on Revenue (COFINS)	29,566	30,696	418,657	92,650
Income tax/social contribution (IR/CSLL)	-	130,481	111,216	-
Tax on Industrialized Products (IPI)	3,628	-	9,322	-
Special regime for the reintegration of tax amounts for exporting companies (Reintegra)	11,769	-	7,982	-
Other	3,370	5,626	34,595	5,260
Parent company	**322,106**	**789,908**	**795,780**	**763,475**
Subsidiaries	71,005	-	28,991	5,617
Consolidated	**393,111**	**789,908**	**824,771**	**769,092**

The balance of PIS/COFINS, IPI and ICMS maintained in the short term is expected to be compensated against these same taxes payable in the next 12 months, as well as based on analysis and budget projection approved by the Management, it does not provide for risks of non-realization of these credits as long as the budget projections are realized.

ICMS

Tax credits and contributions levied on acquisitions of property, plant and equipment in accordance with current legislation, in addition to a government ICMS subsidy granted by the Government of

Paraná on behalf of the Puma I Project , which has been used to compensate taxes payable of the same nature. The ICMS credits of the Puma I Project are indexed by the FCA - Conversion and Monetary Update Factor of the State of Paraná, with a compensation period up to 2036 provided for in the protocol granting the subsidy.

PIS/COFINS

The balance recorded in Current Assets refer to PIS and COFINS credits calculated in accordance with art. 3 of Law 10.637/02 and Law 10.833/03.

The Company fully offset the PIS and COFINS credit originated from the lawsuit related to ICMS exclusion from the PIS and COFINS bases until July 2021; the amounts recorded in the noncurrent group refer to the allocation of PIS and COFINS credits on buildings incorporated into property, plant and equipment, acquired or built for use in the production of goods sold by the Company, within 24 (twenty-four) months, calculated on the cost of construction or acquisition of the building, pursuant to the legal provision contained in art. 6 of Law 11.488/07."

IR/CS

On September 23, 2021, the Federal Supreme Court ("STF") unanimously decided on the non-levy of IR and CSLL on the amounts related to the SELIC rate, paid by the taxpayer as refund of tax overpaid.

On October 16, 2019, the Company filed a Writ of Mandamus seeking recognition of the non-levy of IRPJ and CSLL on amounts arising from monetary restatement and default interest, including SELIC, in view of its indemnity nature, applied on refund of tax overpaid, and the case was ruled in favor of the Company.

Given this scenario, as there is a probability of success for the company as a result of the STF decision, and based on the definitions of CPC 32 – Income Taxes and ICPC 22 - Uncertainty over Income Tax Treatments, the Company recorded R$130,481.

IRPJ and CSLL credits were recorded in profit or loss for the year, in the current income and social contribution taxes line item, against noncurrent taxes recoverable, thus recognized in the statement of financial position due to the absence of a final and unappealable decision. The Company is awaiting the court's definition of the necessary elements regarding the specific circumstances relevant to the specific case, which would allow certainty about the tax credits that could be used, in the absence of the binding effect of the STF decision. The credits will be offset after the final and unappealable decision and subsequent approval of credits by the tax authority.

10 INCOME TAX AND SOCIAL CONTRIBUTION

The Company, under the Real Profit regime, changed for the year 2021 the methodology for calculating Real Profit to annual (in 2020 the methodology used was quarterly Real Profit), and maintained the regime of taxation of the exchange variation, i.e. , exchange rate effects are offered for taxation as they are effectively settled.

This option is not valid for subsidiaries covered by the Presumed Profit regime, as well as foreign subsidiaries.

According to ICPC 22 - Uncertainty about the Treatment of Taxes on Profit, the Company evaluated the concept brought by the standard in relation to possible differences of understanding with the tax authorities and not identifying items to be highlighted within its practices.

All amounts in thousands of Reais

a) Nature and expected realization of deferred taxes

The balances of deferred tax assets and liabilities were as follows:

	Parent Company		Consolidado	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Provision for tax, social security, labor and civil contingencies	5,212	6,413	5,212	6,413
Non-deductible provisions	144,941	114,385	151,070	127,443
Tax losses and negative bases	409,985	580,976	412,633	585,696
Actuarial liability	137,939	116,298	138,873	118,548
Provision for labor	13,170	32,926	13,170	32,926
Deferred foreign exchange variations (i)	998,977	887,628	998,977	887,628
Gain or loss on financial instruments	826,085	843,974	826,085	843,974
Right of use (IFRS 16)	119,041	69,435	119,079	73,580
Other temporary differences	59,232	46,793	59,232	44,543
Non-current assets	**2,714,583**	**2,698,828**	**2,724,331**	**2,720,751**
Fair value of biological assets	477,994	539,685	498,706	557,363
Depreciation tax rate x useful life rate (Law 12,973/14)	439,343	419,727	439,343	419,727
Deemed cost of property, plant and equipment (land)	545,378	544,903	545,378	544,903
Interest capitalized (Law 12,973/14)	282,498	189,614	282,498	189,614
Revaluation reserve	25,092	25,091	25,092	25,091
Accelerated Depreciation - Law 12,272/12	63,998	68,817	63,998	68,817
Lease liability (IFRS 16)	97,630	55,852	97,681	59,839
Other temporary differences	78,019	84,686	78,054	90,298
Non-current liabilities	**2,009,953**	**1,928,375**	**2,030,750**	**1,955,652**
Net balance (liability)	**704,630**	**770,453**	**693,581**	**765,099**

(i) Effect of the cash exchange variation taxation regime.

Management, based on the approved budget, estimates that tax credits arising from temporary differences, tax losses and negative social contribution basis are realized as shown below:

	09/30/2021	
	Parent Company	Consolidado
2021	310,380	310,380
2022	261,018	261,018
2023	123,975	123,975
2024	160,034	160,034
2025	173,851	173,851
2026 onwards	1,685,325	1,695,073
	2,714,583	**2,724,331**

The projection for realizing the balance considers the use of tax losses and negative bases to limit the compensation of 30% of the taxable income for the year. The projection may not materialize if the estimates used differ from those actually made, which were analyzed considering the projections of future results prepared and based on internal assumptions and future economic scenarios, evaluated within the projections approved by the Company's Management.

The Company's information on taxes under litigation is disclosed in note 19.

All amounts in thousands of Reais

b) Analysis of income tax and social contribution expenses

				Parent Company
	From 07/01 to 09/30/2021	From 01/01 to 09/30/2021	From 07/01 to 09/30/2020	From 01/01 to 09/30/2020
Current tax expense	(433,295)	(929,067)	(100,847)	(2,002,527)
Adoption of the exchange variation cash regime (i)		-	(130,955)	1,337,978
PIS / COFINS extemporaneous credit (ii)	-	-	-	336,676
IR / CS credit on Selic (iii)	130,481	130,481	-	-
Constitution (consumption) of tax loss and negative basis	81,338	170,991	113,971	(71,644)
Other additions / exclusions	183,442	392,269	121,382	(3,890)
Current	**(38,034)**	**(235,326)**	**3,551**	**(403,407)**
Recognition and reversal of temporary differences	50,559	34,009	11,878	(6,572)
Constitution (consumption) of tax loss and negative basis	(81,337)	(170,990)	113,971	(71,644)
Gain or loss on financial instruments	138,572	(17,889)	88,600	816,995
Right of use (IFRS 16)	3,328	7,828	2,335	5,220
Interest capitalized (Law 12,973/14)	(34,794)	(92,883)	(17,624)	(34,838)
ICMS on PIS/COFINS calculation basis	-	-	-	336,676
Actuarial liability	-	-	427	1,282
Adoption of the exchange variation cash regime (i)	(158,219)	(177,130)	(130,955)	1,337,978
Depreciation tax rate x useful life rate (Law 12,973/14)	(12,087)	(19,616)	1,401	2,557
Variation in fair value and depletion of biological assets	(48,105)	64,095	24,142	98,069
Deferred	**(142,083)**	**(372,576)**	**94,175**	**2,485,723**

				Consolidated
	From 07/01 to 09/30/2021	From 01/01 to 09/30/2021	From 07/01 to 09/30/2020	From 01/01 to 09/30/2020
Current tax expense	(478,352)	(1,011,687)	(97,293)	(1,969,462)
Adoption of the exchange variation cash regime (i)		-	(130,955)	1,337,978
PIS / COFINS extemporaneous credit (ii)	-	-	-	336,676
IR / CS credit on Selic (iii)	130,481	130,481	-	-
Constitution (consumption) of tax loss and negative basis	81,338	170,991	113,971	(71,644)
Other additions / exclusions	221,773	460,282	114,951	(45,882)
Current	**(44,760)**	**(249,933)**	**674**	**(412,334)**
Recognition and reversal of temporary differences	29,520	17,713	15,081	(55,323)
Constitution (consumption) of tax loss and negative basis	(81,337)	(170,990)	113,971	(71,644)
Gain or loss on financial instruments	138,572	(17,889)	88,600	816,995
Right of use (IFRS 16)	3,728	8,062	2,335	5,112
Interest capitalized (Law 12,973/14)	(34,794)	(92,883)	(17,624)	(34,838)
ICMS on PIS/COFINS calculation basis	-	-	-	336,676
Actuarial liability	-	-	427	1,282
Adoption of the exchange variation cash regime (i)	(158,219)	(177,130)	(130,955)	1,337,978
Depreciation tax rate x useful life rate (Law 12,973/14)	(12,088)	(19,616)	1,401	2,557
Variation in fair value and depletion of biological assets	(32,236)	81,884	21,028	149,584
Deferred	**(146,854)**	**(370,849)**	**94,264**	**2,488,379**

(i) Includes the effect of changes in the exchange variation regime (competence and cash) for purposes of calculating income tax and social contribution. See information on the adoption of cash flow hedge accounting in Note 27.
(ii) See information in note 9 regarding the extemporaneous credit of the ICMS lawsuit on the basis of Pis / Cofins.
(iii) See information on IR/CS credit in explanatory note 9.

All amounts in thousands of Reais

c) Composition of income tax and social contribution in the statement of comprehensive income

	Parent Company and Consolidated			
	From 07/01 to 09/30/2021	From 01/01 to 09/30/2021	From 07/01 to 09/30/2020	From 01/01 to 09/30/2020
Update of actuarial liability	1,809	5,428	1,173	3,519
Update of hedge accounting (i)	530,568	288,479	-	-
Deferred	**532,377**	**293,907**	**1,173**	**3,519**

(i)See information on the adoption of cash flow hedge accounting in Note 27.

d) Reconciliation of income tax and social contribution with the result of applying the statutory tax rate

	Parent Company			
	From 07/01 to 09/30/2021	From 01/01 to 09/30/2021	From 07/01 to 09/30/2020	From 01/01 to 09/30/2020
Income before income tax and social contribution	**1,274,395**	**2,732,549**	**(296,609)**	**(5,889,784)**
Income tax and social contribution at the rate of 34%	(433,294)	(929,067)	100,847	2,002,527
Equity results of investees	70,714	143,346	(493)	41,793
IR / CS credit on Selic (i)	130,481	130,481	-	-
Other effects	51,982	47,338	(2,628)	37,996
	(180,117)	**(607,902)**	**97,726**	**2,082,316**
Income tax and social contribution				
. Current	(38,034)	(235,326)	3,551	(403,407)
. Deferred	(142,083)	(372,576)	94,175	2,485,723
Income tax and social contribution expense	**(180,117)**	**(607,902)**	**97,726**	**2,082,316**

(i) See information on IR/CS credit in explanatory note 9

	Consolidated			
	From 07/01 to 09/30/2021	From 01/01 to 09/30/2021	From 07/01 to 09/30/2020	From 01/01 to 09/30/2020
Income before income tax and social contribution	**1,406,918**	**2,975,550**	**(286,155)**	**(5,792,535)**
Income tax and social contribution at the rate of 34%	(478,352)	(1,011,687)	97,293	1,969,462
Difference in tax regime - controlled companies	115,615	206,228	18,602	81,306
Equity results of investees	2,975	3,878	353	9,204
IR / CS credit on Selic (i)	130,481	130,481	-	-
Other effects	37,667	50,318	(21,310)	16,073
	(191,614)	**(620,782)**	**94,938**	**2,076,045**
Income tax and social contribution				
. Current	(44,760)	(249,933)	674	(412,334)
. Deferred	(146,854)	(370,849)	94,264	2,488,379
Income tax and social contribution expense	**(191,614)**	**(620,782)**	**94,938**	**2,076,045**

(i) See information on IR/CS credit in explanatory note 9

All amounts in thousands of Reais

11 INVESTMENTS IN SUBSIDIARIES AND JOINTLY CONTROLLED ENTITIES

Parent Company

	Klabin Finance S.A.	Klabin Áustria GmbH	Embacorp Sol. Embal. Papel Ltda (iv)	Riohold Holdings S.A. (iv)	Aroeira Reflorest. S.A. (iv)	Sapopema Reflorest. S.A. (iv)	Special Partnership Companies	Florestal Vale do Corisco S.A. (i)	Pinus Taeda Florestal S.A. (i)	Other	Total
At December 31, 2019	**86,471**	**187,829**	**-**	**-**	**-**	**70,343**	**814,095**	**160,970**	**-**	**222,353**	**1,542,061**
Acquisitions and capital contributions (iv)	-	-	388,071	-	-	28,168	(110,604)	-	72,165	35,240	413,040
Added Value (iv)	-	-	181,396	-	-	-	-	-	-	24,665	206,061
Corporate reorganization (iv)	-	-	(442,731)	425,667	-	-	-	-	-	17,064	-
Transfer to held for sale (v)	-	-	(138,769)	-	-	-	-	-	-	-	(138,769)
Dividends distributed	-	-	-	-	-	-	(2,151)	(10,186)	-	(74,877)	(87,214)
Equity in the results of investees (ii)	40,356	163,942	12,033	-	-	27,823	(69,697)	7,179	25,944	13,573	221,153
Foreign exchange variations on investments abroad (iii)	-	-	-	-	-	-	-	-	-	(16,963)	(16,963)
Unrealized profit from intercompany sales	-	(40,026)	-	-	-	-	-	-	-	(8,843)	(48,869)
At December 31, 2020	**126,827**	**311,745**	**-**	**425,667**	**-**	**126,334**	**631,643**	**157,963**	**98,109**	**212,212**	**2,090,500**
Acquisitions and capital contributions (iv)	-	-	-	-	53,657	-	-	-	-	85,645	139,302
Corporate reorganization (iv)	-	-	-	(425,667)	-	-	(246,868)	-	-	10,685	(661,850)
Transfer to held for sale (v)	-	-	(2,216)	-	-	-	-	-	-	-	(2,216)
Dividends distributed	-	-	-	-	-	(7,564)	(4,582)	(7,220)	(3,119)	(10,332)	(32,817)
Equity in the results of investees (ii)	(53,468)	468,097	2,216	-	46,915	4,314	43,242	8,843	(2,034)	(3,509)	514,616
Foreign exchange variations on investments abroad (iii)	-	-	-	-	-	-	-	-	-	3,835	3,835
Unrealized profit from intercompany sales	-	(66,712)	-	-	-	(6,559)	(1,220)	-	-	(18,519)	(93,010)
At September 30,2021	**73,359**	**713,131**	**-**	**-**	**100,572**	**116,525**	**422,215**	**159,586**	**92,956**	**280,017**	**1,958,360**

Summary of the financial information of subsidiaries at September 30, 2021

	Klabin Finance S.A.	Klabin Áustria GmbH	Embacorp Sol. Embal. Papel Ltda (iv)	Riohold Holdings S.A. (iv)	Aroeira Reflorest. S.A. (iv)	Sapopema Reflorest. S.A. (iv)	Special Partnership Companies	Florestal Vale do Corisco S.A. (i)	Pinus Taeda Florestal S.A. (i)
Total assets	3,672,123	11,983,435	-	-	489,187	612,550	617,427	415,428	374,970
Total liabilities	3,598,764	11,203,591	-	-	31,850	20,143	21,258	104,059	10,459
Equity	73,359	779,844	-	-	457,337	592,407	596,168	311,369	364,510
Profit/(loss) for the period	(55,028)	398,418	-	-	216,632	35,490	50,996	17,340	(7,977)

(i) As it is a joint venture (see note 3), Vale do Corisco and Pinus Taeda Florestal are not consolidated, being the only investments presented in the consolidated balance sheets as investments with equity recognition.
(ii) Includes effects of variation and realization of the fair value of biological assets (note 13), when the result of the subsidiary suffers this impact, in addition to the exchange variation on investments abroad not characterized as a subsidiary.
(iii) Subsidiary and associated companies whit affiliate characteristics with exchange variation allocated to other comprehensive income.
(iv) See note 1.
(v) See note 1 and 12.

All amounts in thousands of Reais

			Consolidated
	Florestal Vale do Corisco S.A. (i)	Pinus Taeda Florestal S.A. (i)	Total
At December 31, 2019	**160,970**	**-**	**160,970**
Acquisitions and capital contributions (iii)	-	72,165	72,165
Dividends distributed	(10,186)	-	(10,186)
Equity in the results of investees (ii)	7,179	25,944	33,123
At December 31, 2020	**157,963**	**98,109**	**256,072**
Dividends distributed	(7,220)	(3,119)	(10,339)
Equity in the results of investees (ii)	8,843	(2,034)	6,809
At September 30,2021	**159,586**	**92,956**	**252,542**

Summary of the financial information of subsidiaries at September 30, 2021

Total assets	415,428	374,970
Total liabilities	104,059	10,459
Equity	311,369	364,510
Profit/(loss) for the period	17,340	(7,977)

(i) As this is a joint venture (note 3), Vale do Corisco and Pinus Taeda Florestal are not consolidated, and the only investments shown in the consolidated balance sheets as investments with equity pickup recognition.
(ii) Includes the effects of variation and realization of the fair value of biological assets (note 13), when the subsidiary's result is impacted, in addition to the exchange variation on investments abroad not characterized as a branch.
(iii) See information in explanatory note 1.

12 ASSETS HELD FOR SALE

As disclosed in note 1, the Company concluded on October 14, 2020 the acquisition of assets of International Paper do Brasil. Within the context of the acquisition of these assets, the Company informed in a statement to the market on June 24, 2020, the commitment to sell to the Klingele Paper & Packaging Group of the unit located in Nova Campina (SP), with a production capacity of 162 thousand tons of kraftliner.

The sale transaction, recorded on December 31, 2020, as an asset held for sale, at the equity value of the investment in the amount of R$ 138,769 in the parent company's balance sheet (R$ 175,064 in assets and R$ 36,295 in liabilities in the consolidated balance sheet), net of selling expenses, was concluded on January 29, 2021 after closing together with the Klingele Paper & Packaging Group with the transfer of 100% of its shares. The transaction amounted to R$ 160,000, of which R$ 132,000 was received on this date and the remainder will be received in two annual installments of the same amount.

The sale resulted in a gain of R$ 20,231 on December 31, 2020, recorded in income under the caption “Other net”. Considering revenue of R$ 160,000 and cost of R$ 138,769.

The Income Statement shows a loss from discontinued operations of R$ 2,216 in the nine-month period ended September 30, 2021 related to the respective assets. The detailed analysis of the result is not necessary given the immateriality of the amounts involved, so that they do not represent an important separate line from the Company's business units, as it only took effect after its acquisition on October 14, 2020, with the unit being acquired exclusively for its subsequent sale.

All amounts in thousands of Reais

13 PROPERTY, PLANT AND EQUIPMENT

a) Composition of property, plant and equipment

			09/30/2021			12/31/2020
Parent company	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
Land	2,141,703	-	**2,141,703**	2,051,026	-	**2,051,026**
Buildings and construction	3,093,356	(809,329)	**2,284,027**	2,680,628	(729,393)	**1,951,235**
Machinery, equipment and facilities	15,954,578	(7,098,769)	**8,855,809**	12,808,926	(6,459,098)	**6,349,828**
Construction in progress	4,700,841	-	**4,700,841**	5,538,261	-	**5,538,261**
Other (i)	578,481	(448,114)	**130,367**	561,685	(419,005)	**142,680**
	26,468,960	**(8,356,212)**	**18,112,747**	**23,640,526**	**(7,607,496)**	**16,033,030**
Consolidated						
Land	2,458,983	-	**2,458,983**	2,374,134	-	**2,374,134**
Buildings and construction	3,136,603	(818,767)	**2,317,836**	2,821,878	(747,070)	**2,074,808**
Machinery, equipment and facilities	15,982,237	(7,127,376)	**8,854,861**	12,936,401	(6,504,244)	**6,432,157**
Construction in progress	4,899,691	-	**4,899,691**	5,648,428	-	**5,648,428**
Other (i)	580,887	(453,366)	**127,520**	568,824	(427,578)	**141,246**
	27,058,400	**(8,399,509)**	**18,658,891**	**24,349,665**	**(7,678,892)**	**16,670,773**

(i) Balance corresponding to classes of fixed assets such as improvements, vehicles, furniture and computer equipment and utensils.

Property, plant and equipment pledged as collateral in transactions carried out by the Company is disclosed in Note 16.

b) Summary of changes in property, plant and equipment

						Parent company
	Land	Building and construction	Machinery, equipment and facilities	Construction in progress	Other	Total
At December 31, 2019	**2,037,213**	**1,976,389**	**7,003,534**	**1,850,410**	**167,168**	**13,034,714**
Purchases (i) e (ii)	593	-	-	3,942,008	-	3,942,601
Disposals	(166)	-	(10,111)	(15)	(736)	(11,028)
Depreciation	-	(96,105)	(1,000,771)	-	(68,706)	(1,165,582)
Internal transfers	13,386	67,844	356,666	(481,076)	43,180	-
Capitalized interest (iii)	-	-	-	218,820	-	218,820
Other (iv)	-	3,107	510	8,114	1,774	13,505
At December 31, 2020	**2,051,026**	**1,951,235**	**6,349,828**	**5,538,261**	**142,680**	**16,033,030**
Purchases (i) e (ii)	-	-	-	2,427,541	-	2,427,541
Disposals	-	(24)	(2,180)	-	(3,007)	(5,211)
Depreciation	-	(79,476)	(727,352)	-	(46,341)	(853,169)
Internal transfers (ii)	-	343,962	3,185,863	(3,582,354)	52,530	0
Embacorp incorporation (ii)	90,677	91,521	72,023	1,017	2,258	257,496
Capitalized interest (iii)	-	-	-	306,565	-	306,565
Other (iv)	-	(23,191)	(22,373)	9,813	(17,754)	(53,505)
At September 30, 2021	**2,141,703**	**2,284,027**	**8,855,809**	**4,700,842**	**130,367**	**18,112,748**

(i) Net of recoverable taxes (see note 9).
(ii) See information in note 1.
(iii) Capitalized interest related to projects in progress that have linked loans.
(iv) Includes transfers of grants and transfers to other balance sheet groups.

All amounts in thousands of Reais

						Consolidated
	Land	Building and construction	Machinery, equipment and facilities	Construction in progress	Other	Total
At December 31, 2019	**2,210,453**	**1,972,798**	**7,012,633**	**1,873,387**	**171,910**	**13,241,181**
Purchases (i) e (ii)	908	-	-	4,076,149	-	4,077,057
Disposals	(166)	-	(10,111)	(15)	2,698	(7,594)
Depreciation	-	(96,164)	(1,002,191)	-	(68,856)	(1,167,211)
Internal transfers	56,611	67,869	357,801	(526,486)	44,205	-
Capitalized interest (iii)	-	-	-	218,820	-	218,820
Acquisition of IP Assets (ii)	11,998	45,757	139,697	1,104	(4,888)	193,668
Added value (ii)	102,041	91,028	21,520	273	1,097	215,959
Transfer to assets held for sale (iv)	(7,701)	(13,730)	(86,845)	(167)	(832)	(109,275)
Other (v)	(10)	7,250	(347)	5,363	(4,088)	8,168
At December 31, 2020	**2,374,134**	**2,074,808**	**6,432,157**	**5,648,428**	**141,246**	**16,670,773**
Purchases (i) e (ii)	-	-	-	2,674,662	-	2,674,662
Disposals	-	(24)	(2,180)	-	(3,007)	(5,211)
Depreciation	-	(79,836)	(728,662)	-	(46,618)	(855,116)
Internal transfers (ii)	88,197	342,218	3,178,228	(3,661,001)	52,357	0
Capitalized interest (iii)	-	-	-	306,565	-	306,565
Other (v)	(3,348)	(19,331)	(24,682)	(68,964)	(16,458)	(132,783)
At September 30, 2021	**2,458,983**	**2,317,835**	**8,854,861**	**4,899,691**	**127,521**	**18,658,891**

(i) Net of recoverable taxes (see note 9).
(ii) See information in note 1.
(iii) Capitalized interest related to projects in progress that have linked loans.
(iv) See information on the transaction in note 12.
(iv) Includes transfers of grants and transfers to other balance sheet groups.

Depreciation was mainly allocated to the production cost for the period.

c) Useful live and depreciation method

The table below shows the average annual depreciation rates using the straight-line method that were applicable to the nine-month periods ended September 30, 2021 and to the year ended December 31, 2020, defined based on the economic useful lives of the assets:

	Rate - %
Buildings and construction	2.86 to 3.33
Machinery, equipment and facilities (i)	2.86 to 10
Other	4 to 20

(i) Average rate 8%.

d) Construction in progress

As of September 30, 2021, the balance of works and installations in progress refers substantially to projects for the development of its industrial activity, such as the construction of one paper machine, for the production of a complementary fiber line integrated with a paperboard machine, located at Klabin's industrial unit in the municipality. of Ortigueira (PR) (Puma II), according to note 1, the construction of a water treatment plant for boiler IV in Monte Alegre (PR) with conclusion preview on December 2021 and the construction of an incinerator at the Monte Alegre (PR) unit with expected completion for October 2021, in addition to the Company's other operational continuity projects.

e) Impairment of property, plant and equipment

The Company, applying the requirements of CPC 01(R1) – Reduction of recoverable value of assets (IAS36 - Impairment of Assets), performed the applicable analyses and did not identify indicators that book value exceeds the recoverable value of its assets on September 30, 2021 and December 31, 2020.

All amounts in thousands of Reais

14 BIOLOGICAL ASSETS

The Company's biological assets comprise the cultivation and planting of pine and eucalyptus forests to supply raw material in the production of short, long and fluffed pulp, as well as used in the paper production process and sales of wood logs for the 3rd.

As of September 30, 2021, the Company has 269 thousand hectares (267 thousand hectares on December 31, 2020) of planted forests, disregarding the areas of permanent preservation and legal reserve that must be maintained in order to comply with Brazilian environmental legislation.

The balance of the Company's biological assets, at fair value, can be shown as follows:

	Parent company		Consolidated	
	09/30/2021	**12/31/2020**	**09/30/2021**	**12/31/2020**
Cost of development of biological assets	1,893,008	1,788,191	2,715,198	2,514,101
Fair value adjustment of biological assets	1,457,680	1,569,750	2,131,222	2,143,720
	3,350,688	**3,357,941**	**4,846,420**	**4,657,821**

The evaluation of biological assets at their fair value considers certain estimates, such as: wood price, discount rate, forest harvesting plan and productivity volume, which are subject to uncertainties, which may have effects on future results due to its variations.

In the nine-month period ended September 30, 2021 and the year ended December 31, 2020, no impairment provision need was identified.

a) Assumptions regarding the recognition of the fair value of biological assets

The Company recognizes its biological assets at fair value using the following assumptions in its calculation:

(i) Eucalyptus forests will be maintained at historical cost until the third year of planting and pine forests until the fifth year of planting, due to Management's assumptions that during this period, the historical cost of biological assets is close to its fair value, in addition to the fact that it is possible to carry out inventories to assess growth and forest production expectations only after this period;

(ii) The forests, after the third and fifth year of planting, of eucalyptus and pine, respectively, are valued at their fair value, which reflects the sale price of the asset less the costs necessary to place the product in conditions of sale or consumption;

(iii) The methodology used to measure the fair value of biological assets corresponds to the projection of future cash flows discounted according to the projected productivity cycle of the forests, taking into account the variations in price and growth of biological assets;

(iv) The discount rate used in cash flows corresponds to the weighted average cost of capital of the Company, which is reviewed by Management annually within the budget process or to the extent that there are situations that require such a review;

(v) The projected productivity volumes of forests are defined based on stratification according to each species, genetic material, forest management regime, productive potential, rotation and age of the forests. The set of these characteristics compose an index called AAI (Average Annual Increment), expressed in cubic meters per hectare / year used as a basis in the productivity projection. The harvest plan maintained by the Company varies mainly between 6 and 7 years for eucalyptus and between 14 and 15 years for pine;

All amounts in thousands of Reais

(vi) The prices of biological assets (standing wood), denominated in R$ / cubic meter, are obtained through market price surveys, published by specialized companies. The prices obtained are adjusted by deducting the capital costs related to land, due to the fact that they are contributing assets for the planting of forests and other costs necessary for placing the assets in a condition of sale or consumption;

(vii) Planting expenses refer to the costs of forming biological assets;

(viii) The depletion of biological assets is determined based on the fair value of the biological assets harvested in the period;

(ix) The Company carries out the revaluation of the fair value of its biological assets on a quarterly basis, under the assumption that this interval is sufficient so that there is no significant gap in the fair value balance of the biological assets recorded in its quarterly information.

b) Reconciliation and movement in fair value

	Parent company	Consolidated
At December 31, 2019	**3,375,564**	**4,712,381**
Planting and standing wood shopping (i)	495,211	624,870
Disposal of forest assets	(47,550)	(47,550)
Depletion:	**(944,236)**	**(1,218,104)**
. Historical cost	(222,769)	(306,291)
. Fair value adjustment	(721,467)	(911,813)
Change in fair value due to:	**579,443**	**658,389**
. Price	(13,271)	(23,360)
. Growth	592,714	681,749
Constitution of subsidiary (ii)	(100,491)	(72,165)
At December 31, 2020	**3,357,941**	**4,657,821**
Planting and standing wood shopping (i)	578,370	784,890
Depletion:	**(1,100,000)**	**(1,240,928)**
. Historical cost	(528,661)	(589,788)
. Fair value adjustment	(571,339)	(651,140)
Change in fair value due to:	**381,254**	**644,637**
. Price	613,417	913,471
. Growth (iii)	(232,163)	(268,834)
Constitution of subsidiary (ii)	(53,657)	-
SCP Dissolution (ii)	186,780	-
At September 31, 2021	**3,350,688**	**4,846,420**

(i) Net of recoverable taxes (see note 9).
(ii) See information in note 1, referring to contributions from forests in the constitution and capital contribution of subsidiaries and jointly-owned subsidiaries.
(iii) In addition to the forest growth effect due to its upcoming harvest this amount, it corresponds to adjustments arising from assumptions that affect the fair value of biological assets, such as review of the harvest plan, productivity table, change in the discount rate , change in administrative costs, and others.

The depletion of biological assets for nine-month period ended September 30, 2021 and the year ended December 31, 2020 was substantially allocated to production cost, after allocation to inventories through harvesting and using them in the production process or sale to third parties.

c) Sensitivity analysis

According to the hierarchy of CPC 46 (equivalent to IFRS 13) - Fair Value Measurements, the calculation of biological assets falls under Level 3, due to their complexity and calculation structure.

Among the assumptions used in the calculation, the sensitivity to prices used in the valuation and the discount rate used in the discounted cash flow stand out. Prices refer to those practiced in the regions where the Company is located, whereas the discount rate corresponds to the average cost of capital, taking into account the basic interest rate (Selic) and inflation levels.

Significant increases (decreases) in the prices used in the valuation would result in an increase (decrease) in the measurement of the fair value of biological assets. The weighted average price used in the valuation of the asset on September 30, 2021 was equivalent to R$ 69/m^3 (R$ 66/m^3 on December 31, 2020).

Regarding the discount rate, the significant effects of an increase (decrease) in the rate used to measure the fair value of biological assets would result in a decrease (increase) in the measured values. On September 30, 2021, the Company used the weighted average cost of capital of 4.48% in constant currency for the parent company and 5.34% for the subsidiaries (4.48% and 5.34% for the parent and subsidiaries on 31 December 2020).

15 RIGHT OF USE ASSET AND LEASE LIABILITY

a) Accounting policy and assumptions for recognition

The right to use the assets and the liabilities for the leases are recognized at the future value of the installments assumed in the contract, brought to the net present value. The right to use the assets is amortized on a straight-line basis over the term of the contract in the income statement of the periods in the line that is related to its nature ("Cost of products sold" / "Administrative expenses" / "Selling expenses"), as well as financial expenses, corresponding to the amortization of the adjustment to the net present value of the contracts, is allocated to the “Financial result”.

Depreciation of the right-of-use asset is calculated using the straight-line method in accordance with the remaining term of each contract.

The Company recognizes its right of use and lease liabilities considering the following assumptions:

(i) Operations with contracts signed for more than 12 months fall within the scope of the standard. The Company evaluated the aspects of renewal in its methodology and because it did not identify aspects of renewal, it chose not to consider contract renewals, given that the assets involved in its operation are not indispensable for the conduct of its business, and may be replaced at the end the contract for new assets acquired or for operations other than those agreed upon.

(ii) Contracts that involve the use of low-value underlying assets.

(iii) Only transactions involving specific assets defined in the contract or for exclusive use over the period of the contract are considered.

(iv) Inclusion of recoverable taxes in the definition of the assumed installments of the contracts in which it is applicable.

(v) The methodology used to calculate the net present value of the contracts corresponds to the cash flow of the assumed installments discounted at the discount rate defined for the asset class.

(vi) The discount rate for the three- and nine-month periods ended September 30, 2021 was based on the risk-free interest rates observed in the Brazilian market and adjusted to the reality of the Company. The rates for 2021 were updated, compared to the previous quarter. The rates for the lease of forest lands and administrative properties and commercial warehouses are 6.49% p.a. for contracts with maturity of up to 5 years, 7.13% with maturity from 6 to 10 years, 7.57% with maturity from 11 to 15 years, 8.19% with maturity from 16 to 20 years and 8.62% with maturity over 20 years, in addition to 6.36% for operations involving machinery and equipment. The real rates (net of inflation) were obtained from the financing of assets of these classes through researches with the banks that serve the Company.

(vii) Remeasurement to reflect any revaluation or modifications to the lease will be made on the one-year anniversary month of each contract (reset), in which the Company will assess the need for readjustments in monthly and annual payments and, if applicable, readjustments will be realized in assets against lease liabilities.

(viii) The Company analyzed the effects related to contingencies and impairment risks within the operations that fall within the scope of the standard and did not identify any impacts.

The Company's leasing operations in effect on September 30, 2021 do not have any restriction clauses that impose the maintenance of financial ratios, as well as no variable payment clauses, or residual value guarantee clauses payment and purchase options at the end of the contracts.

The Company evaluated on September 30, 2021 and there were no impacts related to the separation of components in the lease agreements, as well as there are no impacts on the initial direct costs linked to the contracts in the measurement of the asset.

All amounts in thousands of Reais

b) Summary composition and movement of right-of-use assets and lease liabilities

As of September 30, 2021, the Company has 439 lease agreements with the parent company and 444 with the consolidated (369 in the parent company and 381 in the consolidated as of December 31, 2020) recognized in its balance sheet.

Parent company

Right of use	12/31/2020	Amortization	Additions / Disposals	09/30/2021
Lands	501,910	(33,870)	88,760	556,800
Buildings	8,325	(8,628)	48,342	48,039
Machines and equipment	293,242	(102,220)	228,848	419,870
Incorporation (i)	-	-	1,297	1,297
Total assets	**803,477**	**(144,718)**	**367,247**	**1,026,006**

Lease liabilities	12/31/2020	Interest	Payments	Additions / Disposals	Short or Long TermTransfer	Incorporation (i)	09/30/2021
Current	141,837	(15,079)	(174,105)	123,585	115,866	1,078	193,182
Non-current	676,464	(45,519)	-	341,048	(115,866)	219	856,346
Total in liabilities	**818,301**	**(60,598)**	**(174,105)**	**464,633**	**-**	**1,297**	**1,049,528**

Consolidated

Right of use	12/31/2020	Amortization	Additions / Disposals	09/30/2021
Lands	504,973	(34,665)	112,416	582,724
Buildings	8,712	(7,892)	47,219	48,039
Machines and equipment	294,735	(102,203)	229,138	421,670
Total assets	**808,420**	**(144,760)**	**388,773**	**1,052,433**

Lease liabilities	31/12/2020	Interest	Payments	Additions / Disposals	Short or Long TermTransfer	09/30/2021
Current	143,721	(12,842)	(177,081)	123,114	116,100	193,012
Non-current	679,591	(63,133)	-	381,267	(116,100)	881,625
Total in liabilities	**823,312**	**(75,975)**	**(177,081)**	**504,381**	**-**	**1,074,637**

(i) See note 1.

Parent company

Right of use	12/31/2019	Amortization	Additions / Disposals	12/31/2020
Lands	361,474	(42,127)	182,563	501,910
Buildings	18,084	(9,427)	(332)	8,325
Machines and equipment	112,058	(80,960)	262,144	293,242
Total assets	**491,616**	**(132,514)**	**444,375**	**803,477**

	12/31/2019	Interest	Payments	Additions / Disposals	Short or Long TermTransfer	12/31/2020
Lease liabilities	100,198	(125,799)	(158,159)	215,021	110,576	141,837
Current	394,233	(180,467)	-	573,274	(110,576)	676,464
Non-current	**494,431**	**(306,266)**	**(158,159)**	**788,295**	**-**	**818,301**
Total in liabilities						

Consolidated

Right of use	12/31/2019	Amortization	Additions / Disposals	12/31/2020
Lands	364,258	(42,494)	183,209	504,973
Buildings	18,084	(9,427)	55	8,712
Machines and equipment	112,057	(80,960)	263,638	294,735
Total assets	**494,399**	**(132,881)**	**446,902**	**808,420**

Lease liabilities	12/31/2019	Interest	Payments	Additions / Disposals	Short or Long TermTransfer	12/31/2020
Current	100,509	(125,711)	(158,590)	216,609	110,904	143,721
Non-current	396,720	(180,714)	-	574,489	(110,904)	679,591
Total in liabilities	**497,229**	**(306,425)**	**(158,590)**	**791,098**	**-**	**823,312**

(i) Includes changes in the IP acquisition balance mentioned in explanatory note 1

All amounts in thousands of Reais

As of nine-month period ended September 30, 2021, the Company recorded an expense of R$ 8,337 related to short-term leases (less than 12 months of the contract) or operations with low value assets involved in the contracts.

c) Lease maturity schedule

	Parent company				Consolidated			
	09/30/2021				09/30/2021			
	Lands	Buildings	Machines and Equipment	Total	Lands	Buildings	Machines and Equipment	Total
2021	16,369	3,502	44,401	64,272	16,492	3,502	44,578	64,572
2022	63,397	13,195	150,302	226,893	66,389	13,195	150,586	230,169
2023	55,194	11,343	102,161	168,698	58,186	11,343	102,226	171,756
2024	52,976	9,479	83,380	145,835	55,968	9,479	83,380	148,827
2025 - 2029	245,659	14,619	97,262	357,540	259,607	14,619	97,262	371,488
2030 - 2034	215,188	57	-	215,245	227,978	57	-	228,035
2035 - 2039	115,729	-	-	115,729	123,340	-	-	123,340
2040 - 2058	136,217	-	-	136,217	136,217	-	-	136,217
	900,729	**52,196**	**477,505**	**1,430,430**	**944,178**	**52,196**	**478,032**	**1,474,405**
Interest	(330,427)	(3,547)	(46,927)	(380,901)	(349,276)	(3,547)	(46,945)	(399,768)
Lease liabilities	**570,301**	**48,649**	**430,578**	**1,049,528**	**594,902**	**48,649**	**431,087**	**1,074,637**

d) Potential right to Pis / Cofins tax recoverable

The Company has the potential right of PIS/COFINS to be recovered embedded in the consideration for the leases of buildings and machinery and equipment. In the measurement of cash flows from leases, tax credits were not disclosed, and the potential effects of PIS/COFINS are shown in the following table:

	Parent Company and Consolidated	
Cash flow	**Nominal**	**Adjusted present value**
Lease consideration	530,227	479,736
Pis/Cofins (9.25%)	49,046	44,376

e) Misleading in the full application of CPC06 (R2) – IFRS16 Leases

In accordance with the Memorandum Circular CVM/SNC/SEP No. 02/2019, the Company adopted as an accounting policy the requirements of CPC06 (R2) (IFRS16 Leases) in the measurement and remeasurement of its right of use, proceeding with the use of the discounted cash flow without considering inflation. Management evaluated the use of nominal flows and concluded that they do not present significant distortions in the information presented.

In order to safeguard the reliable presentation of the information premised of the requirements of CPC06 (R2) (IFRS16 Leases) and to comply with the guidelines of the technical areas of the CVM, the balances of assets and liabilities without inflation, effectively accounted (real flow x real rate), and the estimate are provided inflated balances in the comparison periods (nominal flow x nominal rate).

All amounts in thousands of Reais

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 quarterly information.

	Parent company		Consolidated	
	12/31/2020	09/30/2021	12/31/2020	09/30/2021
Actual flow				
Right to use assets	803,477	1,026,006	808,420	1,052,433
Lease Liabilities	1,126,311	1,430,430	1,132,437	1,474,405
Interest	(308,010)	(380,901)	(309,125)	(399,768)
	818,301	1,049,528	823,312	1,074,637
Flow with inflation effects				
Right to use assets	1,035,701	1,372,249	1,045,575	1,408,900
Lease Liabilities	1,509,699	1,983,180	1,520,695	2,045,183
Interest	(411,268)	(531,952)	(412,269)	(557,505)
	1,098,431	1,451,228	1,108,426	1,487,677

All amounts in thousands of Reais

16 BORROWINGS

a) Composition of borrowings

	Annual interest rate - %			09/30/2021
		Current	Non-Current	Total
In local currency				
. BNDES - Project Puma II	TLP + 3.58	26,161	1,084,376	1,110,537
. BNDES – Other	TJLP	4,804	117,469	122,273
. Export credit notes (in R$)	102 do CDI	2,781	350,000	352,781
. CRA	95 a 102 do CDI ou IPCA + 3.50% a IPCA + 4.51%	1,133,045	2,916,312	4,049,357
. Other	0.76% a 8.5%	2,822	3,340	6,162
. Cost with funding		(15,455)	(74,109)	(89,564)
		1,154,158	4,397,388	5,551,546
In foreign currency (i)				
. Export prepayments (ii)	USD + 5.40	12,035	679,925	691,960
. Export credit notes (ii)	4.70%. 564% e 5.67%	72,453	3,004,373	3,076,826
. Export prepayments in subsidiaries	USD + 5.20 a 8.29	63,401	14,360,016	14,423,417
. Term Loan (BID Invest and IFC) (ii)	Libor + 1.59	5,451	543,940	549,391
. Finnvera (ii)	USD + Libor + 0.60 a 0.95 ou USD + 3.38	235,664	1,025,127	1,260,791
. ECA (ii)	EUR + 0.45%	7,268	25,403	32,671
. Gain / loss on derivative instruments (swap) (ii)	4.70 a 5.67	-	1,734,334	1,734,334
. Cost with funding		(31,689)	(185,768)	(217,457)
		364,583	21,187,350	21,551,933
Total parent company		**1,518,741**	**25,584,738**	**27,103,479**
Subsidiaries:				
In foreign currency (i)				
. Bonds (Notes) (ii)	3.20% a 7.00%	285,531	14,264,417	14,549,948
. Cost with funding		(8,728)	(79,793)	(88,521)
		276,803	14,184,624	14,461,427
. Elimination of prepayments in subsidiaries		**(63,401)**	**(14,360,016)**	**(14,423,417)**
Total Consolidated		**1,732,143**	**25,409,346**	**27,141,489**

(i) In US dollars
(ii) Operation designated in the hedge accounting program, see note 27.

	Annual interest rate - %			12/31/2020
		Current	Non-Current	Total
In local currency				
. BNDES - Project Puma II	TLP + 3.58	4,767	1,032,055	1,036,822
. BNDES – Other	TJLP	1,162	121,151	122,313
. Export credit notes (in R$)	102 a 105.50 do CDI	119,922	575,000	694,922
. CRA	95 a 102 do CDI ou IPCA + 3.50% a IPCA + 4.51%	165,941	3,762,228	3,928,169
. Other	0.76 a 8.5 ou TJLP	5,554	4,857	10,411
. Cost with funding		(17,241)	(85,254)	(102,495)
		280,105	5,410,037	5,690,142
In foreign currency (i)				
. Export prepayments (ii)	USD + 5.40	2,339	649,588	651,927
. Export credit notes (ii)	4.70 a 5.67	5,088	3,004,373	3,009,461
. Export prepayments in subsidiaries	USD + 5.20 a 8.29 ou USD + Libor + 1.48	230,285	11,640,608	11,870,893
. Term Loan (BID Invest and IFC) (ii)	Libor + 1.59	2,432	519,670	522,102
. Finnvera (ii)	USD + Libor + 0.60 a 0.95 ou USD + 3.38	200,781	1,204,537	1,405,318
. ECA (ii)	EUR + 0.45%	7,417	33,073	40,490
. Gain / loss on derivative instruments (swap) (ii)	4.70 a 5.67		1,748,282	1,748,282
. Cost with funding		(29,813)	(195,123)	(224,936)
		418,529	18,605,008	19,023,537
Total parent company		**698,634**	**24,015,045**	**24,713,679**
Subsidiaries:				
In foreign currency (i)				
. Bonds (Notes) (ii)	4.88% a 7.00%	191,551	11,545,645	11,737,196
. Cost with funding		(6,917)	(66,878)	(73,795)
		184,634	11,478,767	11,663,401
. Elimination of prepayments in subsidiaries		**(230,285)**	**(11,640,608)**	**(11,870,893)**
Total Consolidated		**652,983**	**23,853,204**	**24,506,187**

(i) In US dollars

National Bank for Economic and Social Development (BNDES)

The Company has contracts with the BNDES whose purpose was to finance industrial and forest development projects, social projects and paper segment, called Puma II Project, with settlement scheduled for 2039. The amortization of the financing is carried out monthly with the interest.

Export prepayments and export credit notes

Prepayments and export credit notes (in R$ and USD) were raised for the purpose of managing working capital and developing the Company's operations. The contracts are expected to be settled by April 2029.

Bonds (Notes)

The Company, through its wholly-owned subsidiaries Klabin Finance SA and Klabin Austria GmbH, issued debt securities (Notes) in the international market with listing on the Luxembourg Stock Exchange (Euro MTF) and on the Singapore Stock Exchange (SGX) with a Senior issue type Unsecured Notes 144A/Reg S.

(i) In July 2014, the fundraising of USD 500 million was completed, with a 10-year term and maturity in 2024, with a coupon of 5.25% paid semi-annually, with the purpose of financing the activities of the Company and its subsidiaries within the normal course of business and serving the respective corporate purposes. In April 2019 and January 2021, respectively a USD 228.5 million and USD 98 million, repurchase was carried out, aligned with the Company's debt management strategy.

(ii) In September 2017, the Company issued Green Bonds in the amount of USD 500 million, with a 10 year term due in 2027, with a semiannual coupon of 4.88%. The resource is destined to reforestation activities, restoration of native forests, investments in renewable energy, efficient logistics using rail transport, recycling of solid waste and development of eco-efficient products, among other sustainability practices. During 2020, a USD 9.5 million repurchase was carried out, aligned with the Company's debt management strategy.

(iii) In March 2019, the fundraising of USD 500 million was completed with a 10 year term and maturity in 2029 and a coupon of 5.75% p.a. and USD 500 million in Green Bonds with a 30-year term and maturity in 2049, with coupon of 7% p.a., with the purpose of prepaying or refinancing the debts of the Company and its subsidiaries, as well as to reinforce cash. During 2020, a USD 18.5 million repurchase was carried out aligned with the Company's debt management strategy.

(iv) In July 2019, the Bonds maturing in 2029 were reopened and an additional funding of USD 250 million of nominal value was concluded, with a coupon of 5.75% and yield of 4.90% p.a., with the aim of purpose of the prepayment or refinancing of debts of the Company and its subsidiaries, as well as cash reinforcement.

(v) In January 2020, Green Bonds maturing in 2049 were reopened and the additional funding of USD 200 million of nominal value was concluded, with a coupon of 7.00% and yield of 6.10% p.a., aim to the purpose the financing or refinancing, in whole or in part, of costs and / or investments in eligible “Green Projects”.

(vi) In January 2021, the raising of USD 500 million in Sustainability Linked Bonds (SLB) with maturity in 2031 and a coupon of 3.20% p.a. was completed, with the objective of early repurchase of the Bond maturing in 2024 and the achievement of the Company's general objectives.

Finnvera (Finland Export Credit Agency)

As part of the funding necessary for the execution of the Puma I, the Company entered into a contract to raise funds, to be used to finance the assets acquired from the Puma Project. The amount of the commitment is up to USD 460 million, maturing in 2026, divided into two tranches, the first of which is up to USD 414 million with interest of 3.4% p.a. and the second tranche of up to USD 46 million with interest of Libor 6M + 1% p.a., with two disbursements in 2015 totaling USD 325.7 million and a final disbursement of USD 38.6 million was released in the fourth quarter of 2016, totaling USD 364.3 million. The amount raised in USD was lower than initially expected due to the support of imports being in Euro and the appreciation of the dollar against the Euro in the period. USD 67 million were raised for the Puma II Project bearing semiannual Libor 6M + 0.55% p.a. and maturing in 2031.

Term Loan (BID Invest and IFC)

As part of the funding needed to carry out the Puma II Project, USD 100 million was raised, divided into two tranches, the first was USD 48 million with interest of Libor 6M + 1.45% p.a. maturing in 2026, and the second tranche of USD 52 million with interest of Libor 6M + 1.75% maturing in 2029.

CRA – Agribusiness Receivables Certificates

The Company issued simple debentures that support the issuance of Certificates of Agribusiness Receivables (“CRA”), being:

(i) CRA I - issued by “Eco Securitizadora de Direitos Creditórios do Agronegócio S.A” in March 2017 in the amount of R$ 845.9 million, with a term of 5 years and semiannual interest of 95% of the CDI.

(ii) CRA II - issued by “Eco Securitizadora de Direitos Creditórios do Agronegócio S.A” in December 2017 in the amount of R$ 600 million, with a 6-year term and semiannual interest of 97.5% of the CDI.

(iii) CRA III - issued by Ápice Securitizadora S.A in September 2018 in the amount of R$ 350 million, with a 6-year term and semiannual interest of 102% of the CDI.

(iv) CRA IV - issued by VERT Companhia Securitizadora in April 2019 in the amount of R$ 1 billion divided into two series. The first series in the total amount of R$ 200 million, with a 7-year maturity and semiannual interest of 98% of the CDI. The second series in the total amount of R$ 800 million, with a 10-year maturity and semiannual interest corresponding to the internal rate of return of the IPCA Treasury.

(v) CRA V - issued by VERT Companhia Securitizadora in July 2019 in the amount of R$ 966 million with a 10-year term and interest at IPCA + 3.5% p.a..

Derivative instruments (swap) - gain/loss

In December 2018, the Company obtained a new R$ 1,879 million export credit note from Bank Bradesco with maturity in 2026 and interest of 114% of the CDI, without collateral and without covenant, linked together with two foreign exchange and interest rate swaps, but in USD and interest of 5.6%, with the same credit note maturity, and no instrument can be settled separately.

All amounts in thousands of Reais

In March 2019, the Company contracted a swap with Bank Itaú with an asset position at 114.65% of the CDI and a liability at USD 5.40% p.a. This operation is linked to the 12th issue of debentures in the amount of R$ 1 billion, which occurred in April 2019, as disclosed in note 17 b).

In May 2019, the Company contracted a swap with Bradesco with an active position at 114.03% of the CDI and liability at USD 4.70% p.a.. This operation is linked to an export credit note of R$ 1,125 million, contracted in May 2019 with the same bank and maturing in May 2026.

The gain and loss on derivative instruments is determined by marking it to the market, corresponding to its fair value.

b) Schedule of non-current maturities

The maturity of the Company's financing on September 30, 2021 classified as non-current liabilities in the consolidated balance sheet is shown as follows:

Year	2022	2023	2024	2025	2026	2027	2028 onwards	Total
Amount	53,841	963,513	1,308,598	2,585,177	3,829,163	3,448,991	13,220,062	25,409,346

c) Summary of changes in borrowing

	Parent company	Consolidated
At December 31, 2019	**22,376,127**	**22,241,175**
Borrowing	3,569,502	3,726,207
Gain or loss on financial instruments	1,348,208	1,348,208
Accrued interest	1,479,355	1,222,271
Foreign exchange and monetary variations	4,093,608	4,120,843
Repayments	(6,750,182)	(6,932,229)
Payment of interest	(1,402,939)	(1,220,288)
At December 31, 2020	**24,713,679**	**24,506,187**
Borrowing	2,653,307	2,697,975
Gain or loss on financial instruments	(13,948)	(13,948)
Accrued interest	1,253,301	1,118,810
Foreign exchange and monetary variations	733,991	642,899
Repayments	(1,071,362)	(1,039,578)
Payment of interest	(1,165,488)	(770,856)
At September 30, 2021	**27,103,479**	**27,141,489**

The Company voluntarily prepaid export prepayments and export credit notes in the amount of R$ 6.2 billion and R$ 22 million in contracts with Finnvera for the year ended December 31, 2020, within of its debt profile management strategy.

The payment of interest in the parent company in relation to the consolidated corresponds to the operations of related parties, which are eliminated in the consolidation.

d) Guarantees

Financing from BNDES is guaranteed by land, buildings, improvements, machinery, equipment and facilities at the Ortigueira - PR plant, which are the subject of the respective financing.

All amounts in thousands of Reais

Finnvera financing is guaranteed by the industrial plants of Angatuba - SP, Piracicaba - SP, Betim - MG, Goiana - PE, Otacílio Costa - SC, Jundiaí - SP and Lages - SC.

The financing from BID Invest and IFC is guaranteed by the industrial plants in Correia Pinto - SC and Telêmaco Borba - PR.

Export credit loans, export prepayments, BONDs, Agribusiness Receivables Certificates and working capital do not have collateral.

e) Restrictive covenants

The Company and its subsidiaries do not have any financing contracts maintained on the date of said quarterly information that have restrictive clauses that establish obligations regarding the maintenance of financial ratios on contracted operations whose non-compliance automatically makes payment of the debt.

17 DEBENTURES

a) 7^{th} issue of debentures

The Company concluded on June 23, 2014 the 7^{th} issue of debentures, with 55,555,000 simple debentures being issued, with personal guarantee, combined with subscription bonuses, for the nominal unit value of R$ 14.40, totaling R$ 800 million, divided in two series of 27,777,500 debentures each simultaneously.

	Quantity	Unit Value	Total Value (R$ thousand)	Interest rates	Maturity	Amortization	Interest	Nature	Subscription bonus
Second series	27,777,500	14.40	399,996	IPCA + 2.50%	06/15/2022	Semi-annual	Semi-annual	Debt	No

(i) First Series - The 1^{st} Series Debentures matured on June 15, 2020, with yield an IPCA + 7.25% p.a., with interest payments semiannually and two-year grace period, without amortization of the principal, and have nature of convertible debt, since they can be used at any time until maturity, at the discretion of the holder, to subscribe and pay in shares issued by the Company in the form of "Units" (composed of 1 common share - ON and 4 shares preferred shares - PN), in the proportion of 1 (one) "Unit" for each Debenture, through the exercise of subscription bonuses that will be attributed as an additional advantage to the debenture holders.

In June 2020, the 1^{st} series of 7^{th} issue debentures matured, in which 27,739,244 debentures were converted into shares. 27,739,244 “Units” were issued, comprising 27,739,244 common shares and 110,956,976 preferred shares, totaling a capital increase in the Company of R$ 399,446.

For 1^{st} series debenture holders who opted for conversion into shares, amounts were also paid as debt compensation, amounts equivalent to dividends and interest on equity paid by the company from June 2014 to June 2020, totaling R$ 101,075.

(ii) Second Series - The 2^{nd} Series Debentures mature on June 15, 2022, will yield IPCA + 2.50% p.a., paid semiannually together with the principal amortization, with a two-year grace period, and have no convertible debt, and are therefore unrelated to the Subscription Warrants.

The 1^{st} Series acquirer must acquire 2^{nd} Series debentures. The amount of R$ 28,502 was allocated to shareholders' equity due to the subscription bonus for the debentures issued. Debenture holders are responsible for the possibility of converting debentures into “Units” in advance at any time.

All amounts in thousands of Reais

98.86% of the debentures were subscribed by the BNDES and the rest by the other debenture holders in the market.

b) 12th issue of debentures

The Company concluded on April 1, 2019, the 12th issue of debentures, with 100 thousand debentures being issued for the nominal unit value of R$ 10,000, totaling R$ 1 billion, with maturity on March 19, 2029. The interest paid will be of 114.65% of the CDI semiannually and amortization will occur at the end of the 8th, 9th and 10th year. This transaction has a linked swap contracted with Banco Itaú with an asset position in CDI at 114.65% of CDI and passive in USD 5.40% p.a.., as disclosed in Note 16.

Quantity	Unit Value	Total Value (R$ thousand)	Interest rates	Maturity	Amortization	Interest	Nature	Subscription bonus
100,000	10,000.00	1,000,000	114.65% do CDI	03/19/2029	Annual (8th, 9th and 10th grade)	Semi-annual	Debt	No
100,000		**1,000,000**						

c) Composition of the balance of debentures

	Parent company and consolidated					
			09/30/2021			12/31/2020
	7th issue	12th issue	Total	7th issue	12th issue	Total
Current liabilities						
. Principal	61,538	-	61,538	61,538	-	61,538
. Interest	2,358	2,161	4,519	488	6,012	6,500
	63,896	**2,161**	**66,057**	**62,026**	**6,012**	**68,038**
Non-current liabilities						
. Principal	-	1,000,000	1,000,000	30,769	1,000,000	1,030,769
. Gain / loss on derivative instruments (swap)	-	695,329	695,329	-	733,996	733,996
	-	**1,695,329**	**1,695,329**	**30,769**	**1,733,996**	**1,764,765**
Total debenture liability	**63,896**	**1,697,490**	**1,761,386**	**92,795**	**1,740,008**	**1,832,803**

d) Debenture movement

	Parent company and consolidated
At December 31, 2019	**1,844,097**
Gain or loss on financial instruments (SWAP)	526,460
Interest and monetary variations on debentures	64,859
Repayments (7th issue)	(62,053)
Debenture capitalization (7th issue)	(370,942)
Payment of interest and results (7th issue)	(128,014)
Payment of interest (12th issue)	(41,604)
At December 31, 2020	**1,832,803**
Gain or loss on financial instruments (SWAP)	(38,667)
Interest and monetary variations on debentures	36,429
Amortization (7th issue)	(30,769)
Payment of interest (7th issue)	(5,773)
Payment of interest (12th issue)	(32,637)
At September 30, 2021	**1,761,386**

All amounts in thousands of Reais

18 TRADE PAYABLES

	Parent company		Consolidated	
	09/30/2021	12/31/2020	09/30/2021	12/31/2020
Local currency	1,613,256	1,401,267	1,642,413	1,471,110
Foreign currency	202,539	209,268	379,185	283,027
Total trade payables (without Forfait)	**1,815,795**	**1,610,535**	**2,021,598**	**1,754,137**
Local currency (Forfait)	440,326	248,892	440,326	248,892
Total trade payables	**2,256,121**	**1,859,427**	**2,461,924**	**2,003,029**

The Company, in general, operates with an average payment term with its operating suppliers of approximately 66 days (67 days on December 31, 2020). In the case of suppliers of fixed assets, the terms follow the commercial negotiation of each operation.

Of the balance of suppliers on September 30, 2021, R$ 440,326 (R$ 248,892 on December 31, 2020) in the parent company and in the consolidated, corresponds to the forfait operations in which there were no relevant changes in the purchase conditions (payments and negotiated prices) with suppliers, remaining as usual in the market. The forfait operations enable suppliers to better manage their cash flow needs, to the detriment of greater intensification of commercial relations with the Company.

19 PROVISION FOR TAX, SOCIAL SECURITY, LABOR AND CIVIL CONTINGENCIES

a) Provisioned risks

Based on the individual analysis of the lawsuits filed against the Company and its subsidiaries and supported by the opinion of its legal advisors, provisions were set up in non-current liabilities, for risks with losses considered probable, shown below:

	09/30/2021			
In the parent company:	**Provisioned amount**	**Restricted judicial deposits (i)**	**Net liability**	**Unrestricted judicial deposits (i)**
Tax:				
. PIS/COFINS	-	-	-	32,108
. ICMS/IPI	-	-	-	47,692
. Income tax/social contribution	-	-	-	875
. OTHER	(22)	22	-	11,166
	(22)	**22**	**-**	**91,841**
Labor	(39,066)	14,605	(24,459)	-
Civil	(11,210)	5,387	(5,823)	-
	(50,299)	**20,013**	**(30,282)**	**91,841**
Subsidiaries:				
Other	(215)	1,434	1,219	-
Consolidated	**(50,514)**	**21,447**	**(29,063)**	**91,841**

(i) Balance corresponds to the amount of judicial deposits of non-current assets.

All amounts in thousands of Reais

In the parent company:	Provisioned amount	Restricted judicial deposits (i)	Net liability	Unrestricted judicial deposits (i)
				12/31/2020
Tax:				
. PIS/COFINS	-	-	-	31,805
. ICMS/IPI	-	-	-	46,390
. Income tax/social contribution	(10,824)	10,824	-	863
. OTHER	(22)	22	-	11,043
	(10,846)	**10,846**	**-**	**90,101**
Labor	(32,926)	13,884	(19,042)	-
Civil	(8,017)	2,578	(5,439)	-
	(51,789)	**27,308**	**(24,481)**	**90,101**
Subsidiaries:				
Other	(162)	1,434	1,272	-
Consolidated	**(51,951)**	**28,742**	**(23,209)**	**90,101**

(i) Balance corresponds to the amount of judicial deposits of non-current assets.

b) Summary of changes to the provisioned amounts

	Taxes	Labor	Civil	Consolidated Net Exposure
At December 31, 2019	**(7,100)**	**(22,885)**	**(2,520)**	**(32,505)**
New lawsuits/increases	(3,245)	(554)	(1,125)	**(4,924)**
(Provision)/reversals	-	9,892	628	**10,520**
Deposit transactions	10,345	(5,334)	(1,150)	**3,861**
Incorporation balance (i)	-	(161)	-	**(161)**
At December 31, 2020	**-**	**(19,042)**	**(4,167)**	**(23,209)**
New lawsuits/increases	-	(6,141)	(3,246)	**(9,387)**
(Provision)/reversals	-	-		-
Deposit transactions	-	724	2,809	**3,533**
At September 30, 2021	**-**	**(24,459)**	**(4,604)**	**(29,063)**

(i) See note 1.

c) Provisions for tax, social security, labor and civil contingencies not recognized

As of September 30, 2021, the Company and its subsidiaries were parties to other tax, labor and civil proceedings involving risks of loss for the Company assessed as “possible”, which total approximately: R$ 5,043,603, R$ 209,647 and R$ 60,373 respectively (R$ 4,552,754, R$ 232,237 and R$ 68,618 as of December 31, 2020). Based on the individual analysis of the corresponding legal and administrative and supported by the opinion of its legal advisors, Management understands that these proceedings have the likelihood of loss assessed as “possible” and, therefore, are not provisioned.

At September 30, 2021, the Company appeared in the passive pole in several lawsuits, such as:

Tax Lawsuits

(i) Tax foreclosure filed by the Federal Government aiming at the collection of IRPJ due to alleged undue deductions for royalties for the use of brands and goodwill formed in the acquisitions of the companies Klamasa and Igaras. The total amount of this lawsuit on September 30, 2021 is approximately R$ 1,308,816 (R$ 1,296,197 on December 31, 2020), of which R$ 898,308 as goodwill, R$ 76,086 as royalties and R$ 334,420 as losses and negative bases.

(ii) Tax foreclosures filed by the Municipality of Lages/SC, whose object is the collection of ISS on the manufacture of packaging with personalized graphic prints, from January 2001 to December 2004 and January to April 2011. The total amount of these executions on September 30, 2021 is approximately R$ 2,063,451 (R$ 1,699,131 on December 31, 2020).

(iii) Tax execution filed by the Municipality of Rio de Janeiro/RJ, whose object is the collection of ISS on the manufacture of packaging with personalized graphic prints, from September 1996 to October 2001. The total amount of this execution on September 30, 2021 is approximately R$ 246,738 (R$ 233,464 on December 31, 2020).

(iv) Tax Foreclosure filed by the Federal Government to collect the difference in IRPJ and CSLL, for carrying out an indirect legal transaction involving the companies Norske Skog Pisa Ltda. and Lille Holdings S/A., with a fine increased from 75% to 150%. The total amount of this execution on September 30, 2021 is approximately R$ 92,323 (R$ 91,487 on December 31, 2020).

(v) Termination action by the Federal Government against Klabin S/A and Aracruz Celulose S/A, to rescind the judgment handed down in the ordinary action file, to rule out the application of the SELIC rate, as well as the rates provided for in CIEX resolution No. 2/79 in relation to the IPI premium credit. The total amount of this action on September 30, 2021 is approximately R$ 104,990 (R$ 103,924 on December 31, 2020).

(vi) Administrative proceedings whose object is the collection of a contribution of 2.6% on gross revenue from the sale of the production of the agro-industrial activity. The total value of these shares on September 30, 2021 is approximately R$ 373,097 (R$ 369,573 on December 31, 2020).

(vii) Administrative proceeding whose purpose is to adjust the calculation bases of IRPJ and CSLL, calendar year 2013, under the allegation that the company would have made undue exclusions due to the change in the exchange variation regime. The total amount of this proceeding on September 30, 2021 is approximately R$ 241,839 (R$ 238,555 on December 31, 2020).

(viii) Exemption in view of the disagreement on the FINSOCIAL credit correction criterion occurred in 2017. The total amount of the lawsuit on September 30, 2021 is approximately R$ 120,507 (R$ 118,620 on December 31, 2020) .

(ix) Exemption of COFINS credit compensation, underpaid as a result of the expansion of the calculation basis referred to in the Law No. 9,718 / 98. The total amount of the lawsuit on September 30, 2021 is approximately R$ 69,189 (R$ 54,270 on December 31, 2020).

Civil and environmental lawsuits

(i) Public Civil Action filed in 2009 by the Paraná Environmental Fishermen Association - APAP, in the face of alleged damage to the Tibagi River (PR), for the disposal of burnt mineral coal residues used by the Company until 1998. Although there is no proof of the environmental damage, in December 2015 the Company was sentenced against the obligation to remove the burned mineral coal deposited in the riverbed. The case is currently in the sentence settlement phase. Only at the end of this phase will it be possible to stipulate the amount to be considered.

All amounts in thousands of Reais

Labor Lawsuits

The main claims are related to overtime, pain and suffering, unhealthy work and hazardous work premiums, as well as indemnities and subsidiary liability of third parties. No individual action is relevant enough to have an adverse and material impact on the Company's results.

d) Lawsuits filed by the Company

As of September 30, 2021, the Company was involved in lawsuits involving active claims, for which there are no amounts recognized in its quarterly information, the assets being recognized only after the lawsuits are final and the gain is definitely certain.

20 EQUITY

a) Share Capital

Klabin S.A.'s share capital subscribed and paid up, as of September 30, 2021 is divided into 5,617,892,756 shares (5,617,892,756 as of December 31, 2020), with no par value, corresponding to R$ 4,475,625 (R$ 4,475,625 as of December 31, 2020, distributed as follows:

	09/30/2021		12/31/2020	
Stockholders (i)	Common shares	Preferred shares	Common shares	Preferred shares
Klabin Irmãos S.A.	945,359,142	-	945,359,143	-
Niblak Participações S/A	142,023,010	-	142,023,010	-
The Bank of New York Department	61,258,226	245,032,904	61,047,714	244,190,856
Monteiro Aranha S/A	76,689,905	265,155,406	78,548,705	272,590,606
BlackRock, Inc	47,899,830	191,599,320	45,775,687	183,102,748
Treasury shares	25,136,296	100,545,184	26,528,918	106,115,672
Other	783,362,186	2,733,831,347	782,445,418	2,730,164,279
	2,081,728,595	**3,536,164,161**	**2,081,728,595**	**3,536,164,161**

(i) The position may differ from the base of the custodian bank for recording of transactions.

In addition to registered common and preferred shares, the Company trades certificates of deposit of shares, called “Units”, corresponding to the lot of 1 (one) common share - ON and 4 (four) preferred shares - PN.

The Company's authorized capital is 6,400,000,000 registered common shares - ON and / or registered preferred shares - PN approved at the Extraordinary General Meeting held on March 24, 2021.

On June 15, 2020, after the maturity of the 1st series of debentures of the 7th issue (see note 1), 27,739,244 “Units” were issued, comprising 27,739,244 common shares and 110,956,976 preferred shares, totaling an increase in the Company’s capital of R$ 399,446.

On November 26, 2020, after the approval of the merger of Sogemar (see Note 1), 69,394,696 registered common shares with no par value were issued with an increase of R$ 144 in the share capital.

All amounts in thousands of Reais

b) Treasury shares

As of September 30, 2021, the Company holds 129,190,115 shares in treasury, corresponding to 25,838,023 "Units". The price as of September 30, 2021 traded on the São Paulo Stock Exchange was R$ 24.21 per "Unit" (code KLBN11 in B3).

According to the Stock Option Plan, described in Note 24, granted as long-term compensation to the Company's executives, in February 2021 3,502,075 shares held in treasury, corresponding to 700,415 “Units ”, were sold for R$ 14,250, and the beneficial entitlement to 3,502,075 shares, corresponding to 700,415“ Units ”, written off from treasury at the historical cost of R$ 4,696, was granted.

c) Equity adjustments

Created by Law 11,638 / 07, the group “Equity adjustments” maintained in the Company's equity includes adjustments due to increases and decreases in assets and liabilities, when applicable.

The balance maintained by the Company corresponds to the adoption of the deemed cost of property, plant and equipment for forest land, an option exercised on initial application of the new accounting pronouncements converging to IFRS on January 1, 2009; exchange difference of foreign subsidiaries with a functional currency different from that of the parent company; balances referring to the stock option plan granted to executives (Note 24); cash flow hedge accounting (Note 27); and restatements of actuarial liabilities.

	Parent company and Consolidated	
	09/30/2021	**12/31/2020**
Deemed cost of property, plant and equipment (land) (i)	1,057,752	1,057,752
Foreign exchange variations - subsidiaries abroad	(77,821)	(81,656)
Stock option plan	8,427	10,340
Hedge accounting reserve (i)	(559,989)	-
Actuarial liability (i)	(173,496)	(162,960)
	254,873	**823,476**

(i) Net of the corresponding deferred taxes, when applicable, at the rate of 34%.

The foreign exchange difference of a foreign subsidiary will be realized against profit or loss only in the case of disposal or liquidation of the investee. The other items that make up the equity adjustment balance, due to their nature and under the accounting standard, will not be realized against profit or loss, even upon their financial realization.

Changes in Equity adjustments are balances presented in the “Statement of Comprehensive Income” and in the “Statement of Changes in Equity”.

d) Dividends / Interest on equity

Dividends/interest on equity represent the portion of profits earned by the Company, which is distributed to shareholders as remuneration for the capital invested in the fiscal years. All shareholders are entitled to receive dividends and interest on equity, proportional to their equity interest, as provided for by the Brazilian Corporation Law and the Company's Bylaws. The Bylaws also provide for the Management's ability to approve interim distributions during the year in advance, subject to approval at the Annual General Meeting held to assess the accounts for the year.

For purposes of complying with the tax rules, interest on equity is recorded against “Finance costs”. For the purposes of preparing the quarterly information, IOE is reversed from profit or loss against the retained earnings account, making up the mandatory minimum dividend balance, according to the CVM rules.

All amounts in thousands of Reais

The basis for calculating the mandatory dividend defined in the Company's Bylaws is adjusted by the recognition, realization and reversal, in the respective year, of the "Biological Assets Reserves", granting to the Company's shareholders the right to receive, in each fiscal year, mandatory a minimum dividends of 25% of the annual adjusted net income. In addition, the Company is entitled to distribute dividends and interest on equity with "Profit Reserves" balances held in Equity.

e) Non-controlling interests

As of September 30, 2021, non-controlling interests in the consolidated equity amount to R$ 1,059,154 (R$ 574,456 as of December 31, 2020), corresponding to the capital held by shareholders in the subsidiaries Guaricana Reflorestadora S.A., Sapopema Reflorestadora S.A. and Aroeira Reflorestadora S.A., proportionally to the equity of these companies of 65.26%, 80.11% and 77.70%, respectively. These companies are 100% consolidated in the Company's financial statements and the interest held by such shareholders is presented separately, as it is considered as equity instruments due to their corporate structure.

21 NET SALES REVENUE

The Company's net sales revenue is composed as follows:

				Parent company
	From 07/01 to 09/30/2021	**From 01/01 to 09/30/2021**	**From 07/01 to 09/30/2020**	**From 01/01 to 09/30/2020**
Gross sales revenue	4,944,679	13,269,124	3,495,918	9,847,223
Discounts and rebates	(15,644)	(31,181)	(31,577)	(52,229)
Hedge accounting	(5,070)	(16,088)	-	-
Taxes on sales	(639,892)	(1,731,380)	(404,271)	(1,128,982)
	4,284,073	**11,490,475**	**3,060,070**	**8,666,012**
. Domestic market	2,700,504	7,250,751	1,800,299	4,813,287
. Foreign market	1,583,569	4,239,724	1,259,771	3,852,725
Net sales revenue	**4,284,073**	**11,490,475**	**3,060,070**	**8,666,012**

				Consolidated
	From 07/01 to 09/30/2021	**From 01/01 to 09/30/2021**	**From 07/01 to 09/30/2020**	**From 01/01 to 09/30/2020**
Gross sales revenue	5,037,071	13,751,658	3,559,504	9,879,782
Discounts and rebates	(10,215)	(64,582)	(31,468)	(79,273)
Hedge accounting	(5,070)	(16,088)	-	-
Taxes on sales	(663,555)	(1,770,657)	(419,208)	(1,143,897)
	4,358,231	**11,900,331**	**3,108,828**	**8,656,612**
. Domestic market	2,676,919	7,297,561	1,808,686	4,847,210
. Foreign market	1,681,312	4,602,770	1,300,142	3,809,402
Net sales revenue	**4,358,231**	**11,900,331**	**3,108,828**	**8,656,612**

All amounts in thousands of Reais

22 COSTS, EXPENSES AND OTHER INCOME BY NATURE

				Parent company
	From 07/01 to 09/30/2021	From 01/01 to 09/30/2021	From 07/01 to 09/30/2020	From 01/01 to 09/30/2020
Cost of products sold				
Variable costs (raw materials and consumables)	(1,294,754)	(3,639,072)	(731,641)	(2,120,364)
Personnel	(523,549)	(1,505,259)	(433,887)	(1,247,153)
Depreciation and amortization	(222,837)	(721,087)	(290,485)	(803,330)
Depletion	(399,793)	(1,106,999)	(165,016)	(716,029)
Other	(206,133)	(508,507)	(350,571)	(705,139)
	(2,647,066)	**(7,480,924)**	**(1,971,600)**	**(5,592,015)**
Sales expenses				
Freight	(234,068)	(642,162)	(201,226)	(563,954)
Royalties (i)	-	-	(17,595)	(50,293)
Commissions	(9,068)	(21,626)	(4,565)	(13,985)
Personnel	(27,647)	(84,139)	(23,551)	(71,906)
Depreciation and amortization	(888)	(2,628)	(1,190)	(3,500)
Storage and port expenses	(12,415)	(44,725)	(18,184)	(58,750)
Other	(371)	(1,022)	(1,286)	(2,712)
	(284,457)	**(796,302)**	**(267,597)**	**(765,100)**
General and administrative expenses				
Personnel	(104,495)	(330,095)	(92,572)	(262,301)
Services contracted	(58,426)	(178,700)	(42,666)	(121,483)
Depreciation, amortization and depletion	(11,752)	(35,336)	(11,584)	(34,811)
Maintenance	(3,775)	(11,287)	-	-
Other	(41,320)	(69,846)	(9,607)	(37,316)
	(219,769)	**(625,265)**	**(156,429)**	**(455,911)**
Other net				
Revenue from sales of prop, plant and equipment (i)	(209)	161,559	375	60,581
Cost of sales and write-offs of prop, plant and equip (i)	(2,177)	(151,711)	(5,253)	(58,545)
Indemnities received	-	-	-	41,956
Other	29,837	44,457	(2,234)	10,811
	27,451	**54,305**	**(7,112)**	**54,803**
Total	**(3,123,840)**	**(8,848,185)**	**(2,402,738)**	**(6,758,223)**

(i) See information in note 1.

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				Consolidated
	From 07/01 to 09/30/2021	From 01/01 to 09/30/2021	From 07/01 to 09/30/2020	From 01/01 to 09/30/2020
Cost of products sold				
Variable costs (raw materials and consumables)	(1,355,868)	(3,722,314)	(789,440)	(2,242,598)
Personnel	(528,837)	(1,514,779)	(438,269)	(1,259,750)
Depreciation and amortization	(203,406)	(684,337)	(296,414)	(819,725)
Depletion	(420,806)	(1,240,928)	(207,661)	(914,275)
Other	(93,564)	(294,886)	(194,541)	(349,312)
	(2,602,482)	**(7,457,245)**	**(1,926,325)**	**(5,585,660)**
Sales expenses				
Freight	(246,994)	(681,004)	(211,974)	(589,973)
Royalties (i)	-	-	(17,595)	(50,293)
Commissions	(18,600)	(49,309)	(12,949)	(36,628)
Personnel	(29,728)	(88,537)	(23,789)	(72,632)
Depreciation and amortization	(906)	(2,681)	(1,215)	(3,572)
Storage and port expenses	(24,991)	(68,145)	(18,184)	(58,750)
Other	10,840	16,369	(10,569)	(20,849)
	(310,379)	**(873,307)**	**(296,275)**	**(832,697)**
General and administrative expenses				
Personnel	(105,551)	(333,430)	(93,508)	(264,950)
Services contracted	(59,016)	(180,504)	(43,097)	(122,710)
Depreciation, amortization and depletion	(11,992)	(36,058)	(11,821)	(35,521)
Maintenance	(3,813)	(11,400)	-	-
Other	(15,549)	(58,866)	(17,407)	(48,891)
	(195,921)	**(620,258)**	**(165,833)**	**(472,072)**
	8%	9%		
Other net				
Revenue from sales of prop, plant and equipment (i)	(209)	161,559	375	60,581
Cost of sales and write-offs of prop, plant and equip (i)	(2,176)	(151,710)	(5,253)	(58,545)
Indemnities received	-	-	-	41,956
Other	38,569	60,988	474	10,517
	36,184	**70,837**	**(4,404)**	**54,509**
Total	**(3,072,598)**	**(8,879,973)**	**(2,392,837)**	**(6,835,920)**

(i) See information in note 1.

All amounts in thousands of Reais

23 FINANCE RESULT

				Parent company
	From 07/01 to 09/30/2021	From 01/01 to 09/30/2021	From 07/01 to 09/30/2020	From 01/01 to 09/30/2020
Finance income				
. Income from financial investments	75,042	137,703	40,870	187,149
. Social Integration Program (PIS)/Social Contribution on Revenue (COFINS) on interest income	(3,955)	(9,320)	(5,326)	(14,448)
. Update of tax credits	6,969	38,981	16,641	82,259
. Other (i)	845	3,482	8,710	5,184
	78,901	**170,846**	**60,895**	**260,144**
Finance costs				
. Interest on borrowing and debentures	(488,741)	(1,274,344)	(363,704)	(1,170,651)
. Interest capitalized on property, plant and equipment (ii)	113,462	306,565	62,963	135,846
. Derivative financial instruments (SWAP) (ii)	41,900	(122,856)	(284,685)	(2,465,795)
. Loan guarantees from related parties	(123)	(482)	(246)	(2,318)
. Investor Compensation - SPCs	-	-	-	-
. Commissions	(14,742)	(45,687)	(16,941)	(128,780)
. Other	(16,701)	(36,823)	(27,610)	(69,793)
	(364,944)	**(1,173,626)**	**(630,223)**	**(3,701,491)**
Exchange variations				
. Foreign exchange variations on assets	109,469	78,576	150,130	725,014
. Foreign exchange variations on liabilities (ii)	(212,252)	211,604	(579,352)	(5,458,910)
	(102,783)	**290,180**	**(429,222)**	**(4,733,896)**
Finance result	**(388,826)**	**(712,600)**	**(998,550)**	**(8,175,243)**

(i) See information in note 13.
(ii) Includes the effects of the hedge adoption described in note 27.

				Consolidated
	From 07/01 to 09/30/2021	From 01/01 to 09/30/2021	From 07/01 to 09/30/2020	From 01/01 to 09/30/2020
Finance income				
. Income from financial investments	80,170	152,138	43,346	197,948
. Social Integration Program (PIS)/Social Contribution on Revenue (COFINS) on interest income	(3,970)	(9,345)	(5,326)	(14,448)
. Update of tax credits	7,313	39,325	16,641	82,259
. Other (i)	(997)	2,289	8,712	30,634
	82,516	**184,407**	**63,373**	**296,393**
Finance costs				
. Interest on borrowing and debentures	(402,598)	(1,133,678)	(311,088)	(947,314)
. Interest capitalized on property, plant and equipment (ii)	113,462	306,565	62,963	135,846
. Derivative financial instruments (SWAP) (ii)	41,900	(122,856)	(284,685)	(2,465,795)
. Loan guarantees from related parties	(123)	(482)	(246)	(2,318)
. Investor Compensation - SPCs	(27,139)	(53,468)	(5,917)	(37,269)
. Commissions	(15,730)	(114,568)	(20,774)	(141,164)
. Other	(19,863)	(40,686)	(27,841)	(70,739)
	(310,091)	**(1,159,173)**	**(587,588)**	**(3,528,753)**
Exchange variations				
. Foreign exchange variations on assets	109,469	77,009	153,868	730,529
. Foreign exchange variations on liabilities (ii)	(172,590)	196,906	(701,353)	(5,455,803)
	(63,121)	**273,915**	**(547,485)**	**(4,725,274)**
Finance result	**(290,696)**	**(700,851)**	**(1,071,700)**	**(7,957,634)**

(i) See information in note 13.
(ii) Includes the effects of the hedge adoption described in note 27.

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24 STOCK OPTION PLAN

At the Extraordinary General Meeting held on July 10, 2012, the Stock Option Program ("Plan") was approved as a benefit granted annually to members of the executive board and strategic employees of the Company.

CVM authorized the Company, through OFICIO / CVM / SEP / GEA-2 / No 221/2012 to carry out the private operations covered by the incentive plan for its officers and employees, excluding controlling shareholders, to carry out a private transfer of shares held in treasury.

According to the aforementioned Plan, the Company established that statutory and non-statutory directors may use a percentage of 15% to 25% (until 2018 the percentage was 15% to 50%), managers from 15% to 40% and the other employees in the position of coordinators and consultants from 5% to 10% of their variable remuneration for the acquisition of shares held in treasury, where the Company will grant the usufruct of the same number of shares to the acquirer for three years on a grant basis, with the ownership of the shares being transferred to the beneficiaries after 3 years, provided they are fulfilled the clauses established in the Plan.

The usufruct grants the beneficiary the right to dividends and interest on equity distributed in the period in which the benefit is valid.

The acquisition value of the treasury shares by the Plan's beneficiaries will be obtained by the average of the market value quotations of the last 60 trading sessions of the Company's shares, or of their quotation on the acquisition date, whichever is the lower. The value of the shares granted in usufruct corresponds to the price of the shares being traded on the São Paulo Stock Exchange on the day of the transaction.
The clauses for the transfer of the granted shares to be consummated, establish the beneficiary's permanence in the Company and not alienation of the shares acquired in the adhesion to the Plan. The shares granted can also be immediately assigned in the event of dismissal at the initiative of the Company, retirement or death of the beneficiary, in the latter case passing the right of the shares to the estate.

The shares granted and the expense proportional to the granting period, recognized in the income statement is accumulated in shareholders' equity in the group "Equity Valuation Adjustments", until the end of the grant, either by the expiration of the three-year term, or any other clause of the Plan that terminates the grant.

The table below shows the information on the agreed plans:

a) Statutory and non-statutory Board Members

	Plan 2016 (i)	Plan 2017 (i)	Plan 2018	Plan 2019	Plan 2020	Total
Start of the plan	02/24/2017	02/28/2018	02/28/2019	02/28/2020	02/26/2021	
Final grant date	02/24/2020	02/28/2021	02/28/2022	02/28/2023	02/26/2024	
Treasury shares acquired by the beneficiaries	2,774,345	2,039,185	1,146,395	1,140,020	1,169,700	8,269,645
Purchase value per share (R$)	3.04	3.58	3.61	3.87	5.41	
Treasury shares granted with right to use	2,774,345	2,039,185	1,146,395	1,140,020	1,169,700	8,269,645
Value of the right to use per share (R$)	3.04	3.58	3.61	3.87	5.41	
Accumulated plan expenses - from the beginning	8,101	7,320	3,561	2,368	1,230	22,580
Expenses of the plan - 1/1 to 09/30/2021	-	408	1,034	1,122	1,230	3,794
Expenses of the plan - 1/1 to 09/30/2020	176	1,809	1,018	872	-	3,875

(i) Plan ended.

All amounts in thousands of Reais

b) Managers

	Plan 2016 (i)	Plan 2017 (i)	Plan 2018	Plan 2019	Plan 2020	Total
Start of the plan	02/24/2017	02/28/2018	02/28/2019	02/28/2020	02/26/2021	
Final grant date	02/24/2020	02/28/2021	02/28/2022	02/28/2023	02/26/2024	
Treasury shares acquired by the beneficiaries	1,531,400	1,616,585	1,809,185	1,848,470	1,834,990	8,640,630
Purchase value per share (R$)	3.04	3.58	3.61	3.87	5.41	
Treasury shares granted with right to use	1,531,400	1,616,585	1,809,185	1,848,470	1,834,990	8,640,630
Value of the right to use per share (R$)	3.04	3.58	3.61	3.87	5.41	
Accumulated plan expenses - from the beginning	4,468	5,615	5,647	3,569	1,930	21,229
Expenses of the plan - 1/1 to 09/30/2021	-	310	1,639	1,691	1,930	5,570
Expenses of the plan - 1/1 to 09/30/2020	225	1,387	1,602	1,315	-	4,529

(i) Plan ended.

c) Other employees

	Plan 2018	Plan 2019	Plan 2020	Total
Start of the plan	02/28/2019	02/28/2020	02/26/2021	
Final grant date	02/28/2022	02/28/2023	02/26/2024	
Treasury shares acquired by the beneficiaries	548,300	527,285	497,385	1,572,970
Purchase value per share (R$)	3.61	3.87	5.41	
Treasury shares granted with right to use	548,300	527,285	497,385	1,572,970
Value of the right to use per share (R$)	3.61	3.87	5.41	
Accumulated plan expenses - from the beginning	1,485	1,164	511	3,160
Expenses of the plan - 1/1 to 09/30/2021	400	527	511	1,438
Expenses of the plan - 1/1 to 09/30/2020	448	448	-	896

25 EARNINGS (LOSS) PER SHARE

The basic earnings (loss) per share are calculated by dividing the profit for the period attributable to holders of common shares - ON and preferred shares - PN of the Company, by the weighted average number of shares available during the period. The Company does not have any instruments that may have a dilutive effect.

As mentioned in Note 20, changes in the balance of treasury shares affect the weighted average number of preferred shares in treasury in the calculation in the nine month period ended on September 30, 2021, the weighted average being used in the calculation of the earnings (loss) per share calculated as follows:

Weighted average number of treasury shares

September 30, 2021 (i)			
Jan	+	132,654,290	x 1/9
Feb	+	129,152,215	x 1/9
Mar a Apr	+	129,155,030	x 2/9
May	+	129,156,705	x 1/9
Jun	+	129,157,000	x 1/9
Jul	+	129,172,430	x 1/9
Aug	+	129,185,615	x 1/9
Sep	+	129,190,115	x 1/9
9 Months 2021	=	129,553,159	

(i) Because the Company only has Units held in treasury, the distribution between common and preferred shares is made according to the composition of the Units.

All amounts in thousands of Reais

The table below, presented in R$, shows the reconciliation of the results for the nine-month period ended September 30, 2021 and 2020 in the calculation of basic and diluted earnings (loss) per share:

	Parent company and Consolidated		
	From 1/1 to 09/30/2021		
	Common (ON)	Preferred (PN)	Total
Denominator			
Total weighted average number of shares	2,081,728,595	3,536,164,161	5,617,892,756
Weighted average number of treasury shares	(25,910,632)	(103,642,527)	(129,553,159)
Weighted average number of outstanding shares	**2,055,817,963**	**3,432,521,634**	**5,488,339,597**
% of shares in relation to the total	**37.46%**	**62.54%**	**100%**
Numerator			
Earnings attributable to each class of shares (R$)	**795,848,615**	**1,328,798,385**	**2,124,647,000**
Weighted average number of outstanding shares	**2,055,817,963**	**3,432,521,634**	**5,488,339,597**
Basic and diluted earnings per share (R$)	**0.3871**	**0.3871**	

	Parent company and Consolidated		
	From 1/1 to 09/31/2020		
	Common (ON)	Preferred (PN)	Total
Denominator			
Total weighted average number of shares	2,012,333,899	3,536,164,161	5,548,498,060
Weighted average number of treasury shares	(26,839,020)	(107,356,079)	(134,195,098)
Weighted average number of outstanding shares	**1,985,494,879**	**3,428,808,082**	**5,414,302,962**
% of shares in relation to the total	**36.67%**	**63.33%**	**100%**
Numerator			
Earnings attributable to each class of shares (R$)	**(1,396,247,730)**	**(2,411,220,270)**	**(3,807,468,000)**
Weighted average number of outstanding shares	**1,985,494,879**	**3,428,808,082**	**5,414,302,962**
Basic and diluted earnings per share (R$)	**(0.7032)**	**(0.7032)**	

Loss per share from discontinued operations

As mentioned in note 12, the Company classified the operations of the subsidiary Embacorp, which comprises the assets of Nova Campina (SP) acquired from IP (see note 1) for Assets Held for Sale, since they were acquired for this purpose, having its effects discontinued. The sale was completed on January 29, 2021.

As highlighted in the Income Statement for the period ended September 30, 2021, the discontinued operations correspond to a loss of R$ 2,216, comprising the effect on the calculation of the diluted basic loss per share attributable to holders of common shares - ON and preferred - PN of the Company as presented below:

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	Parent company and Consolidated		
	From 1/1 to 09/30/2021		
	Common (ON)	Preferred (PN)	Total
Denominator			
Total weighted average number of shares	2,081,728,595	3,536,164,161	5,617,892,756
Weighted average number of treasury shares	(25,910,632)	(103,642,527)	(129,553,159)
Weighted average number of outstanding shares	**2,055,817,963**	**3,432,521,634**	**5,488,339,597**
% of shares in relation to the total	**37.46%**	**62.54%**	**100%**
Numerator			
Earnings attributable to each class of shares (R$)	**830,068**	**1,385,932**	**2,216,000**
Weighted average number of outstanding shares	**2,055,817,963**	**3,432,521,634**	**5,488,339,597**
Basic and diluted earnings per share (R$)	**0.0004**	**0.0004**	

26 OPERATING SEGMENTS

a) Criteria for identification of operating segments

The Company's operating structure is divided into segments according to the manner in which management manages the business. The operating segments defined by management are as follows:

(i) Forest Segment: involves the planting and forestry operations of pine and eucalyptus to supply the Company's pulp and paper mills and sale of wood (logs) to third parties in the domestic market.

(ii) Paper Segment: substantially involves the production and sale of reels of cardboard, kraftliner and recycled paper in the domestic and foreign markets.

(iii) Conversion Segment: involves the production and sale of corrugated boxes, corrugated sheets and industrial bags, in the domestic and foreign markets.

(iv) Pulp Segment: involves the production and sale of short, long and fluffed pulp in the domestic and foreign markets.

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b) Consolidated information about operating segments

						From 1/1 to 09/30/2021
	Forestry	Paper	Conversion	Pulp	Corporate/ eliminations	Total Consolidated
Net revenue:						
.Domestic market	250,651	1,853,812	3,879,664	1,509,056	(195,622)	**7,297,561**
.Foreign market	-	1,449,911	339,594	2,772,535	40,730	**4,602,770**
Revenue from sales to third parties	**250,651**	**3,303,723**	**4,219,258**	**4,281,591**	**(154,892)**	**11,900,331**
Revenue between segments	1,243,657	1,737,547	28,553	103,988	(3,113,745)	-
Total net sales	**1,494,308**	**5,041,270**	**4,247,811**	**4,385,579**	**(3,268,637)**	**11,900,331**
Changes in the fair value of biological assets	644,637	-	-	-	-	**644,637**
Cost of products sold	(2,318,466)	(3,416,526)	(3,451,165)	(1,525,960)	3,254,872	**(7,457,245)**
Gross profit	**(179,521)**	**1,624,744**	**796,646**	**2,859,619**	**(13,765)**	**5,087,723**
Operating income (expenses)	(50,390)	(458,535)	(427,842)	(515,410)	40,857	**(1,411,322)**
Operating result before finance result	**(229,911)**	**1,166,209**	**368,804**	**2,344,209**	**27,092**	**3,676,401**
Sales of products (in metric tons)						
.Domestic market	-	466,752	795,194	410,610	-	**1,672,556**
.Foreign market	-	326,301	46,169	760,857	-	**1,133,327**
.Inter-segmental	-	748,618	3,305	26,982	(778,904)	-
	-	**1,541,671**	**844,668**	**1,198,449**	**(778,904)**	**2,805,883**
Sales of timber (in metric tons)						
.Domestic market	2,293,969	-	-	-	-	**2,293,969**
.Inter-segmental	10,323,076	-	-	-	(10,323,076)	-
	12,617,045	**-**	**-**	**-**	**(10,323,076)**	**2,293,969**
Investments during the period	351,360	228,681	205,627	2,031,826	(98,526)	**2,718,968**
Depreciation, depletion and amortization	(1,202,664)	(293,391)	(84,995)	(372,617)	(10,337)	**(1,964,004)**
Total assets - 09/30/2021	9,552,403	4,321,646	3,101,010	14,551,702	9,309,299	**40,836,060**
Total liabilities - 09/30/2021	2,921,843	875,353	988,396	1,432,098	28,161,218	**34,378,908**
Equity - 09/30/2021	5,571,406	3,446,293	2,112,614	13,119,604	(18,851,919)	**5,397,998**
Non-controlling shareholders	1,059,154	-	-	-	-	**1,059,154**

						7/1 to 09/30/2021
	Forestry	Paper	Conversion	Pulp	Corporate/ eliminations	Total Consolidated
Net revenue:						
.Domestic market	74,675	643,549	1,442,887	578,350	(62,542)	**2,676,919**
.Foreign market	-	544,630	103,122	981,812	51,748	**1,681,312**
Revenue from sales to third parties	**74,675**	**1,188,179**	**1,546,009**	**1,560,162**	**(10,794)**	**4,358,231**
Revenue between segments	432,591	587,556	9,472	47,928	(1,077,547)	-
Total net sales	**507,266**	**1,775,735**	**1,555,481**	**1,608,090**	**(1,088,341)**	**4,358,231**
Changes in the fair value of biological assets	403,232	-	-	-	-	**403,232**
Cost of products sold	(796,635)	(1,178,115)	(1,228,932)	(541,554)	1,142,754	**(2,602,482)**
Gross profit	**113,863**	**597,620**	**326,549**	**1,066,536**	**54,413**	**2,158,981**
Operating income (expenses)	10,348	(150,999)	(149,742)	(170,672)	(300)	**(461,367)**
Operating result before finance result	**124,211**	**446,621**	**176,807**	**895,864**	**54,113**	**1,697,614**
Sales of products (in metric tons)						
.Domestic market	-	153,743	264,385	140,165	-	**558,293**
.Foreign market	-	117,965	14,811	259,570	-	**392,346**
.Inter-segmental	-	252,358	1,071	10,387	(263,815)	-
	-	**524,066**	**280,267**	**410,122**	**(263,815)**	**950,639**
Sales of timber (in metric tons)						
.Domestic market	514,653	-	-	-	-	**514,653**
.Inter-segmental	3,604,823	-	-	-	(3,604,823)	-
	4,119,476	**-**	**-**	**-**	**(3,604,823)**	**514,653**
Investments during the period	189,890	67,609	92,101	780,906	(130,754)	**999,752**
Depreciation, depletion and amortization	(393,459)	(100,579)	(29,199)	(114,235)	362	**(637,110)**

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						From 1/1 to 9/30/2020
	Forestry	Paper	Conversion	Pulp	Corporate/ eliminations	Total Consolidated
Net revenue:						
.Domestic market	176,263	1,520,368	2,167,635	994,881	(11,937)	**4,847,210**
.Foreign market	-	1,609,228	275,417	1,924,757	-	**3,809,402**
Revenue from sales to third parties	**176,263**	**3,129,596**	**2,443,052**	**2,919,638**	**(11,937)**	**8,656,612**
Revenue between segments	1,195,360	1,222,035	22,229	75,097	(2,514,721)	-
Total net sales	**1,371,623**	**4,351,631**	**2,465,281**	**2,994,735**	**(2,526,658)**	**8,656,612**
Changes in the fair value of biological assets	317,336	-	-	-	-	**317,336**
Cost of products sold	(2,026,128)	(2,663,307)	(2,065,684)	(1,401,339)	2,570,798	**(5,585,660)**
Gross profit	**(337,169)**	**1,688,324**	**399,597**	**1,593,396**	**44,140**	**3,388,288**
Operating income (expenses)	(58,503)	(438,108)	(287,180)	(459,612)	20,214	**(1,223,189)**
Operating result before finance result	**(395,672)**	**1,250,216**	**112,417**	**1,133,784**	**64,354**	**2,165,099**
Sales of products (in metric tons)						
.Domestic market	-	440,700	551,428	384,534	-	**1,376,662**
.Foreign market	-	425,801	38,061	776,483	-	**1,240,345**
.Inter-segmental	-	609,045	3,093	27,174	(639,312)	-
	-	**1,475,546**	**592,582**	**1,188,191**	**(639,312)**	**2,617,007**
Sales of timber (in metric tons)						
.Domestic market	1,224,062	-	-	-	-	**1,224,062**
.Inter-segmental	10,317,006	-	-	-	(10,317,006)	-
	11,541,068	**-**	**-**	**-**	**(10,317,006)**	**1,224,062**
Investments during the period	280,848	190,839	59,258	2,620,308	14,253	**3,165,506**
Depreciation, depletion and amortization	(983,467)	(291,096)	(70,429)	(411,946)	(16,155)	**(1,773,093)**
Total assets - 12/31/2020	8,843,044	4,592,285	2,028,306	11,626,971	8,747,859	**35,838,465**
Total liabilities - 12/31/2020	2,575,676	770,187	549,376	1,185,450	27,582,766	**32,663,455**
Equity - 12/31/2020	5,687,261	3,822,098	1,478,930	10,441,521	(18,834,907)	**2,594,903**
Non-controlling shareholders	580,107	-	-	-	-	**580,107**

						7/1 to 09/30/2020
	Forestry	Paper	Conversion	Pulp	Corporate/ eliminations	Total Consolidated
Net revenue:						
.Domestic market	64,370	568,906	807,681	371,797	(4,068)	**1,808,686**
.Foreign market	-	510,121	102,836	687,185	-	**1,300,142**
Revenue from sales to third parties	**64,370**	**1,079,027**	**910,517**	**1,058,982**	**(4,068)**	**3,108,828**
Revenue between segments	387,077	436,161	6,368	31,994	(861,600)	-
Total net sales	**451,447**	**1,515,188**	**916,885**	**1,090,976**	**(865,668)**	**3,108,828**
Changes in the fair value of biological assets	68,515	-	-	-	-	**68,515**
Cost of products sold	(578,376)	(970,302)	(754,828)	(493,748)	870,929	**(1,926,325)**
Gross profit	**(58,414)**	**544,886**	**162,057**	**597,228**	**5,261**	**1,251,018**
Operating income (expenses)	(34,745)	(150,872)	(100,038)	(175,102)	(4,716)	**(465,473)**
Operating result before finance result	**(93,159)**	**394,014**	**62,019**	**422,126**	**545**	**785,545**
Sales of products (in metric tons)						
.Domestic market	-	164,741	202,613	129,904	-	**497,258**
.Foreign market	-	130,742	14,461	267,995	-	**413,198**
.Inter-segmental	-	215,332	864	11,460	(227,656)	-
	-	**510,815**	**217,938**	**409,359**	**(227,656)**	**910,456**
Sales of timber (in metric tons)						
.Domestic market	429,024	-	-	-	-	**429,024**
.Inter-segmental	3,414,994	-	-	-	(3,414,994)	-
	3,844,018	**-**	**-**	**-**	**(3,414,994)**	**429,024**
Investments during the period	101,005	57,239	31,697	1,154,907	3,003	**1,347,851**
Depreciation, depletion and amortization	(243,056)	(103,997)	(23,877)	(141,021)	(5,159)	**(517,110)**

The balance in the Corporate/eliminations column refers to the corporate unit's expenses not apportioned among the segments, and eliminations refer to adjustments of operations between the segments.

Information about the financial result and income tax was not disclosed in the segment reporting because management does not utilize such data on a segmental basis, and the data is instead managed and analyzed on a consolidated basis.

All amounts in thousands of Reais

c) Information on net of external market sales revenue

The table below shows the distribution of net revenue from the foreign market, at three and nine-month periods ended September 30, 2021 and 2020:

				Consolidated
	07/01 to 09/30/2021		From 1/1 to 09/30/2021	
Country	Total revenue (R$/million)	% of total net revenue	Total revenue (R$/million)	% of total net revenue
China	241	5.5%	1,071	9.0%
Argentina	218	5.0%	595	5.0%
Italy	174	4.0%	476	4.0%
United Arab Emirates	87	2.0%	238	2.0%
Turkey	87	2.0%	238	2.0%
Singapore	44	1.0%	119	1.0%
France	44	1.0%	119	1.0%
Netherlands	44	1.0%	119	1.0%
South Africa	44	1.0%	119	1.0%
Others	698	16.0%	1,509	12.7%
	1,681	**39%**	**4,603**	**39%**

				Consolidated
	07/01 to 09/30/2020		From 1/1 to 09/30/2020	
Country	Total revenue (R$/million)	% of total net revenue	Total revenue (R$/million)	% of total net revenue
China	214	6.9%	706	8.2%
United States	302	9.7%	683	7.9%
Italy	133	4.3%	417	4.8%
Argentina	113	3.6%	402	4.6%
Singapore	46	1.5%	137	1.6%
Canada	47	1.5%	119	1.4%
France	39	1.3%	112	1.3%
Turkey	23	0.7%	100	1.2%
Colombia	26	0.8%	88	1.0%
Others	357	11.5%	1,045	12.1%
	1,300	**42%**	**3,809**	**44%**

In the nine-month period ended September 30, 2021, a customer in the paper segment was responsible for approximately 8.7% (R$ 1,036,756) of the Company's net revenue. The remainder of the Company's customer base is dispersed, so that none of the other customers, individually, concentrates a relevant share (above 10%) of net sales revenue.

In the nine-month period ended September 30, 2021, no customer was responsible for more than 10% of the Company's net revenue.

27 CASH FLOW HEDGE ACCOUNTING

a) Hedge accounting policy

All amounts in thousands of Reais

The Company adopts a hedge accounting policy seeking to improve the information quality of its Financial Statements. The purpose of this policy is to demonstrate the effects of exchange rate variations on P&L deriving from the natural hedge between Company revenues and indebtedness in USD, only when these operations occur.

On January 4, 2021, the Company adopted a cash flow hedge accounting program for highly probable future revenue designating loans, financing and debentures ("debt instruments") in foreign currency (USD) and/or converted into currency foreign currency through SWAPS, as an instrument to protect its highly probable future revenues in the same currency.

In the cash flow hedge, the effective portion of the exchange variation of debt instruments in USD is presented in the statement of financial position under other comprehensive income value adjustments and recognized in other comprehensive income , net of deferred income taxes, and is determined by the difference between the PTAX rate at end of period or settlement of the transaction versus the PTAX exchange rate on the date when the hedging relationship was designed.

Adoption of this hedge accounting program does not have a cash effect, only the accounting representation effects of the operations involved in the hedge, and the hedging relationship is expected to be highly effective.

b) Breakdown of hedge program

The hedging instruments comprise 29 foreign currency loan and financing contracts, corresponding to debentures, bonds, export credit notes, export prepayments, term loan (BID Invest and IFC), ECA and SWAP whose last installment matures in April 2049.

							Parent company and consolidated
							09/30/2021
Hedge instrument	Currency	Expiration until	Nominal value (USD)	Contract closing rate	Exchange variation recognized in the hedge reserve	Hedge Cost	Revenue adjustment
Bonds	Dólar	Apr-49	2,128,462	5,16 e 5,46	779,689	-	-
Debênture	Dólar	Mar-29	265,783	5.16	73,569	(122,894)	-
ECA	Dólar	Sep-31	231,789	5.16	64,159	-	(16,088)
Export credit notes	Dólar	May-26	766,643	5.16	212,207	(204,454)	-
Export prepayments	Dólar	Apr-29	125,000	5.16	34,600	-	-
Term loan	Dólar	Oct-29	100,000	5.16	27,680	-	-
			3,617,677		**1,191,904**	**(327,348)**	**(16,088)**

(i) In the third quarter of 2021, the Company, within its monthly assessment of foreign exchange exposure, increased the volume of debt designated as a hedging instrument by USD 255 million, in order to ensure compliance with the foreign exchange exposure limits defined in the hedge policy.

These financial instruments are recorded in current and noncurrent liabilities in the Company's balance sheet position under "Borrowings" and "Debentures", with details of the operations described in Notes 16 and 17.

The table below shows the portion of highly probable USD revenues defined in the hedged item.

All amounts in thousands of Reais

Expiration until	Nominal value (USD)
2021	-
2022	52,129
2023	60,932
2024	234,333
2025	302,754
2026	592,439
2027	605,213
2028	164,713
2029	858,713
2030	6,695
2031	204,756
2049	535,000
	3,617,677

c) Changes in the period

The table below shows the changes in the cash flow hedge reserve allocated to equity in the period:

	Parent company and consolidated
At December 31, 2020	**-**
Change in fair value of the hedge instrument	864,556
Realization of hedge reserve for income	(16,088)
Income tax and contribution effect Social (i)	(288,479)
At September 30, 2021	**559,989**

(i) Net of corresponding current / deferred taxes, when applicable, at the rate of 34%.

In the nine-month period ended September 30, 2021, loans and financing involved in the hedging instrument incurred an exchange variation (fair value variation) of R$ 1,191,904 recorded in equity under other comprehensive income value adjustments as long as future revenues in USD (hedged items) are not realized.

In this period, the Company settled USD 36,630 in loans and financing involved in the hedge, incurring an expense of R$ 16,088 referring to accumulated exchange variation recorded in P&L for the period under "net sales revenue", arising from realization of revenues in USD designated in the hedge program.

The effects of changes in fair value of the instruments involved in the hedge and settlement of the hedged items with realization of the hedge reserve in the net sales revenue resulted in an amount of R$ 848,468 recognized in the statement of comprehensive income for the nine-month period ended September 30, 2021, amounting to R$ 559,989 net of deferred income taxes.

d) Hedge accounting effectiveness test

In the nine-month period ended September 30, 2021, effectiveness tests were carried out that demonstrated that the implemented hedge accounting program is highly effective, considering the economic relationship from the analysis of the hedge ratio, the effect of credit risk involved in the instrument and hedged object, and evaluation of critical terms.

All amounts in thousands of Reais

28 RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

a) Risk management

The Company and its subsidiaries participate in transactions involving financial instruments, all recorded in equity accounts, which are intended to meet their operational needs, as well as to reduce exposure to financial risks, mainly credit and investment of funds, market risks (exchange and interest) and liquidity risk, to which it believes it is exposed, according to its nature of business and operating structure.

These risks are managed through the definition of strategies developed and approved by the Company's management, linked to the establishment of control systems and determination of position limits. There are no transactions involving financial instruments for speculative purposes.

Additionally, Management proceeds with the timely assessment of the Company's consolidated position, monitoring the financial results obtained, evaluating future projections, as a way of ensuring compliance with the defined business plan and monitoring the risks to which it is exposed.

The Company's main risks are described below:

Market risk

Market risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate due to changes in market prices. In the case of the Company, market prices are affected by two types of risk: interest rate risk and exchange rate risk. Financial instruments affected by market risk include financial investments, accounts receivable from customers, accounts payable, loans payable, bonds and securities.

(i) Foreign Exchange rate risk

The Company maintains operations denominated in foreign currencies (substantially US dollars) that are exposed to market risks arising from changes in the quotations of the respective foreign currencies. Any exchange rate fluctuation may increase or decrease these balances. The composition of this exhibition is as follows:

	Consolidated	
	09/30/2021	**12/31/2020**
Bank deposits and financial investments	933,003	1,033,172
Trade receivables (net of provision for doubtful debts)☐	941,939	563,240
Other assets and liabilities	1,375,000	(573,000)
Borrowing	(23,287,433)	(20,556,053)
Net exposure	**(20,037,491)**	**(19,532,641)**

The balance per annum due on September 30, 2021 of this net exposure is divided as follows:

Year	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027 onwards**	**Total**
Amount	8,875,931	(1,536,559)	(1,018,083)	(1,360,920)	(2,634,258)	(3,869,532)	(18,494,069)	**(20,037,491)**

As of September 30, 2021, the Company has no derivatives contracted to hedge foreign exchange exposure in the cash flow. In order to protect against this net liability exposure, the Company has a sales plan whose projected cash flow of export earnings of approximately USD 1 billion annually and its receipts, if they materialize, exceed, or approach, the payment flow of the respective liabilities, offsetting the cash effect of this foreign exchange exposure in the future.

All amounts in thousands of Reais

Additionally, as of January 4, 2021, the Company has adopted a cash flow hedge accounting policy, considering the balances of loans and financing in foreign currency as a hedging instrument, designating its future revenues in highly probable USD as a hedge object. This policy aims to mitigate the effects of exchange rate variations found in the Company's income statement. See details of the hedge program in note 27 for more information on Management's strategy related to the topic.

In addition, the Company only has contracted derivatives (notes 16 and 17) referring to foreign exchange and interest rate SWAP converting the issue of a certain export credit note and local currency debentures to US dollars. These operations are matched, agreed only to convert loans and financing in national currency to operations in foreign currency.

(ii) Interest rate risk

The Company has loans indexed to the variation of TJLP, LIBOR, IPCA and CDI, and marketable securities indexed to the variation of CDI, Selic and IPCA, exposing these assets and liabilities to fluctuations in interest rates as shown in the interest sensitivity table below . The Company has not entered into derivative contracts to hedge / swap against the exposure of these market risks.

The practice adopted is to continuously monitor market interest rates in order to assess the possible need for contracting derivatives to protect against the risk of volatility in these rates. Additionally, the Company considers that the high cost associated with contracting fixed rates signaled by the Brazilian macroeconomic scenario justifies its option for floating rates.

The composition of interest rate risk by type of asset and liability is shown as follows:

		Consolidated
	09/30/2021	**12/31/2020**
Financial investments - CDI	6,021,475	4,133,393
Financial investments - Selic	1,219,585	626,566
Financial investments - IPCA	761,570	708,691
Asset exposure	**8,002,630**	**5,468,650**
Financing - CDI	(4,402,138)	(4,623,091)
Financing - TJLP	(1,238,972)	(1,169,546)
Financing - LIBOR	(5,578,968)	(5,588,808)
Debentures - IPCA	(1,761,386)	(1,832,803)
Liability exposure	**(12,981,464)**	**(13,214,248)**

Risk relating to investment

The Company is exposed to risk regarding the investment of funds, including deposits with banks and financial institutions, foreign exchange transactions, marketable securities and other financial instruments contracted. The amount exposed by the Company corresponds substantially to marketable securities and operation of bonds and securities, with amounts described in notes 4 and 5, respectively.

All amounts in thousands of Reais

Regarding the quality of the Company's financial assets invested in financial institutions, an internal policy is used to approve the type of operation being agreed upon and the rating analysis, according to risk rating agencies, to assess the feasibility of investing resources in a given institution. , as long as it falls within the policy acceptance criteria.

The table below shows the cash resources, cash equivalents and marketable securities invested by the Company, classifying the amounts according to the national classification of the Fitch and Moody's rating agencies of the financial institutions:

	Consolidated	
	09/30/2021	**12/31/2020**
National rating AAA(bra)	6,052,197	4,741,806
National rating AA+(bra)	2,901,022	1,814,921
	8,953,219	**6,556,727**

Credit risk

Credit risk is the risk that the counterparty of a business will fail to comply with an obligation under a financial instrument, supplier advance or contract with a customer, which would lead to financial loss. In addition to the investments mentioned above, the Company is exposed to credit risk in its operating activities (mainly in relation to accounts receivable).

As of September 30, 2021, the maximum amount exposed by the Company to the credit risk of accounts receivable from customers is equivalent to the balances presented in Note 6. The information on customer concentration is described in Note 26.

The quality of credit risk in the Company's operating activities is managed by specific rules for customer acceptance, credit analysis and establishment of exposure limits per customer, which are periodically reviewed. The monitoring of overdue bills is carried out promptly to seek their receipt, with estimated losses being recorded as provision for expected credit loss for items with risk of non-receipt.

The Company maintains an insurance policy for receivables in the domestic and foreign markets for all business units as described in Note 6.

Liquidity risk

The Company monitors the risk of scarcity of resources in the global market, managing its capital through a recurring liquidity planning tool, in order to ensure financial resources available for the proper fulfillment of its obligations, substantially concentrated in the financing signed with financial institutions.

The table below shows the maturity of the financial liabilities contracted by the Company, in the consolidated balance sheet, where the amounts presented include the value of principal and future interest on operations, calculated using the rates and indices in effect on September 30, 2020:

	2021	2022	2023	2024	2025	2026	2027 onwards	Total
Trade payables	(2,461,924)	-	-	-	-		-	**(2,461,924)**
Financing/debentures□	(420,298)	(2,652,136)	(2,415,392)	(2,715,563)	(3,329,274)	(3,844,536)	(25,443,845)	**(40,821,044)**
Total	**(2,882,222)**	**(2,652,136)**	**(2,415,392)**	**(2,715,563)**	**(3,329,274)**	**(3,844,536)**	**(25,443,845)**	**(43,282,968)**

The budgetary projection for the coming years approved by Management demonstrates the capacity to fulfill obligations.

All amounts in thousands of Reais

Capital management

The Company's capital structure is formed by net indebtedness, composed of the balance of loans and financing (Note 16) and debentures (Note 17), deducted by the balance of cash, cash equivalents and marketable securities (notes 4 and 5), and the balance of shareholders' equity (Note 20), including the balance of issued capital and all reserves set up.

The net debt to equity ratio of the Company is composed as follows:

		Consolidated
	09/30/2021	12/31/2020
Cash and cash equivalents and marketable securities	8,953,219	6,556,727
Borrowing and debentures	(28,902,875)	(26,338,990)
Net indebtedness	**(19,949,656)**	**(19,782,263)**
Equity	5,397,998	3,810,305
Net indebtedness ratio	**(3.70)**	**(5.19)**

b) Financial instruments, by category

The Company has the following categories of financial instruments:

		Consolidated
	09/30/2021	12/31/2020
Assets - at amortized cost		
. Cash and cash equivalents	6,958,432	5,208,830
. Trade receivables (net of provision for impairment of trade receivables)	2,656,638	1,806,918
. Other assets	592,207	512,669
	10,207,277	**7,528,417**
Assets - fair value by results		
. Marketable securities	1,994,787	1,347,897
	1,994,787	**1,347,897**
Liabilities - at amortized cost		
. Borrowing and debentures	28,902,875	26,338,990
. Trade payables	2,021,598	1,754,137
. Trade payables (Forfait)	440,326	248,892
. Other payables	1,282,365	1,107,622
	32,647,164	**29,449,641**

(i) Amortized cost

The financial instruments included in this group refer to balances arising from usual transactions, such as accounts receivables, trade payables, borrowings and debentures, marketable securities and cash and cash equivalents maintained by the Company. All these instruments are recorded at their notional amounts plus, when applicable, contractual charges and interest, in respect of which the related income and expenses are recognized in the results for the periods.

(ii) Fair value through profit or loss

All amounts in thousands of Reais

The Company classified the securities that are represented by Treasury Financial Bills and Direct Treasury Bills (LFT and NTN –B) (Note 5) as financial assets measured at fair value through profit or loss, as they may be traded on future, being recorded at fair value, which, in practice, corresponds to the applied value plus interest recognized in the income from the operation in the income for the periods.

c) Sensitivity analysis

The Company presents below the sensitivity tables for the risks of foreign exchange and interest rates to which it is exposed considering that the eventual temporal effects would impact future results based on the exposures presented on September 30, 2021, being, the effects on equity are basically the same as income. The sensitivity analysis does not assess the impacts of exchange rate variations on the Company's cash flow.

(i) Foreign exchange exposure

The Company has assets and liabilities linked to foreign currency in the balance sheet as of September 30, 2021 and for the purposes of sensitivity analysis, it adopted as scenario I the future market rate in force in the exercise of preparing these quarterly information. For scenario II this rate was corrected by 25% and for scenario III by 50%.

The sensitivity analysis of the foreign exchange variation was calculated on the net foreign exchange exposure (basically for loans and financing, accounts receivable from customers and suppliers payable in foreign currency), not considering the projection of future exports that will face this exchange exposure liquid.

Additionally, the Company adopts a hedge accounting policy (see note 27) so that the effects of exchange variation do not directly affect the result for the periods, being recorded in shareholders' equity until its effective settlement, shown in other comprehensive income.

Thus, keeping the other variables constant, the table below shows a simulation of the effect of the exchange rate variation on the balance sheet, other comprehensive income and financial income considering the balances on September 30, 2021:

	At 09/30/2021	Scenario I		Scenario II		Scenario III	
	US$	Rate	R$ gain (loss)	Rate	R$ gain (loss)	Rate	R$ gain (loss)
Assets							
Cash and cash equivalents	171,527	5.51	11,835	6.89	248,817	8.26	483,809
Trade receivables, net of allowance for doubtful debts	173,170	5.51	11,949	6.89	251,200	8.26	488,442
Other assets and liabilities	252,785	5.51	17,442	6.89	366,690	8.26	713,006
Financing	(4,281,250)	5.51	(295,406)	6.89	(6,210,382)	8.26	(12,075,695)
Net effect on finance results			**(254,180)**		**(5,343,675)**		**(10,390,438)**
Net effect on comprehensive income			**(249,620)**		**(5,247,802)**		**(10,204,020)**
Net effect on finance results			**(4,560)**		**(95,873)**		**(186,418)**

(ii) Interest Exposure

The Company has financial investments, loans, financing and debentures linked to the post-fixed interest rate of the CDI, TJLP, IPCA, Selic and Libor. For the purposes of sensitivity analysis, the

All amounts in thousands of Reais

Company adopted rates in force on dates close to the presentation of the referred quarterly information, extracted from the website of the Central Bank of Brazil, using the same rate for Selic, Libor, IPCA and CDI due to their proximity, in the scenario I projection, for scenario II these rates were corrected by 25% and for scenario III by 50%.

Thus, keeping the other variables constant, the following table shows a simulation of the effect of changes in interest rates on shareholders' equity and on the future result of 12 months (consolidated) considering the balances on September 30, 2021:

		At 09/30/2021	Scenario I		Scenario II		Scenario III	
		R$	Rate	R$ gain (loss)	Rate	R$ gain (loss)	Rate	R$ gain (loss)
Financial investments								
CDBs	CDI	6,021,475	2.99%	180,042	3.74%	45,011	4.49%	90,021
LFTs	Selic	1,219,585	2.99%	36,466	3.74%	9,116	4.49%	18,233
NTN - B	IPCA	761,570	8.51%	64,810	10.64%	16,202	12.77%	32,405
Financing								
NCE (BRL) and CRA	CDI	(4,402,138)	2.99%	(131,624)	3.74%	(32,906)	4.49%	(65,812)
BNDES	TJLP	(1,238,972)	4.88%	(60,462)	6.10%	(15,115)	7.32%	(30,231)
Debentures	IPCA	(1,761,386)	8.51%	(149,894)	10.64%	(37,473)	12.77%	(74,947)
Export prepayment, Term Loan and Finnvera	Libor	(5,578,968)	0.23%	(13,104)	0.29%	(3,276)	0.35%	(6,552)
Net effect on finance results				**(73,766)**		**(18,441)**		**(36,883)**

29 INSURANCE COVERAGE

In order to protect against its operational risks, and cover assets and responsibilities, the Company maintains insurance coverage for various types of events that could impact its assets and operations.

Based on the best market practices, the Company has taken insurance policies for operational risks, including loss of profits, and other coverage for significant damage involving all industrial, administrative and inventory facilities.

The Company also has other insurance policies, such as general liability insurance, D&O liability, national and international transport and forest insurance.

Based on the best market practices, as of September 30, 2021, the Company has following insurance policies:

All amounts in thousands of Reais

Type of Insurance	Maximum Indemnity Limit (BRL thousand)	Coin	Maturity
Operational Risks + Business Interruption	3,700,000	R$	oct/05/22
Protection and Indemnity - P&I (maritime risks)	350,000	US$	mar/13/22
Internal Market Credit	240,000	R$	sep/30/23
Foreign Market Credit	160,000	US$	sep/30/23
Cyber	144,175	R$	jun/11/22
Directors and Administrators - D&O	120,000	R$	jul/02/22
General Civil Liability - RCG	75,000	R$	jul/31/22
Environmental Civil Liability	50,000	R$	jul/13/22
Named Risks	41,745	R$	jan/22/22
Forestry (fire and meteorological phenomena)	20,000	R$	sep/29/21
Export transport (goods)	20,000	US$	apr/30/22
Import transport (goods)	20,000	US$	apr/30/22
National Transport (goods)	15,000	R$	apr/30/22
Miscellaneous Risks (cranes)	6,185	R$	jan/21/22
Mandatory Civil Liability	3,080	R$	jun/17/22
Vehicle Optional Civil Liability Insurance - RCFV	250	R$	oct/30/21

30 EVENTS AFTER THE REPORTING PERIOD

Revolving Credit Facility

On October 7, 2021, the Company informed its shareholders and the market in general that it has entered into a revolving credit facility ("RCF") with 9 financial institutions in the amount of US$500 million, maturing in October 2026, and characterized as Sustainability-Linked.

The cost of this revolving credit facility is conditioned on the annual performance of the environmental indicator of increase in reuse of solid industrial waste. Thus, the maintenance cost (commitment fee), if the RCF is not disbursed, will be between 0.36% p.a. and 0.38% p.a., and if the RCF is drawn, between Libor+1.20% p.a. and Libor+1.25% p.a.

This transaction will replace the RCF taken by the Company in February 2019, whose original maturity would be in December 2023, also in the amount of US$500 million, with a maintenance cost of 0.41% p.a., and a withdrawn cost of Libor+1.35% pa.

The sustainability indicator used in this transaction is part of Klabin's Sustainable Development Goals ("KODS") to be achieved by 2030, in line with the UN Sustainable Development Goals ("SDGs"), which can be monitored on the Company's ESG Dashboard.

1 DISCLOSURE OF EBITDA

Pursuant to CVM Instruction 527/12, the Company has opted for the voluntary disclosure of non-financial information, as additional information included in its quarterly information, and presents EBITDA for the quarters ended September 30, 2021 and 2020.

In general terms, EBITDA represents the Company's operational generation of cash, corresponding to the funds generated by the Company through its operating activities only, without financial effects or taxes. It is important to note that this does not represent the cash flows for the periods presented, and it must not be considered as a basis for the distribution of dividends, as an alternative to profit or loss, nor as an indication of liquidity.

				Consolidated
	From 07/01 to 09/30/2021	From 01/01 to 09/30/2021	From 07/01 to 09/30/2020	From 01/01 to 09/30/2020
(=) Profit (loss) for the period	1,084,823	2,224,287	(191,217)	(3,716,490)
(+) Income tax and social contribution	322,095	751,263	(94,938)	(2,076,045)
(+/-) Finance results, net	290,696	700,851	1,071,700	7,957,634
(+) Amortization, depreciation and depletion in the results	637,110	1,964,003	517,110	1,773,093
EBITDA	**2,334,724**	**5,640,404**	**1,302,655**	**3,938,192**
Adjustments pursuant to CVM Instruction 527/12				
(+/-) Changes in the fair value of biological assets (i)	(403,232)	(644,637)	(68,515)	(317,336)
(+/-) Equity in the results of investees (ii)	(8,749)	(11,406)	(1,039)	(27,071)
(+/-) Realization of hedge accounting (iii)	5,070	16,088	-	-
Adjusted EBITDA	**1,927,813**	**5,000,449**	**1,233,101**	**3,593,785**
(+/-) Non-recurring gain from sale of assets (iv)	-	(20,231)	-	-
Adjusted EBITDA (excluding non-recurring effects)	**1,927,813**	**4,980,218**	**1,233,101**	**3,593,785**

Adjustments for definition of EBITDA - adjusted:

(i) Variation in the fair value of biological assets.

The variation in the fair value of biological assets corresponds to the gains or losses obtained on the biological transformation of the forestry products, up to placing them in the conditions required for use/sale, during the formation cycle.

Since expectations relating to the value of assets are reflected in the Company's results and fair value is calculated based on the assumptions included in the discounted cash flows, without cash effects from its recognition, the variation in fair value is excluded from the calculation of EBITDA.

(ii) Equity in the results and EBITDA of investees.

Equity in the results of investees in the statement of operations reflects the profit/loss of subsidiaries in the parent company's quarterly information, calculated in accordance with its percentage of participation in the subsidiary.

The profit/loss of the joint venture is influenced by items that are excluded from the EBITDA calculation, such as net finance results, income tax and social contribution, amortization, depreciation and depletion, and the variations in the fair value of biological assets. For this reason, the result of the equity in the results of investees is excluded from the calculation, but the EBITDA generated by the joint venture is included, being calculated in the same manner.

(iii) Realization of hedge accounting

The Company adopts a hedge accounting policy, seeking as a strategy to minimize the effects of exchange variation of its hedge object, defined as certain foreign currency loan and financing operations, designating highly probable future export revenues, documenting the economic relationship between instrument and hedged, demonstrating that the changes in the cash flow of both of them effectively offset each other.

The effects of exchange variation (fair value) of the financial instruments designated in the hedge (loans and financing), are recorded in equity, under the caption “Equity valuation adjustments”, net of applicable income taxes. Such amounts accumulated in shareholders' equity are realized in the income statement, under the caption “Net sales revenue”, to the extent that there is an actual disbursement of the designated loans and financing, with the generation of the respective export revenue designated in the hedge that against cash disbursed in foreign currency, with the exchange rate variation of the hedge instrument being recorded in the income statement. The amount recorded in net sales revenue is being added to EBITDA.

(iv) Non-recurring gain on the sale of assets

On January 29, 2021, the Company recorded the sale of the Nova Campina unit (see note 12), which resulted in a non-recurring gain of R$ 20,231 recorded in the income statement under “Other net”, considering the revenue from R$ 160,000 and cost of R$ 139,769.

2 COMPANY'S OWNERSHIP INTEREST, INCLUDING STOCKHOLDERS WITH MORE THAN 5% OF THE SHARES. DETAILED TO THE INDIVIDUAL LEVEL

a) Company's ownership interest

	SHARES					
STOCKHOLDER	**COMMON**	**%**	**PREFERRED**	**%**	**TOTAL**	**%**
Klabin Irmãos S.A.	945,359,142	45.41	-	-	945,359,142	16.83
Niblak Participações S.A.	142,023,010	6.82	-	-	142,023,010	2.53
Monteiro Aranha S.A.	76,689,905	3.68	265,155,406	7.50	341,845,311	6.08
BNY **(*)**	61,258,226	2.94	245,032,904	6.93	306,291,130	5.45
BLACKROCK	47,899,830	2.30	191,599,320	5.42	239,499,150	4.26
Treasury shares	25,136,296	1.21	100,545,184	2.84	125,681,480	2.24
Others **(**)**	783,362,186	37.63	2,733,831,347	77.31	3,517,193,533	62.61
TOTAL	**2,081,728,595**	**100**	**3,536,164,161**	**100**	**5,617,892,756**	**100**

(*) Foreign stockholders.

(**) Stockholder with less than 5% of the shares.

b) Distribution of the controlling stockholders' share capital to the individual level

CONTROLLING STOCKHOLDER/ INVESTOR:

A) KLABIN IRMÃOS S.A.

	SHARES	
STOCKHOLDER	**ON**	**%**
Jacob Klabin Lafer Adm. Partic. S.A.	118,358,965	12.52
VFV Participações S.A.	59,179,482	6.26
Miguel Lafer Participações S.A.	59,179,482	6.26
PRESH S.A.	118,358,965	12.52
GL Holdings S.A	118,358,965	12.52
GLIMDAS Participações S.A.	104,651,257	11.07
DARO Participações S.A.	104,651,257	11.07
DAWOJOBE Participações S.A.	104,651,257	11.07
ESLI Participações S.A.	79,032,024	8.36
LKL Participações S.A.	78,937,488	8.35
TOTAL	**945,359,142**	**100.00**

A.1) Jacob Klabin Lafer Adm. Partic. S.A.

	SHARES	
STOCKHOLDER	**ON**	**%**
Vera Lafer	116,465,221	98.40
Novo Horizonte Agropecuária Ltda.	1,893,743	1.60
TOTAL	118,358,965	100.00

A.2) VFV Participações S.A.

	SHARES	
STOCKHOLDER	**ON**	**%**
Jacob Klabin Lafer Adm. Partic. S.A.	59,179,442	99.999932
Vera Lafer Lorch Cury	20	0.000034
Francisco Lafer Pati	20	0.000034
TOTAL	59,179,482	100.00

A.2.1) Jacob Klabin Lafer Adm. Partic. S.A.

	SHARES	
STOCKHOLDER	**COMMON**	**%**
Vera Lafer	58,232,571	98.40
Novo Horizonte Agropecuária Ltda.	946,871	1.60
TOTAL	59,179,442	100.00

A.3) Miguel Lafer Participações S.A.

	SHARES	
STOCKHOLDER	**COMMON**	**%**
Jacob Klabin Lafer Adm. Partic. S.A.	59,179,468	99.999976
Novo Horizonte Agropecuária Ltda.	14	0.000024
TOTAL	59,179,482	100.00

A.3.1) Jacob Klabin Lafer Adm. Partic. S.A.

	SHARES	
STOCKHOLDER	**COMMON**	**%**
Vera Lafer	58,232,597	98.40
Novo Horizonte Agropecuária Ltda.	946,871	1.60
TOTAL	59,179,468	100.00

A.4) PRESH S.A.

	SHARES	
STOCKHOLDER	**COMMON**	**%**
Horácio Lafer Piva	39,452,949	33.3333
Eduardo Lafer Piva	39,452,949	33.3333
Regina Piva Coelho Magalhães	39,453,067	33.3334
TOTAL	118,358,965	100.00

A.5) GL Holdings S/A

	SHARES	
STOCKHOLDER	**COMMON**	**%**
Graziela Lafer Galvão		
Paulo Sergio Coutinho Galvão Filho	59,179,482	50.00
Maria Eugênia Lafer Galvão	59,179,482	50.00
TOTAL	118,358,965	100.00

(*) Shares subject to rights to use, with the beneficiary Graziela Lafer Galvão having voting rights.

A.6) GLIMDAS Participações S.A.

	SHARES	
STOCKHOLDER	**COMMON**	**%**
LÉA MANELA KLABIN (naked owner) *	13,081,287	12.50
ALBERTO KLABIN (naked owner) *	17,441,705	16.67
LEONARDO KLABIN (naked owner) *	17,441,705	16.67
STELA KLABIN (naked owner) *	17,441,705	16.67
MARIA KLABIN (naked owner) *	13,081,287	12.50
DAN KLABIN (naked owner) *	13,081,287	12.50
GABRIEL KLABIN (naked owner) *	13,081,287	12.50
MAURÍCIO KLABIN's ESTATE	993	0.00
TOTAL	104,651,257	100.0

(*) Registered common and preferred shares subject to usufruct, with the right to vote to the usufructuary ISRAEL KLABIN.

A.7) DARO Participações S.A.

STOCKHOLDER	SHARES	
	COMMON	%
Daniel Miguel Klabin	7,231,402	6.91
Rose Klabin (*)	32,473,285	31.03
Amanda Klabin (*)	32,473,285	31.03
David Klabin (*)	32,473,285	31.03
TOTAL	104,651,257	100.00

(*) Shares subject to usufruct, with Daniel Miguel Klabin having the right to vote.

A.8) DAWOJOBE Participações S.A.

STOCKHOLDER	SHARES	
	COMMON	%
Armando Klabin's Estate	121,440	0.12
Wolff Klabin	15,665,810	14.97
Daniela Klabin	15,665,810	14.97
Bernardo Klabin	15,665,810	14.97
José Klabin	15,665,810	14.97
Klaro Paticipações Ltda.	41,866,575	40.01
TOTAL	104,651,257	100.00

A.8.1) Klaro Paticipações Ltda.

STOCKHOLDER	SHARES	
	COMMON	%
Armando Klabin's Estate	251,534	0.601
Rosa Maria Lisboa Klabin	418,331	0.999
Daniela Klabin Basílio	10,299,177	24.600
Wolff Klabin	10,299,177	24.600
José Klabin	10,299,177	24.600
Bernardo Klabin	10,299,177	24.600
TOTAL	41,866,575	100.00

A.9) ESLI Participações S.A. (*)

STOCKHOLDER	SHARES	
	COMMON	%
Cristina Levine Martins Xavier	26,343,982	33.333
Regina Klabin Xavier	26,343,982	33.333
Roberto Klabin Martins Xavier	26,344,061	33.333
TOTAL	79,032,024	100.00

(*) Special Contract for the Donation of Shares with Reserved Right to Use to Lilia K.Levine, on December 22, 2010.

A.10) LKL Participações S.A. (*)

STOCKHOLDER	SHARES COMMON	%
Cristina Levine Martins Xavier	26,312,470	33.333
Regina Klabin Xavier	26,312,470	33.333
Roberto Klabin Martins Xavier	26,312,549	33.333
TOTAL	78,937,488	100.00

(*) Special Contract for the Donation of Shares with Reserved Right to Use to Lilia K.Levine, on December 22, 2010.

B) NIBLAK PART. S/A

STOCKHOLDER	SHARES COMMON	%
Miguel Lafer Part. S/A	17,782,701	12.521
VFV Participações S/A	17,782,701	12.521
GL Holdings S/A	17,782,843	12.521
Glimdas Participações S/A.	15,727,202	11.074
Verde Vivo Investimentos Florestais Ltda.	15,727,202	11.074
Dawojobe Partic. S.A.	15,000,328	10.562
Armando Klabin’s Estate	726,874	0.512
Esli Participações S/A	23,710,315	16.695
Eduardo Lafer Piva	5,927,614	4.174
Horácio Lafer Piva	5,927,614	4.174
Regina Piva Coelho de Magalhães	5,927,614	4.174
TOTAL	142,023,010	100.00

B.1) Miguel Lafer Participações S.A.

STOCKHOLDER	SHARES COMMON	%
Jacob Klabin Lafer Adm. Partic. S.A.	17,782,697	99.999976
Novo Horizonte Agropecuária Ltda.	4	0.000024
TOTAL	17,782,701	100.00

B.1.1) Jacob Klabin Lafer Adm. Partic. S.A.

STOCKHOLDER	SHARES COMMON	%
Vera Lafer	17,498,174	98.40
Novo Horizonte Agropecuária Ltda.	284,523	1.60
TOTAL	17,782,697	100.00

B.2) VFV Participações S.A.

	SHARES	
STOCKHOLDER	COMMON	%
Jacob Klabin Lafer Adm. Partic. S.A.	17,782,689	99.999932
Vera Lafer Lorch Cury	6	0.000034
Francisco Lafer Pati	6	0.000034
TOTAL	17,782,701	100.000000

B.2.1) Jacob Klabin Lafer Adm. Partic. S.A.

	SHARES	
STOCKHOLDER	COMMON	%
Vera Lafer	17,498,166	98.40
Novo Horizonte Agropecuária Ltda.	284,523	1.60
TOTAL	17,782,689	100.00

B.3) GL Holdings S/A

	SHARES	
STOCKHOLDER	COMMON	%
Graziela Lafer Galvão		
Paulo Sergio Coutinho Galvão Filho	8,891,422	50.00
Maria Eugênia Lafer Galvão	8,891,422	50.00
TOTAL	17,782,843	100.00

(*) Shares subject to rights to use, with the beneficiary Graziela Lafer Galvão having voting rights.

B.4) GLIMDAS Participações S.A.

	SHARES	
STOCKHOLDER	COMMON	%
Léa Manela Klabin (naked owner) *	1,965,882	12.500
Alberto Klabin (naked owner) *	2,621,175	16.667
Leonardo Klabin (naked owner) *	2,621,175	16.667
Stela Klabin (naked owner) *	2,621,175	16.667
Maria Klabin (naked owner) *	1,965,882	12.500
Dan Klabin (naked owner) *	1,965,882	12.500
Gabriel Klabin (naked owner) *	1,965,882	12.500
Maurício Klabin's Estate	149	0.001
TOTAL	15,727,202	100.000

(*) Registered common and preferred shares subject to usufruct, with the right to vote to the usufructuary ISRAEL KLABIN.

B.5) Verde Vivo Investimentos Florestais Ltda.

	SHARES	
STOCKHOLDER	COMMON	%
Amanda Klabin Tkacz	5,242,401	33.333
Rose Klabin	5,242,401	33.333
David Klabin	5,242,401	33.333
TOTAL	15,727,202	100.00

B.6) DAWOJOBE Participações S.A.

	SHARES	
STOCKHOLDER	**COMMON**	**%**
Armando Klabin's Estate	17,407	0.12
Wolff Klabin	2,245,480	14.97
Daniela Klabin	2,245,480	14.97
Bernardo Klabin	2,245,480	14.97
José Klabin	2,245,480	14.97
Klaro Paticipações Ltda.	6,001,002	40.01
TOTAL	15,000,328	100.00

B.6.1) Klaro Paticipações Ltda.

	SHARES	
STOCKHOLDER	**COMMON**	**%**
Armando Klabin's Estate	36,054	0.601
Rosa Maria Lisboa Klabin	59,962	0.999
Daniela Klabin Basílio	1,476,246	24.600
Wolff Klabin	1,476,246	24.600
José Klabin	1,476,246	24.600
Bernardo Klabin	1,476,246	24.600
TOTAL	6,001,002	100.000

B.7) ESLI Participações S.A. (*)

	SHARES	
STOCKHOLDER	**COMMON**	**%**
Cristina Levine Martins Xavier	7,903,431	33.333
Regina Klabin Xavier	7,903,431	33.333
Roberto Klabin Martins Xavier	7,903,454	33.333
TOTAL	23,710,315	100.00

(*) Special Contract for the Donation of Shares with Reserved Right to Use to Lilia K.Levine, on December 22, 2010.

3 CHANGES IN THE OWNERSHIP STRUCTURE

STOCKHOLDER	Type	09/30/2020 Number of shares	09/30/2020 %	Changes Purchase/ Subscription	Changes Sale	Changes New Investors	Changes Whitdrawals	Changes Corporate changes*	09/30/2021 Number of shares	09/30/2021 %	Change %
Stockholders	ON	1,242,343,937	61.74	52,658,728	-61,200	0	0	0	1,294,941,465	62.19	4.23
	PN	361,471,823	10.22	7,372,000	-64,800	0	0	0	368,779,023	10.40	2.02
Members of Council of Management	ON	45,225,862	2.25	23,020,062	-13,850,000	0	0	0	54,395,924	2.56	20.28
	PN	176,881,524	5.00	59,400,005	-55,400,000	0	0	0	180,881,529	5.00	2.26
Members of Board of Directors	ON	1,363,649	0.07	235,450	-227,078	103,460	0	0	1,475,481	0.07	8.20
	PN	5,454,596	0.15	941,800	-908,312	413,840	0	0	5,901,924	0.17	8.20
Members of advice Supervisor	ON	295,005	0.01	0	0	0	0	0	295,005	0.01	0.00
	PN	1,180,000	0.03	25,000	0	0	0	0	1,205,000	0.03	2.12
Treasury shares	ON	26,527,032	1.32	-1,390,736	0	0	0	0	25,136,296	1.21	-5.24
	PN	106,108,128	3.00	-5,562,944	0	0	0	0	100,545,184	2.84	-5.24
Other stockholders	ON	696,578,414	34.62	-74,523,504	14,138,278	-103,460	0	69,394,696	705,484,424	33.95	1.28
	PN	2,885,068,090	81.59	-62,175,861	56,373,112	-413,840	0	0	2,878,851,501	81.55	-0.22
Total	**ON**	**2,012,333,899**	**100.00**	**0**	**0**	**0**	**0**	**69,394,696**	**2,081,728,595**	**100.00**	3.45
	PN	**3,536,164,161**	**100.00**	**0**	**0**	**0**	**0**	**0**	**3,536,164,161**	**100.00**	0.00

4 NUMBER OF THE COMPANY'S SHARES DIRECTLY OR INDIRECTLY HELD BY CONTROLLING STOCKHOLDERS AND MEMBERS OF THE BOARD OF DIRECTORS, EXECUTIVE BOARD AND STATUTORY AUDIT BOARD AND NUMBER OF SHARES OUTSTANDING IN THE MARKET

At 09/30/2021

	SHARES					
STOCKHOLDER	**COMMON**	**%**	**PREFERRED**	**%**	**Total**	**%**
Stockholders	1,294,941,465	62.21	368,779,023	10.43	1,663,720,488	29.61
Members of the Board of Directors	54,395,924	2.61	180,881,529	5.12	235,277,453	4.19
Members of the Executive Board	1,475,481	0.07	5,901,924	0.17	7,377,405	0.13
Members of the Statutory Audit Board	295,005	0.01	1,205,000	0.03	1,500,005	0.03
Treasury shares	25,136,296	1.21	100,545,184	2.84	125,681,480	2.24
Other stockholders	705,484,424	33.89	2,878,851,501	81.41	3,584,335,925	63.80
Total	**2,081,728,595**	**100.00**	**3,536,164,161**	**100.00**	**5,617,892,756**	**100.00**

Number of shares outstanding in the market	**705,484,424**	**33.89**	**2,878,851,501**	**81.41**	**3,584,335,925**	**63.80**

At 09/30/2020

	SHARES					
STOCKHOLDER	COMMON	%	PREFERRED	%	Total	%
Stockholders	1,242,343,937	61.74	361,471,823	10.22	1,603,815,760	28.91
Members of the Board of Directors	45,225,862	2.25	176,881,524	5.00	222,107,386	4.00
Members of the Executive Board	1,363,649	0.07	5,454,596	0.15	6,818,245	0.12
Members of the Statutory Audit Board	295,005	0.01	1,180,000	0.03	1,475,005	0.03
Treasury shares	26,527,032	1.32	106,108,128	3.00	132,635,160	2.39
Other stockholders	696,578,414	34.62	2,885,068,090	81.59	3,581,646,504	64.55
Total	**2,012,333,899**	**100.00**	**3,536,164,161**	**100.00**	**5,548,498,060**	**100.00**

Number of shares outstanding in the market	**696,578,414**	**34.62**	**2,885,068,090**	**81.59**	**3,581,646,504**	**64.55**