



EARNINGS RELEASE

1Q22



Earnings Release

1Q22

May 3, 2022



ADJUSTED EBITDA REACHES R\$ 1.726 BILLION IN 1Q22, GROWTH OF 38% IN RELATION TO 1Q21, EXCLUDING NON-RECURRING EFFECTS

Net Revenue **R\$ 4.422 bn**

Net Revenue increased 28% when comparing 1Q22 with the same period in 2021, with consistent growth in all lines of business.

ROIC **20.1%**

ROIC (Return on Invested Capital) reached 20.1% in the last twelve months, demonstrating the ability to create value for shareholders in different scenarios.

Adjusted EBITDA Margin **39%**

The Adjusted EBITDA Margin was 39% in 1Q22, a growth of 3 p.p. compared to 1Q21, excluding non-recurring effects, a reflection of price readjustments over recent quarters, offsetting cost pressures and the appreciation of the Real against the US\$ in the period.

Deleveraging **Debt**

Increased EBITDA contributed to the deleveraging of the Company even during the Puma II investment cycle. The net debt/EBITDA ratio in US\$ fell to 2.7x in 1Q22 (vs. 4.0x in 1Q21) and in R\$ to 2.4x (vs. 4.2x in 1Q21).

Cash Generation¹ **R\$ 1,590/t**

Cash generation per ton was R\$ 1,590/t in 1Q22, a year-on-year increase of 44%, demonstrating the Company's capacity to combine growth with solid value generation.

Puma II **Construction Progress**

The construction of the second machine of the Puma II Project reached 32% of completion as measured on April 17, 2022. Startup is planned for the second quarter 2023.

¹ - Adjusted EBITDA - Maintenance Capex (see page 15)

Klabin

Market Cap
R\$ 26.5 billion¹

¹based on the price of KLBN11 as at 03/31/22

KLBN11

Closing Price
R\$ 24.12/unit¹

1Q22 Average Daily Trading Volume
R\$ 148 million

Conference Call

05/04/2022

(Wednesday)

10:00 a.m. (EST)

Phone: +55 11 4090-1621

Code: Klabin

Links: [HD Web Phone](#)
[Webcast](#)

IR Channels

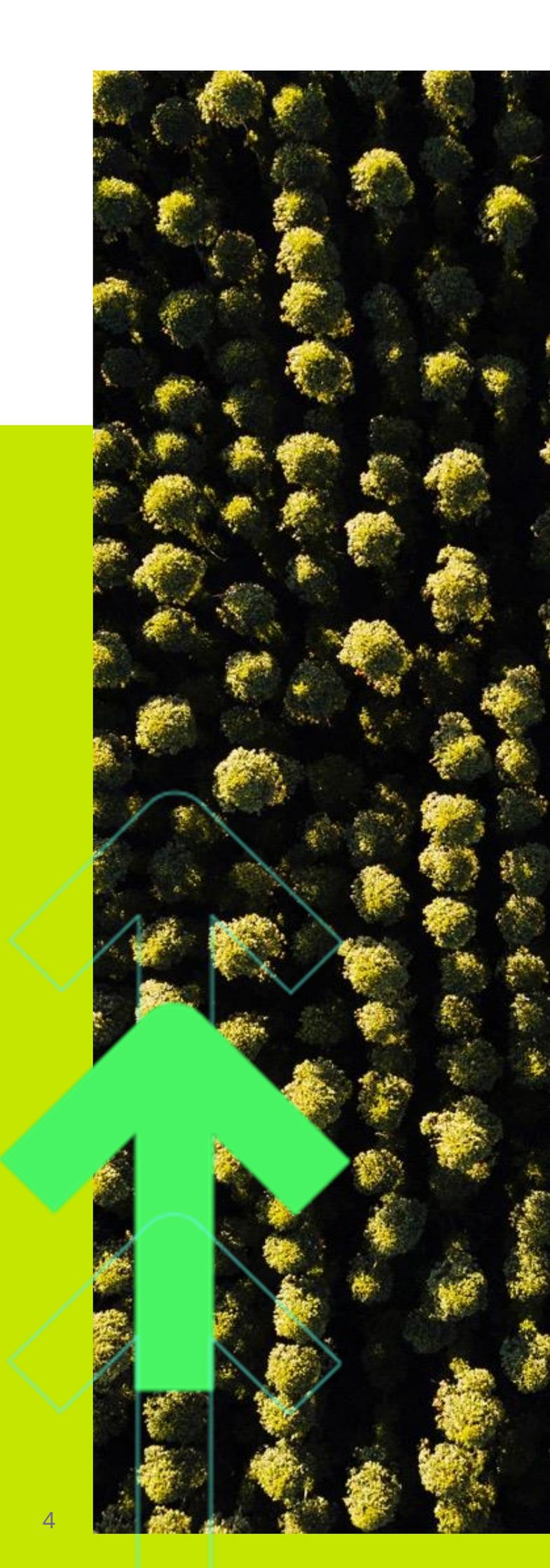
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Klabin Invest:
Videos and Podcasts

Financial Highlights

R\$ million	1Q22	4Q21	1Q21	Δ	
				1Q22/4Q21	1Q22/1Q21
Sales Volume (thousand tonnes)	900	979	909	-8%	-1%
% Domestic Market	55%	56%	61%	- 1 p.p.	- 6 p.p.
Net Revenue	4,422	4,581	3,467	-3%	28%
% Domestic Market	59%	58%	62%	+ 1 p.p.	- 3 p.p.
Adjusted EBITDA	1,726	1,884	1,274	-8%	35%
Adjusted EBITDA Margin	39%	41%	37%	- 2 p.p.	+ 2 p.p.
Adjusted EBITDA (excl. non-recurring effects)¹	1,726	1,884	1,254	-8%	38%
Adjusted EBITDA Margin (excl. non-recurring effects) ¹	39%	41%	36%	- 2 p.p.	+ 3 p.p.
Net Income	875	1,050	421	-17%	108%
Net Debt	17,890	20,916	21,744	-14%	-18%
Net Debt / EBITDA (LTM - BRL)	2.4x	3,0 x	4.2x		
Net Debt / EBITDA (LTM - USD)	2.7x	2,9 x	4.0x		
CAPEX	999	1,159	815	-14%	23%

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



Quarterly Message

In the first quarter of 2022, once more the world was confronted by a scenario of uncertainty, worsened by the outbreak of the Ukraine – Russia conflict in February. From the humanitarian point of view, the losses are incalculable. From the economic standpoint, growth forecasts for the world economy this year was downgraded while the impact on exchange rates and inflation are already seen on a global scale. And logistical bottlenecks – which had already raised some important challenges from the outset of the COVID-19 pandemic – became even more critical.

During this period, once again Klabin demonstrated the resilience of its integrated, diversified, and flexible business model, maintaining a solid result in the first quarter of the year. Despite the more challenging macroeconomic scenario in Brazil of inflationary pressures and an appreciated local currency in relation to the US\$, total sales volume in 1Q22 was in line with the same quarter last year, with higher profitability.

In the pulp market, restrictions on global supply due to factors such as strikes, the bunching of maintenance shutdowns and difficulties along the logistics chain, combined with a healthy demand, were the cause driving the increase in raw material prices across the board in all regions, especially in China, where

there was a big disparity in prices compared to those practiced in other regions such as Europe. During the first quarter of 2022, the Puma Unit underwent a general programmed maintenance shutdown, reducing the volume of pulp sales accordingly. However, the increase in US\$ prices combined with the diversification of fibers (short fiber and long fiber/fluff) and the flexibility of the Company's sales between geographies, maintained a solid result for the segment.

In the packaging paper segment, demand for kraftliner remained heated in the export market while in the domestic market, sales followed the accommodation in the consumption of corrugated boxes. In the light of this scenario, Klabin used its flexibility reducing the conversion of paper into packaging internally and ramping up kraftliner exports at record prices. The average price of kraftliner as measured by the FOEX Europe price index continued the rising trajectory of the last few months, once again touching the historic maximum of US\$ 995/t in the average of the 1Q22, 36% higher than the average for 1Q21.

Still in the same packaging paper segment, the acceleration in the tendency towards replacing single-use plastic by sustainable packaging continues to be the main driver behind the tight equilibrium between supply and demand for coated board, especially in the export market. Brazilian Tree Industry (IBÁ) data however shows sales to the domestic market down by approximately 8.3% in the accumulated period between January and February 2022 relative to the same period in 2021, a reflection of the macroeconomic conditions in Brazil. Work on the construction of the Puma II Project's second paper machine ("PM28") - which will increase Klabin's capacity in this segment - reached 32% of completion based on measurements taken on 04/17/2022. Start-up is scheduled for the second quarter of 2023.

In the packaging paper market, according to preliminary data published by Empapel, there was a decline of 9.8% in shipment volumes of corrugated boxes in the first quarter of 2022 compared to the same quarter in the previous year. Set against a background of these market conditions, Klabin reduced its sales of corrugated boxes, maintaining the price level as practiced in the preceding quarter in spite of the decline in OCC prices, prioritizing returns from the business.

Again, in the packaging paper business, preliminary data published by the National Cement Industry Union (SNIC) shows cement consumption in Brazil - which impacts the Company's sale of industrial bags in the domestic market - down by 2.2% in 1Q22 when compared with the same period in 2021. However, Klabin's portfolio of diversified products gave it the necessary flexibility to divert the sale of bags in the first quarter of 2022 to other segments in the domestic market and overseas, which continue with a heated demand driven by the increased consumption of sustainable packaging.

Price readjustments at all the businesses over the last few quarters has permitted the negative impact of local currency appreciation in relation to the US\$ on exports to be compensated, resulting in strong growth in first quarter 2022 net revenue, which totaled R\$ 4.422 billion, a 28% increase year-on-year. This result was more than sufficient to compensate for the strong inflationary pressures in the period, elevating Adjusted EBITDA to R\$ 1.726 billion in 1Q22, 38% higher in relation to 1Q21, excluding non-recurring items. The higher Adjusted EBITDA and prudent capital allocation benefited cash generation in the period and consequently, the creation of shareholder value, with a return on employed capital, as measured by ROIC, of approximately 20% in the last twelve months.

In the light of these results, the Company ended the 1Q22 with leverage, as measured by net debt in relation to Adjusted EBITDA in US\$, of 2.7x, substantially lower than the 4.0x reported for the first quarter of 2021 and below the debt levels at the time the Puma II Project was approved in April 2019, evidence of Klabin's ability to grow and generate value and financial discipline.

Again, in the first quarter 2022, the Annual General Shareholders' Meeting approved the expansion of the long-term incentive plan for all Company employees, the latter now having the opportunity to invest a percentage of their annual bonus in the purchase of Klabin's shares and matched in the same proportion by the company. This move is designed to align the interests of the employees with those of the shareholders, engaging them even more in the future value generation for the Company.

In sustainability, Klabin was once again recognized as a global benchmark. In February, the Company was ranked in the "Gold" category of the Containers and Packaging sector of the "The Sustainability Yearbook 2021" index, a realization of the S&P Global international consultancy. Klabin occupies an outstanding position among the best evaluated companies in the world.

In April, Klabin celebrated 123 years of history. Throughout its history, the Company has adapted and consolidated itself, closely accompanying the transformations of society and renewing, year after year, its belief in Brazil. With an eye to the future, Klabin will continue on its trajectory of growth with the generation of shared value, reinforcing its aspiration to be a world reference in responsible solutions, with multiple-use, renewable, recyclable and biodegradable forest-based products.

Operating and Economic-Financial Performance

Pulp and Paper Production

Volume (k tons)	1Q22	4Q21	1Q21	Δ	
				1Q22/4Q21	1Q22/1Q21
Pulp	356	413	413	-14%	-14%
Short Fiber	257	292	295	-12%	-13%
Long Fiber/Fluff	98	121	118	-19%	-17%
Paper	602	635	502	-5%	20%
Coated Boards	191	193	150	-1%	27%
Containerboard ¹	411	442	352	-7%	17%
Kraftliner	246	262	241	-6%	2%
MP27	79	82	-	-4%	n/a
Recycled	86	97	111	-12%	-23%
Total Production Volume	958	1,048	915	-9%	5%

¹ Includes Kraftliner, White Top Liner, Recycled, Eukaliner®, Eukaliner® White and other containerboard grades

In the first quarter 2022, pulp **production volume** was 14% down year-on-year, the result of a general maintenance shutdown at the Puma I unit in Ortigueira executed in February, the last general stoppage at the plant having occurred in December 2020.

Paper production in 1Q22 was 20% higher than the same quarter in 2021. This performance reflects an increase of 27% in coated board production in the same comparative period, due to the calendar effect of the general maintenance shutdown at the Monte Alegre unit, which in 2021 was completed in 1Q21 but in 2022, in 2Q22. In addition, containerboard production in 1Q22 was 17% up on 1Q21, this reflecting an output of 79 thousand tons from PM 27, the first stage of the Puma II Project that startup in August 2021. This additional volume compensated for the general maintenance stoppages carried out in 1Q22, as detailed below, and the reduction in recycled paper production for conversion into packaging due to flat corrugated box demand in the period.

Maintenance Stoppages

As forecast, during the first quarter 2022, there were three maintenance shutdowns. Two of these took place at the Ortigueira units, Puma I (pulp) and Puma II (papers – Eukaliner®) at a cost of approximately R\$ 78 million and R\$ 36 million, respectively, and the other in Correia Pinto, with a cost of R\$ 11 million. During April there was a further general shutdown at the Monte Alegre unit and executed as planned. Finally, a maintenance stoppage is planned for the Otacílio Costa unit in October, as shown in the schedule below.

Maintenance Stoppage Schedule 2022												
Manufacturing Plant	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Ortigueira (PR) ¹		ORT										
Monte Alegre (PR)				MA								
Correia Pinto (SC)	CP											
Otacílio Costa (SC)										OC		

¹Puma I and Puma II

Legend:

Executed

To be Exec.

Sales Volume

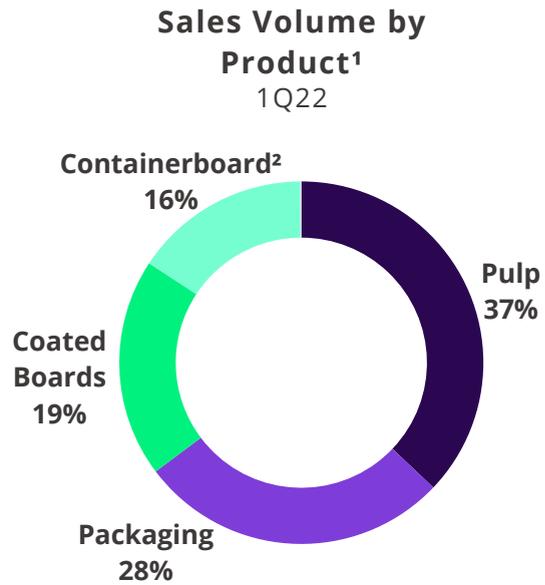
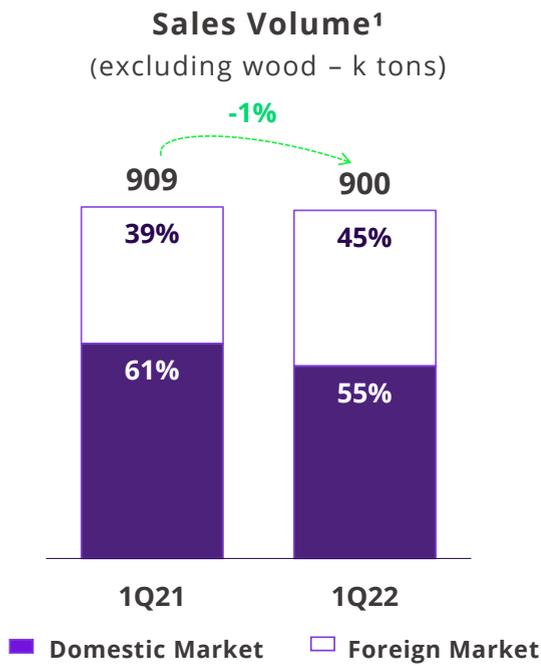
Volume (k tons)	1Q22	4Q21	1Q21	Δ	
				1Q22/4Q21	1Q22/1Q21
Pulp	334	385	373	-13%	-11%
Short Fiber	238	280	269	-15%	-11%
Long Fiber/Fluff	95	105	104	-9%	-8%
Paper	316	324	256	-2%	24%
Coated Boards	175	187	153	-6%	15%
Containerboard ¹	141	137	103	3%	36%
Packaging	249	269	280	-7%	-11%
Corrugated Boxes	210	227	240	-8%	-13%
Industrial Bags	39	42	39	-6%	0%
Total Sales Volume (ex-wood)²	900	979	909	-8%	-1%

¹ Includes Kraftliner, White Top Liner, Recycled, Eukaliner®, Eukaliner® White and other containerboard grades

² Includes by-product sales

Sales volume in the first quarter 2022 amounted to 900 thousand tons and reflecting the general maintenance stoppages during the period as well as the carryover of part of the sales volume from 1Q22 to 2Q22 due to logistical bottlenecks. As a result, pulp sales volume in 1Q22 fell 11% compared with 1Q21. Conversely, paper sales rose 24% in the same period driven by the additional volume from the PM 27, which benefited sales of containerboard, and by the lower comparative base for sales of coated board in 1Q21, this reflecting the general maintenance shutdown at the Monte Alegre unit – which in 2021, occurred in 1Q21 and in 2022, in 2Q22.

In the corrugated boxes segment, there was an accommodation in demand, which reverted to its typical seasonality with the first quarter of the year weaker, in addition to reflecting the reduction in the purchasing power of consumers in the domestic market due to high inflation.



¹Excludes Wood

²Includes Kraftliner, White Top Liner, Recycled, Eukaliner®, Eukaliner® White and other containerboard grades

Foreign Exchange

R\$ / US\$	1Q22	4Q21	1Q21	Δ	Δ
				1Q22/4Q21	1Q22/1Q21
Average Rate	5.23	5.59	5.48	-6%	-5%
End of Period	4.74	5.58	5.70	-15%	-17%

Source: Brazilian Central Bank

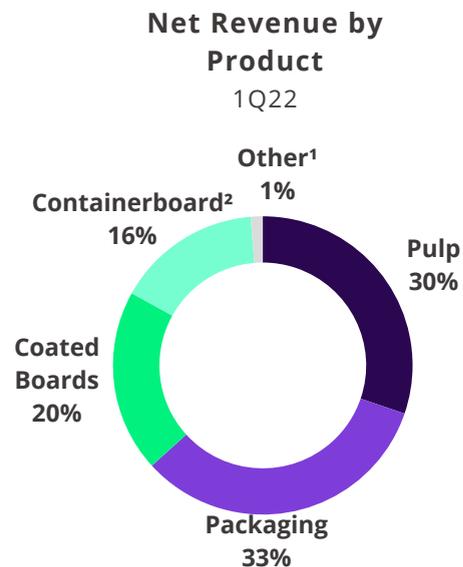
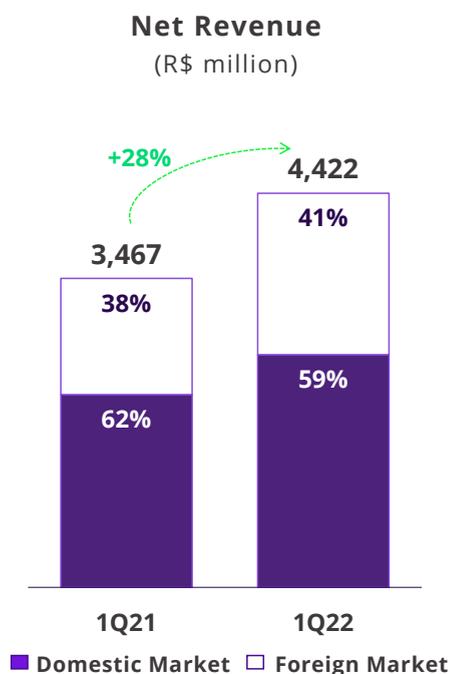
Net Revenue

Net Revenue (R\$ million)	1Q22	4Q21	1Q21	Δ	
				1Q22/4Q21	1Q22/1Q21
Wood	43	57	62	-24%	-30%
Pulp	1,360	1,537	1,191	-11%	14%
Short Fiber	871	1,004	780	-13%	12%
Long Fiber/Fluff	489	533	411	-8%	19%
Paper	1,555	1,438	962	8%	62%
Coated Boards	868	833	643	4%	35%
Containerboard ¹	688	606	320	14%	115%
Packaging	1,450	1,521	1,255	-5%	16%
Corrugated Boxes	1,158	1,243	1,003	-7%	15%
Industrial Bags	292	278	251	5%	16%
Other²	13	27	(3)	-51%	n/a
Total Net Revenue	4,422	4,581	3,467	-3%	28%

¹ Includes Kraftliner, White Top Liner, Recycled, Eukaliner®, Eukaliner® White and other containerboard grades

² Includes by-product sales and hedge accounting

Net Revenue amounted to R\$ 4.422 billion in 1Q22, a growth of 28% in relation to 1Q21 as a result of price adjustments over recent quarters at all units, both in the local as well as the international market, offsetting the effect of the 5% appreciation in the Real against the US\$ on exports over the same comparative period.



¹Includes wood, by-product sales and hedge accounting

²Includes Kraftliner, White Top Liner, Recycled, Eukaliner®, Eukaliner® White and other containerboard grades

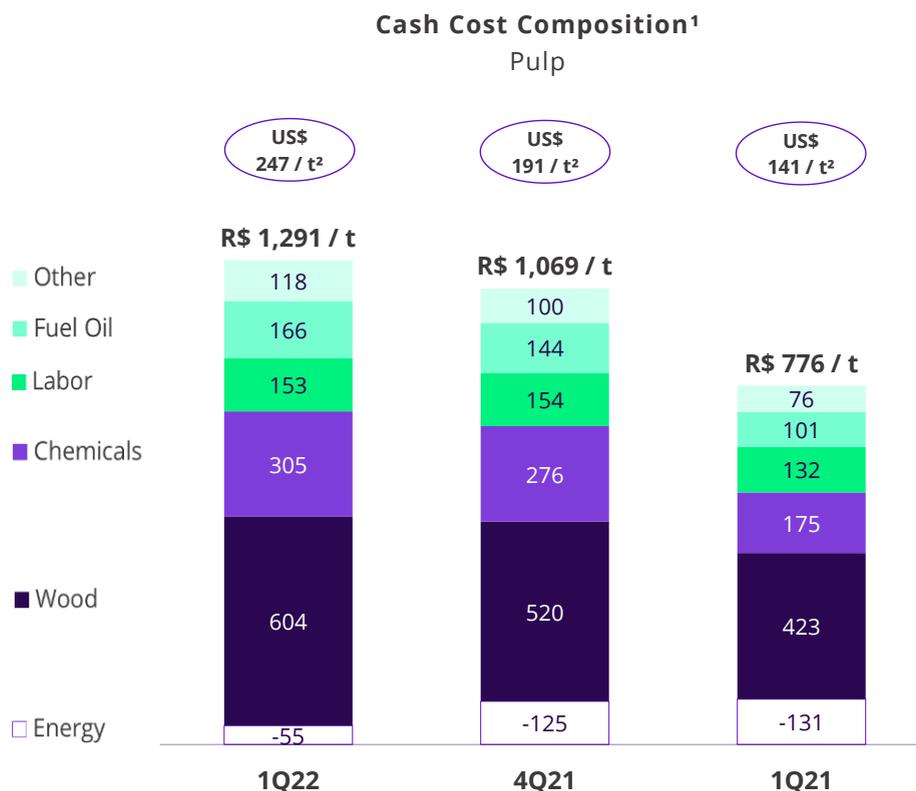
Operational Costs and Expenses

Pulp Cash Cost

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

The pulp production **cash cost** in 1Q22 was R\$ 1,291/t, an increase of 66% compared to 1Q21, excluding the effects of the general maintenance stoppage in the quarter. The main reasons for this increase are related to the strong increase in commodity prices impacting the cost of fuel oil and chemical inputs, notably sodium chlorate and caustic soda. As anticipated in previous quarters, there was also an increase in cost of fibers, explained by the greater use of third-party wood supplies during the first cycle of the Puma II Project, as well as the reduced revenue from energy sales due to the general maintenance stoppage and the decline in the spot energy price.

The cost in US\$ was US\$ 247/t in 1Q22 (vs. US\$ 141/t in 1Q21) influenced also by the appreciation of the Real against the US\$ in the period.



¹Does not include costs of maintenance stoppage; ²Calculated on the average US Dollar for the period

The maintenance stoppage at the pulp unit represented additional costs of R\$ 317 per ton, of which R\$ 97/t related to higher inputs and ancillary materials during the maintenance stoppage and R\$ 220 per ton for reduced dilution of fixed costs and expenditures associated with the resumption of

operations. Consequently, the pulp cash cost of production, considering the effects of the stoppage, was R\$ 1,608/t in the quarter.

Total Cash Cost

Costs and Expenses (R\$ million)	1Q22	4Q21	1Q21	Δ	
				1Q22/4Q21	1Q22/1Q21
Cost of Goods Sold (COGS)¹	(2,092)	(2,058)	(1,764)	2%	19%
Variable Costs	(1,352)	(1,457)	(1,096)	-7%	23%
Labor and Third Parties	(569)	(607)	(482)	-6%	18%
Other	(171)	7	(186)	n/a	-8%
COGS/t	(2,324)	(2,102)	(1,941)	11%	20%
Sales Expenses	(367)	(376)	(267)	-3%	37%
Administrative Expenses	(237)	(266)	(204)	-11%	16%
Other Net Expenses²	8	3	32	137%	-76%
Total Cash Cost	(2,688)	(2,697)	(2,203)	0%	22%
Cash Cost/t (excluding MS effects)³	(2,845)	(2,753)	(2,319)	3%	23%

¹ Excludes Depreciation, Amortization and Exhaustion contained in COGS and SG&A. Includes maintenance downtime cost

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

³ Excludes the maintenance cost of maintenance stoppage

The **cost of goods sold (COGS)**, excluding depreciation, amortization and depletion was R\$ 2.092 billion in the first quarter 2022, equivalent to R\$ 2,324/t, 20% higher than 1Q21. This increase is due to the higher costs of chemicals, fuels, freight, and greater expenditure with the purchase of third-party wood supplies. As explained in previous quarters, this increase in the purchase of third-party wood is designed to supply the first cycle of the Puma II Project while the Company's own forest plantations are being developed for harvesting once the second cycle comes on stream. Some of this increase was compensated by the reduction in average OCC costs (R\$ 856/t in 1Q22 vs. R\$ 1,449/t in 1Q21, as per market data published by Anguti) and the lower purchase volumes of OCC and third-party paper in the light of flatter demand for corrugated boxes in the quarter.

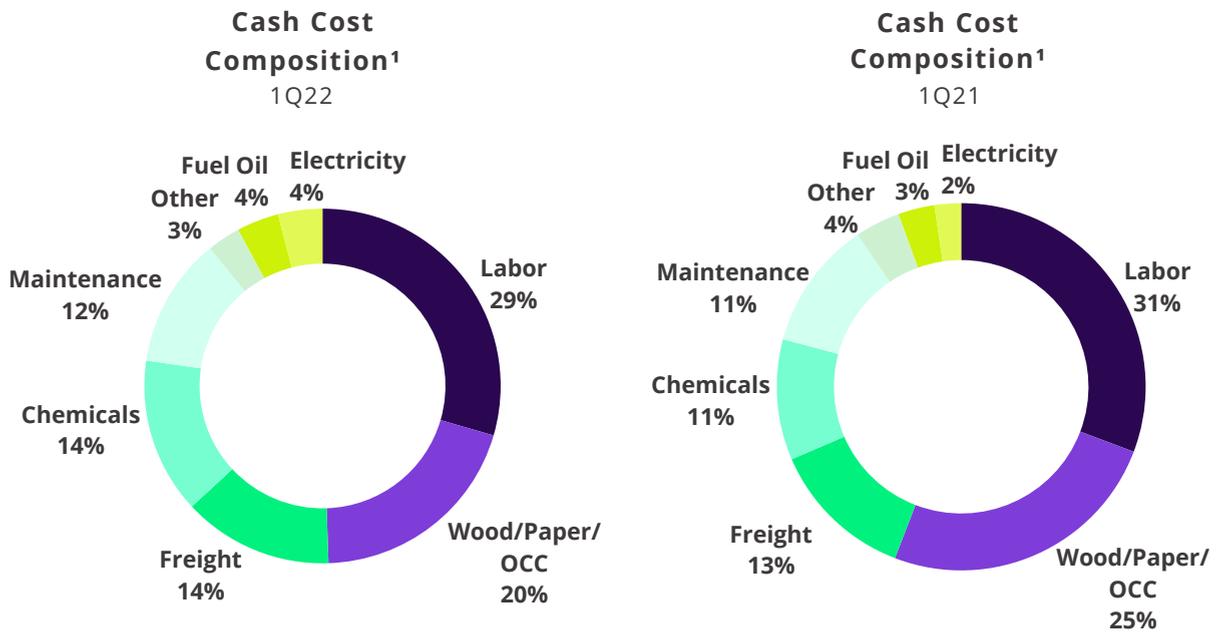
Sales expenses amounted to R\$ 367 million in 1Q22, equivalent to 8.3% of net revenue, an increase of 7.7% verified in the same quarter of 2021. The increase in relation to net revenue is explained by greater export volumes in 1Q22 when compared with 1Q21 and the increase in cost of freight along the entire logistics chain.

General and administrative expenses totaled R\$ 237 million in 1Q22, 16% greater year-on-year and reflecting higher outgoings on IT projects and the hiring of consultancies for strategic projects in addition to the inflationary effect in the period.

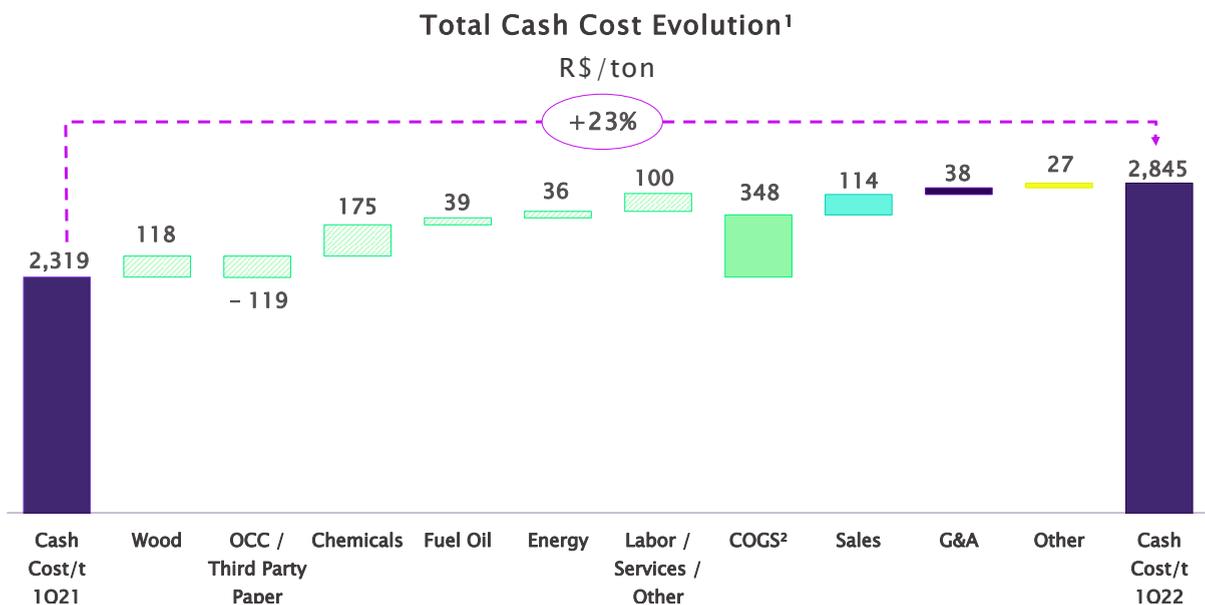
Other net expenses reported a revenue of R\$ 8 million in the quarter.

Total unitary cash cost, incorporating the sale of all the Company's products, was R\$ 2,845/t in 1Q22, 23% up on the cost for the same period in the preceding year, excluding the impact of the

maintenance stoppages at the Ortigueira (Puma I and Puma II) and Correia Pinto units in 1Q22 and the Monte Alegre unit in 1Q21.



¹Includes costs of maintenance stoppage, allocated in "Maintenance"



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

Effect of the variation in the fair value of biological assets

Biological Assets (R\$ million)	1Q22	4Q21	1Q21	Δ	
				1Q22/4Q21	1Q22/1Q21
Beginning Balance	5,528	4,846	4,658	14%	19%
Additions and Subtractions	434	469	209	-8%	108%
Planting and Purchase of Standing Forest	434	469	209	-8%	108%
Exhaustion	(316)	(452)	(367)	-30%	-14%
Historical Cost	(141)	(156)	(135)	-10%	5%
Fair Value Adjustment	(174)	(296)	(232)	-41%	25%
Fair Value Variation	372	664	43	-44%	770%
Price	359	532	195	-33%	84%
Growth	12	132	(152)	-91%	n/a
Ending Balance	6,018	5,528	4,543	9%	32%

The **evaluation of the biological assets** at their fair value takes into account certain estimates such as the price of wood, discount rate, forest harvest plan and productivity, variations of which have non-cash effects on the Company's results. The balance of biological assets closed the first quarter of 2022 at R\$ 6.0 billion, R\$ 1.5 billion above the balance at the end of the same period of the previous year. This performance is in line with the expansion of Klabin's forest base to meet its growth projects.

In 1Q22, the variation in fair value of the biological assets resulted in revenue of R\$ 372 million, mainly due to the positive impact of R\$ 359 million in the price of assets (standing timber) based on market surveys by specialized companies. The depletion effect of the fair value of biological assets on the cost of products sold was R\$ 174 million in the same period. Hence, the non-cash effect of the fair value of the biological assets on operating results (EBIT) in 1Q22 was a positive R\$ 198 million.

EBITDA and Operating Cash Generation

R\$ million	1Q22	4Q21	1Q21	Δ	
				1Q22/4Q21	1Q22/1Q21
Net Income (loss)	875	1,050	421	-17%	108%
(+) Income Taxes and Social Contribution	549	391	57	41%	n/a
(+) Net Financial Revenues	77	390	203	-80%	-62%
(+) Depreciation, Amortization, Depletion	625	732	626	-15%	0%
Adjustments According to IN.CVM 527/12 art. 4					
(+) Variation of Fair Value of Biological Assets	(372)	(664)	(43)	44%	n/a
(+) Cash Flow Hedge Effect	(9)	-	11	n/a	n/a
(+) Equity Pickup	(20)	(14)	(1)	-43%	n/a
Adjusted EBITDA	1,726	1,884	1,274	-8%	35%
Adjusted EBITDA Margin	39%	41%	37%	- 2 p.p.	+ 2 p.p.
(+) Non-Recurring Effects ¹	-	-	(20)	n/a	n/a
Adjusted EBITDA (excluding non-recurring effects)¹	1,726	1,884	1,254	-8%	38%
Adjusted EBITDA Margin (excluding non-recurring effects) ¹	39%	41%	36%	- 2 p.p.	+ 3 p.p.
Cash Generation (Adjusted EBITDA - Maintenance Capex)²	1,431	1,604	1,003	-11%	43%
Cash Generation/t^{2,3} (R\$/t)	1,590	1,639	1,103	54%	44%

¹ Refers to R\$20 million net gain from the sale of Nova Campina in 1Q21

² Excludes non-recurring effects

³ Sales volume excludes wood

Adjusted EBITDA in the first quarter of 2022 was R\$ 1.726 billion, 38% greater than 1Q21, excluding non-recurring effects, a reflection of price readjustments implemented in the last few quarters which more than compensated for pressure on costs and the appreciation of the Real against the US\$ in the period. As a result, the Adjusted EBITDA Margin in 1Q22 was 39%, an improvement of 3 p.p. compared to the same quarter in 2021.

Cash generation per ton, measured by the Adjusted EBITDA less maintenance Capex in relation to volume sold, was R\$ 1,590/t in 1Q22, a year-on-year increase of 44%, and an indication of the Company's capacity to match growth with a solid value creation.

EBITDA by Segment ¹	1Q22	4Q21	1Q21	Δ	
				1Q22/4Q21	1Q22/1Q21
Adjusted EBITDA (R\$ million)	1,726	1,884	1,254	-8%	38%
Pulp	667	924	716	-28%	-7%
% EBITDA Participation	39%	49%	57%	- 10 p.p.	- 8 p.p.
Paper and Packaging	1,058	960	538	10%	97%
% EBITDA Participation	61%	51%	43%	+ 10 p.p.	+ 8 p.p.
Adjusted EBITDA/t² (R\$/t)	1,917	1,925	1,380	0%	39%
Pulp	1,999	2,401	1,918	-17%	4%
Paper and Packaging	1,869	1,616	1,005	16%	86%

¹ Excluding non-recurring effects. For purposes of this EBITDA by segment calculation, the 'Others' results were allocated in the respective businesses

² Sales volume excludes wood sales to third parties

1Q22 Earnings Release

In 1Q22, total Adjusted EBITDA per ton was R\$ 1,917/t, 39% greater than 1Q21, the benefit of price readjustments across all business lines implemented over recent quarters. The Adjusted EBITDA/t for the Pulp Business reported R\$ 1,999/t in 1Q22, a 4% year-on-year increase. This result was mainly a reflection of the increases in prices during the last year as well as the benefits arising from flexibility of sales between the different geographies of the world and Klabin's exposure to three grades of pulp fiber, compensating general maintenance stoppage costs this quarter and the appreciation of the Real against US\$. In the Paper and Packaging segment, the increase of 86% in Adjusted EBITDA/t this quarter versus the same period of 2021 is explained by price readjustments and the reduction in expenditures on OCC and third-party paper purchases that overcame the pressure observed in other costs. In the comparative period, 1Q21, the segment's Adjusted EBITDA was impacted by the cost from the general maintenance shutdown at the Monte Alegre mill.

Debt and Financial Investments

Debt (R\$ million)	Mar-22	Prop. %	Dec-21	Prop. %
Short Term				
Local Currency	518	2%	1,318	4%
Foreign Currency ¹	609	3%	541	2%
Total Short Term	1,126	5%	1,859	6%
Long Term				
Local Currency	4,464	19%	4,458	15%
Foreign Currency ¹	18,485	77%	23,021	78%
Total Long Term	22,949	95%	27,479	94%
Total Local Currency	4,981	21%	5,776	20%
Total Foreign Currency ¹	19,094	79%	23,563	80%
Gross Debt	24,075		29,338	
(-) Cash	6,185		8,422	
Net Debt	17,890		20,916	
Net Debt / EBITDA (LTM) - US\$	2.7 x		2.9 x	
Net Debt / EBITDA (LTM) - R\$	2.4 x		3.0 x	

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

On March 31, 2022, **gross debt** was R\$ 24.075 billion, a reduction of R\$ 5.264 billion in relation to the end of 4Q21. This reduction was largely due to the effect of the appreciation of the Real against the US\$ on currency denominated debt, without a cash effect during the period. The decrease in gross debt was also due to the debt management in the quarter with the bonds (maturing 2024 and 2027) tender offer, as per the notice to the market, in the amount of US\$ 272 million and the amortization of the Agribusiness Receivable Certificates (CRA) in the amount of R\$ 846 million partially offset by the disbursement of the Finnvera line (ECA) of US\$ 165 million.

Average Maturity / Cost of Debt	1Q22	4Q21	1Q21
Local Currency Cost	13.4% p.y.	11.5% p.y.	6.5% p.y.
Foreign Currency Cost	5.0% p.y.	5.1% p.y.	5.1% p.y.
Average maturity	102 months	105 months	114 months

The annual average cost of Klabin's currency denominated debt, the Company's principal source of credit, remained stable on a quarterly comparison basis at 5.0%. The cost of debt in local currency increased to 13.4% p.a. in 1Q22, reflecting the higher CDI and IPCA in the period.

Cash and financial investments ended the first quarter of 2022 at R\$ 6.185 billion, a reduction of R\$ 2.237 billion in relation to the preceding quarter and reflecting the movement as a result of debt management and by the negative variation of the free cash flow in the period. This cash position is sufficient to amortize 49 months of debt. Klabin also has a Revolving Credit Facility characterized as Sustainability-Linked totaling US\$ 500 million (equivalent to R\$ 2.369 billion) and maturity in October 2026.

Klabın also has financing earmarked to the execution of the Puma II Project, contracted, and partially drawn in the following amounts: (i) BID Invest, IFC and JICA, US\$ 700 million; (ii) Finnvera (ECA), US\$ 445 million; and (iii) BNDES, R\$ 2 billion. These credit lines may be drawn either in full or partially, according to the progress in the construction schedule of the Project and/or the Company's cash requirements.

Consolidated **Net Debt** as at March 31, 2022, totaled R\$ 17.890 billion, a reduction of R\$ 3.026 billion compared to the end of 4Q21, explained substantially by the positive impact of the exchange translation effect on US\$ denominated debt.

The **Net Debt/Adjusted EBITDA** ratio in US\$ - which best reflects Klabın's financial leverage profile - continued a deleveraging trajectory, terminating in 1Q22 at 2.7 times compared with 2.9 times in 4Q21 and despite the continuing Puma II investment cycle. The deleveraging is explained by the positive impact of the EBITDA's performance over the past twelve months, maintaining leverage within the parameters established in the Company's **Financial Debt Policy**.

Hedge Accounting

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

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

In 1Q22, the currency variation of debt designated for hedge accounting totaled a net positive effect of R\$ 2.241 billion in the "Valuation adjustments to shareholders' equity" of the Shareholders' Equity, accumulating a positive balance of R\$ 1.482 billion. The net value for the quarter relates to the negative balance of R\$ 3.404 billion booked to the financial result less a balance of R\$ 1.154 billion of deferred Income Tax and Social Contribution and R\$ 9 million of realization of the hedge reserve.

In 1Q22, revenue of US\$ 22 million was realized linked to the settlement of loans and financing, designated as a hedge instrument. This revenue generated a positive exchange variation impact of R\$ 9 million, excluded from Adjusted EBITDA to better show the Company's operating cash generation.

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

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

Financial Result¹

R\$ million	1Q22	4Q21	1Q21	Δ	
				1Q22/4Q21	1Q22/1Q21
Financial Expenses	(328)	(484)	(470)	-32%	-30%
Financial Revenues	213	195	30	9%	n/a
Subtotal	(116)	(289)	(440)	-60%	-74%
Net Foreign Exchange Variation	2,177	(454)	(1,156)	n/a	n/a
Derivative Instruments (SWAP)	1,265	51	(336)	n/a	n/a
Hedge Accounting Effect	(3,404)	302	1,728	n/a	n/a
Subtotal	38	(101)	237	n/a	-84%
Financial Result	(77)	(390)	(203)	-80%	-62%

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

In 1Q22, financial expenses amounted to R\$ 328 million, a decline of 32% compared with the preceding quarter. The main reasons driving this decrease are the reduction in the outstanding balance of currency denominated debt and the positive variation in the swaps linked to loans and financing in Reais, benefiting from the increase in the Interbank Deposit rate (DI), the foreign exchange coupon and the appreciation of the Real against the US\$ in the period. Financial revenues totaled R\$ 213 million in the quarter, R\$ 18 million more than 4Q21, a reflection of the greater returns from financial investments due to the increase in CDI in the period.

The closing exchange rate for the quarter was R\$ 4.74/US\$, a 15% appreciation over the closing rate for 4Q21, having a positive effect on the net foreign exchange variation line of R\$ 2.177 billion due to the impact on US\$ denominated debt (with no material cash effect in the period) and on the marking-to-market of swaps linked to loans and financing denominated in Reais, with the same effects as mentioned in the preceding paragraph.

As commented in the preceding section, the Company adopted cash flow hedge accounting methodology in January 2021. Consequently, in 1Q22, the book effect before Income/Social Contribution taxes was a negative R\$ 3.404 million, a function of the impact of the appreciation of the Real against the US\$ in the marking-to-market of currency denominated debt. This amount ceases to be booked to the income statement through an offsetting amount to shareholders' equity in the "Valuation adjustments to shareholders' equity" line. Important to note that with the currency variation on US\$ denominated debt, the marking-to-market of the swaps as well as the partial compensation under the hedge accounting methodology – amounting to a positive R\$ 38 million in 1Q22, had no cash effect in the period.

Investments

R\$ million	1Q22	4Q21	1Q21	Δ	
				1Q22/4Q21	1Q22/1Q21
Forestry	109	117	67	-7%	64%
Operational Continuity	185	163	184	14%	0%
Maintenance Capex	294	280	251	5%	17%
Special Projects and Growth	111	119	67	-7%	65%
Puma II Project	594	759	497	-22%	20%
Total	999	1,159	815	-14%	23%

In 1Q22, Klabin invested R\$ 999 million in its operations and in expansion projects. Of the total amount, R\$ 109 million were allocated to forestry operations and R\$ 185 million to operational continuity, totaling R\$ 294 million in the quarter. These values totaling R\$ 294 million, represent investments in the Company's operational maintenance.

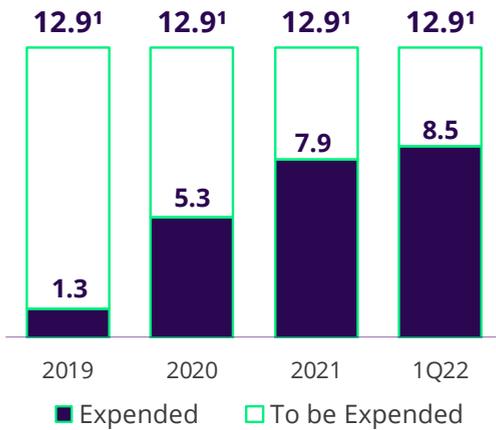
Given their cash nature, the amounts invested do not sweep up investments related to the forestry activities of the subsidiaries through the medium of Special Purpose Corporations (SPC's), realized via the injection of forestry assets already existing in Klabin's balance sheet.

The investments in Special and Growth Projects in 1Q22 amounted to R\$ 111 million, allocated largely to projects approved in 2021, as announced through [Notice to the Market](#) on 06/29/2021, and the construction of the port terminal in Paranaguá, as a [Notice to the Market](#) released on August 13, 2019. In addition, the first investments were made in the Horizonte Project for expanding the corrugated box converting unit, again as [Notice to the Market](#) released on 02/08/2022.

In relation to the Puma II Project, Klabin disbursed R\$ 594 million in 1Q22, total disbursements in the Project amounting to R\$ 8.489 billion. Currently, the Company is at the construction phase of the second paper machine comprising the Puma II Project, the physical progress of which has reached 32% according to measurements made on 04/17/2022. Startup is forecast for the second quarter 2023. Remaining investments required to conclude the Project will be financed out of the Company's cash position and cash generation from current business activity. If necessary, the Company is able to tap complementary funding by drawing against credit lines already in place from the ECA's, BNDES, BID Invest, IFC and JICA, with no further requirements for additional financing.

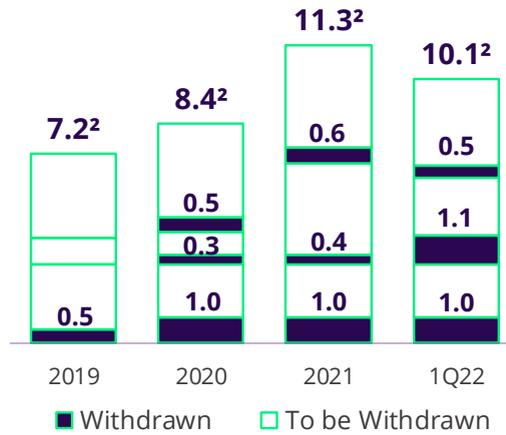
Gross Puma II Capex

Budgeted vs Expended
(R\$ billion)



Puma II Financing

Funded vs Withdrawn
(R\$ billion)



IDB
INVEST/IFC/JICA
3.8
FINNVERA
3.3
BNDES
3.0

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

² Considers the end of period R\$/US\$ rate

Free Cash Flow

R\$ million	1Q22	4Q21	1Q21	LTM 1Q22	LTM 1Q21
Adjusted EBITDA	1,726	1,884	1,274	7,336	5,153
(-) Capex ¹	(999)	(1,159)	(815)	(4,062)	(5,170)
(-) Interest Paid/Received	(211)	(286)	(222)	(1,022)	(1,490)
(-) Income Tax	(188)	(193)	(40)	(654)	(48)
(+/-) Working Capital Variation	(549)	(43)	(526)	(416)	1,857
(-) Dividends & IOC	(377)	(402)	-	(779)	-
(+/-) Others	(91)	(18)	47	(319)	(317)
Free Cash Flow	(689)	(216)	(283)	85	(13)
Dividends & IOC	377	402	-	779	-
Puma II Project	594	759	497	2,676	4,014
Special Projects and Growth	111	119	67	379	383
Adjusted Free Cash Flow²	393	1,065	281	3,920	4,385
Adjusted FCF Yield³				14.1%	16.8%

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

² Excluding dividends and special projects and growth

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

The **Free Cash Flow** in the first quarter 2022 benefited by the increase in the cash generation - measured by EBITDA - in relation to the same period in 2021. On the other hand, there was a negative impact due to the higher disbursement of income and social contribution taxes - since in 1Q21, the Company still enjoyed tax credits available for compensation.

In 1Q22, the variation in working capital was negative by R\$ 549 million, explained mainly by the higher level of inventories due to logistical bottlenecks and planning as a result of scheduled general maintenance stoppages, judicial deposit and a reduction in the suppliers' account and provisions due to seasonality effects.

The **Adjusted Free Cash Flow** - which excludes discretionary outflows - in 1Q22 was R\$ 393 million. In the last twelve months, Adjusted Free Cash Flow amounted to R\$ 3.920 billion, excluding discretionary factors and growth projects, equivalent to a Free Cash Flow Yield of 14.1%.

ROIC - Return on Invested Capital

ROIC (R\$ million) - LTM ¹	1Q22	4Q21	1Q21
Total Asset	40,348	39,944	36,730
(-) Total Liability (ex-debt)	(5,573)	(5,138)	(4,006)
(-) Construction in Progress	(4,566)	(5,317)	(5,065)
Invested Capital	30,209	29,489	27,660
(-) CPC 29 Adjustment ²	(1,957)	(1,829)	(1,543)
Adjusted Invested Capital	28,252	27,660	26,116
Adjusted EBITDA	7,336	6,885	5,153
(-) Maintenance Capex	(1,006)	(963)	(773)
(-) Income Tax and Soc. Contr. (cash)	(654)	(507)	(48)
Adjusted Operating Cash Flow	5,676	5,415	4,333
ROIC³	20.1%	19.6%	16.6%

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

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

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

Klabin's consolidated **return** as measured by the Return on Invested Capital (ROIC)¹ metric was 20.1% over the last twelve months, slightly more than the preceding quarter explained mainly by the better performance in Adjusted EBITDA over the last 12 months. Worthy of note is that with the startup of the first stage in the Puma II Project, part of the investments in the 'Construction in Progress' line, are now booked as "Machinery, Equipment, and Installations", and no longer deducted from Total Assets for the purpose of calculating the ROIC.

Business Performance

Consolidated information by unit in 1Q22:

R\$ million	Forestry	Pulp	Papers	Packaging	Eliminations	Total
Net revenue						
Domestic market	71	520	698	1,321	(2)	2,608
Exports	-	843	835	127	9	1,814
Third part revenue	71	1,363	1,533	1,448	7	4,422
Segments revenue	588	35	872	22	(1,517)	-
Total net revenue	659	1,398	2,405	1,470	(1,510)	4,422
Change in fair value - biological assets	372	-	-	-	-	372
Cost of goods sold ¹	(822)	(658)	(1,342)	(1,275)	1,380	(2,717)
Gross income	209	740	1,063	195	(130)	2,077
Operating expenses	(92)	(210)	(245)	(167)	139	(575)
Op. results before financial results	117	530	818	28	9	1,502

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

¹ Forestry COGS includes the exhaustion on the fair value of biological assets in the period

Forestry Business Unit

Volume (k tons)	1Q22	4Q21	1Q21	Δ	
				1Q22/4Q21	1Q22/1Q21
Wood	264	344	410	-23%	-36%
Revenue (R\$ million)					
Wood	43	57	62	-24%	-30%

In 1Q22, the Company sold 264 thousand tons of wood, a volume 36% lower than the same quarter in 2021. This was principally due to a lower availability of wood for sale due to the harvesting of younger forests in the period. With this, revenues amounted to R\$ 43 million in the quarter.

Pulp Business Unit

Volume (k tons)	1Q22	4Q21	1Q21	Δ	
				1Q22/4Q21	1Q22/1Q21
Short Fiber DM	71	77	76	-8%	-7%
Short Fiber EM	168	203	193	-17%	-13%
Short Fiber	238	280	269	-15%	-11%
Long Fiber/Fluff DM	49	52	52	-6%	-7%
Long Fiber/Fluff EM	47	53	52	-11%	-10%
Long Fiber/Fluff	95	105	104	-9%	-8%
Total Pulp	334	385	373	-13%	-11%
Revenue (R\$ million)					
Short Fiber	871	1,004	780	-13%	12%
Long Fiber/Fluff	489	533	411	-8%	19%
Total Pulp	1,360	1,537	1,191	-11%	14%
Net Price (R\$/ton)					
Short Fiber	3,654	3,582	2,900	2%	26%
Long Fiber/Fluff	5,128	5,086	3,945	1%	30%
Total Pulp	4,075	3,991	3,191	2%	28%

In 1Q22, sales volume of pulp was 334 thousand tons, a year-on-year reduction of 11% due to the general maintenance shutdown at the Puma unit in February.

In this quarter, there were restrictions in the supply of pulp in the world market, a reflection of the difficulties along the supply chain and global logistics, the latter situation intensifying in late 2021, in addition to the greater concentration of scheduled maintenance stoppages at pulp mills throughout Latin America, weather conditions, production difficulties, strikes and unexpected shutdowns of capacity. This reduction in supply allied to the maintenance of demand at a healthy level, generated greater imbalance in the market in this period.

With this, price readjustments which began at the end of last year, continued throughout the current quarter under review, with greater intensity in China, although at more reduced levels in comparison to prices elsewhere. Klabin maintained a greater concentration of sales in the regions where prices are linked to FOEX Europe reference prices (Europe, USA and the domestic market), these remaining practically stable on average in 1Q22 in relation to 4Q21. In China, long and short fiber prices reached an average quotation of US\$ 643/t and US\$ 859/t, respectively. These values represent an increase of 13% and 14% compared to the average of the 4Q21. Both of these pulp grades measured by the FOEX price index.

Klabin's position as the only Brazilian company producing short fiber, long fiber/fluff pulps translates into a diversified sales mix, allowing the Company to maximize the return from the business. The price differential between short and long fiber pulps remained high, ending the quarter at US\$ 259/t

in China. It is worth also highlighting the solid performance of fluff pulp with greater intensity both in terms of demand as well as price.

Given this market scenario, net revenue from the pulp business reached R\$ 1.360 billion in 1Q22, a growth of 14% in relation to the same period in 2021 reflecting largely the strong recovery in prices, the better sales mix between geographies and the three types of fiber. On the basis of a quarter-on-quarter comparison, there was a contraction of 11% in sales revenue and the result of lower volumes due to the general maintenance shutdown and the negative impact from the appreciation of the Brazilian currency against the US\$.

Paper Business Unit

Volume (k tons)	1Q22	4Q21	1Q21	Δ	
				1Q22/4Q21	1Q22/1Q21
Coated Boards DM	104	119	109	-13%	-4%
Coated Boards EM	71	68	44	5%	63%
Coated Boards	175	187	153	-6%	15%
Containerboard DM	40	46	54	-14%	-26%
Containerboard EM	101	91	49	12%	105%
Containerboard¹	141	137	103	3%	36%
Paper	316	324	256	-2%	24%
Revenue (R\$ million)					
Coated Boards	868	833	643	4%	35%
Containerboard ¹	688	606	320	14%	115%
Paper	1,555	1,438	962	8%	62%
Net Price (R\$/ton)					
Coated Boards	4,947	4,450	4,212	11%	17%
Containerboard ¹	4,881	4,431	3,092	10%	58%
Paper	4,918	4,442	3,760	11%	31%

¹ Includes Kraftliner, White Top Liner, Recycled, Eukaliner®, Eukaliner® White and other containerboard grades

Coated Boards

Demand for coated boards has been driven by the tendency to consume sustainable packaging in substitution for single use plastic adopting recyclable, biodegradable solutions based on sources of renewable raw materials, ensuring that the balance between supply and demand remains very tight, mainly in the export market. According to the most recent figures from the Brazilian Tree Industry (IBÁ), domestic market sales were 8.3% lower in January and February 2022 when compared to the same period in 2021, the result of declining purchasing power among consumers and the acceleration in inflation rates in Brazil.

First quarter 2022 Klabin's coated board sales volume rose 15% compared to the same quarter in 2021 given that the maintenance stoppage at the Monte Alegre unit, which produces coated board, took place in 1Q21 while in 2022, was executed in the second quarter. Revenue from this segment rose 35% year-on-year, the result of price readjustments over recent quarters.

Containerboard

The containerboard market in the first quarter 2022 remained buoyant on the export front although domestic market sales were impacted by a slowdown in demand for corrugated boxes. Besides the additional volume from PM 27 to be sold, Klabin used its business model flexibility to convert less paper into packaging while increasing export volumes of kraftliner at very high prices. The average FOEX index price for kraftliner Europe was US\$ 995/t in the quarter, 36% higher than 1Q21 average.

In 1Q22, net revenue from the containerboard segment recorded an increase of 115% compared to the same period in 2021. This reflects increased sales volume combined with the price readjustments made over recent quarters, offsetting the negative effect of the Real's appreciation against the US\$ for export business during the period as well as cost pressures.

Packaging Business Unit

Volume (k tons)	1Q22	4Q21	1Q21	Δ	
				1Q22/4Q21	1Q22/1Q21
Corrugated Boxes	210	227	240	-8%	-13%
Industrial Bags	39	42	39	-6%	0%
Packaging	249	269	280	-7%	-11%
Revenue (R\$ million)					
Corrugated Boxes	1,158	1,243	1,003	-7%	15%
Industrial Bags	292	278	251	5%	16%
Packaging	1,450	1,521	1,255	-5%	16%
Net Price (R\$/ton)					
Corrugated Boxes	5,521	5,473	4,171	1%	32%
Industrial Bags	7,411	6,625	6,381	12%	16%
Packaging	5,820	5,653	4,483	3%	30%

Corrugated Boxes

Preliminary information published by Empapel shows the volume of corrugated boxes shipments in 1Q22 was 9.8% down on the same period in 2021, indicating some slackening of demand and a return to typically seasonal oscillations with a weaker first quarter following two years of intense demand due to the pandemic. Weaker demand is also a reflection of reduced consumer purchasing power in the domestic market set against a background of high inflation.

Klabin reported corrugated boxes sales volume of 210 thousand tons in 1Q22, a decrease of 13% compared to the same period in 2021. Net prices increased 32% in relation to 1Q21, driven by price readjustments over recent quarters, compensating for cost inflation. Compared to the immediately preceding quarter, corrugated boxes prices increased 1% even in the face of lower OCC prices, which benefited the business profitability.

Industrial Bags

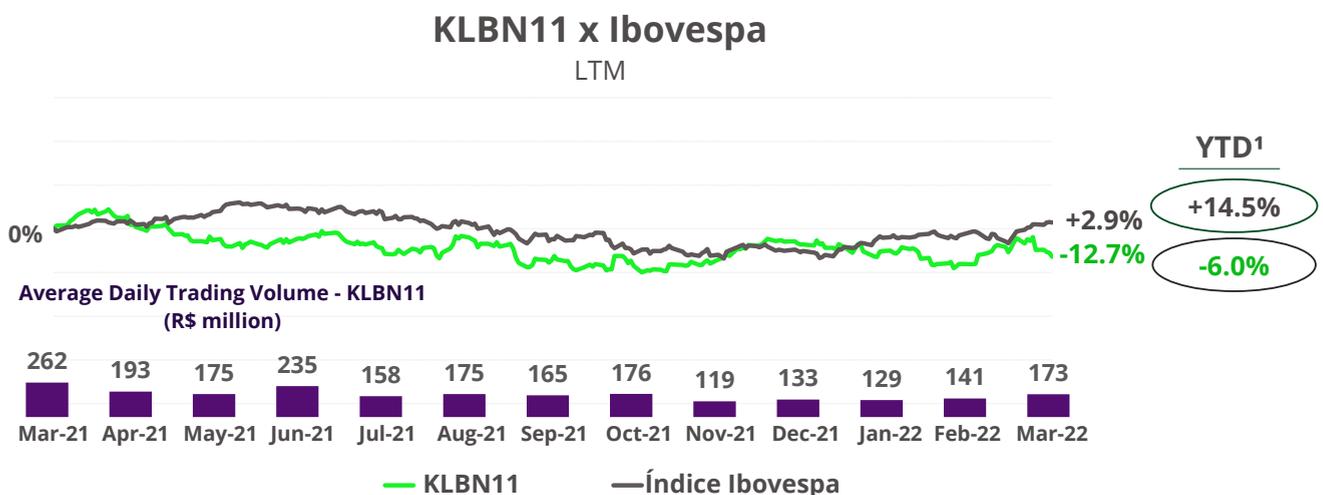
Preliminary data published by the National Cement Industry Union (SNIC) indicates Brazilian cement consumption - impacting Klabin's sales of industrial bags in Brazil - recorded a decline of 2.2% in 1Q22 compared with the same period in 2021. As Klabin is already operating at its production capacity ceiling but diverting its industrial bag output to other segments in the domestic as well as export markets, sales volume remained stable year-on-year.

Net Revenue from Klabin's industrial bag segment in 1Q22 posted a 16% increase year-on-year, the result of price increases and the sales mix with greater participation of bags for new uses with greater added value.

Capital Markets

Equity Income

Klabin units, trading under the KLBN11 ticker (1 common share + 4 preferred shares), recorded a 6.0% depreciation in the first quarter of 2022 and 12.7% in the last twelve months ending March 2022 with a closing price of R\$ 24.12/unit. The Ibovespa posted an appreciation of 14.5% in 1Q22 and 2.9% over the past twelve months. The units, traded on all the days the B3 was open for business, reported approximately 372 million transactions in 1Q22. Average daily trading volume was R\$ 148 million in the period. The maximum price reached during the quarter was R\$ 26.60/unit on 03/24/2022 while the minimum price was R\$ 22.65/unit, on 02/23/2022.



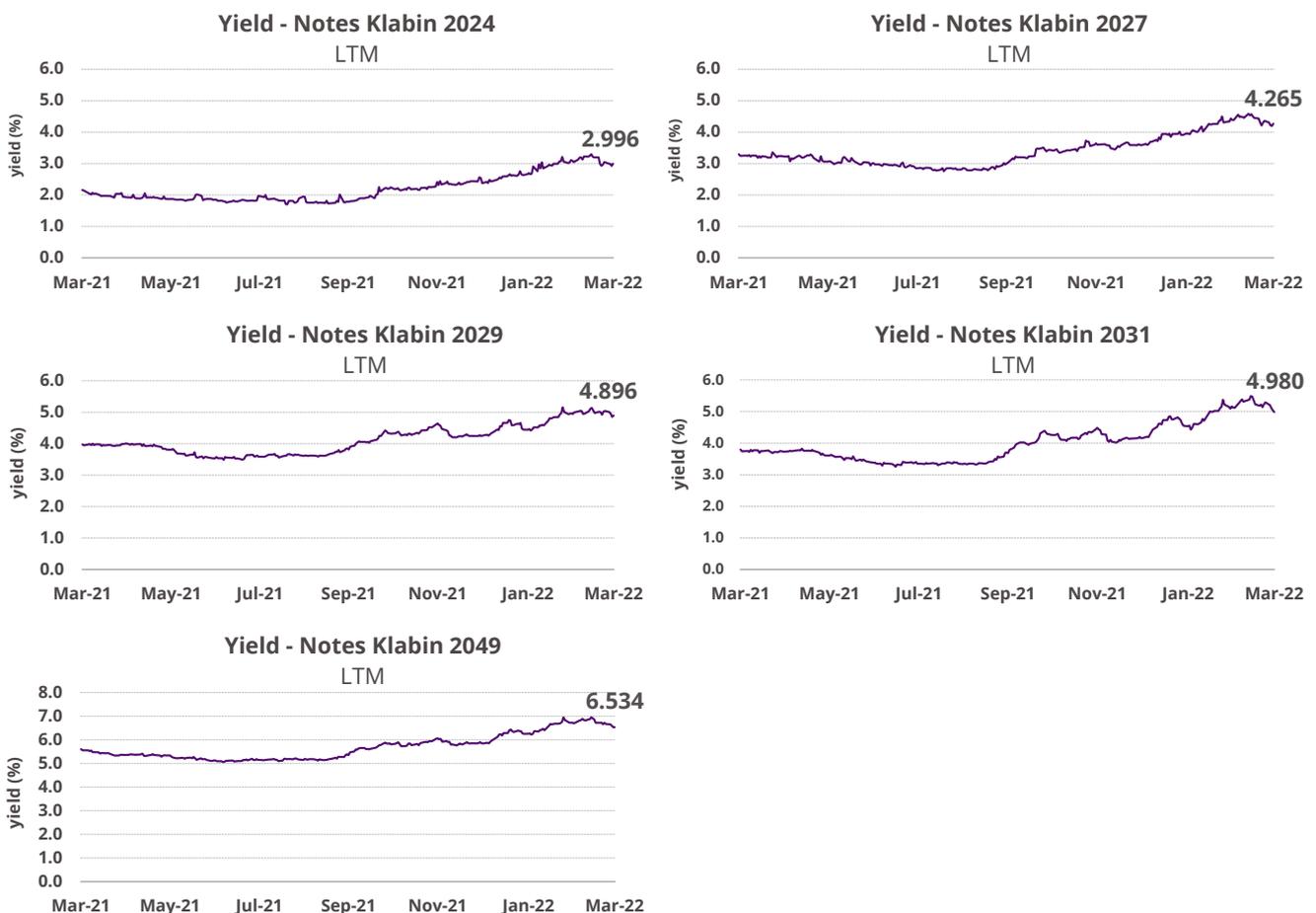
¹ YTD: Year to Date (12/30/2021 to 03/31/2022)

Fixed Income

The Company has five active note or bond issues in the international market. Among these are two Green Bond issues (2027 and 2049), the securities of which must necessarily have their resources earmarked to eligible green projects. Additionally, there are two conventional debt issues (2024 and 2029). And finally, Sustainability Linked Bonds (SLB 2031), coupon of which is earmarked to Sustainability linked performance indicators.

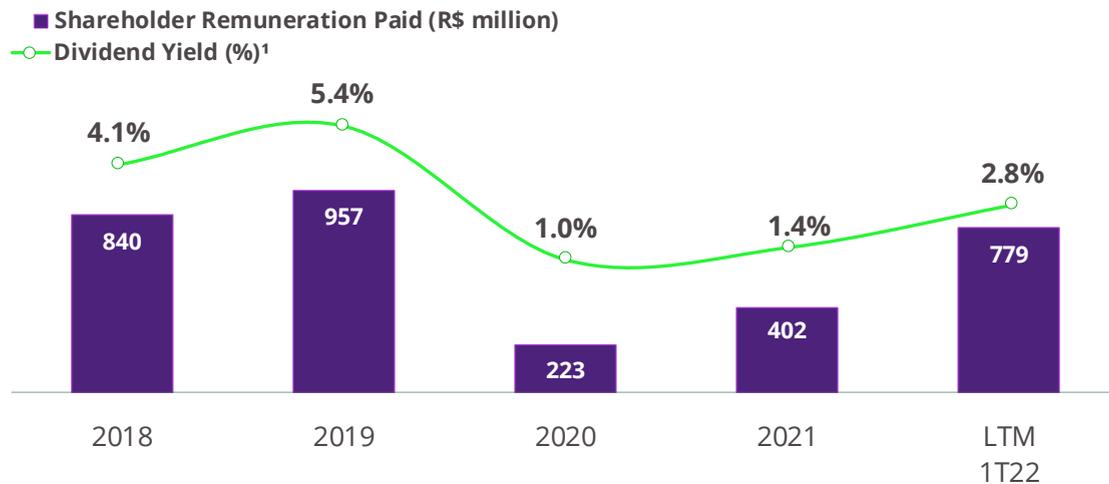
As per Notice to the Market published on 03/21/22, the Company carried out the Tender Offer of the 2024 and 2027 bonds in the first quarter 2022. The operation was well received by the market and reached a total value of US\$ 272 million, US\$ 36 million for the 2024 bond and US\$ 235 million for the 2027 bond.

All the coupons and maturities of the securities are informed in the respective charts below.



In 1Q22 there were no changes in Klabin’s credit risk classifications, these being maintained at BB+ by Standard & Poor’s, Ba1 by Moody’s, and BB+ by Fitch Ratings, all with stable outlook.

Shareholder Remuneration (cash method)



¹ Calculated based on the dividend paid per unit and the daily average closing price of the unit in the period

In the first quarter 2022, the Company paid out R\$ 377 million in dividends corresponding to the amount of R\$ 0.06864291793 per share and R\$ 0.34321458965 per unit. In the last twelve months the amount paid in shareholder remuneration amounted to R\$ 779 million, equivalent to a dividend yield of 2.8%.

The Policy for Dividends and Interest on Capital approved in June 2020 establishes a target percentage for shareholder remuneration between 15% and 25% of the adjusted EBITDA. To access the Policy in full, please [click here](#).

Conference Call

English (Simultaneous Translation)

Wednesday, May 4, 2022

Time: 11:00 a.m. (Brasília) / 10:00 a.m. (NYC)

Telephone: +1 412 717 9627 or +1 844 204 8942

Code: Klabin

Access via HD Web Phone: [click here](#)

Access via Webcast: [click here](#)

Replay: +55 11 3193-1012

Code: 5169469#

Portuguese

Wednesday, May 4, 2022

Time: 11:00 a.m. (Brasília)

Telephone: +55 (11) 4090-1621

Code: Klabin

Access via HD Web Phone: [click here](#)

Access via Webcast: [click here](#)

Replay: +55 11 3193-1012

Code: 8374387#

IR Channels

Investor Relations Website: <http://ri.klabin.com.br>

Klabin Invest: video and podcast platform available on YouTube and Spotify



E-mail: invest@klabin.com.br

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The Investor Relations team is at your disposal:

- Marcos Ivo – Chief Financial and Investor Relations Officer
- Marcos Maciel – IR Manager
- Luiza Chaves – IR Coordinator
- Anna Atui – IR Analyst
- Jaqueline Furrier – IR Analyst
- Rafaela Silveira – IR Analyst
- Marcos Ribeiro – IR Intern

Statements in this release relative to the Company's business perspectives, estimates of operational and financial results and the growth potential of the Company are merely forecasts and based on Management expectations in relation to the future of the Company. These expectations are highly dependent on market changes, on the general economic performance of Brazil, on the industry and on international markets, therefore being subject to change.

Klabin's consolidated financial statements are shown in accordance with the international accounting standards (International Financial Reporting Standards - IFRS), as determined under CVM instructions 457/07 and 485/10. The Adjusted EBITDA reflects the requirements enshrined in CVM instruction 527/12. Some of the values in the charts and graphs shown throughout the document may not express a precise result due to rounding.

Appendix 1 – Consolidated Income Statement

(R\$ thousands)	1Q22	4Q21	1Q21	Δ	
				1Q22/4Q21	1Q22/1Q21
Gross Revenue	5,044,635	5,260,020	4,018,840	-4%	26%
Discounts and Rebates	(631,450)	(678,963)	(541,275)	-7%	17%
Cash Flow Hedge Realization	8,945	-	(11,018)	n/a	n/a
Net Revenue	4,422,130	4,581,057	3,466,547	-3%	28%
Variation in the Fair Value of Biological Assets	371,680	664,154	42,704	-44%	770%
Cost of Products Sold	(2,717,093)	(2,790,089)	(2,389,954)	-3%	14%
Gross Profit	2,076,717	2,455,122	1,119,297	-15%	86%
Selling Expenses	(366,550)	(376,052)	(266,841)	-3%	37%
General & Administrative Expenses	(236,552)	(265,986)	(204,468)	-11%	16%
Other Revenues (Expenses)	7,531	3,183	31,871	137%	-76%
Total Operating Expenses	(595,571)	(638,855)	(439,438)	-7%	36%
Operating Income (Before Fin. Results)	1,481,146	1,816,267	679,859	-18%	118%
Equity Pickup	20,262	14,206	925	43%	2090%
Financial Expenses	(328,274)	(483,797)	(469,792)	-32%	-30%
Liabilities Foreign Exchange Result	326,244	(123,641)	113,746	n/a	187%
Total Financial Expenses	(2,030)	(607,438)	(356,046)	-100%	-99%
Financial Revenues	212,607	195,087	29,831	9%	613%
Assets Foreign Exchange Result	(287,852)	22,739	123,106	n/a	n/a
Total Financial Revenues	(75,245)	217,826	152,937	n/a	n/a
Financial Result	(77,275)	(389,612)	(203,109)	-80%	-62%
Net Income Before Taxes	1,424,133	1,440,861	477,675	-1%	198%
Income Tax and Soc. Contrib.	(549,260)	(390,755)	(56,967)	41%	864%
Net Income (Loss)	874,873	1,050,106	420,708	-17%	108%
Net income (Loss) Attributable to Noncontrolling Interests	(109,408)	154,883	49,512	n/a	n/a
Net Income Attributable to Klabin's Stockholders	984,281	895,223	371,196	10%	165%
Depreciation/Amortization/Exhaustion	625,131	732,339	626,138	-15%	0%
Change in Fair Value of Biological Assets	(371,680)	(664,154)	(42,704)	-44%	770%
Net Realization of Cash Flow Hedge	(8,945)	-	11,018	n/a	n/a
Adjusted EBITDA	1,725,652	1,884,452	1,274,311	-8%	35%
Non-Recurring Effects ¹	-	-	(20,231)	n/a	n/a
Adjusted EBITDA (excl. non-recurring effects)	1,725,652	1,884,452	1,254,080	-8%	38%

¹Refers to R\$20 million net gain from the sale of Nova Campina in 1Q21

Appendix 2 – Consolidated Balance Sheet

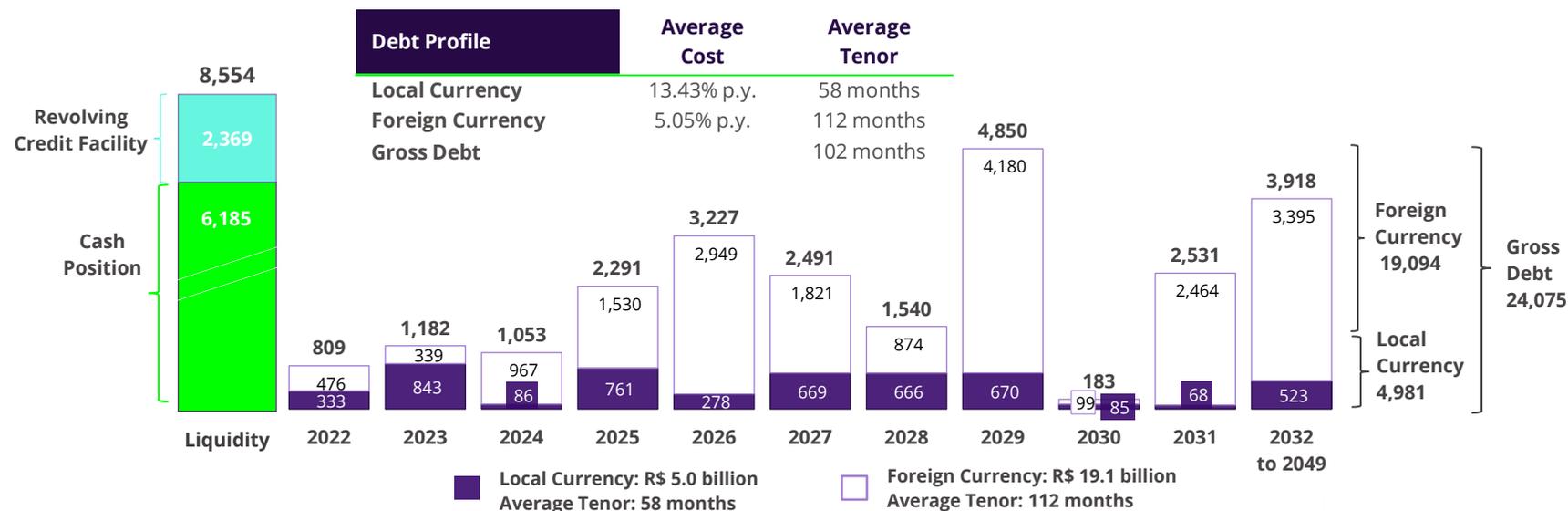
Assets (R\$ thousands)	mar-22	dec-21	mar-21	Liabilities and Equity (R\$ thousands)	mar-22	dec-21	mar-21
Current Assets	11,440,924	13,901,740	13,351,011	Current Liabilities	4,519,751	5,570,841	4,569,553
Cash and Cash-Equivalents	4,149,655	6,405,200	7,014,310	Loans and financing	1,092,680	1,804,995	1,661,756
Securities	2,035,506	2,017,235	1,517,091	Debentures	33,737	54,305	65,823
Receivables	2,376,511	2,808,514	2,451,445	Suppliers	2,363,203	2,504,827	2,062,423
Inventories	2,095,614	2,003,394	1,474,757	Taxes payable	227,312	282,381	141,977
Recoverable taxes and contributions	451,666	401,001	731,717	Salaries and payroll charges	305,843	431,369	260,132
Other receivables	331,972	266,396	161,691	Liability use benefit	172,036	185,667	154,403
				Other accounts payable	324,940	307,297	223,039
Noncurrent Assets	28,758,597	28,173,967	25,232,389	Noncurrent Liabilities	25,820,400	29,418,639	30,229,613
Deferred income tax and social contribution	-	629,601	1,350,584	Loans and financing	21,590,057	25,783,921	26,741,095
Taxes to compensate	656,511	701,604	691,685	Debentures	1,358,444	1,695,198	1,806,886
Judicial Deposits	233,111	113,729	122,548	Other accounts payable - Investors SCPs	198,102	208,246	274,673
Other receivables	143,192	178,046	197,601	Lease liability	914,771	901,034	712,408
Investments	278,456	273,436	265,973	Taxes payable	1,099,606	184,996	-
Property, plant & equipment, net	20,221,417	19,549,018	17,135,924	Other accounts payable	659,420	645,244	694,551
Biological assets	6,017,603	5,528,050	4,542,764				
Right of use asset	1,052,099	1,058,099	847,424	Stockholders' Equity	8,615,569	5,739,568	3,066,894
Intangible assets	156,208	142,384	77,886	Capital	4,475,625	4,475,625	4,475,625
				Capital reserve	(319,104)	(343,463)	(343,451)
				Revaluation reserve	48,705	48,705	48,705
				Profit reserve	1,247,044	1,624,044	-
				Valuation adjustments to shareholders'equity	2,334,127	103,246	(322,847)
				Retained earnings	984,281	-	(622,630)
				Treasury stock	(155,109)	(168,589)	(168,508)
				Equity Attrib. to Noncont. Interests	1,243,801	1,346,659	717,340
Total Asset	40,199,521	42,075,707	38,583,400	Total Liability + Equity	40,199,521	42,075,707	38,583,400

Appendix 3 – Financing Redemption Schedule (as at 31/03/2022)

Debt raised in Reais linked to swaps for US\$ considered as currency denominated debt for the purposes of this appendix

R\$ million	2Q22	3Q22	4Q22	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032 to 2049	Total
BNDES	11	22	22	54	86	86	85	85	85	85	85	85	68	523	1,326
Export Credit Notes	-	3	-	3	-	-	339	-	-	-	-	-	-	-	342
Agribusiness Receiv. Certif	239	3	-	242	757	-	336	193	584	581	585	-	-	-	3,279
Others	1	0	-	1	-	0	0	-	-	-	-	-	-	-	1
Debentures	31	1	-	32	-	-	-	-	-	-	-	-	-	-	32
Local Currency	282	29	22	333	843	86	761	278	669	666	670	85	68	523	4,981
Trade Finance	72	-	-	72	-	-	1,191	2,692	59	296	118	-	-	-	4,429
Bonds	-	2	-	2	-	-	-	-	453	453	453	-	-	-	1,360
ECA`s	217	19	-	236	-	628	-	-	1,184	-	3,482	-	2,364	3,395	11,290
Debentures	-	132	33	166	339	339	339	257	125	125	126	99	99	-	2,014
Foreign Currency¹	289	153	33	476	339	967	1,530	2,949	1,821	874	4,180	99	2,464	3,395	19,094
Gross Debt	571	183	55	809	1,182	1,053	2,291	3,227	2,491	1,540	4,850	183	2,531	3,918	24,075

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



Appendix 4 – Consolidated Cash Flow Statement

R\$ thousand	1Q22	4Q21	1Q21
Net Cash from Operating Activities	1,428,403	1,415,056	648,338
Cash Generated from Operations	632,538	1,695,956	1,372,275
Net Profit/Loss From Ongoing Operations	874,873	1,050,106	418,492
Net Profit/Loss From Discontinued Operations	-	-	2,216
Depreciation and Amortization	309,278	280,439	259,601
Change in Fair Value of Biological Assets	(371,680)	(664,154)	(42,704)
Exhaustion of Biological Assets	315,853	451,898	366,537
Deferred Income Tax and Social Contribution	413,333	144,319	5,500
Interest and Currency Variations on Loans, Financing and Debentures	(25,150)	533,480	387,448
Interest on Leases	16,342	20,551	10,308
Realization of Cash Flow Hedge Reserve	(8,945)	-	11,018
Currency Fluctuation on Receivables	(827,996)	(99,589)	(25,454)
Estimated Bad Debt Loss/Recovery	(4,389)	(2,512)	(1,749)
Estimated Inventory Loss/Composition	10,475	4,434	(93)
Result of Disposal of Assets	(23,306)	(15)	(15,089)
Equity Pickup	(20,262)	(14,206)	(925)
Other	(25,887)	(8,795)	(2,831)
Changes in Assets and Liabilities	795,864	(280,900)	(723,937)
Trade Receivables and Related Parties	1,264,388	(49,775)	(617,324)
Inventories	(102,695)	(218,448)	(95,533)
Taxes Recoverable	181,959	273,193	212,049
Marketable Securities	(18,271)	(22,448)	(169,194)
Other Assets	(159,703)	43,635	30,829
Suppliers	(25,586)	(334,357)	10,725
Taxes Obligations	(87,118)	51,131	(23,371)
Social Security and Labor Obligations	(125,526)	(43,492)	(117,684)
Other Liabilities	55,947	212,439	87,154
Income Tax and Social Contribution Paid	(187,531)	(192,779)	(41,588)
Net Cash Used in Investing Activities	(1,417,717)	(1,135,359)	(659,693)
Purchase of Property, Plant and Equipment	(979,801)	(970,015)	(606,507)
Planting Cost of Biological Assets	(471,420)	(188,709)	(208,776)
Proceeds from Disposal of Assets	33,504	13,165	152,195
Dividends Received from Subsidiaries	-	10,200	3,395
Net Cash Provided Used in Financing Activities	(2,266,230)	(832,929)	1,816,835
New Borrowings	755,193	20,505	2,698,048
Amortization of Loans and Debentures	(2,268,014)	(57,087)	(673,375)
Payment of Interests on Loans, Financing and Debentures	(321,264)	(363,442)	(204,039)
Payment of Lease Liabilities	(67,823)	(66,098)	(47,665)
Disposal of Treasury Shares	23,507	-	18,946
Acquisition of Investments and Payment in Subsidiaries (Cash)	30,000	135,000	67,500
Termination of JV's	-	(54,200)	-
Dividends Paid/Received JVs and SPVs	(40,829)	(45,607)	(42,580)
Dividends Paid & IOC Paid	(377,000)	(402,000)	-
Increase (Decrease) in Cash and Cash Equivalents	(2,255,545)	(553,232)	1,805,480
Cash and Cash Equivalents at Beginning of Period	6,405,200	6,958,432	5,208,830
Cash and Cash Equivalents at End of Period	4,149,656	6,405,200	7,014,310

Appendix 5 – Business Segments Evolution

1Q22

R\$ million	Forestry	Pulp	Papers	Packaging	Eliminations	Total
Net revenue						
Domestic market	71	520	698	1,321	(2)	2,608
Exports	-	843	835	127	9	1,814
Third part revenue	71	1,363	1,533	1,448	7	4,422
Segments revenue	588	35	872	22	(1,517)	-
Total net revenue	659	1,398	2,405	1,470	(1,510)	4,422
Change in fair value - biological assets	372	-	-	-	-	372
Cost of goods sold ¹	(822)	(658)	(1,342)	(1,275)	1,380	(2,717)
Gross income	209	740	1,063	195	(130)	2,077
Operating expenses	(92)	(210)	(245)	(167)	139	(575)
Op. results before financial results	117	530	818	28	9	1,502

Note: In this table, total net revenue includes sales of Other products

¹ Forestry COGS includes the exhaustion on the fair value of biological assets in the period

4Q21

R\$ million	Forestry	Pulp	Papers	Packaging	Eliminations	Total
Net revenue						
Domestic market	77	554	729	1,400	(120)	2,640
Exports	-	985	719	120	117	1,941
Third part revenue	77	1,539	1,448	1,520	(3)	4,581
Segments revenue	461	44	583	10	(1,099)	-
Total net revenue	538	1,583	2,031	1,530	(1,102)	4,581
Change in fair value - biological assets	664	-	-	-	-	664
Cost of goods sold ¹	(918)	(578)	(1,249)	(1,182)	1,136	(2,791)
Gross income	284	1,006	782	348	34	2,454
Operating expenses	7	(185)	(167)	(133)	(147)	(625)
Op. results before financial results	292	821	615	215	(113)	1,829

Note: In this table, total net revenue includes sales of Other products

¹ Forestry COGS includes the exhaustion on the fair value of biological assets in the period

1Q21

R\$ million	Forestry	Pulp	Papers	Packaging	Eliminations	Total
Net revenue						
Domestic market	71	382	586	1,137	(16)	2,160
Exports	-	810	382	116	(2)	1,306
Third part revenue	71	1,192	968	1,253	(18)	3,466
Segments revenue	388	25	563	9	(986)	-
Total net revenue	459	1,217	1,531	1,262	(1,004)	3,466
Change in fair value - biological asse	43	-	-	-	-	43
Cost of goods sold ¹	(692)	(490)	(1,130)	(1,059)	982	(2,390)
Gross income	(190)	727	401	203	(22)	1,119
Operating expenses	22	(162)	(152)	(136)	(11)	(439)
Op. results before financial result:	(169)	565	249	67	(32)	680

Note: In this table, total net revenue includes sales of Other products

¹ Forestry COGS includes the exhaustion on the fair value of biological assets in the period