

# **Klabin S.A.**

**Parent company and consolidated  
condensed interim financial statements at  
September 30, 2022  
and report on review**

# Klabin S.A.

Interim financial statements for the three-month  
and nine-month periods ended September 30, 2022



**KLBN**  
B3 LISTED N2

**ISE B3**

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**TCFD** TASK FORCE ON  
CLIMATE-RELATED  
FINANCIAL  
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## BALANCE SHEETS

ASSETS	Note	Parent Company		Consolidated	
		09/30/2022	12/31/2021	09/30/2022	12/31/2021
<b>Current</b>					
Cash and cash equivalents	5	2,976,247	5,966,190	3,711,468	6,405,200
Marketable securities	6	2,527,570	2,003,249	2,541,120	2,017,235
Accounts receivable:					
Trade receivables	7	2,486,594	2,250,418	3,030,906	2,868,703
Allowance for expected credit losses (ECLs)	7	(65,094)	(59,185)	(67,275)	(60,189)
Related parties	8	401,854	533,074	-	-
Inventories	9	2,039,129	1,774,357	2,350,706	2,003,394
Taxes recoverable	10	606,240	343,330	666,748	401,001
Other assets		312,374	261,322	276,796	256,797
<b>Total current assets</b>		<b>11,284,914</b>	<b>13,072,755</b>	<b>12,510,469</b>	<b>13,892,141</b>
Assets held for sale		<b>12,503</b>	<b>9,599</b>	<b>12,503</b>	<b>9,599</b>
<b>Non-current</b>					
<b>Long-term receivables</b>					
Deferred income tax and social contribution	11	-	652,363	-	629,601
Judicial deposits	19	116,315	112,295	116,315	113,729
Taxes recoverable	10	470,345	701,604	470,345	701,604
Related parties	8	220,651	100,897	-	-
Other assets		129,309	177,737	130,981	178,046
<b>Total long-term receivables</b>		<b>936,620</b>	<b>1,744,896</b>	<b>717,641</b>	<b>1,622,980</b>
Investments					
Interests in subsidiaries and joint venture	12	3,039,072	1,964,359	268,393	261,145
Other		12,589	12,291	12,589	12,291
Property, plant and equipment	13	21,622,053	18,873,164	23,086,876	19,549,018
Biological assets	14	5,183,149	3,772,191	7,842,496	5,528,050
Right-of-use assets	16	1,425,509	1,021,248	1,527,310	1,058,099
Intangible assets		85,176	82,376	146,980	142,384
		<b>31,367,548</b>	<b>25,725,629</b>	<b>32,884,644</b>	<b>26,550,987</b>
<b>Total non-current assets</b>		<b>32,304,168</b>	<b>27,470,525</b>	<b>33,602,285</b>	<b>28,173,967</b>
<b>Total assets</b>		<b>43,601,585</b>	<b>40,552,879</b>	<b>46,125,257</b>	<b>42,075,707</b>

The accompanying notes are an integral part of these interim financial statements.

Individual and consolidated interim financial statements for the three-month and nine-month periods ended September 30, 2022 and 2021  
All amounts in thousands of Reais unless otherwise stated



LIABILITIES AND EQUITY	Note	Parent Company		Consolidated	
		09/30/2022	12/31/2021	09/30/2022	12/31/2021
<b>Current</b>					
Trade payables	15	2,015,248	1,889,436	2,166,880	1,991,103
Trade payables (Forfait)	15	508,717	513,724	508,717	513,724
Lease liabilities	16	254,972	182,714	258,093	185,667
Tax obligations		416,771	179,095	465,918	229,860
Social security and labor obligations		523,495	424,000	531,687	431,369
Borrowings	17	1,100,966	1,913,606	1,065,611	1,804,995
Debentures	18	5,748	54,305	5,748	54,305
Provision for income tax and social contribution		8,357	70,756	46,876	52,521
Related parties	8	25,328	12,137	-	-
Other payables and provisions		223,360	261,973	280,604	307,297
<b>Total current liabilities</b>		<b>5,082,962</b>	<b>5,501,746</b>	<b>5,330,134</b>	<b>5,570,841</b>
<b>Non-current</b>					
Lease liabilities	16	1,203,537	867,689	1,301,145	901,034
Borrowings	17	25,350,469	25,981,321	25,219,661	25,783,921
Debentures	18	1,396,226	1,695,198	1,396,226	1,695,198
Deferred income tax and social contribution	11	856,298	-	924,676	-
Payables - Investors in Special Partnership Companies (SPCs)		-	-	195,924	208,246
Provision for tax, social security, labor and civil contingencies	19	58,078	50,092	58,231	50,304
Provision for actuarial liabilities		374,185	364,884	377,400	367,890
Tax obligations		120,590	184,996	120,590	184,996
Other payables and provisions		156,440	167,385	218,383	227,050
<b>Total non-current liabilities</b>		<b>29,515,823</b>	<b>29,311,565</b>	<b>29,812,236</b>	<b>29,418,639</b>
<b>Total liabilities</b>		<b>34,598,785</b>	<b>34,813,311</b>	<b>35,142,370</b>	<b>34,989,480</b>
<b>Equity</b>					
Share capital	20.1	4,475,625	4,475,625	4,475,625	4,475,625
Capital reserves		(319,104)	(343,463)	(319,104)	(343,463)
Revaluation reserve		48,705	48,705	48,705	48,705
Revenue reserves		1,247,044	1,624,044	1,247,044	1,624,044
Carrying value adjustments	20.2	795,049	103,246	795,049	103,246
Retained earnings (accumulated losses)		2,910,813	-	2,910,813	-
Treasury shares		(155,332)	(168,589)	(155,332)	(168,589)
<b>Equity attributable to the equity holders of Klabin</b>	<b>20</b>	<b>9,002,800</b>	<b>5,739,568</b>	<b>9,002,800</b>	<b>5,739,568</b>
<b>Non-controlling interests</b>	<b>20.5</b>	<b>-</b>	<b>-</b>	<b>1,980,087</b>	<b>1,346,659</b>
<b>Consolidated equity</b>		<b>9,002,800</b>	<b>5,739,568</b>	<b>10,982,887</b>	<b>7,086,227</b>
<b>Total liabilities and equity</b>		<b>43,601,585</b>	<b>40,552,879</b>	<b>46,125,257</b>	<b>42,075,707</b>

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Individual and consolidated interim financial statements for the three-month and nine-month periods ended September 30, 2022 and 2021

All amounts in thousands of Reais unless otherwise stated



Klabin

## STATEMENTS OF INCOME

	Note	Parent Company			
		7/1 to 9/30/2022	1/1 to 9/30/2022	7/1 to 9/30/2021	1/1 to 9/30/2021
<b>Net sales revenue</b>	21	5,250,745	14,769,942	4,284,073	11,490,475
Change in the fair value of biological assets	14	609,106	1,315,819	295,006	381,254
Cost of products sold	22	(3,138,584)	(9,269,999)	(2,647,066)	(7,480,924)
<b>Gross profit</b>		<b>2,721,267</b>	<b>6,815,762</b>	<b>1,932,013</b>	<b>4,390,805</b>
<b>Operating expenses (income)</b>					
Selling	22	(505,145)	(1,298,386)	(284,457)	(796,302)
General and administrative	22	(247,261)	(711,709)	(219,769)	(625,265)
Other income (expenses), net	22	676	88,097	27,451	54,305
		<b>(751,730)</b>	<b>(1,921,998)</b>	<b>(476,775)</b>	<b>(1,367,262)</b>
Share of profit (loss) of subsidiaries and joint ventures	12	432,860	414,435	207,983	421,606
<b>Profit before finance result and taxes</b>		<b>2,402,397</b>	<b>5,308,199</b>	<b>1,663,221</b>	<b>3,445,149</b>
<b>Finance result</b>	23	<b>232,451</b>	<b>(130,551)</b>	<b>(388,826)</b>	<b>(712,600)</b>
<b>Profit before taxes on income</b>		<b>2,634,848</b>	<b>5,177,648</b>	<b>1,274,395</b>	<b>2,732,549</b>
<b>Income tax and social contribution</b>					
Current	11	(93,300)	(367,893)	(38,034)	(235,326)
Deferred	11	(621,700)	(1,153,942)	(142,083)	(372,576)
		<b>(715,000)</b>	<b>(1,521,835)</b>	<b>(180,117)</b>	<b>(607,902)</b>
<b>Profit for the period</b>		<b>1,919,848</b>	<b>3,655,813</b>	<b>1,094,278</b>	<b>2,124,647</b>
<b>From continuing operations</b>		<b>1,919,848</b>	<b>3,655,813</b>	<b>1,094,278</b>	<b>2,122,431</b>
<b>From discontinued operations</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>2,216</b>
<b>Attributable to the equity holders of Klabin</b>		<b>1,919,848</b>	<b>3,655,813</b>	<b>1,094,278</b>	<b>2,124,647</b>
<b>Attributable to non-controlling interests</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Earnings per share:</b>					
Basic and diluted earnings per common share - R\$	25	<b>0.3490</b>	<b>0.6646</b>	<b>0.1994</b>	<b>0.3871</b>
Basic and diluted earnings per preferred share - R\$	25	<b>0.3490</b>	<b>0.6646</b>	<b>0.1994</b>	<b>0.3871</b>
<b>Earnings per share - discontinued operations:</b>					
Basic and diluted earnings per common share - R\$	25.1	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0004</b>
Basic and diluted earnings per preferred share - R\$	25.1	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0004</b>

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	Note	Consolidated			
		7/1 to 9/30/2022	1/1 to 9/30/2022	7/1 to 9/30/2021	1/1 to 9/30/2021
<b>Net sales revenue</b>	21	5,488,228	14,949,313	4,358,231	11,900,331
Change in the fair value of biological assets	14	960,782	1,918,838	403,232	644,637
Cost of products sold	22	(3,169,203)	(9,227,759)	(2,602,482)	(7,457,245)
<b>Gross profit</b>		<b>3,279,807</b>	<b>7,640,392</b>	<b>2,158,981</b>	<b>5,087,723</b>
<b>Operating expenses (income)</b>					
Selling	22	(551,540)	(1,421,649)	(310,379)	(873,307)
General and administrative	22	(256,789)	(737,192)	(195,921)	(620,258)
Other income (expenses), net	22	2,416	88,310	36,184	70,837
		<b>(805,913)</b>	<b>(2,070,531)</b>	<b>(470,116)</b>	<b>(1,422,728)</b>
Share of profit (loss) of subsidiaries and joint ventures	12	3,328	13,517	8,749	11,406
<b>Profit before finance result and taxes</b>		<b>2,477,222</b>	<b>5,583,378</b>	<b>1,697,614</b>	<b>3,676,401</b>
<b>Finance result</b>	23	<b>319,320</b>	<b>(60,795)</b>	<b>(290,696)</b>	<b>(700,851)</b>
<b>Profit before taxes on income</b>		<b>2,796,542</b>	<b>5,522,583</b>	<b>1,406,918</b>	<b>2,975,550</b>
<b>Income tax and social contribution</b>					
Current	11	(112,887)	(445,592)	(44,760)	(249,933)
Deferred	11	(630,900)	(1,177,712)	(146,854)	(370,849)
		<b>(743,787)</b>	<b>(1,623,304)</b>	<b>(191,614)</b>	<b>(620,782)</b>
<b>Profit for the period</b>		<b>2,052,755</b>	<b>3,899,279</b>	<b>1,215,304</b>	<b>2,354,768</b>
<b>From continuing operations</b>		<b>2,052,755</b>	<b>3,899,279</b>	<b>1,215,304</b>	<b>2,352,552</b>
<b>From discontinued operations</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>2,216</b>
<b>Attributable to the equity holders of Klabin</b>		<b>1,919,848</b>	<b>3,655,813</b>	<b>1,094,278</b>	<b>2,124,647</b>
<b>Attributable to non-controlling interests</b>		<b>132,907</b>	<b>243,466</b>	<b>121,026</b>	<b>230,121</b>
<b>Earnings per share:</b>					
Basic and diluted earnings per common share - R\$	25	<b>0.3490</b>	<b>0.6646</b>	<b>0.1994</b>	<b>0.3871</b>
Basic and diluted earnings per preferred share - R\$	25	<b>0.3490</b>	<b>0.6646</b>	<b>0.1994</b>	<b>0.3871</b>
<b>Earnings per share - discontinued operations:</b>					
Basic and diluted earnings per common share - R\$	25.1	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0004</b>
Basic and diluted earnings per preferred share - R\$	25.1	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0004</b>

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Individual and consolidated interim financial statements for the three-month and nine-month periods ended September 30, 2022 and 2021  
All amounts in thousands of Reais unless otherwise stated



## STATEMENTS OF COMPREHENSIVE INCOME

Note	Parent Company				Consolidated			
	7/1 to 9/30/2022	1/1 to 9/30/2022	7/1 to 9/30/2021	1/1 to 9/30/2021	7/1 to 9/30/2022	1/1 to 9/30/2022	7/1 to 9/30/2021	1/1 to 9/30/2021
<b>Profit for the period</b>	<b>1,919,848</b>	<b>3,655,813</b>	<b>1,094,278</b>	<b>2,124,647</b>	<b>2,052,755</b>	<b>3,899,279</b>	<b>1,215,304</b>	<b>2,354,768</b>
<b>Other comprehensive income:</b>								
Foreign currency translation adjustments (i)	(4,582)	4,836	(1,911)	3,835	(4,582)	4,836	(1,911)	3,835
Adjustment of cash flow hedge	28 (740,596)	1,052,594	(1,560,495)	(848,468)	(740,596)	1,052,594	(1,560,495)	(848,468)
Deferred income tax on cash flow hedge	28 251,803	(357,882)	530,568	288,479	251,803	(357,882)	530,568	288,479
Adjustment of actuarial liabilities	(3,597)	(9,301)	(5,320)	(15,964)	(3,597)	(9,301)	(5,320)	(15,964)
Deferred income tax on actuarial liabilities	1,223	3,162	1,809	5,428	1,223	3,162	1,809	5,428
<b>Total comprehensive income for the period</b>	<b>1,424,099</b>	<b>4,349,222</b>	<b>58,929</b>	<b>1,557,957</b>	<b>1,557,006</b>	<b>4,592,688</b>	<b>179,955</b>	<b>1,788,078</b>
<b>Attributable to the equity holders of Klabin</b>		<b>4,349,222</b>	<b>58,929</b>	<b>1,557,957</b>	<b>1,424,099</b>	<b>4,349,222</b>	<b>58,929</b>	<b>1,557,957</b>
<b>Attributable to non-controlling interests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>132,907</b>	<b>243,466</b>	<b>121,026</b>	<b>230,121</b>

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

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## STATEMENTS OF CHANGES IN EQUITY

Note	Share capital	Capital reserve	Revaluation reserve	Revenue reserves	Carrying value adjustments	Treasury shares	Retained earnings (accumulated losses)	Equity attributable to the equity holders of Klabin	Non-controlling interests (i)	Consolidated equity
<b>At December 31, 2020</b>	<b>4,475,625</b>	<b>(365,791)</b>	<b>48,705</b>	<b>-</b>	<b>823,476</b>	<b>(177,884)</b>	<b>(993,826)</b>	<b>3,810,305</b>	<b>574,456</b>	<b>4,384,761</b>
Profit for the period	-	-	-	-	-	-	2,124,647	2,124,647	239,455	2,364,102
Other comprehensive income for the period	-	-	-	-	(566,690)	-	-	(566,690)	-	(566,690)
Total comprehensive income for the period	-	-	-	-	(566,690)	-	2,124,647	1,557,957	239,455	1,797,412
Capital increase by non-controlling shareholders	4	-	-	-	-	-	-	-	287,000	287,000
<b>Stock Option Plan</b>	<b>24</b>	<b>22,340</b>	<b>-</b>	<b>-</b>	<b>(1,913)</b>	<b>9,321</b>	<b>-</b>	<b>29,748</b>	<b>-</b>	<b>29,748</b>
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)	-	-	-	-	-
Withdrawals from stock option plan	-	-	-	-	71	(71)	-	-	-	-
Distribution of dividends	-	-	-	-	-	-	-	-	(41,757)	(41,757)
<b>At September 30, 2021</b>	<b>4,475,625</b>	<b>(343,451)</b>	<b>48,705</b>	<b>-</b>	<b>254,873</b>	<b>(168,563)</b>	<b>1,130,821</b>	<b>5,398,010</b>	<b>1,059,154</b>	<b>6,457,164</b>
<b>At December 31, 2021</b>	<b>4,475,625</b>	<b>(343,463)</b>	<b>48,705</b>	<b>1,624,044</b>	<b>103,246</b>	<b>(168,589)</b>	<b>-</b>	<b>5,739,568</b>	<b>1,346,659</b>	<b>7,086,227</b>
Profit for the period	-	-	-	-	-	-	3,655,813	3,655,813	260,241	3,916,054
Other comprehensive income for the period	-	-	-	-	693,409	-	-	693,409	-	693,409
Total comprehensive income for the period	-	-	-	-	693,409	-	3,655,813	4,349,222	260,241	4,609,463
Capital increase by non-controlling shareholders	4	-	-	-	-	-	-	-	414,551	414,551
<b>Stock Option Plan</b>	<b>24</b>	<b>24,359</b>	<b>-</b>	<b>-</b>	<b>(1,606)</b>	<b>13,257</b>	<b>-</b>	<b>36,010</b>	<b>-</b>	<b>36,010</b>
Treasury shares sold	-	16,668	-	-	-	6,839	-	23,507	-	23,507
Award of treasury shares	-	-	-	-	(6,839)	6,839	-	-	-	-
Recognition of the stock option plan remuneration	-	-	-	-	12,503	-	-	12,503	-	12,503
Maturity of stock option plan	-	7,691	-	-	(7,691)	-	-	-	-	-
Withdrawals from stock option plan	-	-	-	-	421	(421)	-	-	-	-
Distribution of dividends	20	-	-	(377,000)	-	-	(745,000)	(1,122,000)	(41,364)	(1,163,364)
<b>At September 30, 2022</b>	<b>4,475,625</b>	<b>(319,104)</b>	<b>48,705</b>	<b>1,247,044</b>	<b>795,049</b>	<b>(155,332)</b>	<b>2,910,813</b>	<b>9,002,800</b>	<b>1,980,087</b>	<b>10,982,887</b>

(i) During the presented periods, there were changes in the % of equity interest held by non-controlling interests.

(ii) Balance of 2021 restated to a better presentation.

The accompanying notes are an integral part of these interim financial statements.



Individual and consolidated interim financial statements for the three-month and nine-month periods ended September 30, 2022 and 2021  
All amounts in thousands of Reais unless otherwise stated



## STATEMENTS OF CASH FLOWS

	Parent Company		Consolidated	
	1/1 to 9/30/2022	1/1 to 9/30/2021	1/1 to 9/30/2022	1/1 to 9/30/2021
<b>Net cash provided by operating activities</b>	<b>4,420,148</b>	<b>3,430,126</b>	<b>5,036,374</b>	<b>3,476,193</b>
<b>Cash provided by operations</b>	<b>5,688,146</b>	<b>4,716,914</b>	<b>5,894,979</b>	<b>4,991,533</b>
Profit for the period from continuing operations	3,655,813	2,122,431	3,899,279	2,352,552
Profit for the period from discontinued operations	-	2,216	-	2,216
Depreciation and amortization	1,029,974	759,051	997,234	723,076
Change in the fair value of biological assets	(1,315,819)	(381,254)	(1,918,838)	(644,637)
Depletion of biological assets	1,106,160	1,100,000	1,381,152	1,240,928
Deferred income tax and social contribution	1,153,941	372,576	1,199,557	370,849
Interest and foreign exchange variations on borrowing and debentures	266,819	1,106,549	74,262	880,967
Realization of hedge reserve	(2,659)	16,088	(2,659)	16,088
Interest on leases	50,664	36,788	53,506	39,633
Foreign exchange variations on trade receivables and related parties	142,360	59,517	193,398	57,233
Allowance for expected credit losses	5,909	(2,955)	7,086	(13,409)
Estimated inventory losses	29,302	10,404	29,424	4,630
Result on disposal of assets	(10,714)	(9,849)	(10,714)	(9,849)
Share of profit (loss) of subsidiaries and joint ventures	(414,435)	(421,606)	(13,517)	(11,406)
Other	(9,169)	(53,042)	5,810	(17,338)
<b>Changes in assets and liabilities</b>	<b>(1,267,999)</b>	<b>(1,286,788)</b>	<b>(858,606)</b>	<b>(1,515,340)</b>
Trade receivables and related parties	(367,070)	(770,129)	(355,601)	(893,544)
Inventories	(294,074)	(501,773)	(376,736)	(414,880)
Taxes recoverable	331,732	748,686	354,663	724,671
Marketable securities	(524,321)	(645,898)	(523,885)	(646,890)
Other assets	(63,803)	(43,733)	(27,843)	(79,538)
Trade payables	(767,748)	(343,890)	(468,159)	(281,689)
Tax obligations	110,871	133,751	166,007	136,808
Social security and labor obligations	99,495	121,120	100,318	97,045
Other liabilities	570,302	108,343	661,781	156,504
Income tax and social contribution paid	(363,383)	(301,445)	(389,151)	(313,827)
Changes in assets and liabilities from mergers	-	208,180	-	-
<b>Net cash used in investing activities</b>	<b>(4,870,649)</b>	<b>(2,150,022)</b>	<b>(6,075,731)</b>	<b>(2,540,496)</b>
Purchases of property, plant and equipment	(3,520,237)	(1,686,957)	(4,545,361)	(1,934,078)
Planting and purchases of standing wood	(964,919)	(578,370)	(1,586,059)	(784,890)
Acquisition of investments and payment in subsidiaries (cash)	(459,231)	(85,645)	-	-
Proceeds from disposal of assets	49,419	168,133	49,419	168,133
Dividends received from subsidiaries	24,319	32,817	6,269	10,339
<b>Net cash provided by (used in) financing activities</b>	<b>(2,539,441)</b>	<b>192,119</b>	<b>(1,654,374)</b>	<b>813,905</b>
New borrowing	5,150,773	2,653,307	5,156,127	2,697,975
Repayment of borrowing and debentures	(4,506,998)	(1,102,131)	(4,451,050)	(1,039,578)
Payment of interest on borrowing and debentures	(1,646,362)	(1,203,898)	(1,375,259)	(840,035)
Payment of lease liabilities	(231,940)	(174,105)	(238,742)	(177,081)
Disposal of treasury shares	37,616	18,946	37,616	18,946
Advances on future capital increases	(220,530)	-	-	-
Capital increase in subsidiaries	-	-	414,551	287,000
Payment of dividends - SPCs and SPEs	-	-	(75,617)	(133,322)
Dividends/interest on capital paid	(1,122,000)	-	(1,122,000)	-
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(2,989,943)</b>	<b>1,472,223</b>	<b>(2,693,732)</b>	<b>1,749,602</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>5,966,190</b>	<b>4,529,748</b>	<b>6,405,200</b>	<b>5,208,830</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>2,976,247</b>	<b>6,001,971</b>	<b>3,711,468</b>	<b>6,958,432</b>

The accompanying notes are an integral part of these interim financial statements.

Individual and consolidated interim financial statements for the three-month and nine-month periods ended September 30, 2022 and 2021  
All amounts in thousands of Reais unless otherwise stated



## STATEMENTS OF VALUE ADDED

	Parent Company		Consolidated	
	1/1 to 9/30/2022	1/1 to 9/30/2021	1/1 to 9/30/2022	1/1 to 9/30/2021
<b>Revenue</b>				
Sales of products	17,124,050	13,604,135	17,324,947	14,047,446
Change in the fair value of biological assets	1,315,819	381,254	1,918,838	644,637
Other revenue	49,419	168,133	49,419	168,133
Allowance for expected credit losses (ECLs)	(5,909)	2,827	(7,086)	3,004
	<b>18,483,379</b>	<b>14,156,349</b>	<b>19,286,118</b>	<b>14,863,220</b>
<b>Inputs acquired from third parties</b>				
Cost of products sold	(6,107,968)	(4,709,454)	(6,264,828)	(4,757,198)
Materials, electricity, outsourced services and other	(3,150,161)	(2,511,881)	(2,850,252)	(2,375,924)
	<b>(9,258,129)</b>	<b>(7,221,335)</b>	<b>(9,115,080)</b>	<b>(7,133,122)</b>
<b>Gross value added</b>	<b>9,225,250</b>	<b>6,935,014</b>	<b>10,171,038</b>	<b>7,730,098</b>
<b>Retentions</b>				
Depreciation, amortization and depletion	(2,136,134)	(1,859,051)	(2,378,386)	(1,964,004)
<b>Net value added generated by the Company</b>	<b>7,089,116</b>	<b>5,075,963</b>	<b>7,792,652</b>	<b>5,766,094</b>
<b>Value added received through transfer</b>				
Share of profit (loss) of subsidiaries and joint ventures	414,435	421,606	13,517	11,406
Non-controlling interests	-	-	-	-
Finance income, including exchange variations	427,517	249,422	495,461	285,262
	<b>841,952</b>	<b>671,028</b>	<b>508,978</b>	<b>296,668</b>
<b>Total value added for distribution</b>	<b>7,931,068</b>	<b>5,746,991</b>	<b>8,301,630</b>	<b>6,062,762</b>
<b>Distribution of value added:</b>				
<b>Personnel</b>				
Direct compensation	1,137,439	984,804	1,160,136	1,004,751
Benefits	326,465	324,956	332,475	329,592
Government Severance Indemnity Fund for Employees (FGTS)	81,705	77,355	81,832	77,515
	<b>1,545,609</b>	<b>1,387,115</b>	<b>1,574,443</b>	<b>1,411,858</b>
<b>Taxes and contributions</b>				
Federal	1,943,501	1,039,289	2,043,576	1,076,106
State	213,843	217,991	213,843	217,991
Municipal	14,234	15,926	14,234	15,926
	<b>2,171,578</b>	<b>1,273,206</b>	<b>2,271,653</b>	<b>1,310,023</b>
<b>Remuneration of third party capital</b>				
Interest	558,068	962,023	556,255	986,113
	<b>558,068</b>	<b>962,023</b>	<b>556,255</b>	<b>986,113</b>
<b>Remuneration of own capital</b>				
Dividends and interest on capital	745,000	-	786,364	-
Retained earnings for the period	2,910,813	2,124,647	2,869,449	2,124,647
Profit for the period attributable to non-controlling interests	-	-	243,466	230,121
	<b>3,655,813</b>	<b>2,124,647</b>	<b>3,899,279</b>	<b>2,354,768</b>
<b>Value added distributed</b>	<b>7,931,068</b>	<b>5,746,991</b>	<b>8,301,630</b>	<b>6,062,762</b>

The accompanying notes are an integral part of these interim financial statements.

## 1. GENERAL INFORMATION

Klabin S.A. ("the Company"), its subsidiaries and joint ventures operate in various segments of the paper and pulp industry supplying the domestic and foreign markets with wood, pulp, packaging paper, paper sacks, and corrugated cardboard boxes. Their operations are vertically 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 on B3 S.A. - Brasil, Bolsa, Balcão ("B3") (São Paulo Stock Exchange) under the ticker KLBN11. The Company is domiciled in Brazil and has its headquarters in São Paulo.

The Company also has equity interests in other companies (Notes 3 and 12) with operating activities related to the Company's business objectives.

### 1.1 Effects of COVID-19

Following a fall in COVID-19 cases and increased vaccination rates across the country, all employees from the administrative areas returned to face-to-face work three days a week. This progressive return strategy was organized and planned to mitigate the risks of contagion. Although the progress of the vaccination program has led to a positive outlook for the global economy, it is likely that totally overcoming the economic effects of the pandemic will still take some time.

To date, the Company's Management has not identified significant impacts on its operations, which are part of the supply chain of basic necessities in the food, cleaning products and personal and hospital hygiene segments, which were boosted in the market to meet demand driven by COVID-19.

### 1.2 Effects of the Russia-Ukraine War

The Company has been monitoring possible direct and indirect impacts on the pulp and paper market related to the Russia-Ukraine war with the inflation caused by the increase in the price of oil, food and lack of energy in the European market. Petroleum products generate chemical products, some of which are used in industrial processes. Fuel is used to transport wood, raw materials and final products, and is also used to generate energy in some industrial units.

In this regard, the Company draws a high percentage of its fuel from renewable sources within the industrial process, which minimizes the impacts caused by the war. One of the recent innovations adopted by the Company is replacing fuel oil with a 100% clean and renewable energy source: biomass gasification,

The Company does not foresee any major impacts as it has low exposure to the Russian market.

This review considered subsequent events that occurred up to the date of issue of these interim financial statements, and no significant effects were identified that should be reflected in the interim financial statements for the three-month and nine-month periods ended September 30, 2022.

The Company believes that it is difficult to measure the impacts of the war, and that conditions, forecasts and analyses change continuously as global geopolitical events unfold.

### 1.3 ESG strategies

Klabin has been historically committed to Sustainability and maintains its trajectory towards the fulfillment of its sustainability agenda for 2030, Klabin's Sustainable Development Goals (KODS), with goals that organize the priority environmental, social and governance milestones and are in compliance with the Company's strategic growth plan and long-term vision, which were inspired by and focus on 14 of 17 goals set by the United Nations (UN). The performance of material themes and their respective goals are publicly and periodically disclosed in the Company's ESG Panel (<https://esg.klabin.com.br/>), which reinforces the commitment to transparency that the Company has with the market.

Since 2014, the Company is classified at B3's (Brasil, Bolsa, Balcão - São Paulo Stock Exchange) Corporate Governance Level 2, a segment that lists shares of companies that adopt differentiated governance practices. The Company has also been in the portfolio of B3's Corporate Sustainability Index (ISE) for nine consecutive years. ISE performs a comparative analysis of the performance of companies listed on B3 considering corporate sustainability aspects, based on economic efficiency, environmental balance, social justice and corporate governance. In 2021, the Company was selected for the second consecutive year to compose the Dow Jones Sustainability Index (DJSI) portfolio in its 2021/2022 edition. The Company integrates the index in two categories, World Index and Emerging Markets Index, being the only Brazilian industry included in the global category.

In 2022, Klabin expanded its public climate strategy reporting in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) guidelines, which, as part of the strategy of resilience to physical and transition climate risks, highlights the goals approved by the Science Based Targets Initiative, in line with the Paris Agreement and global climate commitments that set a path below the 2°C warming, in relation to pre-industrial levels, and aligning to science its consistent trajectory of 60% reduction of gases per ton of product, since 2003. Furthermore, Klabin has a positive carbon balance of 4.5 million metric tons of CO<sub>2</sub>eq, that is, its planted and native forests remove and store more carbon (11.1 kgCO<sub>2</sub>eq/metric ton product) than its industrial processes emit (6.6 kgCO<sub>2</sub>eq/metric ton product).

In addition, the Company reports the progress of investments and fulfillment of sustainability goals linked to financial instruments, as well as frameworks and second-party opinion on its Sustainable Finance page, in line with its long-term strategy and with

information audited based on methodological parameters, such as the International Capital Market Association (ICMA).

## **1.4 Statement of compliance**

The issue of these interim financial statements of the Company and its subsidiaries was authorized by the Finance Director on October 26, 2022.

Management has evaluated the Company's and its subsidiaries' ability to continue as a going concern, and believes that they have the necessary resources and ability to develop the business in the future on a continuing basis, and is not aware of any uncertainties that could cast significant doubt on their ability to continue as a going concern.

Management asserts that all information that is relevant to the interim financial statements, and only such information, is disclosed, and that it corresponds to the information used in managing the Company.

## **2. BASIS OF PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS**

### **2.1 Basis of presentation of the interim financial statements**

The Company's interim financial statements for the period ended September 30, 2022 comprise the individual and consolidated interim financial information, prepared based on all the relevant information of the Company, which corresponds to that used by management, in accordance with CPC 21 (R1) – "Interim Financial Reporting" and IAS 34 – "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB).

### **2.2 Summary of significant accounting policies adopted and statement of compliance**

The accounting practices, consolidation bases and calculation methods adopted for the preparation of the interim financial information, as well as the main judgments adopted when making the estimates used in the application of the accounting practices, are the same as those adopted for the preparation of the individual and consolidated financial statements for the year ended December 31, 2021, including the adoption of new accounting pronouncements, when applicable.  
Prospective data is not subject to audit review.

## **3. CONSOLIDATION OF FINANCIAL STATEMENTS**

Subsidiaries are fully consolidated from the date of acquisition of control, and continue to be consolidated until the date on which such control ceases to exist, except for joint ventures, which are accounted for using the equity accounting method, both in the

individual interim financial statements and in the consolidated interim financial statements.

The subsidiaries' interim financial statements are prepared for the same reporting period as the parent company, using accounting practices that are consistent with the practices adopted by the parent company. The following criteria were adopted for consolidation purposes: (i) investments in subsidiaries and the Company's share of the profit (loss) of subsidiaries and joint ventures are eliminated; and (ii) profits from intercompany transactions and the related assets and liabilities are also eliminated.

The consolidated interim financial statements cover Klabin S.A. and its subsidiaries at September 30, 2022, December 31, 2021 and September 30, 2021, as follows:

				Equity interest - %		
	Country	Activity	Interest	09/30/2022	12/31/2021	09/30/2021
Subsidiaries						
Klabin da Amazônia - Soluções em Embalagens de Papel Ltda	Brazil	Manufacture and sale of products	Direct	100	100	100
Klabin Argentina S.A.	Argentina	Industrial sacks	Direct	100	100	100
Klabin Áustria GmbH	Austria	Sale of products in the foreign market	Direct	100	100	100
Klabin do Paraná Produtos Florestais Ltda.	Brazil	Manufacture of herbal medicines	Direct	100	100	100
Klabin Finance S.A.	Luxembourg	Finance	Direct	100	100	100
Klabin Fitoprodutos Ltda.	Brazil	Manufacture of herbal medicines	Direct	100	100	100
Klabin Florestal Ltda.	Brazil	Forestry	Direct	-	100	100
Klabin Forest Products Company	United States	Sale of products in the foreign market	Direct	100	100	100
Klabin Paranaguá SPE S.A.	Brazil	Port services	Direct	100	100	100
Kla Holding S.A.	Brazil	Investments in companies	Direct	100	100	100
IKAPÉ Empreendimentos Ltda.	Brazil	Hotels	Direct	100	100	100
Monterla Holdings S.A.	Brazil	Investments in companies	Direct	-	100	100
Klabin Foryou Soluções em Papel S.A.	Brazil	Packaging customization services	Direct	100	100	100
Manacá Reflorestadora S.A. (i)	Brazil	Reforestation	Direct	100	100	-
Cambará Reflorestadora S.A. (i)	Brazil	Reforestation	Direct	100	100	-
Pinheiro Reflorestadora S.A. (i)	Brazil	Reforestation	Direct	100	-	-
Cerejeira Reflorestadora S.A. (i)	Brazil	Reforestation	Direct	50	100	100
Guaricana Reflorestadora S.A.	Brazil	Reforestation	Direct	35	35	35
Sapopema Reflorestadora S.A. (i)	Brazil	Reforestation	Direct	15	17	20
Aroeira Reflorestadora S.A. (i)	Brazil	Reforestation	Direct	12	18	22
Special Purpose Entities						
Harmonia	Brazil	Reforestation	Direct	81	73	71
Araucária	Brazil	Reforestation	Direct	72	63	60
Serrana	Brazil	Reforestation	Direct	70	65	78
Joint ventures (ii)						
Florestal Vale do Corisco S.A.	Brazil	Reforestation	Direct	51	51	51
Pinus Taeda Florestal S.A.	Brazil	Reforestation	Direct	26	26	26

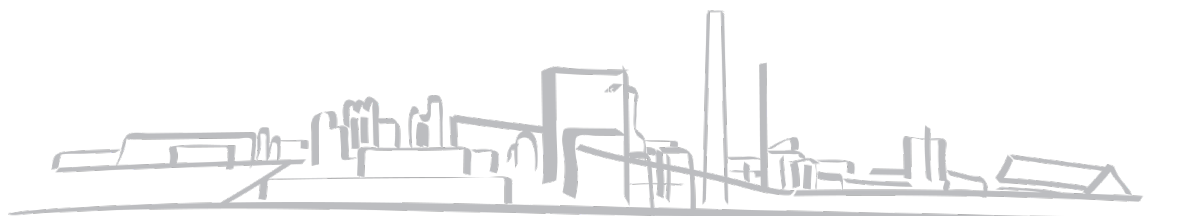
(i) See information in Note 4.

(ii) Investment in unconsolidated joint ventures, according to shareholder's agreement.



## 4. MAIN EVENTS OF THE PERIOD

### 4.1 Expansion project – “Puma II”



The construction of the second stage of the “PUMA II” project began in September 2021, 65% of the construction has already been concluded based on the measurements performed in October 2022 and startup is slated for the second quarter of 2023.

The gross investment budgeted for the construction of the Puma II Project, including the incremental investment to convert the machine from the second phase of the project to cardboard production, is R\$ 12,900,000 (subject to exchange rate fluctuations), of which R\$ 10,305,483 was disbursed by September 30, 2022, and the remainder by 2023. Approximately R\$ 1,000,000 relates to taxes recoverable.

Investments in the Project will be funded by the Company's cash position and cash generation from its current business, and may be complemented by withdrawals from contracted and unused financing facilities.

### 4.2 Expansion project – “Horizonte”

As announced to the market on February 8, 2022, the Company's Board of Directors approved the expansion of the corrugated cardboard conversion unit located in Horizonte, Ceará.

The project, whose start-up is scheduled for the first quarter of 2023, has an incremental production capacity of 80,000 tons of corrugated cardboard per year, and mainly aims to serve the growing fruit market in the northeast region of Brazil. The Project includes the acquisition of a corrugator and printer, in addition to the transfer of two printers from the Goiana (PE) unit. The investment totals R\$ 188,000, of which R\$ 100,000 is estimated to be disbursed in 2022, and the remainder in 2023.

Up to September 30, 2022, R\$ 28,849 had been disbursed.

### 4.3 Special Purpose Entities (SPEs) – Forestry

The purpose of the Forestry SPEs is to expand the Company's forest mass in partnership with investors, aiming to supplying current factories, as well as making expansion projects viable.

#### 4.3.1 Pinheiro Reflorestadora S.A.

On January 17, 2022, Pinheiro Reflorestadora S.A. was established with the main purpose of exploring forestry activity in the State of Rio Grande do Sul.

In 2022, advances for future capital increase were made by Klabin S.A. as follows:

Date	R\$	Common shares	Unit price	Unit issue price
04/28/2022	60,000	60,000,000	1.00	1.00
07/15/2022	35,000	35,000,000	1.00	1.00

#### 4.3.2 Cerejeira Reflorestadora S.A.

On September 5, 2022, an agreement was signed for investment in the SPE "JV Kaa-Aimara Project" with the main purpose of exploring and expanding the Company's forests.

The Company made a capital contribution of R\$ 8,500 for the SPE forest expansion, equivalent to 8,500,000 new common shares.

The investor KAA Empreendimentos Imobiliários, Atividades Florestais e Participações LTDA. ("KAA") contributed as follows: (i) capital contribution of R\$ 9,009; (ii) contribution of nearly 2 thousand hectares of planted forests in the amount of R\$ 75,566 and (iii) land contribution of R\$ 67,620, equivalent to 152,194,656 new common shares.

In turn, the investor Aimara Empreendimentos Imobiliários, Atividades Florestais e Participações LTDA ("AIMARA") contributed land in the amount of R\$ 21,200, equivalent to 21,200,000 new common shares.

In the same period, the Company acquired 82,403,079 new shares held by "KAA". The Company will pay a total amount of R\$ 62,937 to KAA.

The transaction resulted in a net effect of bargain purchase gain on the acquisition of shares in the amount of R\$ 19,466, recorded in the Company's statement of income as "other, net".

At September 30, 2022 the SPE's capital is R\$ 181,983, represented by 181,983,156 registered common shares with voting right, with no par value, fully paid-up. The SPE's total capital is represented as follows:

Shareholder	R\$	Number of shares	%
Klabin S.A.	90,992	90,991,579	50
KAA	69,791	69,791,577	38.35
Aimara	21,200	21,200,000	11.65
<b>Total</b>	<b>181,983</b>	<b>181,983,156</b>	<b>100.00</b>



#### 4.3.3 Sapopema Reflorestadora S.A.

At an extraordinary meeting, distribution of dividends was approved as follows:

Date	R\$	Klabin S.A.	TIMO
01/10/2022	30,000	7,784	22,216

In 2022 and 2021, capital increases, subscribed and paid up by TIMO, were approved through extraordinary meetings for the purchase of forests, as follows:

Date	R\$	Common shares	Unit price	Preferred shares	Unit issue price
01/12/2021	50,000	29,004,368	1.00	6,321,605	3.32
04/30/2021	50,000	-	-	15,054,570	3.32
09/14/2021	80,000	-	-	24,087,314	3.32
03/03/2022	30,000	-	-	18,065,484	3.32
04/08/2022	30,000	-	-	-	-

#### 4.3.4 Aroeira Reflorestadora S.A.

In 2022, capital increases, subscribed and paid up by TIMO, were approved through extraordinary meetings, for the purchase of the following forestry areas, as follows:

Shareholder	Date	R\$	Common shares	Unit price	Preferred shares	Unit issue price
TIMO	05/02/2022	195,560	-	-	44,163,637	4.30
Klabin (i)	06/08/2022	18,099	18,098,956	1.00	-	-
TIMO	06/20/2022	30,000	16,983,134	1.00	8,624,591	5.92
	08/10/2022	38,000	-	-	-	-

(i) Contribution in biological assets.

#### 4.3.5 Manacá Reflorestadora S.A.

In 2022 and 2021, capital increases, subscribed and paid up by Klabin S.A., and advances for future capital increase were approved through extraordinary meetings, as follows:

Type	Date	R\$	Common shares	Unit price
Capital increase	11/21/2021	100	100,000	1.00
Capital increase	01/26/2022	28,000	28,000,000	1.00
Advance for future capital increase	05/13/2022	1,200	1,200,000	1.00
Advance for future capital increase	05/30/2022	2,200	2,200,000	1.00
Advance for future capital increase	06/24/2022	4,600	4,600,000	1.00

#### 4.3.6 Cambará Reflorestadora S.A.

In 2022 advances for future capital increase were approved by Klabin S.A. as follows:

Type	Date	R\$	Common shares	Unit price
Advance for future capital increase	01/18/2022	106,000	106,000,000	1.00
Advance for future capital increase	04/25/2022	170,000	170,000,000	1.00
Advance for future capital increase	07/04/2022	114,000	114,000,000	1.00

#### 4.3.7 Construction of the Port of Paranaguá

At an extraordinary meeting held on April 29, 2022, a capital increase of R\$ 80,000 from the advance for future capital increase made on May 10, 2021 by Klabin S.A. and a new capital increase of R\$ 44,000 were approved, both subscribed and paid up through the issue of 124,000,000 new registered common shares with no par value at the unit issue price of R\$ 1.00.

#### 4.3.8 Figueira Project

As stated in a Material Fact to the market on July 20, 2022, in compliance with article 157, paragraph 4 of Law 6,404/76 and CVM Resolution 44/2021, the Company noted that the Company's Board of Directors approved, at a meeting held on that date, the construction of a new corrugated cardboard unit ("the Figueira Project" or "the Project").

The Project will be implemented in the city of Piracicaba, State of São Paulo. The site has a strategic location, 950 thousand m<sup>2</sup> of space and conditions to receive future projects of recycled paper production projects and additional capacity of corrugate cardboard.

The scope of the Project includes the installation of two corrugators and nine printers, in addition to all the infrastructure and support areas of the site. The annual production capacity of the new unit in Piracicaba will be of 240,000 tons of corrugated cardboard. After optimization of the current assets, the unit's incremental net capacity of corrugated cardboard will be of approximately 100,000 tons per year. With this Project and the addition of capacity of the Horizonte Project, Klabin's nominal capacity of corrugated cardboard conversion will be of approximately 1.3 million tons per year.

The investment in the Figueira Project totals R\$ 1,570,000, including around R\$ 200,000 of recoverable taxes. The disbursement will occur between the years 2022 and 2024 and will be financed by the Company's cash position. The Project start-up is scheduled for the second quarter of 2024.

The Figueira Project is aligned with Klabin's growth plan and reinforces its belief in the Brazilian market, especially of corrugated cardboard packaging, its commitment to the creation of sustainable value for all stakeholders and the confidence in its integrated, diversified and flexible business model.

#### 4.4 14<sup>th</sup> issue of debentures

On June 17, 2022, the Company informed the market through a Material Fact that its Board of Directors approved, at a meeting held on that date, the 14th issue of simple, non-convertible, unsecured debentures, in a single series, at the total principal amount of R\$ 2,500,000, with a rate corresponding to IPCA + 6.7694% p.a. and a term of 12

years. The Debentures were subject to a private placement, fully subscribed by the securitization company and linked to certificates of agribusiness receivables (CRA). The CRAs were object of a swap operation, exchanging the amount of principal from reais to dollars, with final fixed effective rate of 5.2% p.a. (Note 18).

#### 4.5 Interim dividends

At a meeting on May 3, 2022, the Board of Directors approved the payment of interim dividends made on May 18, 2022 in the amount of R\$ 346,000, of which R\$ 0.0628/share referring to the common and preferred shares and R\$ 0.3144/unit to the Units.

At a meeting on July 27, 2022, the Board of Directors approved the payment of interim dividends made on August 11, 2022 in the amount of R\$ 399,000, of which R\$ 0.0725/share referring to the common and preferred shares and R\$ 0.3626/Unit to the Units.

#### 4.6 Amendment to the financing agreement

Further to the Notice to the Market disclosed on October 31, 2019, on September 30, 2022 the Company signed an amendment to the financing agreement linked to the execution of the Puma II Project, comprising A-Loans and Co-Loans with BID Invest, IFC & JICA and B-Loans with commercial banks ("Financing"), changing the average payment term from 3.1 years to 6.9 years and maintaining the original cost of the Financing.

BID Invest, IFC and JICA are institutions recognized worldwide for supporting companies and sustainable projects aimed at achieving financial results and maximizing the economic, social and environmental development, reaffirming the Company's goods practices in these areas.

This transaction is part of the continuous liability management carried out, improving the Company's liquidity profile and indebtedness.

### 5. CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Cash and bank deposits - local currency	280	27,761	3,693	29,776
Cash and bank deposits - foreign currency	449,494	286,630	741,082	401,365
Financial investments - local currency	2,526,473	5,651,799	2,966,693	5,974,059
<b>Total cash and cash equivalents</b>	<b>2,976,247</b>	<b>5,966,190</b>	<b>3,711,468</b>	<b>6,405,200</b>

(i) Mainly in U.S. dollars.

(ii) Includes overnight operations.

Financial investments in local currency relating to Bank Deposit Certificates (CDBs) and other repurchase transactions are indexed to the Interbank Deposit Certificate (CDI) rate,

with an average annual yield of 14.08% in the period ended September 30, 2022 (9.51% at December 31, 2021). Financial investments in foreign currency relating to overnight operations have an average annual yield of 1.93% (0.30% at December 31, 2021), with immediate liquidity as guaranteed by the financial institutions.

## 6. MARKETABLE SECURITIES

Marketable securities comprise:

(i) National Treasury Bills ("LFT") and National Treasury Notes ("NTN-B"). LFT has yields indexed to the Special System for Settlement and Custody (SELIC) interest rate and maturities in 2023, and NTN-B has yields indexed to the Amplified Consumer Price Index (IPCA) + 5.10% (average) p.a. and maturities from 2023 to 2040, with an amount corresponding to R\$ 2,527,570 in the parent company and R\$ 2,541,120 in the consolidated at September 30, 2022 (R\$ 2,003,249 in the parent company and R\$ 2,017,235 in the consolidated at December 31, 2021).

(ii) Bonds purchased through the wholly-owned subsidiary Klablin Finance, denominated in U.S. Dollars, with fixed returns from 3.52% to 4.02%, maturing in 2028 and 2038 and with an amount corresponding to R\$ 13,550 at September 30, 2022 (R\$ 13,986 at December 31, 2021).

At September 30, 2022, the balance of these securities was R\$ 2,527,570 in the parent company and R\$ 2,541,120 in the consolidated (R\$ 2,003,249 and R\$ 2,017,235, respectively, at December 31, 2021). Given their features, their fair value is basically the principal plus interest as originally stipulated.

## 7. TRADE RECEIVABLES

	Parent Company (restated)		Consolidated (restated)	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
<b>Trade receivables</b>				
Local	2,119,538	1,933,163	2,154,703	1,960,100
Foreign	367,056	317,255	876,203	908,603
	<b>2,486,594</b>	<b>2,250,418</b>	<b>3,030,906</b>	<b>2,868,703</b>
Allowance for expected credit losses (ECLs)	(65,094)	(59,185)	(67,275)	(60,189)
<b>Total trade receivables</b>	<b>2,421,500</b>	<b>2,191,233</b>	<b>2,963,631</b>	<b>2,808,514</b>
<b>Past due</b>	<b>93,301</b>	<b>84,488</b>	<b>113,490</b>	<b>94,158</b>
Past due without ECL %	1.13%	1.12%	1.52%	1.18%
Not yet due	2,393,293	2,165,930	2,917,416	2,774,545
1 to 10 days	639	6,714	639	6,745
11 to 30 days	19,205	16,297	34,519	20,483
31 to 60 days	3,641	1,743	5,513	5,733
61 to 90 days	4,403	421	5,225	880
Over 90 days	65,413	59,313	67,594	60,317
<b>Total trade receivables</b>	<b>2,486,594</b>	<b>2,250,418</b>	<b>3,030,906</b>	<b>2,868,703</b>

At September 30, 2022, the average collection period for trade receivables is approximately 80 days (88 days at December 31, 2021) for domestic market sales, and approximately 121 days (125 days at December 31, 2021) for foreign market sales, and interest is charged after the contractual maturity date.

## 7.1 Allowance for expected credit losses (ECLs)

The allowance for expected credit losses (ECLs) is considered by Management to be sufficient to cover any losses on the outstanding receivables. The changes in the allowance for expected credit losses were as follows:

	Parent Company	Consolidated
<b>Balance at December 31, 2020</b>	<b>(56.106)</b>	<b>(76.110)</b>
ECLs for the year	(14.866)	(15.870)
Reversals of ECLs	16.765	28.055
Definitive write-off	2.803	3.736
Merger balance	(7.781)	-
<b>Balance at December 31, 2021</b>	<b>(59.185)</b>	<b>(60.189)</b>
ECLs for the year	(15.823)	(18.097)
Reversals of ECLs	6.817	7.914
Definitive write-off	3.097	3.097
<b>Balance at September 30, 2022</b>	<b>(65.094)</b>	<b>(67.275)</b>

The Company maintains an insurance policy for receivables in the domestic and foreign markets in the amounts of R\$ 240,000 and R\$ 160,000, respectively, for all business units, except for wood customers of the Forestry unit, in addition to certain customers that do not meet specific risk requirements, such as going concern status and liquidity. The current policy expires in September 2023.

## 7.2 Receivables discounting operations

In the nine-month period ended September 30, 2022, receivables discounting operations without the right of return were carried out with specific customers in the amount of R\$ 2,645,504 in the parent company and R\$ 5,118,009 in the consolidated (R\$ 1,992,000 in the parent company and R\$ 3,985,000 in the consolidated at December 31, 2021), for which all the risks and benefits associated with the assets were transferred to the counterparty, meaning that prepaid receivables with third parties were excluded from the interim financial statements since there is no right of return.

The amount recognized for the nine-month period ended September 30, 2022 was R\$ 104,089 in the parent company and R\$ 101,872 in the consolidated (R\$ 15,537 in the parent company and R\$ 54,367 in the consolidated at September 30, 2021). This operation is recognized in profit or loss under "discounts and Rebates" (Note 21).

Notes to the individual and consolidated interim financial statements  
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All amounts in thousands of Reais unless otherwise stated



## 8. RELATED PARTIES

### 8.1 Balances and transactions with related parties

											Parent Company			
											09/30/2022	09/30/2022	12/31/2021	09/30/2021
Type of relationship	Klabin Argentina (i) Subsidiary	Silent Partnership Companies (ii) Subsidiary	Klabin Austria (i) Subsidiary	Klabin Forest Products Company (i) Subsidiary	Pinheiro Reflorestadora (iv) Subsidiary	Aroeira Reflorestadora (ii) Subsidiary	Guaricana Reflorestadora (ii) Subsidiary	Sapopema Reflorestadora (ii) Subsidiary	Other (i) (ii) (iii) and (v)	Total	Klabin Austria (vi) Subsidiary	Total	Total	Total
<b>Balances</b>														
Current assets	178,462	22,846	143,241	43,797	-	1,065	110	1,226	11,107	401,854	-	401,854	533,074	415,121
Non-current assets	21	-	-	-	95,000	-	-	-	125,630	220,651	-	220,651	100,897	56
Current liabilities	-	24,120	-	583	-	-	-	-	625	25,328	60,672	86,000	341,433	73,752
Non-current liabilities	-	-	-	-	-	-	-	-	-	-	12,755,251	12,755,251	14,732,520	14,360,017
<b>Transactions</b>														
Sales revenue	58,528	50,864	4,032,983	74,027	-	10,222	1,325	9,250	44,208	4,281,407	-	4,281,407	4,410,070	2,939,826
Purchases	(2,081)	(103,880)	-	-	-	(62,936)	(51,844)	(27,770)	-	(248,511)	-	(248,511)	(268,926)	(285,485)
Interest expenses on financing	-	-	-	-	-	-	-	-	-	-	(685,235)	(685,235)	(977,272)	(702,632)
Guarantee commission - expenses	-	-	-	-	-	-	-	-	(113)	(113)	-	(113)	(595)	(482)

- (i) Balance receivable from product sale transactions carried out at prices and under terms (average of 180 days) and conditions established between the parties.  
(ii) Purchase of timber at prices and under terms (45 days) and conditions established between the parties. Considers all SCPs and SPEs described in Note 3.  
(iii) Guarantee commission paid semiannually, calculated based on the 7th issue debenture agreement.  
(iv) Advance for future capital increases.  
(vi) Financial operations between related parties (see Note 17)

## 8.2 Management and Supervisory Board compensation and benefits

Management and Supervisory Board compensation is determined by the shareholders at the Annual General Meeting (AGM), in accordance with the Brazilian corporate legislation and the Company's bylaws. Accordingly, at the AGM held on March 23, 2022, the shareholders determined the overall amount of the annual compensation of the Management and Supervisory Board as being up to R\$ 71,000 for 2022, of which R\$ 57,000 excluding the INSS, which is to be borne by the Company as instructed by the CVM (R\$ 58,000 for 2021, of which R\$ 49,000 not considering the INSS).

The table below shows the compensation of the Management and Supervisory Board:

	Parent Company and Consolidated							
	Short term		Long term					
	Board Fees (i)		Benefits (ii)		Bonus and share-based compensation (i) (iii)		Total compensation	
	1/1 to 9/30/2022	1/1 to 9/30/2021	1/1 to 9/30/2022	1/1 to 9/30/2021	1/1 to 9/30/2022	1/1 to 9/30/2021	1/1 to 9/30/2022	1/1 to 9/30/2021
Board of Directors and Supervisory Board	16,680	15,984	1,526	1,387	13,963	13,408	32,169	30,779

(i) Amount includes charges.  
(ii) The benefits granted are those usually practiced in the market for senior management.  
(iii) For Statutory Officers only.

In addition, the Company grants the Statutory Officers the ILP Matching and ILP Performance Plan, described in Note 24.

## 9. INVENTORIES

	Parent Company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Finished products	559,687	531,081	793,149	713,073
Work in progress	73,492	47,686	79,694	52,358
Timber and logs	276,162	209,084	276,162	209,138
Maintenance supplies	439,987	389,693	451,699	400,307
Raw materials	715,919	601,354	775,704	651,117
Estimated inventory losses	(65,554)	(36,252)	(66,697)	(37,273)
Other	39,436	31,711	40,995	14,674
<b>Total inventories</b>	<b>2,039,129</b>	<b>1,774,357</b>	<b>2,350,706</b>	<b>2,003,394</b>

Raw materials inventory includes paper rolls transferred from paper units to conversion units.

The expenses incurred for the recognition of estimated inventory losses is recorded in the statement of income under "cost of products sold".

The increase in the inventory of raw materials, as well as of wood and logs, is connected with the Puma II paper production machine, as mentioned in Note 4.1.

The Company does not have any inventory pledged as collateral.



## 10. TAXES RECOVERABLE

	09/30/2022		12/31/2021	
	Current Assets	Non-current Assets	Current Assets	Non-current Assets
Value-added Tax on Sales and Services (ICMS)	254,780	296,946	275,230	547,522
Social Integration Program (PIS)/Social Contribution on Revenue (COFINS)	336,196	11,357	51,901	18,403
Income Tax/Social Contribution (IR/CS)	-	156,782	-	130,481
Tax on Industrialized Products (IPI)	4,373	-	6,323	-
Special regime for the reintegration of tax amounts for exporting companies (Reintegra)	9,064	-	6,241	-
Other	1,827	5,260	3,635	5,198
<b>Parent Company</b>	<b>606,240</b>	<b>470,345</b>	<b>343,330</b>	<b>701,604</b>
Other (i)	60,508	-	57,671	-
<b>Consolidated</b>	<b>666,748</b>	<b>470,345</b>	<b>401,001</b>	<b>701,604</b>

(i) Balance includes the amount related to VAT calculated for companies abroad.

PIS/COFINS, IPI and ICMS within current assets are expected to be offset in the next 12 months. Based on analyses and budget projections approved by Management, the Company does not foresee any risk of non-realization of these tax credits.

## 11. CURRENT AND DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

The Company, included in the Taxable Profit regime, maintained the annual calculation system for the calendar year 2022, and maintained the cash regime for taxation of the foreign exchange variation, that is, exchange rate effects are taxable as and when they are settled.

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

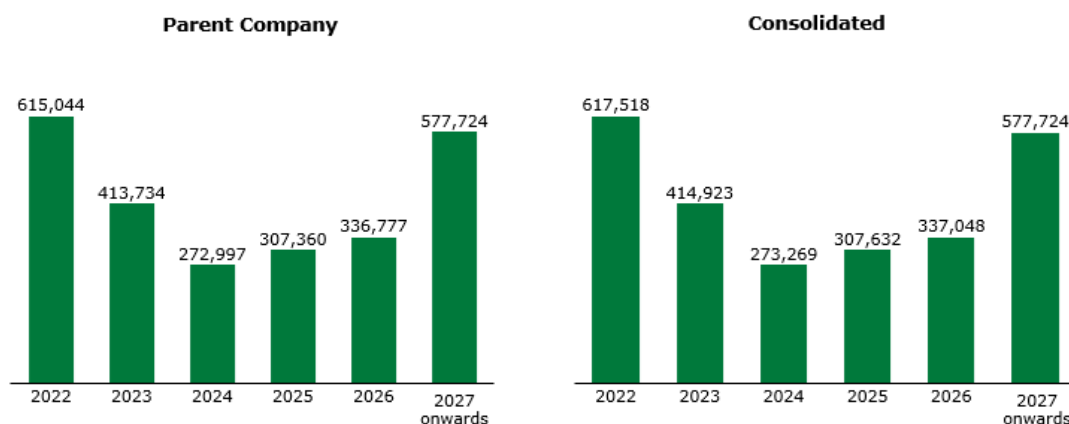
Pursuant to ICPC 22 – “Uncertainty Over Income Tax Treatments”, the Company maintains the concept evaluation procedures introduced by the standard with respect to any difference in interpretation with the tax authorities, and has not identified any aspects of its practices to be highlighted for the nine-month period ended September 30, 2022.



## 11.1 Nature and expected realization of deferred taxes

	Parent Company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Provision for tax, social security and civil contingencies	7,100	5,000	7,100	5,000
Nondeductible provisions	180,634	173,193	181,358	174,005
Tax losses and negative bases	129,715	304,716	130,583	308,713
Actuarial liability	127,223	124,061	128,316	125,083
Provision for labor contingencies	14,574	13,346	14,574	13,346
Foreign exchange variations	867,928	1,153,717	867,928	1,153,717
Gain or loss on financial instruments	233,985	845,755	233,985	845,755
Right-of-use assets (IFRS 16)	916,001	138,476	917,360	138,575
Other temporary differences	46,476	63,704	46,910	62,802
<b>Non-current assets</b>	<b>2,523,636</b>	<b>2,821,968</b>	<b>2,528,114</b>	<b>2,826,996</b>
Fair value of biological assets	781,070	549,337	821,313	577,009
Depreciation tax rate vs. useful life rate (Law 12,973/14)	573,013	474,144	573,102	474,166
Deemed cost of property, plant and equipment (land)	545,378	545,378	545,378	545,378
Interest capitalized (Law 12,973/14)	464,588	319,816	464,588	319,816
Asset revaluation reserve	25,092	25,092	25,092	25,092
Accelerated depreciation (Law 12,272/12)	57,742	62,423	57,742	62,423
Lease liabilities (IFRS 16)	881,642	113,969	882,981	114,066
Non-approved tax credit - Aparas (i)	-	-	-	-
Other temporary differences	51,409	79,446	82,594	79,445
<b>Non-current liabilities</b>	<b>3,379,934</b>	<b>2,169,605</b>	<b>3,452,790</b>	<b>2,197,395</b>
<b>Net balance in the balance sheet - assets/(liabilities)</b>	<b>(856,298)</b>	<b>652,363</b>	<b>(924,676)</b>	<b>629,601</b>

Management, based on the approved budget, estimates that the tax credits arising from temporary differences and tax losses will be realized as follows:



The projected realization of the balance considers the limitation on the utilization of tax losses of 30% of the actual profit for the year. The projection may not materialize if the estimates used differ from those which actually occur, which were analyzed based on the projections of future results prepared and based on internal assumptions and future economic scenarios, evaluated as part of the budget process approved by the Company's Management.

## 11.2 Analysis of income tax and social contribution in the results

	Parent Company			
	7/1 to 9/30/2022	1/1 to 9/30/2022	7/1 to 9/30/2021	1/1 to 9/30/2021
<b>Profit before income tax and social contribution</b>	<b>2,634,848</b>	<b>5,177,648</b>	<b>1,274,395</b>	<b>2,732,549</b>
Combined tax rate	34%	34%	34%	34%
<b>Tax (expense) income at nominal rate</b>	<b>(895,848)</b>	<b>(1,760,400)</b>	<b>(433,294)</b>	<b>(929,067)</b>
Permanent (additions) exclusions	(3,812)	(5,140)	(3,840)	(3,840)
Tax Incentives (PAT/LE/Deductions Donations)	24,799	47,897	24,584	24,584
Interest on capital	-	-	-	-
Share of profit (loss) of subsidiaries and joint ventures	147,172	140,908	70,714	143,346
Income tax and social contribution on SELIC	2,719	31,639	130,481	130,481
Investment subsidies (i)	8,444	24,139	19,207	19,207
Income tax and social contribution from prior years	8,616	25,145	-	-
Differences in income tax and social contribution rates of	-	-	9,043	9,043
Provision for profits earned abroad	(1,460)	(5,362)	(1,674)	(1,674)
Other	(1,824)	(1,824)	4,645	-
Unrecognized deferred taxes from prior years	(3,812)	(18,855)	-	-
Portion exempt from the 10% surcharge	6	18	18	18
<b>Income tax and social contribution</b>	<b>(715,000)</b>	<b>(1,521,835)</b>	<b>(180,117)</b>	<b>(607,902)</b>
Current	(93,300)	(367,893)	(38,034)	(235,326)
Deferred	(621,700)	(1,153,942)	(142,083)	(372,576)
<b>Effective rate</b>	<b>27.14%</b>	<b>29.39%</b>	<b>14.13%</b>	<b>22.25%</b>

(i) ICMS tax and financial benefits and incentives treated as investment subsidies, pursuant to Complementary Law 160/2017.

	Consolidated			
	7/1 to 9/30/2022	1/1 to 9/30/2022	7/1 to 9/30/2021	1/1 to 9/30/2021
<b>Profit before income tax and social contribution</b>	<b>2,796,542</b>	<b>5,522,583</b>	<b>1,406,918</b>	<b>2,975,550</b>
Combined tax rate	34%	34%	34%	34%
<b>Tax (expense) income at nominal rate</b>	<b>(950,824)</b>	<b>(1,877,678)</b>	<b>(478,352)</b>	<b>(1,011,687)</b>
Permanent (additions) exclusions	(3,812)	(5,152)	(3,914)	(3,914)
Tax Incentives (PAT/LE/Deductions Donations)	26,305	52,414	29,266	29,266
Interest on capital	-	-	-	-
Share of profit (loss) of subsidiaries and joint ventures	141,561	140,908	142,443	143,346
Income tax and social contribution on SELIC	2,719	31,639	130,481	130,481
Investment subsidies (i)	8,444	24,139	19,207	19,207
Income tax and social contribution from prior years	51,310	67,816	-	-
Differences in income tax and social contribution rates of	(13,204)	(31,402)	(81,570)	9,043
Provision for profits earned abroad	(1,460)	(5,362)	(1,674)	(1,674)
Other	(1,193)	(1,821)	52,463	65,114
Unrecognized deferred taxes from prior years	15,425	216	-	-
Portion exempt from the 10% surcharge	(19,057)	(19,021)	36	36
<b>Income tax and social contribution</b>	<b>(743,787)</b>	<b>(1,623,304)</b>	<b>(191,614)</b>	<b>(620,782)</b>
Current	(112,887)	(445,592)	(44,760)	(249,933)
Deferred	(630,903)	(1,177,713)	(146,854)	(370,849)
<b>Effective rate</b>	<b>26.60%</b>	<b>29.39%</b>	<b>13.62%</b>	<b>20.86%</b>

(i) ICMS tax and financial benefits and incentives treated as investment subsidies, pursuant to Complementary Law 160/2017.

Notes to the individual and consolidated interim financial statements  
for the three-month and nine-month periods ended September 30, 2022 and 2021  
All amounts in thousands of Reais unless otherwise stated



### 11.3 Analysis of income tax and social contribution in the statement of comprehensive income

	Note	Parent Company and Consolidated			
		7/1 to 9/30/2022	1/1 to 9/30/2022	7/1 to 9/30/2021	1/1 to 9/30/2021
Adjustment of cash flow hedge	28	251,803	(357,882)	530,568	288,479
Adjustment of actuarial liabilities		1,223	3,162	1,809	5,428
<b>Deferred</b>		<b>253,026</b>	<b>(354,720)</b>	<b>532,377</b>	<b>293,907</b>

Notes to the individual and consolidated interim financial statements  
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All amounts in thousands of Reais unless otherwise stated



## 12. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES

Parent Company												
	Klabin Finance S.A.	Klabin Áustria GmbH	Embacorp Sol. Embal. Papel Ltda	Riohold Holdings	Aroeira Reforest. S.A.	Sapopema Reforest. S.A.	Cerejeira Reforest. S.A.	Silent Partnership Companies	Joint ventures		Other	Total
					(iv)	(iv)	(iv)		Florestal Vale do Corisco S.A.	Pinus Taeda Florestal S.A.		
									(i)	(i)		
At December 31, 2020	126,827	311,745	-	425,667	-	126,334	-	631,643	157,963	98,109	212,212	2,090,500
Acquisition and capital contribution (iv)	-	-	-	-	53,657	-	88	-	-	-	86,460	140,205
Merger of subsidiaries (iv)	-	-	-	(425,667)	-	-	-	(246,868)	-	-	10,462	(662,073)
Transfer to assets held for sale .	-	-	(2,216)	-	-	-	-	-	-	-	-	(2,216)
Dividends distributed	-	-	-	-	-	(7,564)	-	(4,582)	(12,320)	(8,219)	(13,618)	(46,303)
Share of profit (loss) of subsidiaries and joint ventures (ii)	(107,447)	558,869	2,216	-	49,356	(3,602)	(55)	1,010	13,309	12,303	66,314	592,273
Foreign exchange variations on investments abroad (iii)	-	-	-	-	-	-	-	-	-	-	11,226	11,226
Unrealized intercompany profit	-	(184,747)	-	-	8,639	3,582	-	22,811	-	-	(9,538)	(159,253)
At December 31, 2021	19,380	685,867	-	-	111,652	118,750	33	404,014	158,952	102,193	363,518	1,964,359
Acquisition and capital contribution (iv)	-	-	-	-	18,099	-	90,904	-	-	-	570,758	679,761
Merger of subsidiaries (iv)	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to assets held for sale (v)	-	-	-	-	-	-	-	-	-	-	-	-
Dividends distributed	-	-	-	-	-	(7,784)	-	(1,712)	(3,719)	(2,550)	(8,554)	(24,319)
Share of profit (loss) of subsidiaries and joint ventures (ii)	(1,880)	48,710	-	-	2,562	13,072	(1)	200,458	13,356	162	119,635	396,073
Foreign exchange variations on investments abroad (iii)	-	-	-	-	-	-	-	-	-	-	4,836	4,836
Unrealized intercompany profit	-	59,863	-	-	(3,363)	(5,941)	-	(18,764)	-	-	(13,434)	18,362
At September 30, 2022	17,500	794,440	-	-	128,950	118,097	90,936	583,996	168,589	99,805	1,036,759	3,039,072
Summary of the financial information of subsidiaries at September 30, 2022												
Total assets	17,530	13,859,720	-	-	1,115,509	841,719	181,918	819,993	432,158	398,562		
Total liabilities	30	12,940,395	-	-	59,618	30,697	48	36,029	106,495	10,415		
Equity	17,500	919,325	-	-	1,055,891	811,022	181,870	783,965	304,379	390,758		
Profit (loss) for the period	(1,880)	48,710	-	-	167,656	91,393	(58)	184,860	21,284	(2,611)		

(ii) Because they are joint ventures (Note 3), Vale do Corisco and Pinus Taeda Florestal are not consolidated, and they are the only investments presented in the consolidated balance sheets as investments, with the recognition of the respective shares of the profit (loss) of subsidiaries and joint ventures.

(ii) Includes the effects of the variation and realization of the fair value of biological assets (Note 14) when the results of the subsidiary suffer such an impact, in addition to the foreign exchange variations on investments abroad not characterized as units.

(iii) Subsidiaries and associates with the characteristics of units with foreign exchange variations allocated to other comprehensive income.

(iv) See Note 4.

## 13. PROPERTY, PLANT AND EQUIPMENT

### 13.1 COMPOSITION OF PROPERTY, PLANT AND EQUIPMENT

	09/30/2022			12/31/2021		
Parent Company	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
Land	2,249,471	-	2,249,471	2,164,045	-	2,164,045
Buildings and construction	3,382,965	(930,907)	2,452,058	3,377,465	(842,327)	2,535,138
Machinery, equipment and facilities	19,856,832	(8,205,453)	11,651,379	19,032,748	(7,360,221)	11,672,527
Construction and installations in progress	5,089,459	-	5,089,459	2,360,463	-	2,360,463
Other (i)	664,406	(484,720)	179,686	602,473	(461,482)	140,991
<b>Total</b>	<b>31,243,133</b>	<b>(9,621,080)</b>	<b>21,622,053</b>	<b>27,537,194</b>	<b>(8,664,030)</b>	<b>18,873,164</b>
Consolidated						
Land	2,902,708	-	2,902,708	2,503,224	-	2,503,224
Buildings and construction	3,393,893	(932,760)	2,461,133	3,421,004	(851,832)	2,569,172
Machinery, equipment and facilities	19,892,066	(8,212,457)	11,679,609	19,059,463	(7,389,145)	11,670,318
Construction and installations in progress	5,847,872	-	5,847,872	2,648,029	-	2,648,029
Other (i)	682,347	(486,793)	195,554	625,075	(466,800)	158,275
<b>Total</b>	<b>32,718,886</b>	<b>(9,632,010)</b>	<b>23,086,876</b>	<b>28,256,795</b>	<b>(8,707,777)</b>	<b>19,549,018</b>

(i) Refers to vehicles, furniture and fittings and IT equipment and assets held by third parties.

### 13.2 Changes in property, plant and equipment

	Parent Company				
	Land	Buildings and construction	Machinery, equipment and facilities	Construction and installations in progress	Other
<b>At December 31, 2020</b>	<b>2,051,026</b>	<b>1,951,235</b>	<b>6,349,828</b>	<b>5,538,261</b>	<b>142,680</b>
Purchases (i) and (ii)	-	-	-	3,381,292	-
Disposals	-	(163)	(3,313)	-	(566)
Depreciation	-	(112,578)	(1,008,383)	-	(60,573)
Internal transfers	22,355	627,113	6,284,503	(7,001,030)	67,059
Embacorp merger	90,677	91,521	72,023	1,017	2,258
Interest capitalized (iii)	-	-	-	431,156	-
Other (iv)	(13)	(21,990)	(22,131)	9,767	(9,867)
<b>At December 31, 2021</b>	<b>2,164,045</b>	<b>2,535,138</b>	<b>11,672,527</b>	<b>2,360,463</b>	<b>140,991</b>
Purchases (i) and (ii)	8,660	-	-	3,355,663	-
Disposals	-	(12,903)	(2,995)	-	(24)
Depreciation	-	(98,102)	(930,461)	-	(40,686)
Internal transfers	76,766	21,848	920,812	(1,103,568)	84,142
Interest capitalized (iii)	-	-	-	476,818	-
Other (iv)	-	6,077	(8,504)	83	(4,737)
<b>At September 30, 2022</b>	<b>2,249,471</b>	<b>2,452,058</b>	<b>11,651,379</b>	<b>5,089,459</b>	<b>179,686</b>

(i) Net of taxes recoverable (Note 10).

(ii) See information in Note 4.

(iii) Capitalized interest on loans related to ongoing projects.

(iv) Includes subsidies and transfers to other balance sheet groups.

						Consolidated
	Land	Buildings and construction	Machinery, equipment and facilities	Construction and installations in progress	Other	Total
At December 31, 2020	2,374,134	2,074,808	6,432,157	5,648,428	141,246	16,670,773
Purchases (i) and (ii)	-	-	-	3,741,272	-	3,741,272
Disposals	-	(163)	(3,313)	-	(566)	(4,042)
Depreciation	-	(113,011)	(1,011,353)	-	(60,914)	(1,185,278)
Internal transfers	132,452	625,700	6,278,463	(7,104,016)	67,401	-
Interest capitalized (iii)	-	-	-	431,156	-	431,156
Other (iv)	(3,362)	(18,162)	(25,636)	(68,811)	11,108	(104,863)
At December 31, 2021	2,503,224	2,569,172	11,670,318	2,648,029	158,275	19,549,018
Purchases (i) and (ii)	165,335	-	8	4,010,789	-	4,176,132
Disposals	-	(12,903)	(2,995)	-	(24)	(15,922)
Depreciation	-	(98,296)	(931,970)	-	(41,293)	(1,071,559)
Internal transfers	242,844	21,848	931,778	(1,286,002)	89,532	-
Interest capitalized (iii)	-	-	-	476,818	-	476,818
Other (iv)	(8,695)	(18,688)	12,470	(1,762)	(10,936)	(27,611)
At September 30, 2022	2,902,708	2,461,133	11,679,609	5,847,872	195,554	23,086,876

(i) Net of taxes recoverable (Note 10).

(ii) See information in Note 4.

(iii) Capitalized interest on loans related to ongoing projects.

(iv) Includes subsidies and transfers to other balance sheet groups.

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

### 13.3 Construction and installations in progress

At September 30, 2022, the balance of construction and installations in progress refers mainly to projects for the development of industrial facilities, such as the construction of a paper machine for complementary fiber production, integrated with a cardboard machine, located at Klabin's industrial unit in the municipality of Ortigueira (PR), as part of the second phase of the Puma II Project, as described in Note 4. It also includes a new miscellaneous line (tuber and banding machine) for the unit in Lages (SC), scheduled for completion in February 2023, the replacement of an electrostatic precipitator at the unit in Correia Pinto (SC), scheduled for completion in December 2022 and the construction at the Monte Alegre (PR) unit of a water treatment plant for boiler IV, with completion slated for December 2022, whose capitalization has been partially carried out, as well as other projects associated with the Company's operational continuity.

### 13.4 Impairment of assets

In the nine-month period ended September 30, 2022, the Company assessed the impairment indicators related to the business, recoverable value of assets and climate risks, and did not identify any event that would indicate the need to conduct an impairment testing of assets.

## 14. BIOLOGICAL ASSETS

The Company's biological assets are comprised of pine and eucalyptus trees (tree species) for the supply of raw materials for the production of short, long and fluff fiber pulp used to manufacture paper and for the sale of logs to third parties.

At September 30, 2022, the Company and its subsidiaries own 297,000 hectares (277,000 hectares at December 31, 2021) of planted areas, not including permanent preservation areas and legal reserves it maintains in compliance with Brazilian environmental legislation.

The balance of the Company's biological assets recorded at fair value is as follows:

	Parent Company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Cost of development of biological assets	2,887,166	2,168,680	4,239,913	3,026,145
Fair value adjustment of biological assets	2,295,983	1,603,511	3,602,583	2,501,905
	<b>5,183,149</b>	<b>3,772,191</b>	<b>7,842,496</b>	<b>5,528,050</b>

In the nine-month period ended September 30, 2022 and in the year ended December 31, 2021, no need for impairment provision was identified.

#### 14.1 Assumptions regarding the recognition of the fair value of biological assets

The fair value measurement of biological assets considers certain estimates, such as: the price of wood, the discount rate, the harvesting plan for the forests and the productivity level, all of which are subject to uncertainties and fluctuations which could impact the Company's future results.

The Company recognizes its biological assets at fair value. When calculating this fair value, the Company adopts the following assumptions:

- (i) Eucalyptus forests are maintained at historical cost through the third year of planting and pine forests through the fifth year of planting, based on Management's understanding that during this period the historical cost of biological assets will approximate their fair value, in addition to the fact that it is only possible to carry out inventories to assess the growth and expected production of the forest after this period;
- (ii) After the third and fifth years of the planting of eucalyptus and pine forests, respectively, the forests are measured at fair value, which reflects the sales price of the asset less the costs necessary to prepare the assets for their intended use or sale;
- (iii) The methodology utilized in the fair value measurement of biological assets is based on the discounted future cash flows, estimated according to the projected productivity cycle of the forests, taking into consideration price variations and the growth of biological assets;
- (iv) The discount rate utilized for cash flows is the Company's weighted average cost of capital, which is reviewed annually by Management as part of the budget process or to the extent there are situations that require such a review;

(v) The projected productivity volumes of forests are determined based on a categorization which considers the forest type, genetic material, handling system, productive potential, rotation, region and age. Together, these characteristics make up an index called the Average Annual Growth (AAG) index, which is expressed in cubic meters per hectare/year, and which is utilized as the basis for projecting a forest's productivity. The Company's harvesting plan timescale varies mainly from 6 to 7 years for eucalyptus trees and 14 and 15 years for pine trees;

(vi) The prices of biological assets (standing timber), denominated in R\$/cubic meter, are obtained through market price surveys carried out by specialized firms. The prices obtained are subject to the deduction of the cost of capital relating to land, since this asset contributes to the planting of forests, and other costs necessary to prepare the assets for sale or consumption;

(vii) Planting expenses related to the costs of developing the biological assets;

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

(ix) The Company reviews the fair value of its biological assets on a quarterly basis, since it understands that this period is sufficiently short to prevent any significant misstatement of the fair value of the biological assets recorded in its interim financial statements.



## 14.2 Reconciliation and movements in fair value

	Parent Company	Consolidated
<b>At December 31, 2020</b>	<b>3,357,941</b>	<b>4,657,821</b>
<b>Planting and purchases of standing wood (i)</b>	<b>989,974</b>	<b>1,254,264</b>
<b>Depletion:</b>	<b>(1,457,850)</b>	<b>(1,692,826)</b>
Historical cost	(662,503)	(746,186)
Fair value adjustment	(795,347)	(946,640)
<b>Change in fair value due to:</b>	<b>866,240</b>	<b>1,308,791</b>
Price	971,361	1,445,962
Growth (iii)	(105,121)	(137,171)
<b>Contribution/Establishment of subsidiary (ii)</b>	<b>(53,657)</b>	<b>-</b>
<b>Fair value adjustment on contribution/establishment of subsidiary (ii)</b>	<b>(117,237)</b>	<b>-</b>
<b>Dissolution of SPC</b>	<b>186,780</b>	<b>-</b>
<b>At December 31, 2021</b>	<b>3,772,191</b>	<b>5,528,050</b>
<b>Planting and purchases of standing wood (i)</b>	<b>1,219,398</b>	<b>1,776,760</b>
Pine	731,492	1,057,726
Eucalyptus	487,906	719,034
<b>Depletion:</b>	<b>(1,106,160)</b>	<b>(1,381,152)</b>
<b>Historical cost</b>	<b>(482,815)</b>	<b>(562,937)</b>
Pine	(323,414)	(388,485)
Eucalyptus	(159,401)	(174,452)
<b>Fair value adjustment</b>	<b>(623,345)</b>	<b>(818,215)</b>
Pine	(372,832)	(526,447)
Eucalyptus	(250,513)	(291,768)
<b>Change in fair value due to:</b>	<b>1,315,819</b>	<b>1,918,838</b>
<b>Price</b>	<b>952,309</b>	<b>1,419,211</b>
Pine	707,700	1,098,335
Eucalyptus	244,609	320,876
<b>Growth (iii)</b>	<b>363,510</b>	<b>499,627</b>
Pine	465,331	591,153
Eucalyptus	(101,821)	(91,526)
<b>Contribution to subsidiary (ii)</b>	<b>(18,099)</b>	<b>-</b>
<b>At September 30, 2022</b>	<b>5,183,149</b>	<b>7,842,496</b>

(i) Net of taxes recoverable (Note 10).

(ii) See information in Note 4, related to forest additions in the establishment and capital contribution of subsidiaries.

(iii) In addition to the effect of forest growth due to its upcoming harvest, this amount refers 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 of administrative costs, and others.

The depletion of biological assets for the nine-month period ended September 30, 2022 and for the year ended December 31, 2021 was substantially appropriated to production cost, after allocation to inventories through forest harvesting and use in the production process or sale to third parties.

## 14.3 Sensitivity analysis

In accordance with CPC 46 (equivalent to IFRS 13) - "Fair Value Measurement", the calculation of biological assets is classified at Level 3 of the fair value hierarchy due to its complexity and calculation structure.

The assumptions applied include sensitivity to the prices used in the evaluation, and the discount rate used to obtain the discounted cash flow. Prices refer to the prices obtained in the regions in which the Company is located. The discount rate corresponds to the average cost of capital, taking into consideration the basic interest rate (SELIC) and inflation levels.

The weighted average price used for the appraisal of the biological assets at September 30, 2022 was R\$122/m3 (R\$93/m3 at December 31, 2021).

The effects of a significant increase (decrease) in the discount rate used in the measurement of the fair value of biological assets would result in a decrease (increase) in the values measured. At September 30, 2022, the Company used a weighted average cost of capital of 5.72% in local currency for the parent company and 7.15% for the subsidiaries (4.48% for the parent company and 5.34% for the subsidiaries at December 31, 2021).

## 15. TRADE PAYABLES

	Parent Company		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Local currency	1,655,155	1,754,959	1,748,797	1,784,387
Foreign currency	360,093	134,477	418,083	206,716
<b>Total trade payables (without Forfait)</b>	<b>2,015,248</b>	<b>1,889,436</b>	<b>2,166,880</b>	<b>1,991,103</b>
Local currency (Forfait)	508,717	513,724	508,717	513,724
<b>Total trade payables</b>	<b>2,523,965</b>	<b>2,403,160</b>	<b>2,675,597</b>	<b>2,504,827</b>

The Company generally operates with an average payment term of approximately 65 days with its operational suppliers (67 days at December 31, 2021). In the case of suppliers of property, plant and equipment, the payment terms are based on the commercial negotiations for each transaction.

### 15.1 Trade payables (Forfaiting)

The balance of trade payables (Forfaiting) at September 30, 2022, in the amount of R\$ 508,717 (R\$ 513,724 at December 31, 2021) in the parent company and in the consolidated, saw no material changes in terms of procurement conditions (negotiated payment terms and prices), remaining at normal market conditions. These transactions enable suppliers to manage better their cash flow needs, benefiting from improved trade relations with the Company.

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

### 16.1 Breakdown of and changes to right-of-use assets and lease liabilities

At September 30, 2022, the Company had 480 lease contracts in the parent company and 509 in the consolidated (451 in the parent company and 469 in the consolidated at December 31, 2021). The breakdown of and changes to right-of-use assets and lease liabilities are as follows:

Parent Company						
Right-of-use assets	12/31/2021	Amortization	Additions/Write-offs	09/30/2022		
Land	593,969	(33,577)	163,346	723,738		
Buildings	45,599	(10,291)	5,692	41,000		
Machinery and equipment	380,383	(99,134)	378,225	659,474		
Merger balance	1,297	-	-	1,297		
<b>Total assets</b>	<b>1,021,248</b>	<b>(143,002)</b>	<b>547,263</b>	<b>1,425,509</b>		
Lease liabilities	12/31/2021	Payments		Additions/Write-offs	Transfer Current/ Non-current	09/30/2022
Current liabilities	182,714	Interest	Installment	122,343	131,191	254,972
Non-current liabilities	867,689	-	(231,940)	467,039	(131,191)	1,203,537
<b>Total liabilities</b>	<b>1,050,403</b>	<b>50,664</b>	<b>(231,940)</b>	<b>589,382</b>	<b>-</b>	<b>1,458,509</b>

(i) transfers from noncurrent to current

Consolidated						
Right-of-use assets	12/31/2021	Amortization	Additions/Write-offs	09/30/2022		
Land	630,488	(35,920)	228,366	822,934		
Buildings	45,890	(10,291)	5,692	41,291		
Machinery and equipment	381,721	(99,801)	381,165	663,085		
<b>Total assets</b>	<b>1,058,099</b>	<b>(146,012)</b>	<b>615,223</b>	<b>1,527,310</b>		
Lease liabilities	12/31/2021	Payments		Additions/Write-offs	Transfer Current/ Non-current	09/30/2022
Current liabilities	185,667	Interest	Installment	125,052	132,610	258,093
Non-current liabilities	901,034	-	(238,742)	532,721	(132,610)	1,301,145
<b>Total liabilities</b>	<b>1,086,701</b>	<b>53,506</b>	<b>(238,742)</b>	<b>657,773</b>	<b>-</b>	<b>1,559,238</b>

(i) transfers from noncurrent to current

Parent Company						
Right-of-use assets	12/31/2020	Amortization	Additions/Write-offs	12/31/2021		
Land	501,910	(41,772)	133,831	593,969		
Buildings	8,325	(11,816)	49,090	45,599		
Machinery and equipment	293,242	(142,388)	229,529	380,383		
Merger balance	-	-	1,297	1,297		
<b>Total assets</b>	<b>803,477</b>	<b>(195,976)</b>	<b>413,747</b>	<b>1,021,248</b>		
Lease liabilities	12/31/2020	Payments		Additions/Write-offs	Transfer Current/ Non-current	Merger
Current liabilities	141,837	Interest	Installment	141,585	154,728	1,078
Non-current liabilities	676,464	(16,805)	(239,709)	393,248	(154,728)	219
<b>Total liabilities</b>	<b>818,301</b>	<b>(64,319)</b>	<b>(239,709)</b>	<b>534,833</b>	<b>-</b>	<b>1,297</b>

(i) transfers from noncurrent to current

Notes to the individual and consolidated interim financial statements  
for the three-month and nine-month periods ended September 30, 2022 and 2021  
All amounts in thousands of Reais unless otherwise stated



Consolidated						
Right-of-use assets	12/31/2020	Amortization	Additions/Write-offs	12/31/2021		
Land	504,973	(43,082)	168,597	630,488		
Buildings	8,712	(11,080)	48,258	45,890		
Machinery and equipment	294,735	(142,543)	229,529	381,721		
Total assets	808,420	(196,705)	446,384	1,058,099		
Payments						
Lease liabilities	12/31/2020	Interest	Installment	Additions/Write-offs	Transfer Current/ Non-current	12/31/2021
Current liabilities	143,721	(18,805)	(243,179)	148,037	155,893	185,667
Non-current liabilities	679,591	(49,514)	-	426,850	(155,893)	901,034
Total liabilities	823,312	(68,319)	(243,179)	574,887	-	1,086,701

(i) transfers from noncurrent to current

In the nine-month period ended September 30, 2022, the Company recognized an expense of R\$ 15,335 related to short-term leases (contracts of less than 12 months) or operations involving low-value assets (R\$ 8,337 at September 30, 2021).

## 16.2 Maturity schedule of the leases

Parent Company					Consolidated			
09/30/2022					09/30/2022			
	Land	Buildings	Machinery and equipment	Total	Land	Buildings	Machinery and equipment	Total
2022	20,990	3,940	60,260	85,190	24,067	3,940	60,440	88,447
2023	85,166	13,683	231,114	329,963	96,420	13,683	231,828	341,931
2024	78,755	10,787	186,346	275,888	90,009	10,787	186,995	287,791
2025	76,277	10,588	149,042	235,907	87,531	10,588	149,691	247,810
2026 - 2030	360,770	5,510	131,433	497,713	415,592	5,510	132,298	553,400
2031 - 2035	321,209	-	-	321,209	375,307	-	-	375,307
2036 - 2040	157,200	-	-	157,200	192,162	-	-	192,162
2041 - 2058	170,873	-	-	170,873	208,076	-	-	208,076
	<b>1,271,240</b>	<b>44,508</b>	<b>758,195</b>	<b>2,073,943</b>	<b>1,489,164</b>	<b>44,508</b>	<b>761,252</b>	<b>2,294,924</b>
Embedded interest	(530,008)	(2,487)	(82,939)	(615,434)	(649,867)	(2,487)	(83,332)	(735,686)
<b>Lease liabilities</b>	<b>741,232</b>	<b>42,021</b>	<b>675,256</b>	<b>1,458,509</b>	<b>839,297</b>	<b>42,021</b>	<b>677,920</b>	<b>1,559,238</b>

## 16.3 Potential right to PIS/COFINS recoverable

The Company has a potential right to PIS/COFINS recoverable embedded in the consideration associated with leases of buildings, machinery and equipment. For the measurement of cash flow from leases, tax credits were not separately disclosed, and the potential effects of PIS/COFINS are as presented in the following table:

Parent Company and Consolidated		
Cash flow	Nominal	Adjusted to present value
Lease consideration	805,760	719,941
PIS/COFINS (9.25%)	74,533	66,595

## 17. BORROWINGS

### 17.1 Breakdown of borrowings

Annual interest rate - %		09/30/2022		
		Current	Non-current	Total
<b>In local currency</b>				
BNDES - Project Puma II	TLP + 3.58%	190,890	2,999,692	3,190,582
BNDES - Other	TJLP	20,424	140,195	160,619
Export credit notes (in R\$)	102% of CDI	7,863	350,000	357,863
CRA	95% to 102% of CDI or IPCA + 3.50% to IPCA + 4.51%	239,979	1,950,000	2,189,979
Other	0.76% to 8.5%	634	1,818	2,452
Borrowing cost		(25,356)	(190,401)	(215,757)
		434,434	5,251,304	5,685,738
<b>In foreign currency (i)</b>				
Export prepayments (ii)	USD + 5.40%	12,368	675,825	688,193
Export credit notes (ii)	4.70%, 5.64% and 5.67%	63,756	1,125,491	1,189,247
Export prepayments in subsidiaries	USD + 5.20% to 8.29%	60,672	12,755,251	12,815,923
Term Loan (BID Invest and IFC) (ii)	Libor + 1.59%	4,488	455,254	459,742
Finnvera (ii)	USD + Libor + 0.40% to 0.95% or USD + 3.38%	323,477	1,498,572	1,822,049
CRA		232,187	3,466,312	3,698,499
ECA (ii)	EUR + 0.45%	6,123	68,713	74,836
Borrowing cost		(36,539)	(191,241)	(227,780)
		666,532	19,854,177	20,520,709
<b>Financial instruments</b>				
Gain (loss) on derivative instruments (swap) (ii)	4.70% to 5.67%	-	244,988	244,988
		-	244,988	244,988
<b>Total Parent Company</b>		<b>1,100,966</b>	<b>25,350,469</b>	<b>26,451,435</b>
<b>Subsidiaries:</b>				
<b>In foreign currency (i)</b>				
Bonds (Notes) (ii)	3.20% to 7.00%	37,755	12,705,122	12,742,877
Borrowing cost		(12,438)	(80,679)	(93,117)
		25,317	12,624,443	12,649,760
<b>Elimination of prepayments in subsidiaries</b>		<b>(60,672)</b>	<b>(12,755,251)</b>	<b>(12,815,923)</b>
<b>Total Consolidated</b>		<b>1,065,611</b>	<b>25,219,661</b>	<b>26,285,272</b>

(i) In U.S. Dollars.

(ii) Transaction designated as subject to hedge accounting, see Note 28.

	Annual interest rate - %	Restated 12/31/2021		
		Current	Non-current	Total
<b>In local currency</b>				
BNDES - Project Puma II	TLP + 3.58%	43,522	1,104,452	1,147,974
BNDES - Other	TJLP	10,910	154,515	165,425
Export credit notes (in R\$)	102% of CDI	9,410	350,000	359,410
CRA	95% to 102% of CDI or IPCA + 3.50% to IPCA + 4.51%	1,235,193	2,916,310	4,151,503
Other	0.76% to 8.5%	1,907	3,259	5,166
Borrowing cost		(14,690)	(70,564)	(85,254)
		1,286,252	4,457,972	5,744,224
<b>In foreign currency (i)</b>				
Export prepayments (ii)	USD + 5.40%	3,244	697,563	700,807
Export credit notes (ii)	4.70%, 5.64% and 5.67%	17,732	3,004,373	3,022,105
Export prepayments in subsidiaries	USD + 5.20% to 8.29%	329,296	14,732,520	15,061,816
Term Loan (BID Invest and IFC) (ii)	Libor + 1.59%	51,691	508,923	560,614
Finnvera (ii)	USD + Libor + 0.60% to 0.95% or USD + 3.38%	251,186	1,051,719	1,302,905
ECA (ii)	EUR + 0.45%	7,339	25,494	32,833
Borrowing cost		(33,134)	(185,296)	(218,430)
		627,354	19,835,296	20,462,650
<b>Financial instruments</b>				
Gain (loss) on derivative instruments (swap) (ii)	4.70% to 5.67%	-	1,688,053	1,688,053
		-	1,688,053	1,688,053
<b>Total Parent Company</b>		<b>1,913,606</b>	<b>25,981,321</b>	<b>27,894,927</b>
<b>Subsidiaries:</b>				
<b>In foreign currency (i)</b>				
Bonds (Notes) (ii)	3.20% to 7.00%	234,277	14,632,136	14,866,413
Borrowing cost		(13,592)	(97,016)	(110,608)
		220,685	14,535,120	14,755,805
<b>Elimination of prepayments in subsidiaries</b>		<b>(329,296)</b>	<b>(14,732,520)</b>	<b>(15,061,816)</b>
<b>Total Consolidated</b>		<b>1,804,995</b>	<b>25,783,921</b>	<b>27,588,916</b>

(i) In U.S. Dollars.

(ii) Transaction designated as subject to hedge accounting, see Note 28.

The item "Gain/loss with derivative instruments (swap)" for the year ended December 31, 2021, presented in the composition of loans and financing, was reclassified to the group of "Financial Instruments" to allow comparability with the quarterly report of September 30, 2022.

On July 27, 2017, the head of the Financial Conduct Authority (FCA) announced the discontinuity of the use of the London Interbank Offered Rate (LIBOR). It became applicable at the end of 2021 for new contracts. As for existing contracts, the discontinuity will be applied in June 2023. Most likely the trading rate of the contract indexes will be replaced by the Secured Overnight Financing Rate (SOFR), which is the rate most used by banks in the market currently. With the data available at the moment, no significant impacts on the Company's finance result are expected.

#### **a) National Bank for Economic and Social Development (BNDES)**

The Company has contracts with BNDES for the financing of industrial and forest development projects, social projects and the Puma II paper production expansion project, the settlement of which is projected to take place in 2039. This financing is repaid monthly, along with the related interest.

#### **b) Export prepayments and export credit notes**

Export prepayment and credit note transactions (in R\$ and US\$) were carried out for the purposes of working capital management and the development of the Company's operations. These agreements will be settled up to April 2029.

#### **c) Bonds (Notes)**

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

At September 30, 2022, the Bonds in effect are:

Type	Fundraising	Amount raised (USD)	Term	Maturity	Coupon	Yield	Amortization	Repurchase	
								Date	Amount (USD)
Bonds	Jul-14	500,000	10 years	2024	5.25%		Semiannual	Apr-19	228,500
								Jan-21	98,000
								Mar-22	36,000
Green Bonds	Sep-17	500,000	10 years	2027	4.88%		Semiannual	2020	10,000
								Mar-22	235,000
Green Bonds	Mar-19	500,000	10 years	2029	5.75%		annual	2020	18,500
Green Bonds	Mar-19	500,000	30 years	2049	7%		annual		
Bonds	Jul-19	250,000	10 years	2029	5.75%	4.90%	annual		
Green Bonds	Jan-20	200,000		2049	7%	6.10%	annual		
Sustainability Linked Bonds (SLB)	Jan-21	500,000	10 years	2031	3.20%		annual		

On March 21, 2022, early partial repurchases of \$ 36,000 and \$ 235,000 U.S. Dollars were carried out. These repurchases are in line with the Company's debt management strategy.

#### d) Finnvera (Finnish Export Credit Agency)

As part of the funds necessary for the execution of the Puma Project, the Company entered into a loan agreement for the financing of the assets acquired from the Puma I Project. \$ 67,000 U.S. Dollars was capitalized for the Puma II Project in 2020 and \$ 165,000 U.S. Dollars in March 2022 with an interest rate of LIBOR 6M + 0.60% p.a. maturing in 2031.

#### e) Term Loans (BID Invest and IFC)

As part of the funding for the Puma II Project, the Company contracted financing composed of A-Loans and Co-Loans from IDB Invest, IFC & JICA, and B-Loans from commercial banks. As announced to the market on September 30, 2022, an amendment to the financing contract was signed, changing the average maturity from 3.1 years to 6.9 years, but maintaining the original cost of the financing.

The disbursed amount of this financing contract is currently US\$ 94,000 thousand divided into three tranches, the first of US\$ 32,000 thousand with interest of SOFR + 1.88% p.a., maturing in 2029, the second tranche of US\$ 52,000 thousand with interest of SOFR + 2.18% p.a. and maturity in 2032, and the third of US\$ 10,000 thousand with interest of SOFR + 1.83% p.a., maturing in 2032.



## f) Agribusiness Receivables Certificates (CRAs)

The Company issued simple debentures as underlying assets for the issue of Certificates of Agribusiness (CRAs).

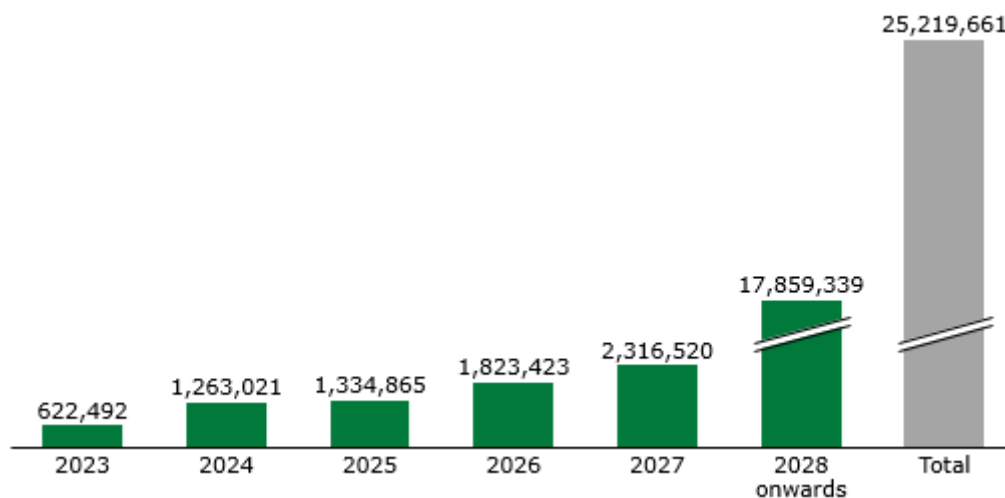
## g) Derivatives (swap)

On July 15, 2022, the Company carried out the early settlement of the swap linked to export credit note and the full early amortization of the NCE. On that date, principal of R\$ 1,879,000 and interest of R\$ 24,200 were paid for full amortization of the NCE and there was the early settlement of the swap in the amount of R\$ 779,021 at the time the operation was closed.

On September 1, 2022, the Company carried out a swap operation regarding the continued issuance of the certificates of agribusiness receivables (CRA), maturing on June 15, 2029, in the total principal amount of R\$ 1,000,000, with a rate corresponding to IPCA + 3.5%, exchanging the amount in reais to U.S. dollars, with a final fixed effective rate of 2.45% p.a.

## 17.2 Schedule of non-current maturities

The maturity dates of the Company's borrowing at September 30, 2022, classified in non-current liabilities in the consolidated balance sheet, are as follows:





### 17.3 Summary of changes in borrowings

	Parent Company	Consolidated
<b>At December 31, 2020</b>	<b>24,713,679</b>	<b>24,506,187</b>
Fundraising	2,696,598	2,718,480
Gain on financial instruments	(60,229)	(60,229)
Accrued interest	1,817,832	1,546,456
Exchange and monetary variations	1,171,065	1,074,134
Amortization	(1,069,234)	(1,035,464)
Interest payment	(1,374,784)	(1,160,648)
<b>At December 31, 2021</b>	<b>27,894,927</b>	<b>27,588,916</b>
Fundraising	5,150,773	5,156,127
Gain on financial instruments	(1,443,055)	(1,443,055)
Accrued interest	2,691,603	1,292,171
Exchange and monetary variations	(1,841,565)	(634,690)
Amortization	(4,475,894)	(4,419,946)
Interest payment	(1,525,354)	(1,254,251)
<b>At September 30, 2022</b>	<b>26,451,435</b>	<b>26,285,272</b>

Klabin Austria GmbH, located in Austria and a wholly-owned subsidiary of Klabin S.A., announced on March 21, 2022 the early repurchase of the 2024 and 2027 Senior Notes, through a takeover bid. The transaction was well received by the market, and reached the total amount of \$ 271,000 U.S Dollars, of which \$ 36,000 U.S. Dollars corresponded to the 2024 bond and \$ 235,000 U.S. Dollars to the 2027 bond.

The Company also has financing linked to the execution of the PUMA II Project with BNDES, contracted and disbursed in the amount of R\$2,000,000 occurred on April 18, 2022 and May 30, 2022, respectively, completing the disbursements for this financing line.

### 17.4 Restrictive covenants

As at the closing date of the interim financial statements, the Company and its subsidiaries had no financing contracts in place featuring covenants establishing obligations to maintain certain financial ratios linked to the results, liquidity and leverage in connection with the contracted operations. Breaches of these covenants would lead to the debt becoming immediately due and payable.

## 18. DEBENTURES

### 18.1 Breakdown

	Parent Company and Consolidated			Parent Company and Consolidated		
	7th Issue	12th Issue	09/30/2022 Total	7th Issue	12th Issue	12/31/2021 Total
Principal	-	-	-	30,769	-	30,769
Interest	495	5,253	5,748	829	22,707	23,536
<b>Current liabilities</b>	<b>495</b>	<b>5,253</b>	<b>5,748</b>	<b>31,598</b>	<b>22,707</b>	<b>54,305</b>
Principal	-	1,000,000	1,000,000	-	1,000,000	1,000,000
Gain (loss) on derivative instruments (swap)	-	396,226	396,226	-	695,198	695,198
<b>Non-current liabilities</b>	<b>-</b>	<b>1,396,226</b>	<b>1,396,226</b>	<b>-</b>	<b>1,695,198</b>	<b>1,695,198</b>
<b>Total liability from debentures</b>	<b>495</b>	<b>1,401,479</b>	<b>1,401,974</b>	<b>31,598</b>	<b>1,717,905</b>	<b>1,749,503</b>

### 18.2 Changes

	Parent Company and Consolidated
<b>At December 31, 2020</b>	<b>1,832,803</b>
Gain on financial instruments	(38,798)
Accrued interest and monetary variation	59,528
Amortizations (7th issue)	(61,201)
Interest paid (7th issue)	(10,192)
Interest paid (12th issue)	(32,637)
<b>At December 31, 2021</b>	<b>1,749,503</b>
Gain on financial instruments	(298,974)
Accrued interest and monetary variation	103,557
Amortizations (7th issue)	(31,104)
Interest paid (7th issue)	(2,107)
Interest paid (12th issue)	(118,901)
<b>At September 30, 2022</b>	<b>1,401,974</b>

#### a) 7th issue of debentures

The 2nd Series Debentures matured on June 15, 2022, with a yield at the IPCA + 2.50% p.a., paid semiannually together with principal amortization, with a two-year grace period, and have no convertible debt, and are therefore unrelated to the subscription warrants.

#### b) 14th issue of debentures (CRA VI)

On July 15, 2022, the Company completed its 14th issue of simple, non-convertible, unsecured debentures, in a single series, of Klabin, in the total principal amount of R\$ 2,500,000 ("Debentures"), in the context of a securitization operation with a rate corresponding to IPCA + 6.7694% and a maximum term of up to 12 years (maturity in 2034).

The Debentures were subject to a private placement, fully subscribed by the securitization company and linked to certificates of agribusiness receivables (CRA), which were object of a swap operation, exchanging the amount of principal from reais to dollars, with final fixed effective rate of 5.2% per year. This transaction is part of the continuous liability management carried out by Klabin, improving the Company's liquidity profile and financial indebtedness.

## 19. PROVISION FOR TAX, SOCIAL SECURITY, LABOR AND CIVIL RISKS

### 19.1 Provisioned risks

Based on the individual analysis of the lawsuits filed against the Company and its subsidiaries, and the opinion of legal counsel, provisions were recorded in non-current liabilities for losses considered probable, as follows:

	09/30/2022			
	Provisioned amount	Judicial deposits Restricted (i)	Liabilities Net	Judicial deposits Unrestricted (i)
<b>Parent Company</b>				
<u>Tax</u>				
PIS/COFINS	-	-	-	33,282
ICMS/IPI	-	-	-	50,223
Income tax and social contribution (IR/CS)	(23)	-	(23)	1,069
IPTU	(8,771)	-	(8,771)	-
OTHER	-	-	-	17,027
	<b>(8,794)</b>	<b>-</b>	<b>(8,794)</b>	<b>101,601</b>
Labor	(42,863)	14,008	(28,855)	-
Civil	(6,421)	706	(5,715)	-
	<b>(58,078)</b>	<b>14,714</b>	<b>(43,364)</b>	<b>101,601</b>
<b>Subsidiaries</b>				
Other risks	(153)	-	-	-
<b>Consolidated</b>	<b>(58,231)</b>	<b>14,714</b>	<b>(43,364)</b>	<b>101,601</b>

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

	12/31/2021			
	Provisioned amount	Judicial deposits Restricted (i)	Liabilities Net	Judicial deposits Unrestricted (i)
<b>Parent Company</b>				
<b>Tax</b>				
PIS/COFINS	-	-	-	32,108
ICMS/IPI	-	-	-	47,693
Income tax and social contribution (IR/CS)	-	-	-	875
OTHER	(22)	22	-	11,289
	<b>(22)</b>	<b>22</b>	<b>-</b>	<b>91,965</b>
Labor	(39,254)	14,639	(24,615)	-
Civil	(10,816)	5,669	(5,147)	-
	<b>(50,092)</b>	<b>20,330</b>	<b>(29,762)</b>	<b>91,965</b>
<b>Subsidiaries</b>				
Other risks	(212)	1,434	1,222	-
<b>Consolidated</b>	<b>(50,304)</b>	<b>21,764</b>	<b>(28,540)</b>	<b>91,965</b>

(i) Balance corresponding to the amount of judicial deposits in non-current assets

## 19.2 Changes in the provisioned amounts

	Tax	Labor	Civil	Consolidated Net exposure
<b>At December 31, 2020</b>	<b>-</b>	<b>(19,043)</b>	<b>(5,439)</b>	<b>(24,482)</b>
Increases/new lawsuits	-	(6,328)	(2,799)	(9,127)
Write-offs and reversals	-	-	-	-
Changes in deposits	-	755	3,091	3,846
<b>At December 31, 2021</b>	<b>-</b>	<b>(24,616)</b>	<b>(5,147)</b>	<b>(29,763)</b>
Increases/new lawsuits	(8,794)	(13,323)	(1,994)	(24,111)
Write-offs and reversals	-	9,715	6,389	16,104
Changes in deposits	-	(631)	(4,963)	(5,594)
<b>At September 30, 2022</b>	<b>(8,794)</b>	<b>(28,855)</b>	<b>(5,715)</b>	<b>(43,364)</b>

## 19.3 Unrecognized tax, social security, labor and civil contingencies

At September 30, 2022, the Company and its subsidiaries were parties to other tax, labor and civil proceedings involving risks of loss for the Company assessed as "possible", totaling: R\$ 5,533,605, R\$ 251,747 and R\$ 84,774, respectively (R\$ 5,147,223, R\$ 214,416 and R\$ 61,201 at December 31, 2021). Based on individual analyses of the corresponding legal and administrative proceedings, and supported by the opinion of its legal advisors, Management understands that since these losses are deemed "possible" they are not subject to provisions.

At September 30, 2022, the Company was a defendant in several proceedings, such as:

## a) Tax lawsuits

(i) Tax-collection claim filed by the Federal Government to collect 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 at September 30, 2022 was approximately R\$ 1,364,000 (R\$ 1,317,000 at December 31, 2021), of which R\$ 935,000 represented goodwill, R\$ 79,000 royalties and R\$ 349,000 as IRPJ and CSLL tax losses.

(ii) Tax-collection claim filed by the Municipality of Lages/SC regarding the collection of ISS on the manufacture of packaging with custom printed graphics from January 2001 to December 2004 and January to April 2011. The total amount at September 30, 2022 was approximately R\$ 2,373,000 (R\$ 2,126,000 at December 31, 2021).

(iii) Tax-collection claim filed by the Municipality of Rio de Janeiro/RJ to collect ISS on the manufacture of packaging with custom printed graphics from September 1996 to October 2001. The total amount of this execution at September 30, 2022 was approximately R\$ 277,000 (R\$ 262,000 at December 31, 2021).

(iv) Tax-collection claim filed by the Federal Government to collect differences 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 at September 30, 2022 was approximately R\$ 96,000 (R\$ 93,000 at December 31, 2021).

(v) Plea for reversal filed by the Federal Government against Klabin S.A. and Aracruz Celulose S.A., to reverse the judgment handed down in the civil case 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 at September 30, 2022 was approximately R\$ 110,000 (R\$ 106,000 at December 31, 2021).

(vi) Administrative proceedings regarding the collection of a contribution of 2.6% on gross revenue from the sale of the production of the agro-industrial activity. The total amount of this action at September 30, 2022 was approximately R\$ 386,000 (R\$ 375,000 at December 31, 2021).

(vii) Administrative proceedings seeking to adjust the IRPJ and CSLL tax bases for the calendar year 2013, alleging that the Company made undue exclusions due to changes to the exchange variation regime. The total amount involved at September 30, 2022 was approximately R\$ 256,000 (R\$ 244,000 at December 31, 2021).

(viii) Disallowing of compensation in view of the disagreement regarding the FINSOCIAL credit correction criterion in 2017. The total amount involved at September 30, 2022 was approximately R\$ 129,000 (R\$ 122,000 at December 31, 2021).

(ix) Disallowing of COFINS credit offsetting, arising from underpayments related to the expansion of the calculation base referred to in No. Law 9,718/98. The total amount involved at September 30, 2022 is approximately R\$ 71,000 (R\$ 69,000 at December 31, 2021).

## b) Civil and environmental lawsuits

(i) Class Action filed in 2009 by the Association of Environmental Fishermen of Paraná (APAP) due to alleged damage to the Tibagi River (PR) from the disposal of burnt coal waste by the Company up to 1998. Despite there being no evidence of environmental damage, in December 2015 an unfavorable sentence was handed down to the Company, condemning it to remove the burned mineral coal deposited in the riverbed. The case is currently in the sentence execution phase. Only after the completion of this phase can the amount of consideration be stipulated.

## c) Labor claims

The main claims concern overtime, pain and suffering, health exposure and risk exposure premiums, as well as indemnities and subsidiary liability of third parties. No individual action is of a significant enough amount to have an adverse and material impact on the Company's results.

## d) Lawsuits filed by the Company

At September 30, 2022, the Company was a plaintiff in lawsuits for which there are no amounts recognized in its financial statements, the assets are recognized only after a final and unappealable court decision is rendered and the gain is definitely certain.

# 20. EQUITY

## 20.1 Share capital

Klabin S.A.'s subscribed and paid-up capital was R\$ 4,475,625 at September 30, 2022 (R\$ 4,475,625 at December 31, 2021), comprising 5,617,892,756 shares (5,617,892,756 at December 31, 2021), without par value, held as follows:

Shareholders (i)	09/30/2022		12/31/2021	
	Common shares	Preferred shares	Common shares	Preferred shares
Klabin Irmãos S.A.	945,359,142	-	945,359,142	-
Niblak Participações S.A.	142,023,010	-	142,023,010	-
Monteiro Aranha S.A.	69,792,293	237,585,607	57,952,818	190,207,058
The Bank of New York Department (ii)	62,654,236	250,616,944	61,974,654	247,898,616
BLACKROCK	51,512,305	206,049,220	47,481,895	189,927,580
Treasury shares	23,164,278	92,657,112	25,140,398	100,561,592
Other (iii)	787,223,331	2,749,255,278	801,796,678	2,807,569,315
<b>Total shares</b>	<b>2,081,728,595</b>	<b>3,536,164,161</b>	<b>2,081,728,595</b>	<b>3,536,164,161</b>

(i) The position may differ from the bookkeeping bank's base for transaction logging registration issues.

(ii) Foreign shareholders.

(iii) Shareholders holding less than 5% of the shares.

In addition to registered common and preferred shares, the Company negotiates certificates of deposit of shares ("Units") corresponding to one common share (ON) and four preferred shares (PN).

## 20.2 Carrying value adjustments

The "carrying value adjustments" group, created by Law No. 11,638/07 as part of the equity accounts, concerns valuation adjustments arising from asset and liability increases and decreases, where applicable.

The balance recognized by the Company refers to: (i) the adoption of the deemed cost of PP&E for forest land, for which the Company opted upon the initial adoption of the new accounting standards converging with IFRS on January 1, 2009; (ii) exchange rate changes associated with foreign subsidiaries with a functional currency other than the Company's; (iii) balances associated with the share awards plan granted to executives (Note 24); (iv) cash flow hedge accounting (Note 28); and (v) actuarial liability variations.

	Parent Company and Consolidated	
	09/30/2022	12/31/2021
Deemed cost of property, plant and equipment (land) (i)	1,058,680	1,058,680
Foreign currency translation adjustments	(65,594)	(70,430)
Stock option plan	9,602	11,208
Cash flow hedge reserve (i)	(64,655)	(759,367)
Actuarial liability (i)	(142,984)	(136,845)
<b>Total carrying value adjustments</b>	<b>795,049</b>	<b>103,246</b>

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

## 20.3 Treasury shares

At September 30, 2022, the Company held 115,821,390 shares of its own issue in treasury, corresponding to 23,165,634 Units. At September 30, 2022, the trading price on B3, the São Paulo Stock Exchange, was R\$ 18.15 per "Unit" (B3 ticker KLBN11).

In accordance with the Stock Option Plan described in Note 24, access to which is granted as a form of long-term compensation to the Company's officers, in February 2022, 10,197,840 treasury shares were sold for R\$ 16,668, corresponding to 2,039,568 "Units". The right to use 10,197,840 shares, corresponding to 2,039,568 "Units", was also granted. The amount was derecognized from the treasury shares account at the historical cost of R\$ 6,839.

## 20.4 Dividends/interest on capital

Dividends and interest on capital represent a portion of the profits earned by the Company, which are distributed to the shareholders as remuneration of the capital invested during the fiscal year.



## 20.5 Non-controlling interests

At September 30, 2022, the non-controlling shareholders' share of the consolidated equity was R\$ 1,980,087 (R\$ 1,346,659 at December 31, 2021). This corresponds to the 65.26%, 85.10%, 87.57% and 49.99% of capital held by the shareholders of the subsidiaries Guaricana Reflorestadora S.A., Sapopema Reflorestadora S.A., Aroeira Reflorestadora S.A. and Cerejeira Reflorestadora S.A., respectively and proportionally. These companies are 100% consolidated into the Company's financial statements, and these shareholders' interests are shown separately, since they are characterized as equity instruments because of these entities' corporate structures.

	09/30/2022			
	Guaricana Reflorestadora S.A.	Sapopema Reflorestadora S.A.	Aroeira Reflorestadora S.A.	Cerejeira Reflorestadora S.A.
<b>Equity interest %</b>				
Non-controlling shareholders	65.26%	85.10%	87.57%	49.99%
Klabin S.A.	34.74%	14.90%	12.43%	50.01%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

	12/31/2021		
	Guaricana Reflorestadora S.A.	Sapopema Reflorestadora S.A.	Aroeira Reflorestadora S.A.
<b>Equity interest %</b>			
Acionistas não controladores	65.26%	83.30%	81.85%
Klabin S.A.	34.74%	16.70%	18.15%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## 21. NET SALES REVENUE

The Company's net sales revenue is comprised of the following:

	Parent Company			
	7/1 to 9/30/2022	1/1 to 9/30/2022	7/1 to 9/30/2021	1/1 to 9/30/2021
Gross sales revenue	6,041,373	16,864,942	4,944,679	13,269,124
Discounts and rebates	(46,882)	(104,089)	(15,644)	(31,181)
Cash flow hedge	(6,286)	2,659	(5,070)	(16,088)
Taxes on sales	(737,460)	(1,993,570)	(639,892)	(1,731,380)
<b>Net sales revenue</b>	<b>5,250,745</b>	<b>14,769,942</b>	<b>4,284,073</b>	<b>11,490,475</b>
Domestic market	3,108,012	8,469,041	2,700,504	7,250,751
Foreign market	2,142,733	6,300,901	1,583,569	4,239,724
<b>Net sales revenue</b>	<b>5,250,745</b>	<b>14,769,942</b>	<b>4,284,073</b>	<b>11,490,475</b>

	<b>Consolidated</b>			
	<b>7/1 to 9/30/2022</b>	<b>1/1 to 9/30/2022</b>	<b>7/1 to 9/30/2021</b>	<b>1/1 to 9/30/2021</b>
Gross sales revenue	6,307,272	17,117,159	5,037,071	13,751,658
Discounts and rebates	(48,713)	(101,872)	(10,215)	(64,582)
Cash flow hedge	(6,286)	2,659	(5,070)	(16,088)
Taxes on sales	(764,045)	(2,068,633)	(663,555)	(1,770,657)
<b>Net sales revenue</b>	<b>5,488,228</b>	<b>14,949,313</b>	<b>4,358,231</b>	<b>11,900,331</b>
Domestic market	3,177,682	8,602,880	2,676,919	7,297,561
Foreign market	2,310,546	6,346,433	1,681,312	4,602,770
<b>Net sales revenue</b>	<b>5,488,228</b>	<b>14,949,313</b>	<b>4,358,231</b>	<b>11,900,331</b>

## 22 COSTS, EXPENSES AND OTHER INCOME BY NATURE

	<b>Parent Company</b>			
	<b>7/1 to 9/30/2022</b>	<b>1/1 to 9/30/2022</b>	<b>7/1 to 9/30/2021</b>	<b>1/1 to 9/30/2021</b>
<b>Cost of products sold</b>				
Variable costs (raw materials and consumables)	(1,520,122)	(4,260,961)	(1,294,754)	(3,639,072)
Personnel	(612,174)	(1,724,776)	(523,549)	(1,505,259)
Depreciation and amortization	(358,500)	(991,914)	(222,837)	(721,087)
Depletion	(327,753)	(1,106,160)	(399,793)	(1,106,999)
Other (i)	(320,035)	(1,186,188)	(206,133)	(508,507)
	<b>(3,138,584)</b>	<b>(9,269,999)</b>	<b>(2,647,066)</b>	<b>(7,480,924)</b>
<b>Selling expenses</b>				
Freight	(416,472)	(1,055,197)	(234,068)	(642,162)
Commission	(11,692)	(42,421)	(9,068)	(21,626)
Personnel	(29,449)	(90,473)	(27,647)	(84,139)
Depreciation and amortization	(935)	(2,706)	(888)	(2,628)
Port and storage expenses	(24,685)	(74,469)	(12,415)	(44,725)
Other (i)	(21,912)	(33,121)	(371)	(1,022)
	<b>(505,145)</b>	<b>(1,298,386)</b>	<b>(284,457)</b>	<b>(796,302)</b>
<b>General and administrative expenses</b>				
Personnel	(123,875)	(350,790)	(104,495)	(330,095)
Services contracted	(85,803)	(244,552)	(58,426)	(178,700)
Depreciation and amortization	(11,944)	(35,355)	(11,752)	(35,336)
Maintenance	(5,481)	(18,480)	(3,775)	(11,287)
Other (i)	(20,158)	(62,532)	(41,320)	(69,846)
	<b>(247,261)</b>	<b>(711,709)</b>	<b>(219,769)</b>	<b>(625,265)</b>
<b>Other income (expenses), net</b>				
Revenue from sales of property, plant and equipment	648	34,605	(209)	161,559
Cost of sales and write-offs of property, plant and equipment	(1,450)	(23,891)	(2,177)	(151,711)
PIS/COFINS tax credits	-	140,087	-	-
Other (i)	1,478	(62,704)	29,837	44,457
	<b>676</b>	<b>88,097</b>	<b>27,451</b>	<b>54,305</b>
<b>Total</b>	<b>(3,890,314)</b>	<b>(11,191,998)</b>	<b>(3,123,840)</b>	<b>(8,848,185)</b>

(i) Amounts comprising maintenance and other amounts individually lower than R\$ 20,000

	7/1 to 9/30/2022	1/1 to 9/30/2022	7/1 to 9/30/2021	Consolidated 1/1 to 9/30/2021
<b>Cost of products sold</b>				
Variable costs (raw materials and consumables)	(1,579,541)	(4,364,841)	(1,355,868)	(3,722,314)
Personnel	(624,667)	(1,759,976)	(528,837)	(1,514,779)
Depreciation and amortization	(347,573)	(958,451)	(203,406)	(684,337)
Depletion	(430,813)	(1,381,152)	(420,806)	(1,240,928)
Other (i)	(186,608)	(763,339)	(93,564)	(294,886)
	<b>(3,169,203)</b>	<b>(9,227,759)</b>	<b>(2,602,482)</b>	<b>(7,457,245)</b>
<b>Selling expenses</b>				
Freight	(439,218)	(1,110,338)	(246,994)	(681,004)
Commission	(26,256)	(82,211)	(18,600)	(49,309)
Personnel	(30,050)	(92,319)	(29,728)	(88,537)
Depreciation and amortization	(935)	(2,706)	(906)	(2,681)
Port and storage expenses	(31,375)	(95,443)	(24,991)	(68,145)
Other (i)	(23,705)	(38,631)	10,840	16,369
	<b>(551,540)</b>	<b>(1,421,649)</b>	<b>(310,379)</b>	<b>(873,307)</b>
<b>General and administrative expenses</b>				
Personnel	(126,403)	(357,949)	(105,551)	(333,430)
Services contracted	(87,554)	(249,543)	(59,016)	(180,504)
Depreciation and amortization	(12,188)	(36,077)	(11,992)	(36,058)
Maintenance	(5,593)	(18,857)	(3,813)	(11,400)
Other (i)	(25,051)	(74,766)	(15,549)	(58,866)
	<b>(256,789)</b>	<b>(737,192)</b>	<b>(195,921)</b>	<b>(620,258)</b>
<b>Other income (expenses), net</b>				
Revenue from sales of property, plant and equipment	648	34,605	(209)	161,559
Cost of sales and write-offs of property, plant and equipment	(1,450)	(23,891)	(2,176)	(151,710)
PIS/COFINS tax credits	-	140,087	-	-
Other (i)	3,218	(62,491)	38,569	60,988
	<b>2,416</b>	<b>88,310</b>	<b>36,184</b>	<b>70,837</b>
<b>Total</b>	<b>(3,975,115)</b>	<b>(11,298,290)</b>	<b>(3,072,598)</b>	<b>(8,879,973)</b>

(i) Amounts comprising maintenance and other amounts individually lower than R\$ 20,000

## 23 FINANCE RESULT

	Parent Company			
	7/1 to 9/30/2022	1/1 to 9/30/2022	7/1 to 9/30/2021	1/1 to 9/30/2021
<b>Finance income</b>				
Income from financial investments	142,023	467,810	75,042	137,703
Social Integration Program (PIS)/Social Contribution on Revenue (COFINS) on finance income	(11,491)	(31,492)	(3,955)	(9,320)
Monetary adjustment	8,269	47,738	6,969	38,981
Other	8,208	79,017	845	3,482
	<b>147,009</b>	<b>563,073</b>	<b>78,901</b>	<b>170,846</b>
<b>Finance costs</b>				
Interest and monetary adjustment on borrowing	(445,865)	(1,543,079)	(488,741)	(1,274,344)
Interest capitalized on property, plant and equipment (i)	190,546	475,843	113,462	306,565
Derivative financial instruments (SWAP) (ii)	(48,972)	29,888	41,900	(122,856)
Guarantees on borrowing	-	(113)	(123)	(482)
Remuneration of investors - SCPs	-	-	-	-
Commission	(19,471)	(49,789)	(14,742)	(45,687)
Other	20,584	(41,802)	(16,701)	(36,823)
	<b>(303,178)</b>	<b>(1,129,052)</b>	<b>(364,944)</b>	<b>(1,173,626)</b>
<b>Foreign exchange variations</b>				
Foreign exchange variation - assets	42,817	(135,556)	109,469	78,576
Foreign exchange variation - liabilities (ii)	345,803	570,984	(212,252)	211,604
	<b>388,620</b>	<b>435,428</b>	<b>(102,783)</b>	<b>290,180</b>
<b>Finance result</b>	<b>232,451</b>	<b>(130,551)</b>	<b>(388,826)</b>	<b>(712,600)</b>

(i) See information in Note 13.

(ii) Considers the effects of adopting hedge accounting, as described in Note 28.

	Consolidated			
	7/1 to 9/30/2022	1/1 to 9/30/2022	7/1 to 9/30/2021	1/1 to 9/30/2021
<b>Finance income</b>				
Income from financial investments	169,946	488,274	80,170	152,138
Social Integration Program (PIS)/Social Contribution on Revenue (COFINS) on finance income	(11,621)	(31,844)	(3,970)	(9,345)
Monetary adjustment	19,842	123,270	7,313	39,325
Other	(9,044)	19,021	(997)	2,289
	<b>169,123</b>	<b>598,721</b>	<b>82,516</b>	<b>184,407</b>
<b>Finance costs</b>				
Interest and monetary adjustment on borrowing	(371,414)	(1,363,706)	(402,598)	(1,133,678)
Interest capitalized on property, plant and equipment (i)	190,546	475,843	113,462	306,565
Derivative financial instruments (SWAP) (ii)	(48,972)	29,888	41,900	(122,856)
Guarantees on borrowing	-	(113)	(123)	(482)
Remuneration of investors - SCPs	(3,608)	(21,931)	(27,139)	(53,468)
Commission	(20,094)	(107,052)	(15,730)	(114,568)
Other	21,985	(55,970)	(19,863)	(40,686)
	<b>(231,557)</b>	<b>(1,043,041)</b>	<b>(310,091)</b>	<b>(1,159,173)</b>
<b>Foreign exchange variations</b>				
Foreign exchange variation - assets	32,889	(107,347)	109,469	77,009
Foreign exchange variation - liabilities (ii)	348,865	490,872	(172,590)	196,906
	<b>381,754</b>	<b>383,525</b>	<b>(63,121)</b>	<b>273,915</b>
<b>Finance result</b>	<b>319,320</b>	<b>(60,795)</b>	<b>(290,696)</b>	<b>(700,851)</b>

(i) See information in Note 13.

(ii) Considers the effects of adopting hedge accounting, as described in Note 28.

## 24 STOCK OPTION PLAN

### 24.1 ILP Matching

On February 8, 2022, the Board of Directors approved, as provided for in the Long-Term Incentive Plan Based on the Units approved and amended, respectively, at the Company's General Meetings held on December 20, 2011 and on March 23, 2022 (the "Plan"), the Program for Granting Units for All ("Program").

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

The table below presents information on the plans:

#### Statutory and non-statutory officers

	2017 Plan (i)	2018 Plan (i)	2019 Plan	2020 Plan	2021 Plan	Total
Start of the plan	02/28/2018	02/28/2019	02/28/2020	02/26/2021	02/28/2022	
Final grant date	02/28/2021	02/28/2022	02/28/2023	02/26/2024	02/28/2025	
Treasury shares acquired by beneficiaries	2,039,185	1,146,395	1,140,020	1,169,700	1,355,905	6,851,205
Purchase value per share (R\$)	3.58	3.61	3.87	5.41	4.64	
Treasury shares awarded as usufruct	2,039,185	1,146,395	1,140,020	1,169,700	1,355,905	6,851,205
Value of the right to use per share (R\$)	3.58	3.61	3.87	5.41	4.64	
Accumulated plan expenses - from the beginning	7,320	4,136	3,864	3,340	1,223	19,883
Plan expenses - 1/1 to 9/30/2022	-	230	1,122	1,582	1,223	4,157
Plan expenses - 1/1 to 9/30/2021	408	1,034	1,122	1,230	-	3,794

(i) Terminated plans

#### Managers

	2017 Plan (i)	2018 Plan (i)	2019 Plan	2020 Plan	2021 Plan	Total
Start of the plan	02/28/2018	02/28/2019	02/28/2020	02/26/2021	02/28/2022	
Final grant date	02/28/2021	02/28/2022	02/28/2023	02/26/2024	02/28/2025	
Treasury shares acquired by beneficiaries	1,616,585	1,809,185	1,848,470	1,834,990	2,399,645	9,508,875
Purchase value per share (R\$)	3.58	3.61	3.87	5.41	4.64	
Treasury shares awarded as usufruct	1,616,585	1,809,185	1,848,470	1,834,990	2,399,645	9,508,875
Value of the right to use per share (R\$)	3.58	3.61	3.87	5.41	4.64	
Accumulated plan expenses - from the beginning	5,615	6,427	5,534	4,985	2,129	24,690
Plan expenses - 1/1 to 9/30/2022	-	234	1,401	2,228	2,129	5,992
Plan expenses - 1/1 to 9/30/2021	310	1,639	1,691	1,930	-	5,570

(i) Terminated plans

#### Other employees

	2018 Plan (i)	2019 Plan	2020 Plan	2021 Plan	Total
Start of the plan	02/28/2019	02/28/2020	02/26/2021	02/28/2022	
Final grant date	02/28/2022	02/28/2023	02/26/2024	02/28/2025	
Treasury shares acquired by beneficiaries	548,300	527,285	497,385	1,343,955	2,916,925
Purchase value per share (R\$)	3.61	3.87	5.41	4.64	
Treasury shares awarded as usufruct	548,300	527,285	497,385	1,343,955	2,916,925
Value of the right to use per share (R\$)	3.61	3.87	5.41	4.64	
Accumulated plan expenses - from the beginning	1,696	1,823	1,313	1,181	6,013
Plan expenses - 1/1 to 9/30/2022	88	490	595	1,181	2,354
Plan expenses - 1/1 to 9/30/2021	400	527	511	-	1,438

(i) Terminated plans

## 24.2 ILP Performance

The purpose of this Program is to strengthen alignment with the Company's strategy and the interests of Shareholders, conditioning its receipt to the achievement of a performance objective, namely, the TSR (Total Shareholder Return) X Ke (Cost of Equity).

At September 30, 2022, the provisioned balance corresponded to R\$ 8,631 (R\$ 18,000 at December 31, 2021).

## 25 EARNINGS PER SHARE

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

As mentioned in Note 20, the changes in the balance of treasury shares affect the weighted average number of preferred shares held in treasury in the calculation for the nine-month period ended September 30, 2022. The weighted average used in the calculation of the earnings per share was determined as follows:

### Weighted average number of treasury shares at September 30, 2022 (i)

Jan	+	125,708,750	x 1/9
Feb	+	115,635,160	x 1/9
Mar	+	115,661,640	x 1/9
Apr	+	115,710,605	x 1/9
May	+	115,742,715	x 1/9
Jun	+	115,761,165	x 1/9
Jul	+	115,803,245	x 1/9
Aug	+	115,810,400	x 1/9
Sept	+	115,828,170	x 1/9
<b>9 months 2022</b>		<b>= 116,851,317</b>	

(i) As the Company only holds Units in treasury, the breakdown into ON and PN shares abides by the Units' breakdown.

The tables below reconcile the profit for the nine-month periods ended September 30, 2022 and 2021 with the amounts used in the calculation of basic and diluted earnings per share:

	Parent Company and Consolidated		
	1/1 to 9/30/2022		
	Common shares (ON)	Preferred shares (PN)	Total
<b>Denominator</b>			
Total weighted average number of shares	2,081,729	3,536,164	5,617,893
Weighted average number of treasury shares	(23,370)	(93,481)	(116,851)
Weighted average number of outstanding shares	<b>2,058,358</b>	<b>3,442,683</b>	<b>5,501,041</b>
% of shares in relation to the total	<b>37.42%</b>	<b>62.58%</b>	<b>100%</b>
<b>Numerator</b>			
Profit attributable to each class of shares	<b>1,367,918</b>	<b>2,287,895</b>	<b>3,655,813</b>
Weighted average number of outstanding shares	<b>2,058,358</b>	<b>3,442,683</b>	<b>5,501,041</b>
<b>Basic and diluted earnings per share</b>	<b>0.6646</b>	<b>0.6646</b>	

	Parent Company and Consolidated		
	1/1 to 9/30/2021		
	Common shares (ON)	Preferred shares (PN)	Total
<b>Denominator</b>			
Total weighted average number of shares	2,081,729	3,536,164	5,617,893
Weighted average number of treasury shares	(25,911)	(103,643)	(129,554)
Weighted average number of outstanding shares	<b>2,055,818</b>	<b>3,432,521</b>	<b>5,488,339</b>
% of shares in relation to the total	<b>37.46%</b>	<b>62.54%</b>	<b>100%</b>
<b>Numerator</b>			
Profit attributable to each class of shares	<b>795,849</b>	<b>1,328,798</b>	<b>2,124,647</b>
Weighted average number of outstanding shares	<b>2,055,818</b>	<b>3,432,521</b>	<b>5,488,339</b>
<b>Basic and diluted earnings per share</b>	<b>0.3871</b>	<b>0.3871</b>	

## 26 OPERATING SEGMENTS

### 26.1 Criteria for the identification of operating segments

The Company's operating structure is divided into segments based on how management manages the business, in accordance with CPC 22/IFRS 8. The operating segments defined by Management are as follows:

- (i) Forestry segment: involves operations relating to planting and growing pine and eucalyptus trees to supply the Company's plants. It also involves selling commercial timber to third parties in the domestic market.
- (ii) Paper segment: mainly involves the production of cardboard, kraftliner and recycled paper rolls and their sale in the domestic and foreign markets.
- (iii) Conversion segment: involves the production of corrugated cardboard boxes, corrugated cardboard and industrial sacks and their sale in the domestic and foreign markets.
- (iv) Pulp segment: includes the production of short, long and fluff fiber pulp and their sale in the domestic and foreign markets.



## 26.2 Consolidated information about operating segments

	1/1 to 9/30/2022					
	Forestry	Paper	Conversion	Pulp	Corporate eliminations	Total Consolidated
Net revenue:						
Domestic market	244,977	2,277,854	4,299,453	1,793,251	(12,655)	8,602,880
Foreign market	-	2,580,817	383,266	3,379,683	2,667	6,346,433
<b>Revenue from sales to third parties</b>	<b>244,977</b>	<b>4,858,671</b>	<b>4,682,719</b>	<b>5,172,934</b>	<b>(9,988)</b>	<b>14,949,313</b>
Revenue between segments	1,865,014	2,851,732	58,245	91,185	(4,866,176)	-
<b>Total net sales</b>	<b>2,109,991</b>	<b>7,710,403</b>	<b>4,740,964</b>	<b>5,264,119</b>	<b>(4,876,164)</b>	<b>14,949,313</b>
Change in the fair value of biological assets	1,918,894	-	-	(56)	-	1,918,838
Cost of products sold	(3,082,266)	(4,517,083)	(4,253,102)	(2,126,437)	4,751,129	(9,227,759)
<b>Gross profit</b>	<b>946,619</b>	<b>3,193,320</b>	<b>487,862</b>	<b>3,137,626</b>	<b>(125,035)</b>	<b>7,640,392</b>
Operating expenses (income)	(58,812)	(834,957)	(551,115)	(700,223)	88,093	(2,057,014)
<b>Operating profit before finance result</b>	<b>887,807</b>	<b>2,358,363</b>	<b>(63,253)</b>	<b>2,437,403</b>	<b>(36,942)</b>	<b>5,583,378</b>
<b>Sales of products (metric tons)</b>						
Domestic market	-	462,020	738,800	398,946	367	1,600,133
Foreign market	-	507,657	45,984	770,544	-	1,324,185
Inter-segmental	-	806,224	3,702	22,342	(832,268)	-
	-	<b>1,775,901</b>	<b>788,486</b>	<b>1,191,832</b>	<b>(831,901)</b>	<b>2,924,318</b>
<b>Sales of timber (in metric tons)</b>						
Domestic market	816,573	-	-	-	-	816,573
Inter-segmental	11,329,120	-	-	-	(11,329,120)	-
	<b>12,145,693</b>	-	-	-	<b>(11,329,120)</b>	<b>816,573</b>
Investments during the period	1,097,072	2,671,242	247,316	123,347	524,760	4,663,737
Depreciation, depletion and amortization	(1,343,034)	(483,775)	(94,851)	(437,979)	(18,747)	(2,378,386)
<b>Total assets - 9/30/2022</b>	<b>14,514,087</b>	<b>4,958,761</b>	<b>3,426,639</b>	<b>17,435,752</b>	<b>5,790,018</b>	<b>46,125,257</b>
<b>Total liabilities - 9/30/2022</b>	<b>3,982,497</b>	<b>1,224,941</b>	<b>967,136</b>	<b>1,834,466</b>	<b>27,133,330</b>	<b>35,142,370</b>
<b>Equity - 9/30/2022</b>	<b>8,551,503</b>	<b>3,733,820</b>	<b>2,459,503</b>	<b>15,601,286</b>	<b>(21,343,312)</b>	<b>9,002,800</b>
Non-controlling interests	1,980,087	-	-	-	-	1,980,087

	7/1 to 9/30/2022					
	Forestry	Paper	Conversion	Pulp	Corporate eliminations	Total Consolidated
Net revenue:						
Domestic market	85,136	835,858	1,560,788	699,540	(3,640)	3,177,682
Foreign market	-	871,514	127,252	1,318,066	(6,286)	2,310,546
<b>Revenue from sales to third parties</b>	<b>85,136</b>	<b>1,707,372</b>	<b>1,688,040</b>	<b>2,017,606</b>	<b>(9,926)</b>	<b>5,488,228</b>
Revenue between segments	671,330	1,035,293	22,322	26,178	(1,755,123)	-
<b>Total net sales</b>	<b>756,466</b>	<b>2,742,665</b>	<b>1,710,362</b>	<b>2,043,784</b>	<b>(1,765,049)</b>	<b>5,488,228</b>
Change in the fair value of biological assets	960,782	-	-	-	-	960,782
Cost of products sold	(1,104,364)	(1,541,796)	(1,555,859)	(731,304)	1,764,120	(3,169,203)
<b>Gross profit</b>	<b>612,884</b>	<b>1,200,869</b>	<b>154,503</b>	<b>1,312,480</b>	<b>(929)</b>	<b>3,279,807</b>
Operating expenses (income)	55,344	(300,314)	(205,085)	(249,062)	(103,468)	(802,585)
<b>Operating profit before finance result</b>	<b>668,228</b>	<b>900,555</b>	<b>(50,582)</b>	<b>1,063,418</b>	<b>(104,397)</b>	<b>2,477,222</b>
<b>Sales of products (metric tons)</b>						
Domestic market	-	164,981	262,076	143,942	(0)	570,998
Foreign market	-	162,321	14,506	267,284	-	444,112
Inter-segmental	-	291,665	1,381	5,628	(298,674)	-
	-	<b>618,967</b>	<b>277,963</b>	<b>416,854</b>	<b>(298,674)</b>	<b>1,015,110</b>
<b>Sales of timber (in metric tons)</b>						
Domestic market	246,101	-	-	-	-	246,101
Inter-segmental	4,065,579	-	-	-	(4,065,579)	-
	<b>4,311,679</b>	-	-	-	<b>(4,065,579)</b>	<b>246,101</b>
Investments during the period	747,765	1,017,594	115,069	22,797	(212,263)	1,690,962
Depreciation, depletion and amortization	(441,962)	(165,340)	(34,416)	(143,628)	(6,163)	(791,509)

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	1/1 to 9/30/2021					
	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)	-
<b>Total net sales</b>	<b>1,494,308</b>	<b>5,041,270</b>	<b>4,247,811</b>	<b>4,385,579</b>	<b>(3,268,637)</b>	<b>11,900,331</b>
Change 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)
<b>Gross profit</b>	<b>(179,521)</b>	<b>1,624,744</b>	<b>796,646</b>	<b>2,859,619</b>	<b>(13,765)</b>	<b>5,087,723</b>
Operating expenses (income)	(50,390)	(458,535)	(427,842)	(515,410)	40,857	(1,411,322)
<b>Operating profit before finance result</b>	<b>(229,911)</b>	<b>1,166,209</b>	<b>368,804</b>	<b>2,344,209</b>	<b>27,092</b>	<b>3,676,401</b>
<b>Sales of products (metric tons)</b>						
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
<b>Sales of timber (in metric tons)</b>						
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)
<b>Total assets - 9/30/2021</b>	<b>9,552,403</b>	<b>4,321,646</b>	<b>3,101,010</b>	<b>14,551,702</b>	<b>9,309,299</b>	<b>40,836,060</b>
<b>Total liabilities - 9/30/2021</b>	<b>2,921,843</b>	<b>875,353</b>	<b>988,396</b>	<b>1,432,098</b>	<b>28,161,218</b>	<b>34,378,908</b>
<b>Equity - 9/30/2021</b>	<b>5,571,406</b>	<b>3,446,293</b>	<b>2,112,614</b>	<b>13,119,604</b>	<b>(18,851,919)</b>	<b>5,397,998</b>
<b>Non-controlling interests</b>	<b>1,059,154</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,059,154</b>

	7/1 to 9/30/2021					
	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)	-
<b>Total net sales</b>	<b>507.266</b>	<b>1,775.735</b>	<b>1,555.481</b>	<b>1,608.090</b>	<b>(1,088.341)</b>	<b>4,358.231</b>
Change 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)
<b>Gross profit</b>	<b>113.863</b>	<b>597.620</b>	<b>326.549</b>	<b>1,066.536</b>	<b>54.413</b>	<b>2,158.981</b>
Operating expenses (income)	10.348	(150.999)	(149.742)	(170.672)	(300)	(461.367)
<b>Operating profit before finance result</b>	<b>124.211</b>	<b>446.621</b>	<b>176.807</b>	<b>895.864</b>	<b>54.113</b>	<b>1,697.614</b>
<b>Sales of products (metric tons)</b>						
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
<b>Sales of timber (in metric tons)</b>						
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)

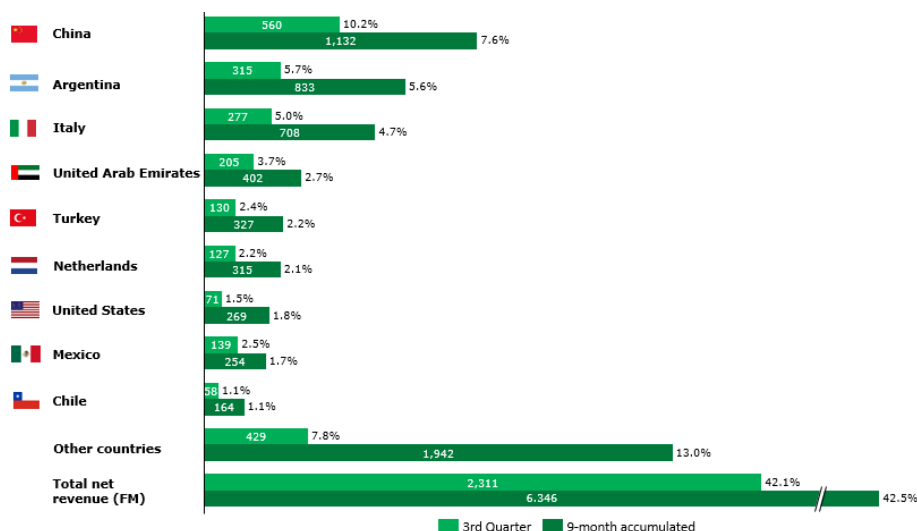
The balance in the Corporate/Exclusions column concerns the corporate unit's expenses not apportioned among the segments, and eliminations refer to adjustments of operations between the segments.

Information about the finance result and income tax was not disclosed in the segment reporting because management does not consider such data on a segmented basis, but rather on a consolidated basis.

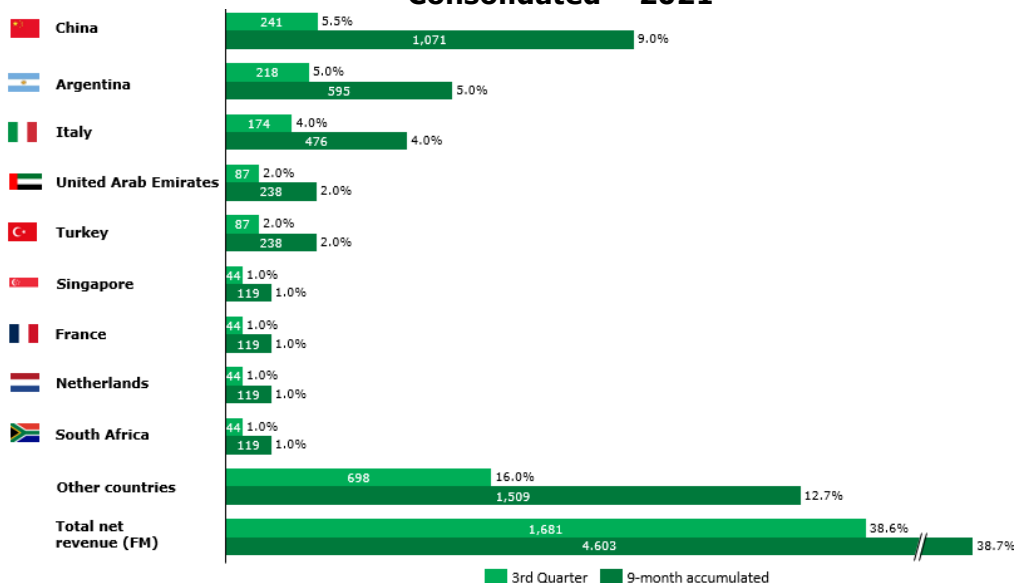
## 26.3 Information on net sales revenue

The table below shows the distribution of net revenue from the foreign market for the periods ended September 30, 2022 and 2021:

### Consolidated – 2022



### Consolidated – 2021



In the paper segment, in the nine-month period ended September 30, 2022, a single customer from the paper segment accounted for approximately 6.49% (R\$ 957,908) of the Company's net revenue (R\$ 1,036,756 at September 30, 2021, 8.7% of net

sales revenue). The remaining customer base is diluted, as none of the other customers individually accounts for a material share (above 10%) of the Company's net sales revenue.

## 27 RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 27.1 Risk management

The Company and its subsidiaries enter into transactions involving financial instruments, all of which are recorded in the balance sheet accounts, in order to meet their operational needs and reduce their exposure to financial risks. These transactions mainly relate to credit risk and investments of funds, market risks (foreign exchange and interest rates) and liquidity risks to which the Company understands that it is exposed based on the nature of its business and its operating structure.

The main risks to which the Company is exposed are described below:

### 27.2 Market risk

Market risk is the risk that the fair value of the future cash flow of a financial instrument will fluctuate due to changes in market prices. The Company is exposed to market prices which are affected by two types of risk: interest rate and foreign exchange. The financial instruments affected by market risk are financial investments, trade receivables, trade payables, borrowing and marketable securities.

#### a) Foreign exchange rate risk

The Company has transactions denominated in foreign currencies (mainly in U.S. Dollars) that are exposed to market risks arising from fluctuations in foreign exchange rates. Any fluctuation in a foreign exchange rate could increase or reduce these balances. The composition of this exposure is as follows:

	<b>Consolidated</b>	
	<b>09/30/2022</b>	<b>12/31/2021</b>
Bank deposits and financial investments	741,082	401,365
Trade receivables (net of allowance for expected credit losses)	838,052	908,603
Other assets and liabilities	1,645,000	1,620,000
Borrowing and debentures	(22,001,013)	(23,562,597)
<b>Net exposure</b>	<b>(18,776,879)</b>	<b>(20,632,629)</b>

At September 30, 2022, the balances of this net exposure by year of maturity are as follows:

Year	2022	2023	2024	2025	2026	2027 onwards	Total
Amount	3,147,201	(580,169)	(1,052,462)	(421,978)	(1,693,146)	(18,176,325)	(18,776,879)

At September 30, 2022, the Company did not have derivatives contracted to hedge against cash flow foreign exchange exposure. To protect against this net liability exposure, the Company has highly probable sales forecasts with forecast annual cash flow from U.S. Dollars-denominated revenue of approximately \$ 1,000,000 U.S. Dollars. Its receipt, if confirmed, exceeds or approximates the flow of the payment of the related liabilities, offsetting the cash effect of future exchange rate exposure.

The Company has adopted the cash flow hedge accounting program to mitigate the exchange rate effects seen in the Company's statement of income, and to demonstrate the effectiveness of the exchange risk management. See Note 28 for details on the hedge program.

## b) Interest rate risk

The composition of the Company's interest rate risk by type of asset and liability instrument is as follows:

	<b>Consolidated</b>	
	<b>09/30/2022</b>	<b>12/31/2021</b>
Financial investments - CDI	2,966,693	5,974,059
Financial investments - Selic	781,627	828,294
Financial investments - IPCA	1,745,942	1,174,956
<b>Asset exposure</b>	<b>5,494,262</b>	<b>7,977,309</b>
Financing - CDI	(2,547,842)	(4,510,913)
Financing - TJLP	(3,353,653)	(1,318,565)
Financing - Libor	(4,159,231)	(5,586,431)
Debentures - IPCA	(1,401,974)	(1,749,503)
<b>Liability exposure</b>	<b>(11,462,700)</b>	<b>(13,165,412)</b>

## 27.3 Risk relating to the application of funds

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

	<b>Consolidated</b>	
	<b>09/30/2022</b>	<b>12/31/2021</b>
National rating AAA (bra)	4,172,840	5,349,093
National rating AA+(bra)	2,079,748	3,073,342
	<b>6,252,588</b>	<b>8,422,435</b>

## 27.4 Credit risk

At September 30, 2022, the maximum exposure to credit risk was the carrying amount of the trade receivables shown in Note 7. Note 26 provides information on customer concentration risk.

## 27.5 Liquidity risk

The table below shows the maturity of the financial liabilities contracted by the Company and reported in the consolidated balance sheet: the amounts include principal and future interest on transactions, calculated using the rates and indices prevailing at September 30, 2022:

	2022	2023	2024	2025	2026	2027 and thereafter	Total
Trade payables	(2,675,597)	-	-	-	-	-	(2,675,597)
Lease liabilities	(88,447)	(341,931)	(287,791)	(247,810)	(179,569)	(1,149,376)	(2,294,924)
Borrowing and debentures	(455,115)	(2,576,562)	(2,635,070)	(2,596,927)	(3,211,070)	(29,220,901)	(40,695,646)
<b>Total</b>	<b>(3,219,159)</b>	<b>(2,918,493)</b>	<b>(2,922,861)</b>	<b>(2,844,737)</b>	<b>(3,390,639)</b>	<b>(30,370,277)</b>	<b>(45,666,167)</b>

## 27.6 Capital management

The Company's capital structure is monitored through net indebtedness, made up of the balance of borrowing (Note 17) and debentures (Note 18), less cash, cash equivalents and marketable securities (Notes 5 and 6), and through the net debt ratio obtained based on the net debt-to-equity ratio (Note 20), including the balance of all capital issued and all reserves established.

	<b>Consolidated</b>	
	<b>09/30/2022</b>	<b>12/31/2021</b>
Cash and cash equivalents and marketable securities	6,252,588	8,422,435
Borrowing and debentures	(27,687,246)	(29,338,419)
<b>Net indebtedness</b>	<b>(21,434,658)</b>	<b>(20,915,984)</b>
Equity	9,002,800	5,739,568
<b>Net indebtedness ratio</b>	<b>(2.38)</b>	<b>(3.64)</b>

## 27.7 Financial instruments by category

The Company has the following categories of financial instruments:

		<b>Consolidated</b>
	<b>09/30/2022</b>	<b>12/31/2021</b>
Cash and cash equivalents	3,711,468	6,405,200
Trade receivables (net of allowance for expected credit losses)	2,963,631	2,808,514
Other assets	524,092	548,572
Marketable securities	2,541,120	2,017,235
<b>Assets - at amortized cost</b>	<b>9,740,311</b>	<b>11,779,521</b>
Borrowing and debentures	27,687,246	29,338,419
Trade payables	2,166,880	1,991,103
Trade payables (Forfait)	508,717	513,724
Other payables	1,087,526	1,121,321
<b>Liabilities at amortized cost</b>	<b>31,450,369</b>	<b>32,964,567</b>

### Amortized cost

The financial instruments included in this group refer to balances arising from usual transactions, such as Trade Receivables, Trade Payables, Borrowing and Debentures, Financial Investments, Marketable Securities and Cash and Cash Equivalents. All these instruments are recorded at their notional amounts plus, when applicable, contractual charges and interest rates, in respect of which the related income and expenses are recognized in the results for each period.

### 27.8 Sensitivity analysis

The Company presents below its sensitivity analysis of the foreign exchange and interest rate risks to which it is exposed, considering any effects that would impact the future results based on the exposure at September 30, 2022. The sensitivity analysis does not consider the impacts of foreign exchange variations on the Company's cash flow.

#### a) Foreign exchange exposure

The Company has assets and liabilities indexed to a foreign currency in the balance sheet as at September 30, 2022 and, for sensitivity analysis purposes, it adopted for Scenario I the future market rate in effect in the period. For Scenarios II and III this rate was adjusted by 25% and 50%, respectively.

Accordingly, the table below shows a simulation of the effects of the foreign exchange rate variations on the balance sheet, other comprehensive income, and finance result if all other variables remain constant, considering the balances at September 30, 2022:



	Balance at 9/30/2022	Scenario I		Scenario II		Scenario III	
	USD	Rate (A)	R\$ gain (loss)	Rate (B) = A+25%	R\$ gain (loss)	Rate (C) = A+50%	R\$ gain (loss)
<b>Assets</b>							
Cash and cash equivalents	137,070	5.21	(27,387)	6.51	151,243	7.81	329,434
Trade receivables, net of allowance for expected cre	162,062	5.21	(32,380)	6.51	178,819	7.81	389,499
Other assets and liabilities	304,258	5.21	(60,791)	6.51	335,718	7.81	731,253
Borrowing and debentures	(4,069,288)	5.21	813,044	6.51	(4,490,052)	7.81	(9,780,127)
<b>Net effect on balance sheet</b>			<b>692,486</b>		<b>(3,824,272)</b>		<b>(8,329,941)</b>
<b>Effect on other comprehensive income</b>			<b>983,272</b>		<b>(5,430,139)</b>		<b>(11,827,802)</b>
<b>Net effect on finance result</b>			<b>(290,786)</b>		<b>1,605,867</b>		<b>3,497,861</b>

## b) Interest rate exposure

The Company has financial investments, borrowings and debentures pegged to the CDI, TLP, IPCA, Selic and LIBOR floating interest rates. For sensitivity analysis purposes, the Company adopts the rates effective on dates close to the dates of its interim financial statements, obtained from the Central Bank of Brazil's website, using the same rate for the SELIC, LIBOR, IPCA and CDI for Scenario I, because of the similarity of these rates. The rates were adjusted by 25% and 50% in scenarios II and III, respectively.

As such, with all other variables remaining constant, the table below simulates the effects of interest rate changes on the equity and future results (consolidated) for 12 months, considering the balances at September 30, 2022:

		Balance at 9/30/2022	Scenario I		Scenario II		Scenario III	
		R\$	Rate (A)	R\$ gain (loss)	Rate (B) = A+25%	R\$ gain (loss)	Rate (C) = A+50%	R\$ gain (loss)
<b>Financial investments</b>								
CDBs	CDI	2,966,693	13.65%	404,954	17.06%	101,238	20.48%	202,477
LFTs	Selic	781,627	13.75%	107,474	17.19%	26,868	20.63%	53,737
NTN - B	IPCA	1,745,942	7.17%	125,184	8.96%	31,296	10.76%	62,592
<b>Borrowing</b>								
NCE (R\$) and CRA	CDI	(2,547,842)	13.65%	(347,780)	17.06%	(86,945)	20.48%	(173,890)
BNDES	TJLP	(3,353,653)	7.20%	(241,463)	9.00%	(60,366)	10.80%	(120,732)
Debentures	IPCA	(1,401,974)	7.17%	(100,522)	8.96%	(25,130)	10.76%	(50,261)
Exp. prepayments, Term Loan and Finnvera	Libor	(4,159,231)	4.43%	(184,147)	5.53%	(46,037)	6.64%	(92,074)
<b>Net effect on finance result</b>				<b>(236,300)</b>		<b>(59,076)</b>		<b>(118,151)</b>

## 28 CASH FLOW HEDGE ACCOUNTING

### 28.1 Breakdown of the cash flow hedge program

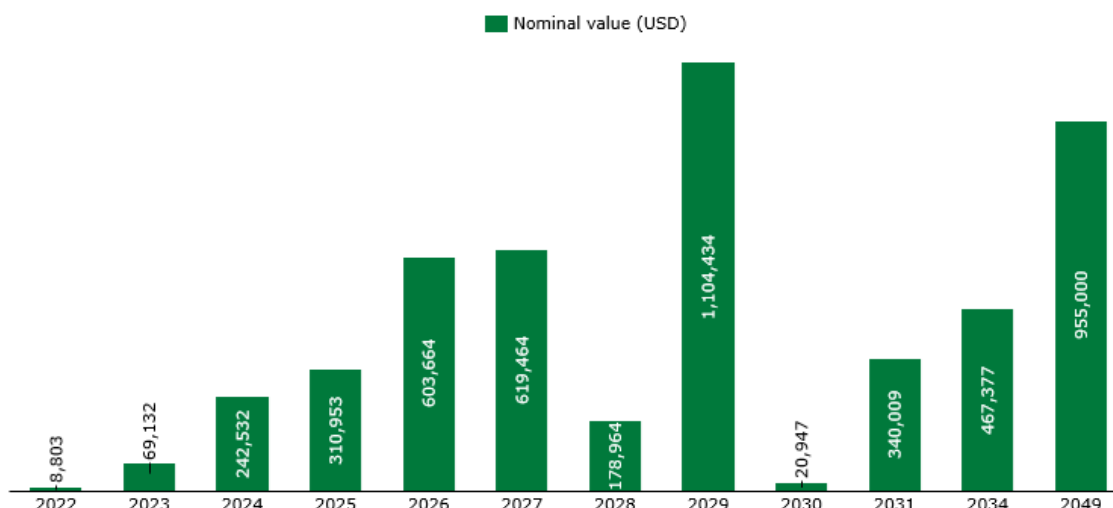
The hedging instruments are comprised of 22 foreign currency-denominated borrowing agreements, including debentures, Bonds, export credit notes, prepaid exports, term loans (BID Invest and IFC), ECA and SWAP (debentures and NCE), the last payment of which is due in April 2049.

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All amounts in thousands of Reais unless otherwise stated



Parent Company and Consolidated							
09/30/2022							
Hedging instrument	Currency	Maturity until	Nominal value (USD)	Contract close rate	Exchange variation recognized in the hedge reserve	Hedge cost	Adjustment to revenue
Bonds	USD	abr/49	2,669,462	5.16 and 5.6	(611,443)	-	-
Debenture	USD	mar/29	265,783	5.16	(64,851)	414,917	-
ECA	USD	set/31	295,544	5.16	(72,113)	-	(2,659)
Export credit notes	USD	dez/26	766,643	5.16	(159,203)	313,472	-
Export prepayments	USD	abr/29	125,000	5.16	(30,500)	-	-
Term loan	USD	out/29	100,000	5.16	(24,400)	-	-
CRA	USD	ago/34	698,847	5.17 and 5.34	(81,687)	211,561	-
			<b>4,921,279</b>		<b>(1,044,197)</b>	<b>939,950</b>	<b>(2,659)</b>

The table below shows the portion of highly probable future U.S. Dollars-denominated revenue which is defined as the hedged item.



## 28.2 Changes in the period

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

Parent Company and Consolidated	
<b>At December 31, 2020</b>	<b>-</b>
Change in the fair value of the hedging instrument	(1,166,644)
Realization of hedge reserve to profit or loss	16,088
Income tax and social contribution effect (i)	391,189
<b>At December 31, 2021</b>	<b>(759,367)</b>
Change in the fair value of the hedging instrument	1,055,253
Realization of hedge reserve to profit or loss	(2,659)
Income tax and social contribution effect (i)	(357,882)
<b>At September 30, 2022</b>	<b>(64,655)</b>

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

The table above has been adjusted for better presentation.

In the period ended September 30, 2022, the borrowing related to the hedging instrument was subject to foreign exchange variations (fair value changes) in the amount of R\$ 1,044,197, recognized in equity under "carrying value adjustments", for as long as the future U.S. Dollars-denominated revenue (the hedged item) remains unrealized.

In the same period, the Company realized export revenue in the amount of \$ 48,000 U.S. Dollars under the hedge accounting program and for which borrowing designated as hedging instruments was settled concurrently, leading to income of R\$ 2,659 as accumulated foreign exchange variations, recognized in the statement of income for the period under "sales revenue".

The effects of marking to market of the fair value of the hedging instruments and of the settlement of the hedged items through the realization of the hedge reserve in Sales Revenue gave rise to the amount of R\$ 1,052,594 recognized in the statement of comprehensive income for the period ended September 30, 2022, or R\$ 694,712 after taxes.

### 28.3 Hedge accounting effectiveness test

In the period ended September 30, 2022, the Company conducted effectiveness tests which demonstrated that the hedge accounting program is highly effective given the economic relationship arising from the analysis of the hedge ratio, the effects of the credit risk involved in the instrument and the hedged item, and the assessment of the critical terms.

## 29 INSURANCE COVERAGE

At September 30, 2022, the following insurance policies are in place:

Insurance Type	Insured assets	Maximum Indemnity Limit (R\$ thousand) not reviewed	Currency	Effective Period
Operational Risks + Lost Profits	Plants and inventories	3,700,000	R\$	October 5, 2023
Protection and Indemnity - P&I (marine risks)	Chartered vessel	350,000	USD	March 13, 2023
Domestic Market Credit	Foreign Customers Credit	240,000	R\$	September 30, 2023
Foreign Market Credit	Foreign Customers Credit	160,000	USD	September 30, 2023
Directors and Officers (D&O)	Legal Guarantee for Directors	120,000	R\$	July 2, 2023
Cyber	Cyberattacks	119,000	R\$	June 11, 2023
General Liability (RCG)	Damage to Third Parties	75,000	R\$	July 31, 2023
Environmental Liability	Environment Damage to Third Parties	50,000	R\$	July 13, 2024
Named Risks	Office	41,745	R\$	February 22, 2023
Export Shipping	(merchandise)	20,000	USD	April 30, 2023
Import Shipping	(merchandise)	20,000	USD	April 30, 2023
Domestic Freight	(merchandise)	15,000	R\$	April 30, 2023
Forests (fire and weather events)	Forests	12,000	R\$	November 19, 2022
Miscellaneous Risks	(cranes)	6,185	R\$	April 30, 2023
Mandatory Liability	Damages to Third Parties - Legal Requirement	4,210	R\$	June 17, 2023
Elective Vehicle Liability Insurance (RCFV)	Vehicles	250	R\$	October 30, 2022
RETA	Drones	94	R\$	September 11, 2023

## 30 EVENTS AFTER THE REPORTING PERIOD

### 30.1 Forestry Operation

On October 21, 2022, the Company informed the market that on this date, it signed the documents for the sale of approximately 8,000 hectares of forests (not including land), equivalent to 3.2 million m<sup>3</sup> of standing timber, at the sales price of R\$ 230,000. At the same time, the Company entered into a repurchase option agreement effective until 2036 of up to 2.2 million m<sup>3</sup> of wood.

The completion of the Transaction is subject to the approval of the CADE (Brazilian antitrust agency).

The Transaction is in line with the Company's forest supplying strategy and reinforces its diligent management of assets and wood cost and efficient allocation of capital.

### 30.2 Distribution of dividends and interest on capital

On October 26, 2022, the Board of Directors unanimously approved, without exceptions, ad referendum of the Annual General Meeting, in view of the results obtained:

(i) Management's proposal for the distribution of interim dividends, in the total amount of R\$ 281,000: R\$ 0.05107167489 per share to shareholders holding common and preferred shares, and R\$ 0.25535837445 per Unit; and

(ii) the proposal to distribute interest on capital totaling R\$ 221,000, of which R\$ 0.040166177 per share to shareholders holding common and preferred shares and R\$ 0.200830884 per Unit, with 15% of withholding income tax, except for shareholders who are provenly exempt, in accordance with current legislation on interest on capital, to be charged to the 2022 interim results, in compliance with the terms of article 20 of the Company's bylaws.

In addition, the dividends and interest on capital declared will be considered in the mandatory minimum dividends for the current year, and should be deducted from the amount declared by the Annual General Meeting to be held in 2023, according to statutory and legal provisions. Dividends declared will be paid on November 14, 2022 and the shares will be traded ex-dividend as from November 1, 2022.

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**KLABIN S.A.**  
**CNPJ 89.637.490/0001-45**  
Listed company

## **BOARD OF DIRECTORS**

### **Chairman**

Paulo Sergio Coutinho Galvão Filho

### **Board Members**

Wolff Klabin  
Camilo Marcantonio Junior  
Celso Lafer  
Daniel Miguel Klabin  
Francisco Lafer Pati  
Horácio Lafer Piva  
Alberto Klabin  
Mauro Gentile Rodrigues da Cunha  
Roberto Klabin Martins Xavier  
Roberto Luiz Leme Klabin  
Sergio Francisco Monteiro de Carvalho Guimarães  
Vera Lafer  
Isabella Saboya de Albuquerque

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## **SUPERVISORY BOARD**

João Adamo Junior  
João Alfredo Dias Lins  
Louise Barsi  
Maurício Aquino Halewicz  
Raul Ricardo Paciello

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## **EXECUTIVE BOARD**

Cristiano Cardoso Teixeira	Chief Executive Officer
Marcos Paulo Conde Ivo	Chief Financial and Investor Relations Officer
Flávio Deganutti	Chief Paper Business Officer
Francisco Cezar Razzolini	Chief Industrial Technology, Innovation and Sustainability Officer

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Herbert Wang Ho  
Chief Controlling Officer

Ana Paula Marzano Cerqueira  
Accountant - CRC 1SP204118/O



## **Report on review of parent company and consolidated condensed interim financial statements**

To the Board of Directors and Stockholders  
Klabin S.A.

### **Introduction**

We have reviewed the accompanying condensed interim balance sheet of Klabin S.A. ("Company") as at September 30, 2022 and the related condensed statements of income and comprehensive income for the quarter and nine-month period then ended, and the condensed statements of changes in equity and cash flows for the nine-month period then ended, as well as the accompanying consolidated condensed interim balance sheet of Klabin S.A. and its subsidiaries ("Consolidated") as at September 30, 2022 and the related consolidated condensed statements of income and comprehensive income for the quarter and nine-month period then ended, and the consolidated condensed statements of changes in equity and cash flows for the nine-month period then ended, and explanatory notes.

Management is responsible for the preparation and presentation of these parent company and consolidated condensed interim financial statements in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and International Accounting Standard (IAS) 34 - Interim Financial Reporting, of the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

### **Scope of review**

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim 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 Brazilian and International Standards on Auditing and consequently did 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**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated condensed interim financial statements referred to above are not prepared, in all material respects, in accordance with CPC 21 and IAS 34.



Klablin S.A.

## **Other matters**

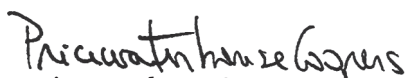
### **Condensed statements of value added**

The interim condensed financial statements referred to above include the parent company and consolidated condensed statements of value added for the nine-month period ended September 30, 2022. These statements are the responsibility of the Company's management and are presented as supplementary information. These statements have been subjected to review procedures performed together with the review of the condensed interim financial statements for the purpose of concluding whether they are reconciled with the condensed interim financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these condensed statements of value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated condensed interim financial statements taken as a whole.

### **Review of prior-year and prior-period information**

The condensed interim financial statements mentioned in the first paragraph includes accounting information, presented for comparison purposes, related to the statements of income, comprehensive income, changes in equity, cash flows, and value added for the quarter ended September 30, 2021, obtained from the condensed interim balance for that quarter, and also to the balance sheet as at December 31, 2021, obtained from the financial statements at December 31, 2021. The review of the condensed interim financial statements for the quarter ended September 30, 2021 and the audit of the financial statements for the year ended December 31, 2021 were conducted under the responsibility of another independent auditors, who have issued their review report on October 26, 2021 and their audit report on February 8, 2022, respectively, both unqualified.

São Paulo, October 26, 2022

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

Renato Barbosa Postal  
Contador CRC 1SP187382/O-0



## 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 Avenida Brigadeiro Faria Lima, 3.600, 3rd, 4th and 5th floors, Itaim Bibi, CEP 04538-132, enrolled in the National Corporate Taxpayer's Registry (CNPJ) under No. 89.637.490/0001-45, declare that we have reviewed, discussed and agreed with the set of quarterly information for the period ended September 30, 2022.

São Paulo, October 26, 2022

Cristiano Cardoso Teixeira  
Marcos Paulo Conde Ivo

Flavio Deganutti  
Francisco Cezar Razzolini

Chief Executive Officer  
Chief Financial and Investor Relations  
Officer  
Officer  
Officer

## 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 Avenida Brigadeiro Faria Lima, 3.600, 3rd, 4th and 5th floors, Itaim Bibi, CEP 04538-132, 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 related to the set of quarterly information for the period ended September 30, 2022.

São Paulo, October 26, 2022

Cristiano Cardoso Teixeira  
Marcos Paulo Conde Ivo

Flavio Deganutti  
Francisco Cezar Razzolini

Chief Executive Officer  
Chief Financial and Investor Relations  
Officer  
Officer  
Officer