



**International Conference Call
Klabin S/A (KLBN11)
3Q24 Earnings Results
November 5th, 2024**

Operator: Good morning. Welcome to Klabin's conference call.

At this time, all participants will be in listen-only mode. Later, we will have a question-and-answer session, when further instructions to participate will be provided. We kindly ask that for the benefit of time, each analyst asks a maximum of two questions. As a reminder, this conference is being recorded and is being broadcast simultaneously via webcast, which can be accessed through Klabin's investor relations website, where the presentation is also available.

Any forward-looking statements that might be made during this conference call in connection with Klabin's business outlook, projections, operating and financial goals, and potential growth should be understood as merely forecasts based on the Company's management expectations in relation to the future of Klabin. Such expectations are highly dependent on market conditions, on Brazil's overall economic performance and on industry and international market behavior and therefore are subject to change.

With us today are Mr. Cristiano Teixeira, CEO, Marcos Ivo, CFO and IRO, as well as the Company's officers. Initially, Mr. Cristiano Teixeira and Mr. Marcos Ivo will comment on the Company's performance during the 3Q24. After that, the officers will be available to answer any questions that you may have.

Now I will give the floor over to Mr. Cristiano Teixeira. Mr. Teixeira, please go ahead.

Cristiano Teixeira: Thank you. Good morning, everyone. It is a pleasure to be here with you in another call to discuss 3Q24.

As a reminder, we changed the format of the call a little bit. I'll start with the slides speaking about the performance of the markets, and then Marcos Ivo will present the financials in more detail, and I'll be back in the end to speak about the trends. And then we'll start the question-and-answer session.

Well, I guess that's it. What we can point out in the slide, and it really shows what happened and then Marcos will confirm this, was an extraordinary cost performance. Our bet on capital allocation by the Company of acquiring Arauco's areas are

represented here, and they led to a reduction in the effective cash cost of the Company.

We have numbers that draw our attention also because we had the anticipation of the business case and the project presented to you, we have synergy of the operation with a radius close to our mills, representing a strength, a benefit in that region in the state of Paraná, and the reduction in the purchase of third-party wood and the effective delivery of everything that we promised.

Again, we can show you that we had the correct strategic decision in terms of capital allocation of the Company, bringing benefits that lead to the deleveraging of the Company after one more growth cycle.

I draw your attention in this quarter to the increase in the volume of paper, we are still going through a difficult period of logistic issues which have impacted us with backorders in practically all business lines. We had the ramp up of PM 27, 28, showing its strength, coated boards increasing 25%, Kraft 31% in the period, showing this balance that we looked for in the Company since we started showing you these slides, showing market segments, pulp, paper, and packaging.

So it's three thirds, and it really represents what we've been talking about for a while now. In the next two years of the Company, this is how we will be performing, creating biggest optimization for the Company in order to have free cash flow, deleverage of the Company, and only then will we start forecasting growth.

We have been speaking a lot about our momentary focus. It doesn't involve any other strategic decision which is not focused on free cash flow for the next two years as well as deleveraging the Company.

Lastly, I would just like to bring you something else that we've been talking about, the Figueira Project. By the way, you are all invited, and I expect to see you soon in Klabin Day, when we're going to be having an on-site tour, the site operating with the two corrugated box machines, bringing a reduction and integration costs in a moment when domestic market, as you know, is posting significant growth in terms of consumption, improvement in income, again, higher consumption.

And the Figueira Project started a very surgical moment in what we had planned. So this was very important during the ramp up of PM27 in the last 18 months when international prices were not attractive. We were able to focus on integration at Figueira. And now when we start seeing recovery of Kraftliner around the world, we can operate paper at Figueira using more recycled paper in Brazil, maintaining what we had already gained and now benefiting from a moment when we have external prices, which are good for Kraftliner.

So, with this, I'll end this first part about 3Q24 performance, and again, as a highlight, despite logistics issues and general stoppage, we had paper performing significantly well considering the expected ramp up, but now with an expectation of better prices,

better prices than before, but also with a very positive outlook for some of the markets, particularly coated board.

So this is a general overview of our performance, and now I'll turn the floor to Marcos Ivo for more detailed results, and then I'll come back to speak about the trends. Marcos?

Marcos Ivo: Thank you, Cristiano. Good morning, everyone. Again, thank you for joining us in our conference call. On page four of the presentation, net revenue in the quarter was R\$ 5 billion, up 14% year on year. This increase is mainly explained by the increase in the price of pulp of Kraftliner, higher sales volume of paper and packaging, as mentioned by Cristiano, and the depreciation of the Brazilian currency, the real, against the US dollar, which benefits exports. Adjusted EBITDA was R\$ 1,805 billion in the quarter. EBITDA margin reached 36%, which represents an expansion of 5 percentage points compared to the 3Q23.

Moving on to slide five. Total cash cost per ton was R\$ 3,179 in the 3Q, an increase of 4% year on year. Year-to-date in 2024, total cash cost per ton totaled R\$ 3,015, ratifying the cost trajectory in 2024 according to the forecast that we provided to the market at the end of last year.

The year-to-date cash cost materializes the various actions implemented by Klabin, with emphasis on the synergies of Caetê Project already being reflected in the forestry cost.

Moving on to slide six, Klabin ended the 3Q24 with a net debt of R\$ 29.5 billion, an increase of approximately R\$ 5.7 billion quarter on quarter. This increase in debt is substantially explained by the payment of Caetê Project carried out in July in the amount of R\$ 6.3 billion, which was partially offset by the appreciation of the BRL against the US dollar in the quarter, thus impacting indebtedness in foreign currency.

Leverage measured by net debt over adjusted EBITDA ratio in US dollars ended the quarter at 3.9 times, within the parameters set forth in the Company's financial indebtedness policy. I would like to highlight that on October 29, Klabin's Board of Directors approved a new version of the financial indebtedness policy of the Company. The main change was a reduction of maximum leverage in the investment cycle from 4.5 times down to 3.9 times net debt over adjusted EBITDA in US dollars.

This move reinforces management's commitment to Klabin's deleveraging and ratifies our confidence in this process through the ramp-up of Project Puma 2, capturing synergies between Caetê Project and the Plateau Project, which was communicated to the market last week. The full policy is available on the Company's investor relations website.

Moving on to the next slide, slide number seven, Klabin's liquidity remains robust even after the payment of Caetê Project and ended the quarter at R\$ 10.2 billion. This liquidity is made up of R\$ 7.5 billion in cash and the rest in an undrawn revolving

credit facility. The average maturity of the debt at the end of the quarter was 90 months and the average cost of debt in dollars was 5.7% per year.

Moving on to slide 8, according to notice to shareholders published yesterday, the Company approved the payment of interest on capital in the amount of R\$ 425 million to be paid on November 21st. On an accrual basis, dividends paid out to shareholders in the last 12 months totaled R\$ 1,528 billion. This amount represents a dividend yield of 6%.

Lastly, on page 9, I invite you to our Klabin Day, which will be held on December 10 in the city of Piracicaba at our newest and most modern corrugated box packaging plant, Figueira.

Now I turn the floor back to Cristiano, who will bring more details about business trends.

Cristiano Teixeira: Thank you, Marcos. So, as usual, we are already bringing to you this overview, as we've done in the past few quarters. So, just a reminder, at the top on the left, we can see a little bit of the references that we try to provide. When we have the pointer going straight, we're talking about neutrality compared to the previous quarter. So now we're talking about the 4Q, the trend for the 4Q compared to the 3Q that we have just delivered. So when we say that the arrow is straight, we're talking about a neutrality.

So what do we still see? Starting with the short fiber pulp, we still see considering the uncertain conditions in China, despite the inventories of stock levels being at good levels globally, we are still uncertain about the Chinese market. So there's an effort to transfer the mix, to transfer major producers to Europe, trying to improve the average price. So this pressure, this dance, shall still show a slight drop of short fiber compared to the 3Q.

So this trend is something we already see, although there's a factor here of the 4Q compared to the 3Q, we believe that that's what's going to happen, the small drop still represented here, which will probably turn into stability from that point on, the way that we can see here. So, when we talk about fluff pulp, obviously, you've been seeing, I mean, here, I say it again, it's a quarterly reference. But of course, you keep track of the closing of the capacity announced for next year, which leads us to having an expectation that in strategic points, clients will come to Klabin, for example, for contracts at a premium compared to our competitors. So having Klabin as an alternative for long fiber fluff structural in the long term, especially thinking about the Company's strategic view of investment in coming years.

So despite this view for the 4Q, we still foresee some price stability, a slight drop, and then after the 4Q, we do expect to see some price increase next year, even though there's still a slight drop for the 4Q.

Coated boards are at a good point. We've been feeling that, especially in the internal market. It's something that may also be subject to the foreign markets, tariff prices. Considering the country's and macroeconomic and geopolitical aspects that we are monitoring, Klabin benefits from that at this point, as it is a stable producer with a machine ramp up of long fiber products comparable to the Northern Hemisphere producers with a gain in grammage.

So we are positioned in a place to gain productivity compared to our clients in square meters terms, and at the same time, we see a benefit of price, especially in the domestic market.

As for Kraftliner, there's a recovery now, there's a recovery compared to the last quarter. So this recovery remains, it's maintained, and thus has been reflecting as Klabin maintaining the export volumes that we're having with the ramp up of machine 27 and the Kraftliner volume that we started, the coated board machine producing Kraftliners. So all of that, which was dedicated to the foreign market, with this trend of the price improvements that we've been talking about, will probably lead the Company's export volumes to remain at good levels for Kraftliner in the coming quarters, especially the next quarter.

When we look at the corrugated boxes, it's a very positive time in Brazil. The month of October is very strong. The expectations for November is also great so that we are expected to perform very well compared to our competitors here in Brazil, making the most of the opportunities of the major top accounts that have an SLA requirement that is very high, and Klabin has been able to do that, especially being a reference in the southeast region with the plant that I hope you get to see visiting Figueira, the service level has improved greatly with this machine compared to our competitors. So that leads us to expect a gain of share compared to our Brazilian competitors.

For bags, you've been also following, in some regions in Brazil, there's a lot of investment reflecting in income generation that impacts other businesses at Klabin. Klabin is at a good moment, but in terms of price, we see some neutrality, so to speak, for the 4Q.

So these are the trends. Of course, I have all of the boards here, and as you ask your questions, we'll be able to give you more details of each one of the markets.

So thank you, and we'll now move on to the Q&A session.

Question and Answer Session

Operator: Ladies and gentlemen, we will now begin the Q&A session. In order to ask a question, please click on the Raise Hand button. To remove your question from the queue, please press Lower Hand.

Rafael Barcelos, Bradesco BBI: Good morning, everyone. Thank you for taking my questions. My first question to Cristiano. Cristiano, I'd like to discuss a little bit more about the capital allocation strategy. And also, talking about fluff, the fluff market has for some years seen the closing of capacity, and there are few additions planned for coming years. So, that said, I understand that the Company's focus today is deleveraging, that was very clear with the recent movements that the Company's made, but I'd like to understand a little bit more of how you perceive this need from the market to have a bigger fluff capacity, and could this make Klabin anticipate an investment for an additional fluff capacity?

And my second question about the corrugated box market, as Cristiano mentioned in the beginning, October is a strong month, but I'd like to see or hear more about how you see the expectations for the 4Q and to close the year, as well as the expectations for 2025.

And still on this subject, the actual price has been improving, but I'd like to understand how much comes from the mix or an actual price increase and how this has been converting with the price of OCC here in the domestic market. Thank you.

Cristiano Teixeira: Thank you, Rafael, for your question. I'll talk first a little bit about capital allocation and the investments in fluff, and then I have Douglas here, who will talk a little bit more about the corrugated boxes market.

So what we've been seeing in the global fluff market, I think we've been talking to you for some time already that Klabin focuses on long fiber for fluff even though we do have short fiber products. Strategically, we focus on products with a higher added value, especially geriatric diapers and the other products that are made from long fiber fluff. That's a market that we believe in and we invest on for the medium term.

We've been saying that Klabin's next investment should come from this product. And for me, this announced closing comes to confirm we have great global producers in terms of quality, but those global producers have been struggling in their results in terms of the ability to generate cash from those assets. And that would probably represent in plants closing, especially in the Northern Hemisphere, in the United States more specifically.

Klabin is watching this move and has been preparing in the state of Santa Catarina for future investments, but this does not change our deleveraging trajectory at this time. This is a structural long-term view that's represented in what we call the Klabin vision, the long-term vision. Nothing is going to change our trajectory for the next two years of deleveraging the Company, generating cash, reducing debt, and only from that moment on, we'll have any type of discussion or proposal for the Board.

The focus until that point will be to deleverage the Company, so nothing is going to change the Company's two-year trajectory at this time.

Douglas, please.

Douglas Dalmasi: Rafael, good morning. Thank you for your question. As you said, the market has been surprising this year for corrugated boxes, with a growth that's well above our expectations. But starting to look into the numbers, how do we look at them? We see that a lot of the contribution (and Klabin benefits from that) comes from exporting sectors, such as proteins and fruits that have been growing at a lot higher rates than last year.

And we're looking at the 4Q in the same way. When we look at the sales of the daily consumption, we always look at it on a day-by-day basis, the behavior of corrugated boxes market. And what we see is that it will be slightly stronger than the 3Q, which is great because the 4Q we already start to see a slowdown in November and December, and we're seeing better numbers than the 3Q when we look at the markets and when we look at Klabin. Klabin has even a slightly better perspective compared to the markets when you look at our shares in the export markets, that the virgin fiber gives us an advantage of a bigger share.

When we look at 2025, at Klabin, we always say at Klabin that the corrugated boxes market, when Brazil grows, it doesn't grow through intensive capital investment, it grows through income and the industry grows. These corrugated box market grows at 1 percentage point more than the GDP. If the expectation for the next year is 2 to 2.5%, we expect to grow at around that level next year, in line with the market.

And then if we look at prices, the price of OCC and corrugated boxes, we are seeing a good scenario, pressured for cost, of course, OCC is scarce in the market because the market's been growing, and we see these costs remaining at those levels. OCC here in the Southeast, it's above R\$ 1,100, in the northeast, even stronger, which gives us a good scenario for price increase, and for the price transfer and cost transfer to the entire chain, which is important for us. And we see this scenario looking forward. We see this behavior looking forward.

So the market remains strong in Q4 and we see good signs for price pass-through going forward.

About the bags, just to take this opportunity, we also see a great moment for the year. When we look at prices, even though we're showing slightly lower average prices for bags on the radar, which Cris showed, it's because of the mix, we've been selling more of 25-kilo bags, but that's also give us more profitability, but the price and volume of bags are also growing in the domestic market.

Rafael Barcelos: Great, thank you.

Caio Ribeiro, Bank of America: Good morning, everyone. Thank you for the opportunity. I have a couple of questions going back to capital allocation. Looking forward, the Company continues to say that you're focused on deleveraging the Company, Klabin even reduced the maximum leverage that the Company could have at moments of investment in investment cycles, which shows clear discipline. And the Company with the ramp up of Puma II and the reduction of the expansion CAPEX in

the coming years should have a strong cash generation. As was shown in this quarter, excluding the effect of the purchase of Caeté.

So my questions are, number one: Other than the dividend policy, do you see any room in the coming years to complement return to shareholders with a buyback? And if you see M&A activity as an option for growth, and if so, if would be looking for other opportunities in other regions outside Brazil? These are my questions. Thank you.

Cristiano Teixeira: Thank you, Caio. Regarding share buyback, absolutely, we are always looking at that. It's always in our radar. Our financial department is always keeping an eye on that. Regarding mergers and acquisitions, we're not considering M&As at this point.

Márcio Farid, Goldman Sachs: Hello, everyone. Good morning. Thank you for the opportunity. I have two follow-up questions. I think that Cristiano spoke about this in his presentation, he spoke about backlogs. We noticed particularly in pulp, I know that there was a stoppage in Q3 that was a little longer, and together with the operating challenge in Q3 and the backlog volumes were a bit disappointing.

How should we think about this looking forward? I understood that Puma I is running well, but it's not clear whether the backlogs will disappear if this logistics bottleneck perhaps can take a little longer to normalize.

And my second follow-up question, if Nico could comment on the view for pulp for the coming quarters, particularly considering China and Europe, that would be great. Perhaps you could speak about long fiber/fluff considering the recent IP closing and a potential strike in Canada and how this is impacting your recent conversations about all this. Thank you very much.

Cristiano Teixeira: Thank you, Farid. As regards volumes, yes, we do have an expectation of better volumes from the standpoint of the ramp-up of our machines, especially PM28, we also have some market stops that are back with recycled paper. So we are expecting a recovery of volume.

Nico is here with me, and he will speak about the trends for pulp, fluff, and Farid, you also mentioned in your comment about a strike that perhaps it's coming, so I'll build on your own comment. How do things impact us? There is a difficulty in both Brazilian terminals and container ships around the world. Well, that issue remains. It's not totally solved. There are expectations of strike that can hinder even more this global balance.

So from the standpoint of Klabin, we do have an expectation of growing volumes, increased shipments in the coming quarter and for the year 2025, but with a caveat. We depend on these logistics issues which have not been solved.

Nico?

Alexandre Nicolini: Thank you, Cristiano. Márcio, good morning. Thank you for the question. I'll start speaking about eucalyptus and then I'll speak about fluff. As Cristiano mentioned, we have an expectation of higher volume in Q4 compared to Q3, given a higher production, and also the results of some carryovers from Q3 to Q4, mainly of eucalyptus volume.

As regards the market overall, starting with China, the feeling there is that most of the price adjustments are behind us and the prices are at a lower level or close to it. There's some science pointing to that, a higher demand in the last two months for fiber overall, driven mainly by the tissue segment where the utilization rate is around 70-71%, although other segments are operating with lower rates.

This is a higher seasonality period. More recently, even today, there was a 9% reduction in Chinese inventories, getting close to 1.8 million tons, which in our point of view is quite balanced inventory. Higher fiber consumption by integrated producers. All that confirms that volumes for November have been sold or contracted at current prices. Therefore, stable pricing for the month of November. And some price increases have been announced by producers in printing and writing segment, and this is a very positive signal for the Chinese market from now till year-end.

In mature markets, price corrections or price adjustments are the reflection of what happened in Q3. If we consider the month of August, shipments to China were reduced by 28%, while shipments to Europe grew by 13 to 15%, a natural process of transfer of volume from China to regions where prices are about US\$120 above the current Chinese prices. So at the end of Q3, we saw a spot market in Europe and in the United States, which was a little bit more overheated. But we start seeing these additional volumes reducing in Europe starting in November.

I'd like to remind you that contracts signed in Europe, United States and also in Brazil are being respected in full. As regards the fluff market, the market went through some corrections in recent months. As you know, fluff is linked to long fiber. Long fiber underwent some corrections in Q3. But now, we see an improvement in the price conditions of long fiber overall, some increases of US\$10 to 20 announced for Q4, and this should have a reflection on fluff prices in the future given everything linked to the closing of 1 mill that we'll produce until the end of the year. [35:39]

But as of next year, we expect an improvement in the average prices overall.

Márcio Farid: Excellent, Cristiano, Nico. Thank you very much.

Tathiane Candini, JP Morgan: Good morning. Thank you for taking my questions. I'd like to start trying to get more color on the Caeté Project. We saw that in this quarter we already have an integration of that cost reduction due to the synergies. So, if you can talk a little bit more about the exploration of those synergies, how you see the evolution of that. Is there any perspective for 2025 of a stronger reduction? Should we count on an acceleration of that for the 4Q? That's my first question.

And the second question, I'd like to understand a little bit more of the logistic issues that you mentioned in container board. We understand that the demand is better, but they're still impacted by these logistics' issues. Is there an update about that? Should the 4Q already have it solved? Just to understand it better. Thank you.

Cristiano Teixeira: Thank you, Tathiane. So, starting with Sandro Ávila, our Forestry Direction, and then we'll get into the logistics.

Sandro Ávila: Good morning, Tathiane. Good morning, everyone. And thank you for your question. This quarter marked the full integration of the Caetê Project to Klabin's assets, and with that, we reached ahead of time a new cost level that we approved for this project. This year was very important, not only this quarter, that we achieved this cost level, but that started happening since the beginning of the year through a strategy of the operational plan that we developed.

From the moment that we have the closing, we start working on a new operational plan, even before the new forest, extracting as much synergy as we can from Klabin's forests. So that already brought a very important level of costs and efficiency seen in the first half of the year. In July, when we actually get the new asset with the new forest, equipments and operational team that is highly qualified, in addition, the possibility of a different, special assortment increasing the sales of wood. So, the 3Q24 marks this stage that we reached, and that should be the structural cost level for Klabin in the coming quarters and cycles.

There will still be some significant improvement in terms of operational efficiency due to our continuous improvement system as we work with this new level of assets that should also bring new efficiencies, improvement of efficiencies for us, and that will support and guarantee our competitiveness in forestry in our product chain.

Cristiano Teixeira: Thank you, Sandro. Now I bring Roberto Bisogni, that's our Supply Chain Director.

Roberto Bisogni: Tathiane, good morning. Thank you for your question. To give you more color about the container sales and shipments, I'll break it down into two parts. First, the global issue that we see and monitor to the difficulties in the geopolitical aspects and the Red Sea, especially. And we also have it in the Americas the issue with the Panama Canal. So, that has been generating a longer transit time for the ships, for the vessels. We have more vessels having to go a longer distance to be able to make the deliveries, and that has been keeping the fleet occupied, generating significant delays in the stops around the world.

We have important terminals around the world, especially, for example, Singapore, China, and especially in the United States, that have been causing a significant bottleneck and a limitation, even in the room available on the vessels. And that happens in Brazil as well. So that's an external factor that has been causing quite an impact, the space available on the vessels and the availability and the scales and the stops of the ships.

The second point that we should mention is the difficulties that we're facing in the container terminals in Brazil. Overall, we're feeling some terminals are very full in terms of capacity of the patio container occupation on the yard, and we see a lot of movement in this has been growing. And there's also a limitation in terms of capacity. We have important terminals in Brazil with a restricted capacity due to renovation or processes to increase capacity. So, the combination of the higher demand with the smaller ability to handle cargo has been also leading to restriction in shipments from Brazil.

So, combining the external and the domestic issues, we've been facing significant bottlenecks and delays. So, there's a lot of services that have weeks of a delay for mooring in Brazil. So, vessels coming outside of the mooring, windows in the port terminals that generate a line, a queue for mooring that's even longer, and all of that impacts and causes a chain reaction that quarter on quarter leads us to face significant backlogs for those shipments.

And the perspective, as Cristiano said, we have felt a slight improvement, nothing major at the end of the 3Q, and we're keeping track of that, but we don't see a perspective to end this bottleneck in the short term. We'll keep track of it, and we hope that it continues to improve so that we can regularize this.

Tathiane Candini: Thank you.

Lucas Laghi, XP Investimentos: Good morning. Thank you for this opportunity. I think I have a follow-up on Caetê but thinking more about the context of the Plateau Project. If you can give us an idea of the timeline for timber acquisition in the 60,000 hectares of forest planted, and considering that Klabin would have a land surplus after the harvest of the first cycle of Caetê, with the 39,000 hectares included in the agreement, what would be your idea to use this productive land after this cycle in the context of the Plateau Project? So, I'd like to understand the dynamics of the use of land and collection of timber in this project.

Also, to complement on the corrugated boxes issue to understand Klabin's mix, and the virgin and recycled fibers used in the process to manufacture corrugated boxes. And in the context that you mentioned, and the pressure for OCCs and transfer the price cost to the industry, if Klabin would have the strategy of pass through to price, or if there's room for an increase in market share, not necessarily keeping up with the market, but exceeding it. So, understanding this dynamic of virgin fiber and recycled fiber in corrugated boxes and the price in the market.

Cristiano Teixeira: Thank you, Lucas. We'll start with Marcos talking about Plateau, and Douglas will come back.

Marcos?

Marcos Ivo: Lucas, first, about costs and adding to complementing Tathiane's questions, but the cash cost per ton, that's the most important indicator for your

modeling. First, I'd like to highlight that this year we're moving towards delivering a number as the guidance provided last year. When we look at next year, in addition to having the annualization of those gains from Caetê, that Sandro explained so well that are fully included in the 3Q earnings, an important benefit that Klabin will have in the cash cost per ton for 2025 is a greater dilution of fixed costs due to the increase in production.

Production increase next year is relevant, everything based on public information that you have, so when we add the effects of the ramp-up of machine 27, paper machine 28, you add that to the annualization of the recycled paper machines that were switched on during 2024, plus the fact that Monte Alegre will not have a general stoppage in 2025 as we disclosed in the release.

All of that combined, Klabin will have a production volume of approximately 200,000 tons more than 2024. So this is very important when we consider cash cost. As for the Plateau Project that we announced last week, in essence, this project will not the benefits of the operating synergies from Caetê since it's completely correlated to a lower cost of harvest, roads, and transportation due to its location and the condition of the forests that were acquired from Arauco that is maintained.

And as for the land surplus that you mentioned, the Plateau transaction involved 43,000 hectares of lands of useful land. In our original presentation from when we acquired Caetê, we mentioned the surplus of 60,000 hectares vis-à-vis the target of self-sufficiency of 75% for Klabin. So 60,000 hectares of surplus in the original announcement, 43,000 have now been transacted on the Plateau Project. So, Klabin will remain with a surplus of 17,000 hectares, useful land, vis-à-vis our target for self-sufficiency, but we do not foresee any major transaction in the short term for the remainder of the land surplus that we are very likely to monetize during the cycle, optimizing value generation.

Since it is dispersed, there's no major numbers for consideration in the short term. I hope I answered your question. Otherwise, I'll remain available.

Cristiano Teixeira: Great. Now, Douglas.

Douglas Dalmasi: Okay, Cris. Good morning, Lucas. Our fiber mix for corrugated boxes is 70% virgin fibers and 30% recycled. And if you look at it, you'll see the behavior of the container board, Kraftliner market with a resumption of demand, a strong demand, and as well as a resumption of prices. So, that gives us a possibility for the first improvement we're used to seeing here the flexibility, the first improvement in profitability, which is to recover that mix, adding more recycled fibers, reducing virgin fibers, providing more virgin fibers to the international markets, and combining those two spaces with profitability.

So, that's a movement that we start making strongly now. Resuming machines, the recycled paper machines that we had switched off last year, that will help us change the mix and increase the Company's profitability.

The second point is with this higher demand for the corrugated box markets and the cost pressure of OCC in the domestic market, especially with our competitors that are more on recycled fibers, that gives us the possibility to pass through the price and improve the margins isolated in corrugated boxes in the domestic market.

So that's how we're moving along, favoring this increase in profitability.

Lucas Laghi: Great. Thank you.

Eugênia Cavalheiro, Morgan Stanley: Good morning. Thank you for taking my question. I have a follow-up to what Marcos said when he answered Lucas' question. I would like to understand, do you consider selling assets as an alternative to deleverage the Company faster? I think it's clear that Caetê land surplus is not considered at this point for sale and monetization as we saw last week. But I'd like to know, overall, are you thinking about shrinking any business unit at Klabin or any specific asset that you would consider selling to deliver the Company faster? Thank you.

Cristiano Teixeira: Well, thank you for the question, but the short answer is no. At this point, we are not considering selling any assets to deleverage the Company. We should focus on cost reductions, particularly benefiting from the Caetê project, greater cash generation, given the performance and the ramp up of the paper machines. So we're not considering selling any assets.

Marcos Ivo: And Cristiano, let me add to that. We do see a trajectory of deleverage in Klabin just by reaping the fruits of all the projects we mentioned: Ramp up of PM 27, 28, ramp up of Figueira, Caetê synergies and the Plateau Project itself, which is a monetization of the land surplus. And that is why we reduced our financial indebtedness policy. We changed it because we trust that we will be deleveraging the Company.

In addition, that maturity is super long, robust liquidity. So we don't see any reason for this kind of initiative of selling assets.

Eugênia Cavalheiro: Perfect, thank you very much.

Ricardo Monegaglia, Safra: Good morning, everyone. Thank you for the opportunity. I have one question about Project Plateau. I think it became very clear that the SPEs will be based on the need. But how should we think about investment for forestry for the SPE? Because the main focus is to supply wood. Will this have an impact on Klabin's cash flow? And if so, could you help us understand the level of annual investment in the SPEs, in the special purpose vehicles, if this investment is included in your forecast of spending with forestry in the coming years? That's my first question.

Second, in dividend payout, we thought that the change was a responsible one on the part of the Company. So I'd like to understand how will you choose the EBITDA

percentage within that range in the coming quarters so that we can have the right expectations for the coming quarters? Thank you very much.

Cristiano Teixeira: Well, thank you for the questions. Let's start with the dividend payout and then I'll turn the floor to Marcos, because he's not in the same room as I am, so I'll give him time to answer. Regarding dividends, indeed, this policy for dividends and indebtedness was changed at an important moment for the Company because we want to communicate to the market that we have a focus on deleveraging the Company.

And this is already seen in practice as we have been showing this for many, many years now. But we wanted to have the new policies, and we wanted to make this very transparent making the policies public. And this shows that as the Company increases our ability to increase cash generation in absolute terms, the trend is that over time we will be restricting the size of investments always in a conservative view of protecting the Company, both in terms of the size of the investment in the investment cycle of the Company, as well as in managing the debt and the size of our cash. This reinforces our traditional position that Klabin always protects its financial robustness and a solid position.

Regarding how many dividends we'll pay, I think we can look at this in one of two ways: Number one, looking at the absolute value in BRLs paid in shares or by unit. If we forecast a volume increase, as is the case with the ramp up of the PMs, it's all public information. So if I have an expectation of increased production and revenue, given higher volumes coming from the ramp up of these machines, that alone will lead to additional cash generation. So in absolute numbers of reais per share or maintenance or growth.

When we look at the percentage of cash paid, traditionally in recent years, we've been paying at the center of the policy, the very middle. I'm not giving away any spoilers, I'm just saying what we traditionally do; we focus on the midpoint of the policy.

Marcos, could you just add more about Plateau Project?

Marcos Ivo: Ricardo, all of the information that we look at with you is consolidated numbers. Objectively, the CAPEX in our projections is consolidated CAPEX. Therefore, the number of SPEs and controlled companies of Klabin, all of that is included in the forecast. So no changes will take place. And of course, investor relations team is available if you want to know more details about the numbers of the SPEs.

But effectively, nothing changed compared to our forecast in December of last year.

Ricardo Monegagli: Okay, thank you very much.

Igor Guedes, Genial: Thank you for taking my questions. Congratulations on the earnings, even considering the volume restrictions. My first question is on Kraftliner. You made some price adjustments, if I'm not mistaken, the last one in August. Even

if the actual price in the 3Q grew significantly, it could grow more because of the logistic bottleneck. There's an order book that was made before the last best. So you made the deliveries at the old price point.

For the 4Q, will this continue to grow or to increase? What's the scenario you'll see? Have you implemented all of the adjustments that make you comfortable with the Kraftliners' operations levels, even with the market conditions that you mentioned about the OCC?

And the second question, I'd like to understand the homologation process with your clients for the coated boards in the ramp-up of PM28. The idea with PM28 is to produce more coated board than Kraftliner with specific higher added value product. But in the short term, we'll still see the profitability conditions for Kraftliner. So how long do you believe it will take to be able to get this certified? And we see a bigger scale of coated boards and a higher price, actual price from PM28.

Cristiano Teixeira: Thank you, Igor. So, José Soares, our Commercial Director for Papers, will answer.

José Soares: Thank you for the question, Igor. Starting with Kraftliner, yes, we can expect a price improvement in the 4Q, both in the domestic market and the international market. The domestic market, due to a price correction that we implemented in October of around 10% for some of the Company SKUs. In December, there's another adjustment at 10% which makes our SKUs or puts them all pretty much in the same price level.

So we'll start the 1Q25 with the prices already adjusted. And looking at the international market, prices have stabilized. We're pretty much at the peak of the market. But the numbers that you see in the 3Q due to that order backlog that was mentioned, we still see some progress in terms of price, actual prices that have not been built yet. So for the two markets, we'll still see some movement in terms of prices for the 4Q.

As for your question on coated boards, we're at the final stages of the certification in some of our clients. In others, we already have the approval for coated boards, specifically the coated boards for liquids. For other segments, such as beers or QR boards, and the folding coated boards are already produced in machine 28. It's a normal, usual product for the line. We're ramping up with new clients in the coated board production.

However, as you said, in some markets, the price of Kraftliner and even White Top Liner that we have been emphasizing for those products, they often have even better conditions than the coated boards produced in the machine.

So, our goal today is profitability. We're seeking the ideal product mix for paper machine 28, be it Kraftliner, White Top Liner, or coated boards. Of course, in the long

term, our goal for 2025 is to increase the coated board production. In broader terms, that's what we have, Igor.

Igor Guedes: Excellent. Thank you.

Operator: As there are no further questions, I'd like to turn the floor to Mr. Cristiano Teixeira for his closing remarks. Please, Mr. Cristiano, you may go ahead.

Cristiano Teixeira: Thank you all very much. Just a reminder, December 10th, we have Klabin Day. It would be very important for us to be able to meet you there at the Piracicaba unit in our Figueira Project. I'll see you there. Thank you.

Operadora: Klabin's conference call is concluded. Thank you for your participation. Have a great day.