Klabin S.A.

Quarterly Information (ITR) at March 31, 2021 and report on review of quarterly information

All amounts in thousands of Reais

Officers' statement on the Quarterly Information

We, as Officers of KLABIN S.A., a corporation headquartered in the city of São Paulo, State of São Paulo, at 3600 Brigadeiro Faria Lima Avenue, 3rd, 4th and 5th floors, Itaim Bibi, Zip Code 04538-132, Brazil, enrolled in the National Corporate Taxpayers' Registry (CNPJ) under No. 89.637.490/0001-45, declare that we have reviewed, discussed and agreed with the set of quarterly information, dated May 11, 2021, related to the quarterly information for the period ended March 31, 2021.

São Paulo, May 11, 2021.

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

All amounts in thousands of Reais

Officers' statement on the independent auditor's report

We, as Officers of KLABIN S.A., a corporation headquartered in the city of São Paulo, State of São Paulo, at 3600 Brigadeiro Faria Lima Avenue, 3rd, 4th and 5th floors, Itaim Bibi, Zip Code 04538-132, Brazil, enrolled in the National Corporate Taxpayers' Registry (CNPJ) under No. 89.637.490/0001-45, declare that we have reviewed, discussed and agreed with the opinions expressed in the independent auditor's report dated May 11, 2021, related to the quarterly information for the period ended March 31, 2021.

São Paulo, May 11, 2021.

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

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

Independent auditor's review report on quarterly information

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

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of Klabin S.A. (the "Company"), for the quarter ended March 31, 2021 comprising the statement of financial position as at March 31, 2021 and the related statements of profit or loss and of comprehensive income, the statements of changes in equity and of cash flows for the three-month period then ended, including the explanatory notes.

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

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

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

Other matters

Statements of value added

The abovementioned quarterly information includes the individual and consolidated statements of value added (SVA) for the three-month period ended March 31, 2021, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, in accordance with the criteria defined in referred to Standard and consistently with the overall individual and consolidated interim financial information.

São Paulo, May 11, 2021

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

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

Financial Highlights

R$ million	1Q21	4Q20	1Q20	Δ 1Q21/4Q20	Δ 1Q21/1Q20
Sales Volume (thousand tonnes)	**909**	**941**	**849**	**-3%**	**7%**
% Domestic Market	61%	62%	55%	- 1 p.p.	+ 6 p.p.
Net Revenue	**3,467**	**3,292**	**2,591**	**5%**	**34%**
% Domestic Market	62%	65%	59%	- 3 p.p.	+ 3 p.p.
Adjusted EBITDA	**1,274**	**1,312**	**1,028**	**-3%**	**24%**
Adjusted EBITDA Margin	37%	40%	40%	- 3 p.p.	- 3 p.p.
Adjusted EBITDA (excl. non-recurring effects)[1]	**1,254**	**1,106**	**1,028**	**13%**	**22%**
Adjusted EBITDA Margin (excl. non-recurring effects)	36%	34%	40%	+ 2 p.p.	- 4 p.p.
Net Income	**421**	**1,327**	**(3,143)**	**-68%**	**n/a**
Net Debt	**21,744**	**19,782**	**20,381**	**10%**	**7%**
Net Debt / EBITDA (LTM - BRL)	4.2x	4.0x	4.7x		
Net Debt / EBITDA (LTM - USD)	4.0x	4.0x	3.7x		
CAPEX	**815**	**2,008**	**820**	**-59%**	**-1%**

[1] Disconsidering the non-recurring effect of R$20 million referring to the net gain from the sale of Nova Campina in 1Q21 and the goodwill of R$206 million realized on the purchase of IP's assets in 4Q20

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

Quarterly Message

The first quarter of 2021 followed the trend observed during the second half of last year, with recovering demand both in the domestic and export market after the strong impact of the Coronavirus pandemic. This scenario was instrumental in establishing the conditions for price readjustments across all lines of Klabin's business and combined with a solid operational performance and the devaluation of the Real, provided the momentum for the Company's results in the period.

In the global pulp market, a much more balanced supply and demand scenario led to increases in FOEX price lists for both short fiber (BHKP) and long fiber (BSKP) pulp in China at US$ 610/t and US$ 827/t respectively, on average in the period, according to FOEX index. These amounts represent increases of 32% and 34% in relation to 4Q20 and are indicative of the wide spread between short and long fiber at US$ 217/t. Klabin, as the only Brazilian Company to produce three different pulp grades (short fiber, long fiber and fluff), benefits once again from its diversified portfolio.

The concentration of annual maintenance stoppages during the end of 2020, postponed due to the COVID-19 pandemic, drove the pulp producers' to begin 2021 with lower levels of inventories, while economic recovery activity increased the demand. This positive situation of a balanced supply and demand holds out promising perspectives for 2021.

The same trend also characterized the Kraftliner market. In the United States – the largest producer and exporter of virgin fiber paper in the world – strong domestic demand increased volumes directed towards conversion and sale to the domestic American market with a corresponding reduction in exports. With this, average FOEX Europe prices of Kraftliner were US$ 731/t in 1Q21, an increase of 14% compared with 1Q20 and 8% in relation to the previous quarter.

In the first quarter of 2021, the maintenance shutdown at Monte Alegre unit was carried out, affecting primarily the output of coated board. This year, the scope of the stoppage was expanded given the Company's decision last year to undertake maintenance with a more limited scope than usual given the ongoing pandemic. However, the additional sales generated from the assets acquired from International Paper and the strong demand at all business units more than compensated this effect. As a result, total sales volume reached 909 thousand tons in the period, a 7% improvement on the first quarter 2020. Excluding additional volumes from the IP acquisition, there was a 2% decrease in 1Q21 compared to 1Q20 as a result of the Monte Alegre maintenance shutdown and pulp sales slightly lower due to replenish inventory following the general stoppage at the Puma I unit in December 2020. With the increase in sales volume, the devaluation of the Real against the Dollar and the price recovery across all pulp, paper and packaging markets, net revenue in 1Q21 was R$ 3.467 billion, 34% higher than the same quarter in 2020. Excluding the additional revenue generated from the units acquired, the increase was 22% in the first quarter 2021 in relation to 1Q20.

In the packaging market, Empapel, formerly Brazilian Association of Corrugated Boxes (ABPO), reported 9% growth in shipments of corrugated boxes in 1Q21 in relation to the same period in 2020. The sector has benefited from accelerated demand in the domestic market, a reflection of expansion in consumption, growth in Brazilian exports, notably proteins and fruits, and the increased participation of e-commerce in sales. Strong demand linked to the sharp increase of OCC (old corrugated containers) costs enabled these effects to be passed on to corrugated board packaging prices. As for the industrial bags market, preliminary data from the National Cement Industry Union (SNIC), shows cement consumption jumped a significant 19% in relation to 1Q20, directly impacting Klabin's sales of this product.

The foregoing factors, combined with the Company's cost discipline and solid operational performance, boosted Adjusted EBITDA - excluding non-recurring effects in the quarter - to R$ 1.254 billion, an increase of 22% compared to the same period of 2020. This amount excludes the non-recurring net gain of R$ 20 million from the sale of the Nova Campina paper unit, acquired earlier from IP.

The combined effect of the increase in Adjusted EBITDA in the period and discipline in the capital allocation was instrumental in driving cash generation and the corresponding creation of shareholder value. Excluding the discretionary amounts of investments in expansion, among which capex allocated to the Puma II Project, the Adjusted Free Cash Flow in the last twelve months was R$ 4.546 billion, equivalent to a 17.4% yield. The return on employed capital, according to the ROIC metric, was 16.5% in the same period.

ROIC reached **16.5%** and FCF Yield **17.4%** in the last twelve months

With an integrated, diversified, and flexible business model, performance in 1Q21 is demonstrative of Klabin's capacity to deliver solid results under the most varied of market conditions.

Also in 1Q21, Klabin launched a campaign whose objective is to engage both the private sector and the civil society on the urgency of concrete actions for combating climate change. In addition, the Company, as the only Brazilian representative at the COP26 Business Leaders event, assumed a protagonist commitment in the climate change agenda in Brazil.

During the quarter, the Company's recognized sustainable development credentials could be gauged by the issue of a Sustainability Linked Bond of US$ 500 million for a ten-year term and a coupon and yield of 3.2% per year linked to certain performance parameters in Sustainability. Interest rates are directly earmarked to the meeting of goals by 2025. With this, Klabin aligns these objectives of optimization in the use of natural resources and preservation of the ecosystem to metrics of its economic-financial indicators, with the accompanying value creation for all stakeholders.

Another recent landmark event was the announcement on May 5, 2021 of the updated framework of the Puma II Project, the largest investment in the Company's history. The start-up of the first stage, the construction of a paper machine producing Eukaliner® and Eukaliner® White is planned for the second half of July 2021. The framework of the second stage has been updated to include the installation of a coated board machine, with increased shareholder value creation. Start-up of stage two is scheduled for the second quarter of 2023. With this, Klabin underscores its diversified product portfolio as well as offering recyclable, biodegradable solutions developed from renewable sources.

All the achievements in early 2021 once more bear witness to Klabin's capacity to capture market opportunities and deliver solid results under the most varied of economic scenarios. With a history going back 122 years, the Company's management continues to be based on Sustainable Development, seeking integrated and responsible growth, combining profitability, social development, and environmental commitment.

Foreign Exchange

R$ / US$	1Q21	4Q20	1Q20	Δ 1Q21/4Q20	Δ 1Q21/1Q20
Average Rate	5.48	5.39	4.47	2%	23%
End of Period	5.70	5.20	5.20	10%	10%

Source: Brazilian Central Bank

Operating and Economic-Financial Performance

Paper and Pulp Production

Volume (k tons)	1Q21	4Q20	1Q20	Δ 1Q21/4Q20	Δ 1Q21/1Q20
Paper	**502**	**574**	**502**	**-12%**	**0%**
Kraftliner	254	288	250	-12%	1%
Coated Boards	150	183	188	-18%	-20%
Recycled	98	103	64	-5%	54%
Pulp	**413**	**322**	**396**	**28%**	**4%**
Short Fiber	295	238	283	24%	4%
Long Fiber/Fluff	118	84	114	41%	4%
Total Production Volume	**915**	**895**	**898**	**2%**	**2%**

First quarter 2021 production volume from Klabin's paper units was in line with output for the same quarter last year, reflecting on the one hand the reduction in volumes following the scheduled maintenance stoppage at the Monte Alegre unit – further details in the next section - but on the other hand, additional volumes coming from the acquired IP assets. Compared with the final quarter of 2020, production was 12% lower as a reflection of the Monte Alegre shutdown, with a greater impact on coated board output, the main product at this unit.

Production volumes of the three pulp fibers (short fiber, long fiber and fluff) totaled 413 thousand tons in the first quarter 2021, 4% up in relation to 1Q20 and 28% more than the immediately preceding quarter, as a result of the maintenance stoppage at the Puma I Unit in December 2020.

Consequently, total pulp and packaging papers production in the first quarter of 2021 rose 2% in both yearly and quarterly comparison.

Maintenance Stoppages

In the first quarter of 2021, there was a general shutdown at the Monte Alegre unit in accordance with the Company's maintenance schedule. The maintenance shutdown of this site is held every 12 months, however in 2020, due to the pandemic, the Company chose to conduct a maintenance shutdown with a reduced scope and covering only the stoppage of critical plants. Thus, the maintenance stoppage this year was expanded, with a cost of R$ 96 million, above the R$ 30 million disbursed in 3Q20 and the total cost under normal circumstances.

As for the remainder of the year 2021, only the Otacílio Costa unit maintenance stoppage is contemplated as shown in the schedule below. Since the maintenance stoppages occur every 15 months and given the date of those executed in 2020, no shutdowns are planned this year at either the Ortigueira pulp or the Correia Pinto paper' units.

Maintenance Stoppage Schedule 2021

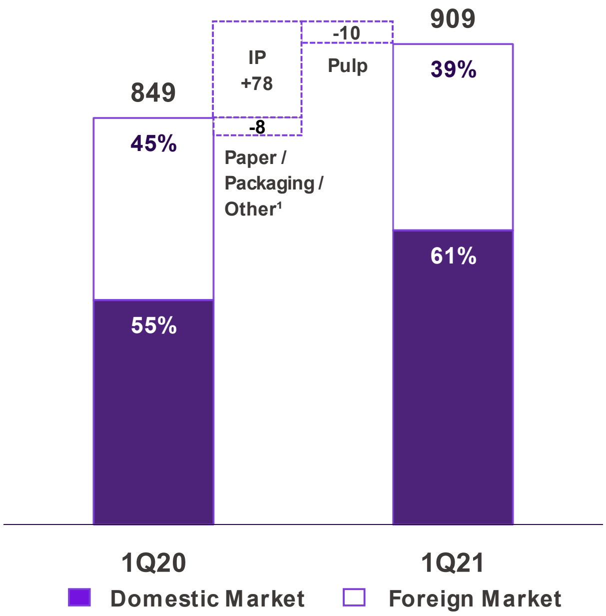
Manufacturing Plant	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Ortigueira (PR) - Puma I												
Monte Alegre (PR)		MA										
Correia Pinto (SC)												
Otacílio Costa (SC)							OC					

Legend: Executed | To be Exec.

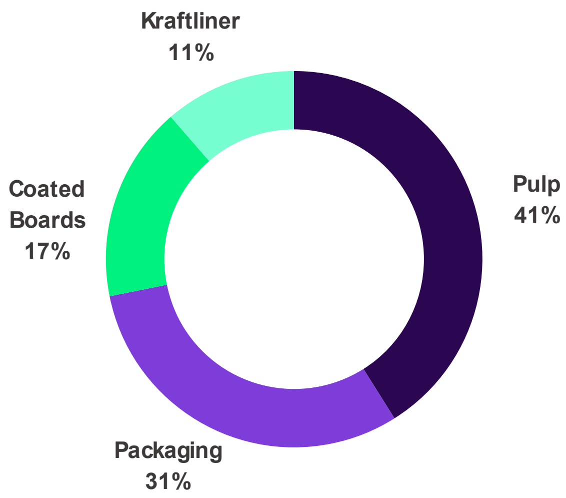
Sales Volume

In line with the performance for 4Q20, sales kept the strong growth across all lines of the business in 1Q21, as a result of surging demand in the markets where the Company operates. Total volume excluding wood in the quarter was 909 thousand tons, a growth of 7% compared to the same period of 2020. This increase is largely explained by the additional volumes of 78 thousand tons produced by the assets acquired from IP in 4Q20. Excluding this additional volume, there was a reduction of 2% in 1Q21 compared with 1Q20, reflecting principally the maintenance stoppage at the Monte Alegre unit as already explained. Additionally, sales volume of pulp was slightly lower as a result of the inventory building following the Puma I general shutdown that took place in December 2020.

Sales Volume
(excluding wood – k tons)



Sales Volume by Product
1Q21



¹Excludes Wood

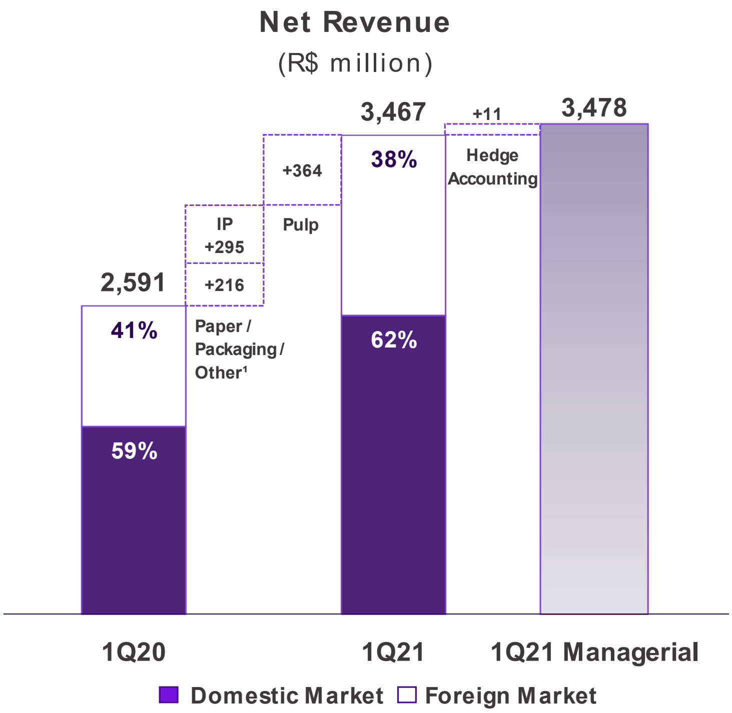
Net Revenue

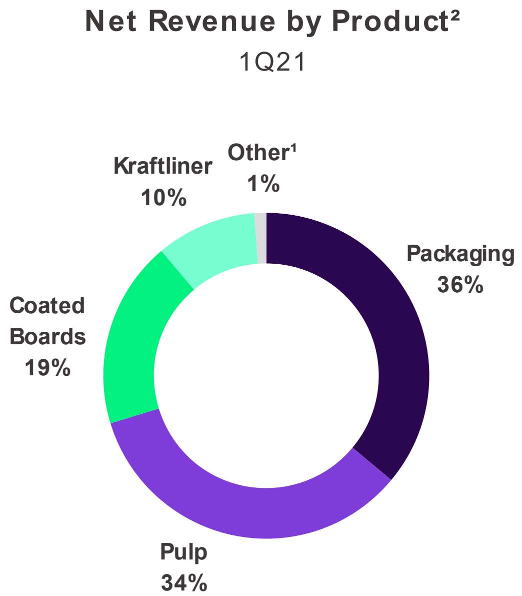
Net Revenue (R$ million)	1Q21	4Q20	1Q20	Δ 1Q21/4Q20	Δ 1Q21/1Q20
Total Net Revenue	**3,467**	**3,292**	**2,591**	**5%**	**34%**
Wood	**62**	**55**	**48**	**14%**	**31%**
Pulp	**1,194**	**987**	**829**	**21%**	**44%**
Short Fiber	782	682	546	15%	43%
Long Fiber/Fluff	412	305	283	35%	45%
Paper	**973**	**1,059**	**919**	**-8%**	**6%**
Kraftliner	323	296	264	9%	22%
Coated Boards	650	763	655	-15%	-1%
Packaging	**1,259**	**1,183**	**771**	**6%**	**63%**
Corrugated Boxes	1,001	930	563	8%	78%
Industrial Bags	258	252	207	2%	24%
Other[1]	**(21)**	**8**	**24**	**n/a**	**n/a**

[1] Includes Hedge Accounting effect

Net Revenue totaled R$ 3.467 billion in 1Q21, a growth of 34% compared to 1Q20. Excluding the additional revenue generated from the units acquired from IP of R$ 295 million, growth was 22% higher on an annual comparative basis. This performance is the result of price readjustments across all business units and reflects robust demand in both domestic and export markets in addition to the devaluation of the Real against the US$.

In January 2021, the Company adopted the cash flow hedge accounting method – see details under the 'Hedge Accounting' section. In 1Q21, the impact on Net Revenue regarding the percentage of revenue designated as a protected item by the hedge accounting method was negative at R$ 11.0 million. Excluding this effect, Net Revenue would have been R$ 3.478 billion in the period.





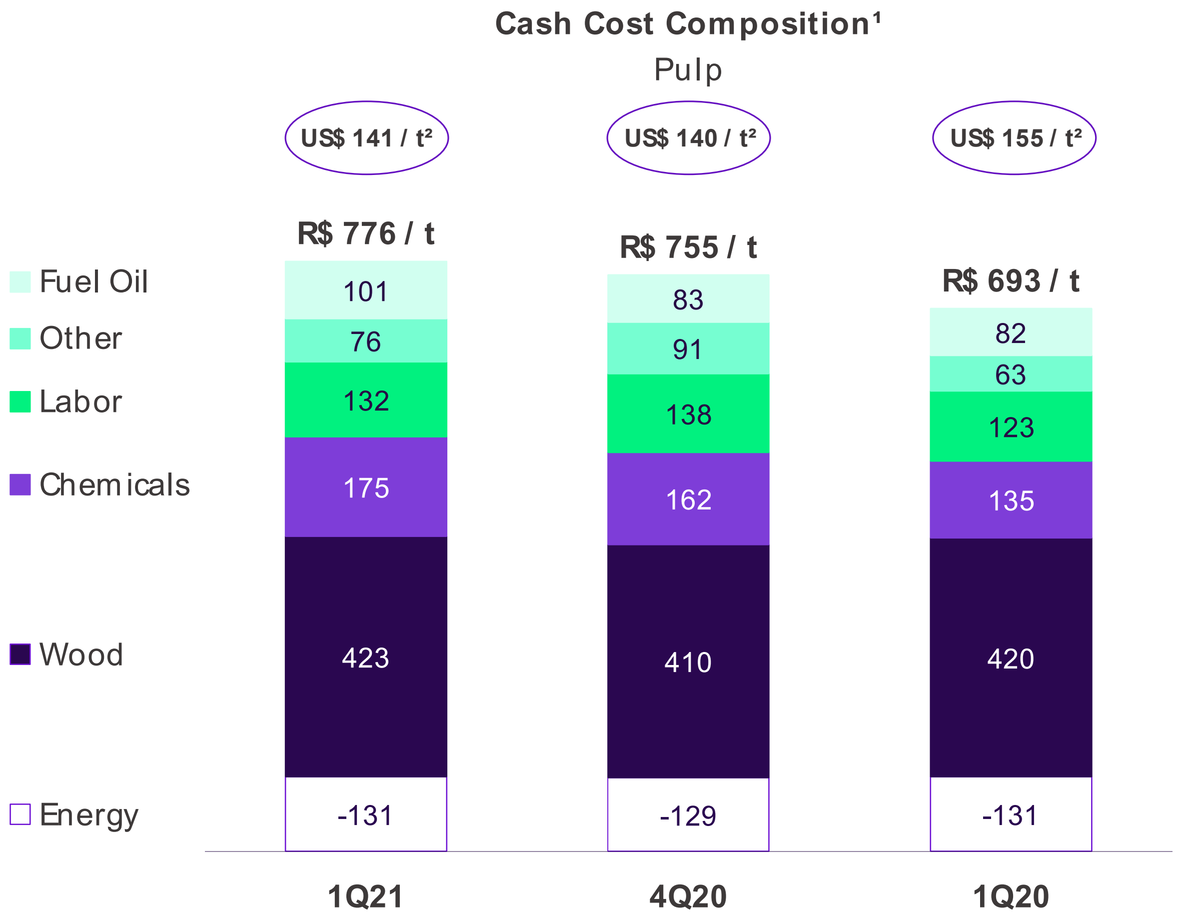
[1] Includes Wood, Eliminations and Other Revenue
[2] Excluding the effect of Hedge Accounting

Operational Costs and Expenses

Pulp Cash Cost

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

The production cash cost of pulp in the period was R$ 776/t, a growth of 12% compared to 1Q20 and 3% compared with 4Q20 (excluding the maintenance stoppage impacts). In relation to the same period of 2020, in addition to the inflation factor, the main reasons for higher cash costs were increased costs of chemicals and fuels, a reflection of the generalized hike in commodity prices and the devaluation of the local currency against the US$. In chemicals, the major impact is due to the increase in raw material prices, specially chlorate and soda. As for fuels, the main reason was price increases during the period. The pulp cash cost in US$ for 1Q21 was US$ 141/t, 9% down versus 1Q20 and flat over 4Q20.

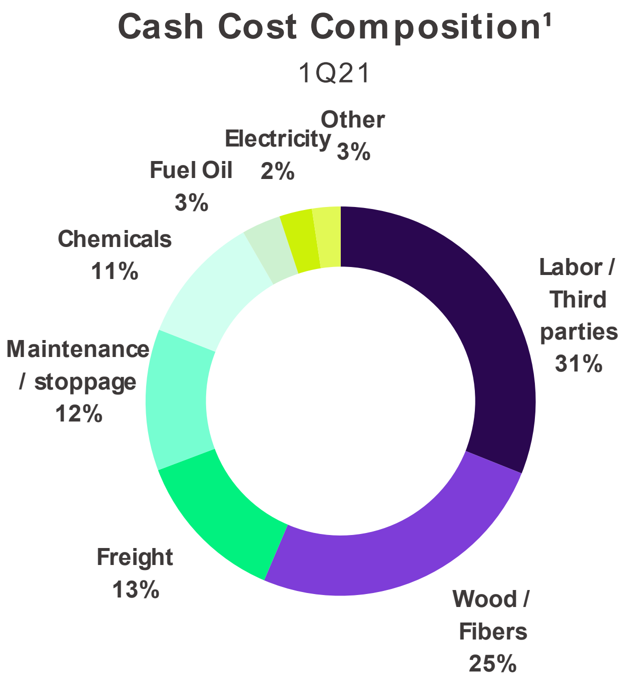


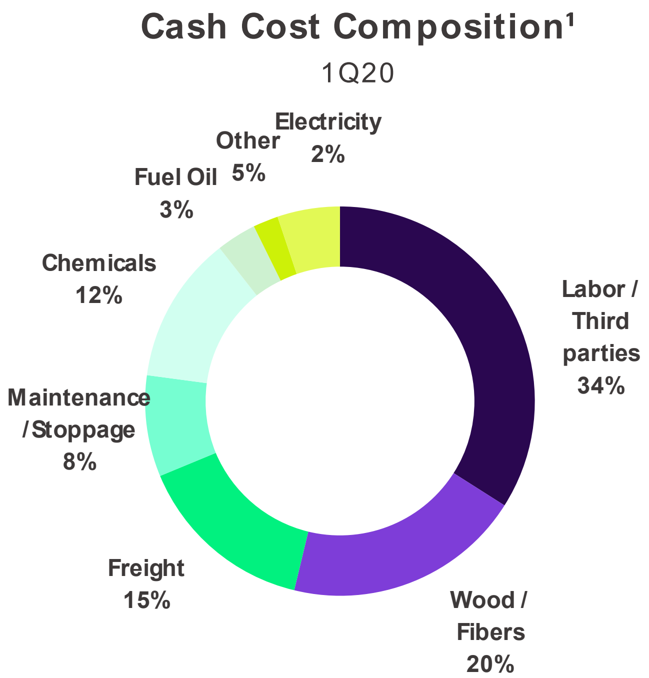
[1] Does not include costs of maintenance stoppage; [2] Calculated on the average US Dollar for the period

Total Cash Cost

Incorporating the sale of all the Company's products, the quarter's **total unitary cash cost** was R$ 2,424/t. Excluding the impact of maintenance shutdowns and the non-recurring result from the divestment of the Nova Campina papers' unit (more information below), total unitary cash cost was R$ 2,341/t in the period, an increase of 29% compared to 1Q20. Approximately half of this growth is explained by changes in the product sales mix and the sharp increase in OCC costs. As to the change in product mix, after the acquisition of IP's packaging assets, the sale of corrugated boxes – with a higher cash cost than the Company's other products, became more representative. Average prices of OCC were R$ 1,449/t in 1Q21 compared with an average of R$ 580/t in 1Q20, according to market data published by Anguti. This increase affects the cost of recycled paper, production volumes of which have increased due to the acquisition of the IP paper units.

Compared with 4Q20, a quarter which already sweeps up the impact of IP in the Company's sales mix and excluding the effects of maintenance stoppages and the sale of Nova Campina, there was a cash cost increase per ton of 4%. This was largely due to the increase in expenditures with chemicals and fuels, as explained in the preceding section.





[1] The cash cost considers the maintenance stoppages held in 1Q21 and 1Q20, alongside the net gain from the sale of Nova Campina in 1Q21

Total Costs and (R$ million)	1Q21	4Q20	1Q20	Δ 1Q21/4Q20	Δ 1Q21/1Q20
Cost of Goods Sold (COGS)[1]	**(1,764)**	**(1,690)**	**(1,180)**	**4%**	**50%**
Variable Costs	(1,096)	(869)	(738)	26%	48%
Labor and Third Parties	(482)	(493)	(406)	-2%	19%
Other	(186)	(328)	(36)	-43%	418%
Sales Expenses	**(267)**	**(306)**	**(247)**	**-13%**	**8%**
Administrative Expenses	**(204)**	**(246)**	**(149)**	**-17%**	**37%**
Other Net Expenses[2]	**32**	**262**	**12**	**-88%**	**168%**

[1] Net of Depreciation, Amortization and Exhaustion contained in COGS and SG&A; [2] Includes the non-recurring effect of R$20 million regarding the net gain from the sale of Nova Campina in 1Q21 and the goodwill of R$206 million realized on the purchase of IP assets in 4Q20

The cost of products sold excluding depreciation, amortization, and depletion, was R$ 1.764 billion, representing R$ 1,941/t - 40% higher than 1Q20. Excluding maintenance cost stoppages, the cost was R$ 1,835/t, an increase of 34% on an annualized comparative basis. The main explanation for this increase is the product mix with a greater share of packaging (which carries a higher average unit cost) as well as the spike in OCC prices.

Sales expenses totaled R$ 267 million in the period, equivalent to 7.7% of the net revenue and down in relation to the 9.5% reported in 1Q20 and 9.3% in 4Q20, following the increase in net revenue. In addition to the termination of royalty payments during the quarter and despite the recent challenges presented by global logistics, the Company successfully maintained freight costs under control through long-term contracts, mainly of break bulk cargos.

General and administrative expenses amounted to R$ 204 million in 1Q21, an increase of R$ 55 million compared with the same period in 2020. In addition to inflationary pressures, this increase reflects the execution of IT projects, innovation, and consultancy fees as well as COVID-19 expenditures such as donations and services to reinforce the Company’s health protocols. However, compared to 4Q20, there was a reduction of R$ 41 million.

Other operational revenues/expenses were R$ 32 million in the quarter, R$ 20 million of which relating to the sale of the Nova Campina paper unit. During the quarter and as published in a Notice to the Market on January 29, 2021, the sale of this unit – acquired as part of the International Paper acquisition – was concluded. The result was a net gain of R$ 20 million (total value discounted the cost of the asset) and booked to the Other Operational Revenues/Expenses line.

Effect of variation of the fair value of the biological assets

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

In the first quarter of 2021, the variation in the fair value of the biological assets resulted in revenue of R$ 43 million, the difference being largely the impact of the increase in the price of the biological assets (standing timber) based on market price surveys published by specialized companies. Additionally, the depletion effect of the fair value of the biological assets on the cost of goods sold was R$ 232 million in the same period. Hence, the non-cash effect of the fair value of the biological assets on operating results (EBIT) in 1Q21 was a negative R$ 189 million.

Operating Cash Generation (EBITDA)

R$ million	1Q21	4Q20	1Q20	Δ 1Q21/4Q20	Δ 1Q21/1Q20
Net Income (loss)	**421**	**1,327**	**(3,143)**	**-68%**	**n/a**
(+) Income Taxes and Social Contribution	57	651	(1,713)	-91%	n/a
(+) Net Financial Revenues	203	(929)	5,488	n/a	-96%
(+) Depreciation, Amortization, Depletion	626	610	635	3%	-1%
Adjustments According to IN.CVM 527/12 art. 4º					
(-) Biological Assets Adjustment	(43)	(341)	(217)	87%	-80%
(+) Cash Flow Hedge Effect	11	-	-	n/a	n/a
(-) Equity Pickup	(1)	(6)	(22)	85%	-96%
Ajusted EBITDA	**1,274**	**1,312**	**1,028**	**-3%**	**24%**
Adjusted EBITDA Margin	37%	40%	40%	- 3 p.p.	- 3 p.p.
(-) Non-Recurring Effects[1]	(20)	(206)	-	90%	n/a
Adjusted EBITDA (excluding non-recurring effects)	**1,254**	**1,106**	**1,028**	**13%**	**22%**
Adjusted EBITDA Margin (excluding non-recurring effects)	36%	34%	40%	+ 2 p.p.	- 4 p.p.

[1] Refers to the net gain from the sale of Nova Campina in 1Q21 and the goodwill realized on the purchase of IP's assets in 4Q20

Higher sales volume, price readjustments and the devaluation of the local currency were determining factors for the net revenue increase in 1Q21 compared with the same quarter in 2020. This increase, together with the Company's cost discipline, resulted in an **Adjusted EBITDA,** excluding non-recurring effects, of R$ 1.254 billion, corresponding to an EBITDA Margin of 36%, a year-on-year increase of 22% and a quarter-on-quarter improvement of 13%.

The 4 p.p. reduction in Adjusted EBITDA Margin, excluding non-recurring effects in 1Q21, in relation to the same period in 2020, is due to the greater participation of corrugated boxes in the sales mix – with higher cash cost by being a premium product. The Adjusted EBITDA Margin was also affected by the maintenance stoppage at the Monte Alegre unit, already explained before.

The EBITDA excluding non-recurring effects (volume sold not considering wood) was R$ 1,380/t in the first quarter of 2021, which represents an increase of 14% compared to the same quarter of the previous year and 17% compared to 4Q20.

Debt and Financial Investments

Debt (R$ million)	Mar-21	Prop. %	Dec-20	Prop. %
Short Term				
Local Currency	1,192	4%	342	1%
Foreign Currency	536	2%	379	2%
Total Short Term	**1,728**	**6%**	**721**	**3%**
Long Term				
Local Currency	4,587	15%	5,441	20%
Foreign Currency	23,961	79%	20,177	77%
Total Long Term	**28,548**	**94%**	**25,618**	**97%**
Total Local Currency	5,779	19%	5,783	21%
Total Foreign Currency[1]	24,497	81%	20,556	79%
Gross Debt	**30,276**		**26,339**	
(-) Cash	8,531		6,557	
Net Debt	**21,744**		**19,782**	
Net Debt / EBITDA (LTM) - US$	**4.0 x**		**4.0 x**	
Net Debt / EBITDA (LTM) - R$	**4.2 x**		**4.0 x**	

[1]Includes BRL to USD swaps, as well as the intrument's mark-to-market gains or losses

Gross debt as of March 31, 2021 was R$ 30.276 billion, an increase of R$ 3.937 billion compared with the end of 2020. This increase is largely explained by the negative exchange variation effect on currency denominated debt and by the mark-to-market of the interest rate swap instruments, both without any material cash effect in the period. Additionally, in January 2021, the Company raised US$ 500 million through the issue of a Sustainability Linked Bond (SLB). SLBs are securities representing debt linked to sustainability performance metrics. The bond matures in 2031 and carries an annual yield and coupon of 3.20%. Part of the resources raised through the SLB was used for the early repurchase of US$ 98 million of the 2024 Bond.

Average Maturity / Cost of Debt	1Q21	4Q20	1Q20
Local Currency	6.5% p.y.	4.3% p.y.	5.3% p.y.
Foreign Currency	5.1% p.y.	5.4% p.y.	5.1% p.y.
Gross Debt	**128 months**	**116 months**	**113 months**

The issue of the debt securities mentioned in the preceding paragraph resulted in a total average maturity for loans and financing at the end of 1Q21 of 128 months, 61 months for local currency debt and 142 months for currency denominated debt. The most recent issue had a positive impact on the average cost of currency financing of Klabin, its main source of credit, with a reduction of 0.3 p.p. in the quarter, translating into an annual cost of 5.1% plus foreign exchange variation. For domestic currency debt, there was an increase in the annual financial cost from 4.3% in 4T20 to 6.5% in 1Q21, largely a reflection of an increase in the IPCA and the CDI rate in the period.

Cash and cash equivalents at quarter end totaled R$ 8.531 billion, an increase of R$ 1.974 billion in relation to 4Q20, a reflection of the additional funding via SLB. This cash position gives sufficient coverage to amortize 68 months-worth of maturing debt. In addition, the Company has a Revolving Credit Facility of US$ 500 million (equivalent to R$ 2.850 billion) maturing in December 2023 at an annual financial cost of 0.4%. Should the line be drawn down, the cost would be Libor + 1.35% annually.

Klabin 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, US$ 178 million; and (iii) BNDES with R$ 2 billion. These credit lines may be drawn either in full or partially, according to the construction schedule of the Puma II Project and/or as and when the Company requires cash injection.

Consolidated **net debt** as of March 31, 2021 amounted to R$ 21.744 billion, an increase of R$ 1.962 billion compared to the net amount at the end of 4Q20. The increase is largely due to the negative impact of exchange variation on US$ denominated debt.

The Company's financial leverage, measured by the Net Debt/Adjusted EBITDA ratio, in US Dollars, which best reflects Klabin's financial leverage profile, remained stable on 4.0 times. Due to the Company's strong cash generation, and despite the disbursements for investments in the Puma II Project, financial leverage has remained at the same levels for the last few month and within the parameters set out in the Company's **Financial Debt Policy.**

Hedge Accounting

From January 4, 2021, Klabin adopted the accounting method of hedge accounting of cash flows of highly probable future revenue. Through this methodology, financial statements now reflect the natural hedge realized by the Company as the impact of the temporal difference is eliminated between the currency variation of the revenue flow and currency denominated debt.

US$ debts are designated as an instrument of protection of the highly probable future revenues in US$ and the effects of the currency variation on these debts are recorded as Stockholders Equity in the "Valuation adjustments to shareholders' equity" line. With the effective realization of this matched revenues linked to the US$ designated debt, the respective accumulated amounts of currency variation are booked in the income statements to "Net Revenue".

In 1Q21, currency variation of debt designated for hedge accounting totaled a negative net effect of R$ 1.134 billion, booked to Stockholders Equity, "Valuation adjustments to shareholders' equity" line, while there is no effective future revenue realization. This amount refers to the R$ 1.728 billion of variation in fair value of the debt designated for hedge accounting less R$ 584 million in Income Tax and Social Contribution and R$ 11.0 million of realization of the hedge reserve.

In the same period, the Company realized a revenue of US$ 18.3 million related to the settlement of loans and financing, designated as a hedging instrument of this revenue. Therefore, incurring an accumulated exchange rate variation expense of R$ 11.0 million, recorded in "Net Revenue", and excluded from the Adjusted EBITDA to better represent the Company's cash generation.

The implementation of hedge accounting is exclusively accounting and has no impact on the Company's cash generation and Adjusted EBITDA.

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

Financial Result[1]

R$ million	1Q21	4Q20	1Q20	Δ 1Q21/4Q20	Δ 1Q21/1Q20
Financial Expenses	(370)	(718)	(452)	-48%	-18%
Financial Revenues	30	86	107	-65%	-72%
Subtotal	**(340)**	**(632)**	**(345)**	**-46%**	**-1%**
Net Foreign Exchange Losses	(1,256)	1,104	(3,426)	n/a	-63%
Derivative Instruments (SWAP)	(336)	456	(1,717)	n/a	-80%
Hedge Accounting Effect	1,728	-	-	n/a	n/a
Subtotal	**137**	**1,560**	**(5,143)**	**-91%**	**n/a**
Financial Result	**(203)**	**929**	**(5,488)**	**n/a**	**-96%**

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

In 1Q21, financial expenses excluding the effect of hedge accounting and swaps, amounted to R$ 370 million, 48% less than 4Q20, the latter quarter impacted by R$ 310 million in non-recurring expenses relative to the recalculation the monetary restatement for an IPI tax credit. Financial revenues totaled R$ 30 million in the quarter, R$ 56 million less than in 4Q20, and reflecting the mark-to-market of the NTN-Bs and LFTs held in cash equivalents.

The foreign exchange rate ended the quarter at R$ 5.70/US$, 10% higher than the closing rate of 4Q20 and causing a negative result in the net foreign exchange line of R$ 1.256 billion due to the impact on US$ denominated debt and also the negative effect of mark-to-market the interest rate swaps of R$ 336 million. These swaps are earmarked to loans and financing contracted in Reais and through these derivative instruments have an effect similar to a liability denominated in US$.

As mentioned in the preceding section, the Company adopted the hedge accounting methodology with an effect of R$ 1.728 billion in 1Q21. This amount ceases to be booked in the income statement through a compensating entry to stockholders' equity in the "Valuation adjustments to shareholders' equity" line. Important to note that the currency variation on US$ denominated debt, the mark-to-market of the swaps as well as the partial compensation under the hedge accounting methodology – amounting to R$ 137 million, has no significant cash effect in the period.

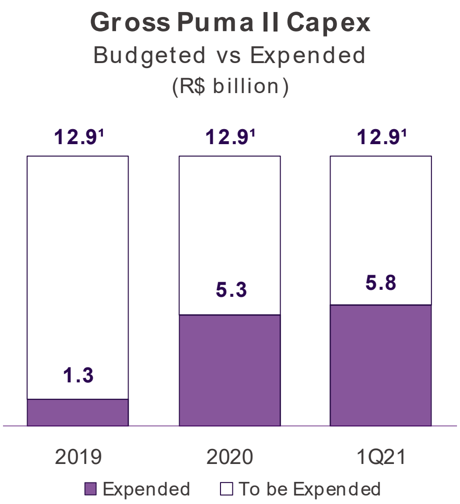
Investments

R$ million	1Q21	4Q20	1Q20
Forestry	67	134	72
Maintenance	184	110	198
Special Projects and Growth	67	296	23
Puma II Project	497	1,468	527
Total	**815**	**2,008**	**820**

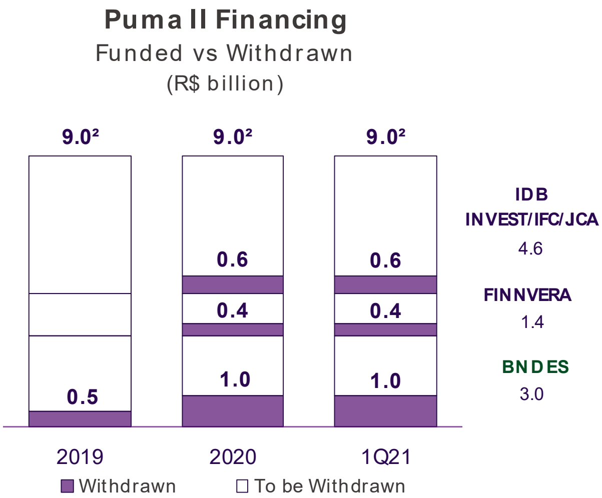
Klabin invested R$ 815 million in the first quarter of 2021 in its operations and expansion projects. Of the total amount invested, R$ 67 million were allocated to forestry operations and R$ 184 million to investments in the operational continuity of the plants. Together these amounts represent investments in the Company's operational maintenance. Additionally, R$ 67 million were invested in special and expansion projects.

These invested amounts do not consider investments involving the forestry activities of subsidiaries through Special Purpose Corporations (SPCs) executed via injection of forestry assets already existing in Klabin's balance sheet.

Currently, a total of R$ 5.813 billion has been disbursed to the Puma II Project, of which R$ 5.316 billion until 2020 and R$ 497 million in 1Q21. The start-up of the first paper machine is planned for the second half of July 2021. According to the latest measurements on May 2, 2021, the construction of the first machine reached 88% of execution. On May 5, 2021, the Company announced the updated framework of the Project with increased expected gross investment to R$ 12.9 billion at 2021 prices – for further details, please click here to access the Material Fact. The financing for the project has been contracted by Klabin with the ECA's, BNDES, IDB Invest, IFC and JICA.



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



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

Free Cash Flow

R$ million	1Q21	4Q20	1Q20	LTM 1T21	LTM 1T20
Adjusted EBITDA	**1,274**	**1,312**	**1,028**	**5,153**	**4,345**
(-) Capex[1]	(815)	(2,008)	(820)	(5,169)	(3,097)
(-) Interest Paid/Received	(222)	(636)	(243)	(1,490)	(1,095)
(-) Income Tax	(40)	(2)	(1)	(48)	(47)
(+/-) Working Capital	(532)	926	(308)	1,887	(478)
(-) Dividends & IOC	-	-	(223)	-	(910)
(+/-) Others	74	(240)	(32)	(186)	(32)
Free Cash Flow	**(261)**	**(648)**	**(600)**	**148**	**(1,314)**
Dividends & IOC	-	-	223	-	910
Puma II Project	497	1,468	527	4,014	1,798
Special Projects and Growth	67	296	23	383	210
Adjusted Free Cash Flow[2]	**303**	**1,116**	**173**	**4,546**	**1,604**
Adjusted FCF Yield[3]				**17.4%**	**7.6%**

[1] Capex under cash accrual method does not consider investments into SPVs (Special Purpose Vehicles)
[2] Excluding dividends and expansion projects
[3] Yield - Adjusted FCF per share (excluding treasury stock) divided by the average price of the Units in the LTM.

The increase in Adjusted EBITDA boosted cash generation during the quarter. On the other hand, Adjusted Free Cash Flow was impacted by the negative variation in the Company's working capital due to the higher sales income and lower receivables discount.

The interest paid/received line in 1Q21 was in line with the first quarter of 2020. As for the immediately preceding quarter, the reduction reflects the non-recurring financial expense in 4Q20 relative to the re-mensuration of a calculation for updating the monetary restatement on an IPI tax credit in the amount of R$ 310 million. In the 'Others' line, R$ 112 million relates to the receipt of the net amount from the first installment of the Nova Campina unit sale, that is, R$ 132 million received in this quarter less the non-cash effect of R$ 20 million included in the Adjusted EBITDA.

The Capex line remained stable in the first quarter compared to the same quarter in 2020, although in relation to the fourth quarter 2020, there was a reduction in investments, mainly those related to the Puma II Project.

Excluding discretionary factors and expansion projects, in the last twelve months, Adjusted Free Cash Flow amounted to R$ 4.546 billion, equivalent to a Free Cash Flow Yield of 17.4%, representing a significant increase in relation to the R$ 1.604 billion reported for the 12 months ending 1Q20. This performance is illustrative of the Company's capacity to maintain a strong cash generation under the most varied of market conditions.

ROIC - Return on Invested Capital

ROIC (R$ million) - LTM[1]	1Q21	4Q20	1Q20
Total Asset	**36,730**	**35,544**	**35,029**
(-) Total Liability (ex-debt)	(4,006)	(3,580)	(3,561)
(-) Construction in Progress	(5,065)	(4,174)	(1,769)
Invested Capital	**27,660**	**27,790**	**29,699**
(-) CPC 29 Adjustment[2]	(1,367)	(1,596)	(1,809)
Adjusted Invested Capital	**26,292**	**26,194**	**27,890**
Adjusted EBITDA	**5,153**	**4,906**	**4,345**
(-) Sustaining Capex	(773)	(790)	(1,089)
(-) Income Tax and Soc. Contr. (cash)	(48)	(9)	(47)
Adjusted Operating Cash-Flow	**4,333**	**4,107**	**3,209**
ROIC[3]	**16.5%**	**15.7%**	**11.5%**

[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 according to the Return on Invested Capital (ROIC)[1] metric was 16.5% in the last 12 months. The improvement in this indicator is directly associated with the increase in cash generation in the period.

Business Performance

Consolidated information by unit in 1Q21:

R$ million	Forestry	Pulp	Papers	Packaging	Eliminations	Total
Net revenue						
Domestic market	71	388	601	1,154	(54)	2,160
Exports	-	813	386	118	(11)	1,306
Third part revenue	**71**	**1,201**	**987**	**1,272**	**(65)**	**3,467**
Segments revenue	388	25	563	9	(986)	-
Total net revenue	**459**	**1,226**	**1,550**	**1,281**	**(1,050)**	**3,467**
Change in fair value - biological assets	43	-	-	-	-	43
Cost of goods sold[1]	(692)	(494)	(1,140)	(1,073)	1,010	(2,390)
Gross income	**(190)**	**733**	**409**	**208**	**(41)**	**1,119**
Operating expenses	22	(162)	(152)	(136)	(11)	(439)
Op. results before financial results	**(169)**	**571**	**258**	**72**	**(51)**	**681**

Note: In this table, total net revenue includes sales of other products.
[1] Forestry COGS includes the exaustion on the fair value of biological assets in the period.

Note: Comparison base in Attachment V

Forestry Business Unit

Volume (k tons)	1Q21	4Q20	1Q20	Δ 1Q21/4Q20	Δ 1Q21/1Q20
Wood	410	297	391	38%	5%
Revenue (R$ million)					
Wood	62	55	48	14%	31%

In 1Q21, 410 thousand tons of wood were sold, an increase of 5% compared with 1Q20, due to spot wood sales. As a result, net revenues from wood sales totaled R$ 62 million in 1Q21, 31% higher than in 1Q20, reflecting a more favorable environment for price adjustments.

Pulp Business Unit

Volume (k tons)	1Q21	4Q20	1Q20	Δ 1Q21/4Q20	Δ 1Q21/1Q20
Short Fiber DM	76	83	96	-8%	-21%
Short Fiber EM	193	198	181	-3%	6%
Total Short Fiber Volume	**269**	**281**	**277**	**-4%**	**-3%**
Long Fiber / Fluff DM	52	50	48	6%	9%
Long Fiber / Fluff EM	52	38	58	36%	-10%
Total Long Fiber / Fluff Volume	**104**	**88**	**106**	**19%**	**-2%**
Total Pulp Volume	**373**	**369**	**383**	**1%**	**-3%**
Revenue (R$ million)					
Short Fiber	782	682	546	15%	43%
Long Fiber / Fluff	412	305	283	35%	45%
Total Pulp Revenues	**1,194**	**987**	**829**	**21%**	**44%**

In 1Q21, the volume of pulp sold reached 373 thousand tons, 3% lower compared to the same quarter of the previous year as a result of low inventory levels due to the lower availability of fiber as a consequence of the general maintenance shutdown held in December 2020.

Supply and demand conditions in the pulp industry exhibited improvement throughout 2020, allowing for a stronger recovery in prices through all markets from 4Q20 onwards.

Klabin's pulp sales to Europe, the USA and the domestic market followed market reference prices which increased 16% for short fiber and long fiber on average in the first quarter of 2021 when compared to the same period of the previous year. In China, the implementation of pulp price increases occurred more rapidly in both short fiber and long fiber. The two fibers, measured by the FOEX Index were priced, respectively, at US$ 610/t and US$ 827/t on average in the first quarter of 2021. These values represent increases of 32% and 34% in comparison with 4Q20.

On the supply side, the focus comes from the concentration of scheduled maintenance stoppages starting in the last half of 2020, causing the global stock of producers to start the year at 35 days of supply, based on data from the PPPC (Pulp and Paper Products Council) for the end of December 2020. Added to this, logistical constraints faced mainly by producers in the northern hemisphere as well as weather problems have affected some players. Regarding demand, a sharper acceleration in the recovery of economic activity, especially in the Chinese and American markets, boosted pulp consumption in virtually all paper segments.

Klabin's position as the only Brazilian company producing hardwood, softwood and fluff pulp translates into greater flexibility in building a strategic sales mix and higher returns, allowing the Company to benefit from price increases within the three fibers simultaneously. With the successful implementation of these readjustments in all grades, the price differential between hardwood and softwood pulp in China reached US$ 230/t at the end of March.

Given this favorable market scenario, net revenues from the pulp business reached R$ 1.194 billion in 1Q21, a growth of 44% compared to the same period in 2020, the result of the strong recovery in prices, a better sales mix and the devaluation of the Brazilian real.

Paper Business Unit

Volume (k tons)	1Q21	4Q20	1Q20	Δ 1Q21/4Q20	Δ 1Q21/1Q20
Kraftliner DM	54	53	47	2%	15%
Kraftliner EM	49	49	58	1%	-15%
Total Kraftliner	**103**	**102**	**105**	**2%**	**-2%**
Coated Boards DM	109	126	94	-14%	16%
Coated Boards EM	44	59	75	-26%	-42%
Total Coated Boards	**153**	**185**	**169**	**-18%**	**-10%**
Total Paper	**256**	**287**	**275**	**-11%**	**-7%**
Revenue (R$ million)					
Kraftliner	323	296	264	9%	22%
Coated Boards	650	763	655	-15%	-1%
Total Paper	**973**	**1,059**	**919**	**-8%**	**6%**

Kraftliner

Demand in the Kraftliner market remained intense in the first quarter of the year and a continuation of the movement observed since the middle of 2020. The accentuated acceleration in demand occurred not only in Brazil but in various regions, notably the United States, the world's leading producer and exporter of virgin fiber. In the light of this scenario, American producers exported less, using greater volumes for conversion and sales to the domestic market.

Reflecting reduced supply of papers and intense demand, the market became more favorable for passing on prices as from the beginning of the second semester 2020. In 1Q21, the average Europe price measured by FOEX were US$ 731/t, an increase of 14% in relation to 1Q20 and 8% in relation to the preceding quarter.

This scenario represents the ideal market conditions for the start-up of the first stage of the Puma II Project in the second half of July 2021. The first machine will contribute with about 160 thousand tons of additional volumes in 2021 out of a total annual capacity of 450 thousand tons.

Coated Boards

In 2020, the coated board market reported an important recovery in volumes in Brazil, especially in the second half. Brazilian Tree Industry (IBÁ) data shows that there was a 7% growth in demand for this product, excluding sales of coated boards for liquids. In 2021, this trend has been intensifying, preliminary data showing an accumulated growth of 26% for the first two months of the year compared with the same period of 2020. Demand has been the main source of unbalanced supply/demand equation and in other world markets as well as Brazil, driven by the opportunity of migrating from single-use plastic.

At Klabin, coated board sales in 1Q21 fell 10% year-on-year as a consequence of the scheduled maintenance stoppage at Monte Alegre – impacting more particularly coated board production –, the unit operating with reduced inventory over recent quarters due to increasing demand. Notable has been the larger sales volumes to the domestic market boosted by strong demand as already mentioned above.

In spite of lower sales volume, net revenue was less impacted, falling only 1% in relation to the same period last year, driven by price readjustments and the devaluation of the Real against the US$ Dollar.

Packaging Business Unit

Volume (k tons)	1Q21	4Q20	1Q20	Δ 1Q21/4Q20	Δ 1Q21/1Q20
Corrugated Boxes	240	243	156	-1%	54%
Industrial Bags	39	43	35	-7%	12%
Total Packaging	**280**	**286**	**191**	**-2%**	**46%**
Revenue (R$ million)					
Corrugated Boxes	1,001	930	563	8%	78%
Industrial Bags	258	252	207	2%	24%
Total Packaging	**1,259**	**1,183**	**771**	**6%**	**63%**

Data published by Empapel, formerly the Brazilian Association of Corrugated Boxes (ABPO) indicates a significant increase of 9% in shipped volumes of corrugated board boxes and sheets in 1Q21 compared with the same quarter in the preceding year.

Growth in shipment volumes has remained at high levels, and much above the general level of economic activity, since the second half of 2020, in the light of the strong recovery in the local market, driven by the expansion in consumption, e-commerce and such export sectors as proteins and fruits.

Klabin's sales volume of corrugated boxes board packaging reached 240 thousand tons in 1Q21, an increase of 54% in relation to the same period in 2020, albeit boosted by the additional output post-acquisition of IP's assets. Excluding the new ex-IP units, year-on-year growth would have been 13% in relation to 1Q20. Net revenue in turn increased 78% in relation to 1Q20 and 31% on the same comparative basis excluding the revenue from the new units. The growth in net revenue was driven by increased shipment volume, sales mix, and the recovery in prices on the back of the significant increase in the OCC cost.

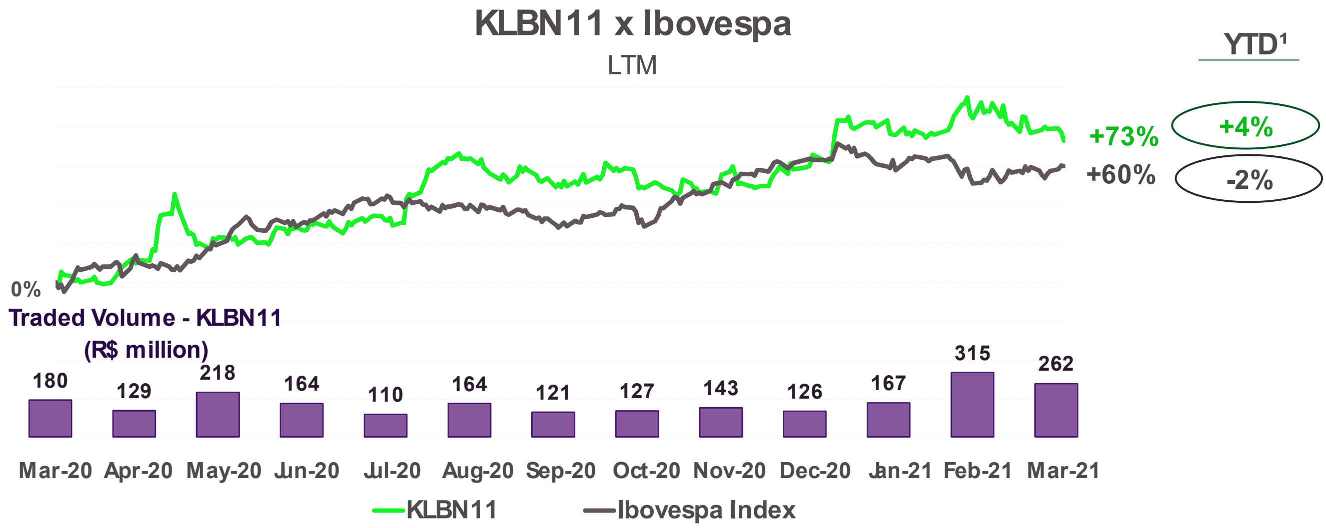
Preliminary data published by the National Cement Industry Union (SNIC) show cement consumption in Brazil increasing by 19% in relation to 1Q20, this having a direct impact on the sale of Klabin's industrial bags.

Klabin's bag conversion units operated at full capacity during the quarter in order to meet strong demand from the internal and export markets. With this, bag sales volume increased 12% in relation to the first quarter 2020 while net revenue was 24% higher on the same comparative basis, this also due to price readjustments and the devaluation of the Real against the US$, the latter also benefiting products destined for export as well as the increased sales volume.

Capital Markets

Equity Income

In the first quarter of 2021, Klabin Units (KLBN11) reported an appreciation of 4% against 2% decrease of Ibovespa, closing the period priced at R$ 27.63/share. The Units were traded all business days at B3, turnover amounting to 511 million transactions with an average daily financial volume of R$ 248 million. The maximum price reached during the period was R$ 31.54/share on February 25, 2021, while the minimum was R$ 25.40/share on January 05, 2021.



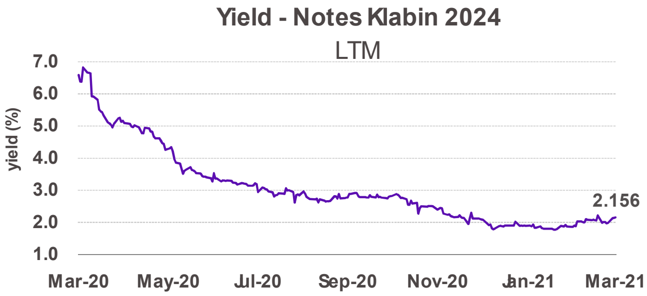
[1] YTD:Year to Date (12/30/2020 to 03/31/2021)

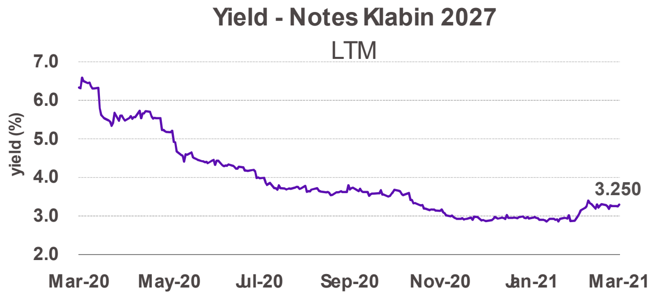
Fixed Income

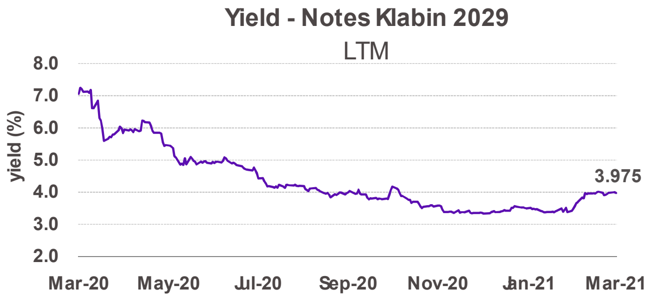
As announced to the market on January 06, 2021, Klabin concluded the issue of Sustainability Linked Bond (SLB), the coupon of which is linked to sustainability performance metrics. Interest paid on SLB securities is directly linked to meeting certain goals by 2025 and described in the Framework of the issue, published in the Company's Investor Relations website.

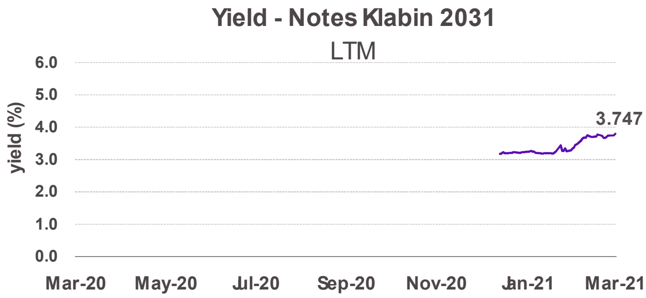
The Company has five active note or bond issues in the international market. Among these issues are two Green Bond issues, the securities of which must necessarily have their resources earmarked to eligible green projects. There are also two conventional debt issues. All coupons and maturities are shown in the respective graphs below.

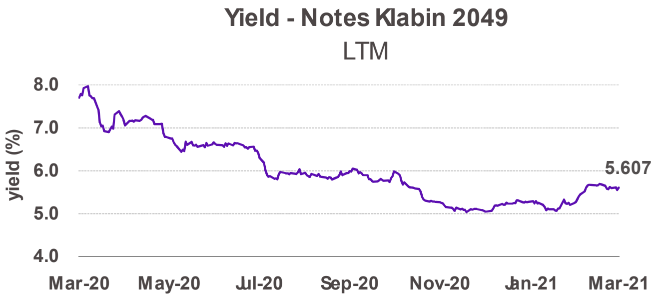
In 1Q21, Fitch and Standard and Poors rating agencies reiterated Klabin's credit risk classification at BB+ with stable outlook.











Shareholder Remuneration

As explained in the fourth quarter 2020 earnings release, Klabin's booked net income in 2020 was negatively affected by the intense devaluation of the Real against the US$. Consequently, in compliance with bookkeeping and corporate legislation, Klabin is temporarily unable to distribute earnings to its shareholders and consequently there was no distribution of earnings in 1Q21.

Subsequent Events

Fitch Affirms Klabin's Ratings

As announced to the market on April 29, 2021, Fitch Ratings has affirmed the Company’s Long-Term Foreign and Local Currency Issuer Default Ratings at 'BB+' and national scale long-term rating at 'AAA(bra)'. The rating outlook for Klabin remains stable.

To access the Fitch Ratings report in full, click here.

Puma II Project Update

As announced in a Material Fact published on May 5, 2021, the Company’s Board of Directors approved the updated framework of the Puma II Project’s second stage for the installation of a coated board machine.

For more information, access here the full version of the Material Fact.

Klabin S.A.

Quarterly Information (ITR) at March 31, 2021

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(A free translation of the original in Portuguese)

KLABIN S.A.
All amounts in thousands of Reais

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

		Parent Company		Consolidated	
	Note	03/31/2021	12/31/2020	03/31/2021	12/31/2020
ASSETS					
Current					
Cash and cash equivalents	4	4,229,466	4,529,748	7,014,310	5,208,830
Marketable securities	5	1,502,812	1,335,257	1,517,091	1,347,897
Accounts receivable:					
. Trade receivables	6	1,812,920	1,296,273	2,525,806	1,883,028
. Allowance for doubtful debts	6	(69,872)	(56,106)	(74,361)	(76,110)
Related parties	7	432,691	675,185	-	-
Inventory	8	1,306,782	1,203,968	1,474,757	1,379,131
Taxes recoverable	9	684,177	795,780	731,717	824,771
Other assets		133,245	155,218	161,691	218,324
Total current assets		**10,032,221**	**9,935,323**	**13,351,011**	**10,785,871**
Assets held for sale	12	**-**	**138,769**	**-**	**175,064**
Non-current					
long-term receivables					
Deferred income tax and social contribution	10	1,360,838	770,453	1,350,584	765,099
Related parties	19	121,116	117,409	122,548	118,843
Taxes recoverable	9	691,685	763,475	691,685	769,092
Related parties	7	134	21,076	-	-
Other assets		197,187	175,228	197,601	175,502
		2,370,960	**1,847,641**	**2,362,418**	**1,828,536**
Investments:					
. Interests in subsidiaries and joint venture	11	1,939,313	2,090,500	253,602	256,072
. Other		12,371	12,372	12,371	12,372
Property, plant and equipment	13	16,733,348	16,033,030	17,135,924	16,670,773
Biological assets	14	3,014,863	3,357,941	4,542,764	4,657,821
Right of use asset	15	844,279	803,477	847,424	808,420
Intangible assets		77,202	67,362	77,886	75,332
		22,621,376	22,364,682	22,869,971	22,480,790
Total non-current assets		**24,992,336**	**24,212,323**	**25,232,389**	**24,309,326**
Total assets		**35,024,557**	**34,286,415**	**38,583,400**	**35,270,261**

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

(A free translation of the original in Portuguese)

KLABIN S.A.
All amounts in thousands of Reais

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

	Note	Parent Company		Consolidated	
		03/31/2021	12/31/2020	03/31/2021	12/31/2020
LIABILITIES AND EQUITY					
Current					
Borrowings	16	1,394,052	698,634	1,661,756	652,983
Debentures	17	65,823	68,038	65,823	68,038
Trade payables	18	1,650,928	1,610,535	1,743,002	1,754,137
Trade payables (Forfait)	18	319,421	248,892	319,421	248,892
Tax payables		114,292	134,581	141,977	165,348
Social security and labor obligations		255,231	346,868	260,132	377,816
Related parties	7	63,420	37,150	-	-
Lease liability	15	153,977	141,837	154,403	143,721
Other payables and provisions		201,225	148,976	223,039	202,537
Total current liabilities		**4,218,369**	**3,435,511**	**4,569,553**	**3,613,472**
Property liabilities held for sale	12	-	-	-	**36,295**
Non-current					
Borrowings	16	24,531,799	24,015,045	26,741,095	23,853,204
Debentures	17	1,806,886	1,764,765	1,806,886	1,764,765
Payables - Investors in Special Partnership Companies (SPCs)		-	-	274,673	301,671
Lease liability	15	709,606	676,464	712,408	679,591
Actuarial liabilities		395,060	342,053	397,808	392,024
Provision for tax, social security, labor and civil contingencies	19	52,904	51,789	53,146	51,951
Other payables and provisions		243,039	190,483	243,597	192,527
Total non-current liabilities		**27,739,294**	**27,040,599**	**30,229,613**	**27,235,733**
Total liabilities		**31,957,663**	**30,476,110**	**34,799,166**	**30,885,500**
Equity					
Share capital		4,475,625	4,475,625	4,475,625	4,475,625
Capital reserves		(343,451)	(365,791)	(343,451)	(365,791)
Revaluation reserve		48,705	48,705	48,705	48,705
Profit reserves		-	-	-	0
Other compreenseve income		(322,847)	823,476	(322,847)	823,476
Retained earnings		(622,630)	(993,826)	(622,630)	(993,826)
Treasury shares		(168,508)	(177,884)	(168,508)	(177,884)
Shareholders' equity of Klabin	20	**3,066,894**	**3,810,305**	**3,066,894**	**3,810,305**
Non-controlling interest	26	-	-	**717,340**	**574,456**
Consolidated shareholders' equity		**3,066,894**	**3,810,305**	**3,784,234**	**4,384,761**
Total liabilities and equity		**35,024,557**	**34,286,415**	**38,583,400**	**35,270,261**

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

(A free translation of the original in Portuguese)

KLABIN S.A.
All amounts in thousands of Reais

STATEMENT OF OPERATIONS FOR THE AND THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020
(All amounts in thousands of Reais unless otherwise stated)

		Parent Company		Consolidated	
	Note	From 1/1 to 03/31/2021	From 1/1 to 03/31/2020	From 1/1 to 03/31/2021	From 1/1 to 03/31/2020
Net sales revenue	21	3,345,550	2,620,741	3,466,547	2,591,387
Variation in the fair value of biological assets	14	(163,752)	235,099	42,704	217,258
Cost of products sold	22	(2,374,445)	(1,795,489)	(2,389,954)	(1,814,427)
Gross profit		807,353	1,060,351	1,119,297	994,218
Operating expenses					
Sales	22	(244,550)	(231,648)	(266,841)	(246,989)
General and administrative	22	(196,354)	(146,353)	(204,468)	(149,121)
Other net	22	27,999	11,354	31,871	11,913
		(412,905)	(366,647)	(439,438)	(384,197)
Equity in the results of joint venture	11	215,956	85,428	925	22,287
Profit before finance result and taxes		610,404	779,132	680,784	632,308
Finance result	23	(182,691)	(5,663,959)	(203,109)	(5,488,333)
Profit (loss) before taxes on income		**427,713**	**(4,884,827)**	**477,675**	**(4,856,025)**
Income tax and social contribution					
. Current	10	(45,902)	(217,798)	(51,467)	(220,962)
. Deferred	10	(10,615)	1,932,114	(5,500)	1,934,444
		(56,517)	1,714,316	(56,967)	1,713,482
Profit (loss) for the period		**371,196**	**(3,170,511)**	**420,708**	**(3,142,543)**
From continuing operations		**368,980**	**(3,170,511)**	**418,492**	**(3,142,543)**
From discontinued operations	12	**2,216**	-	**2,216**	-
Attributed to Klabin's shareholders		**371,196**	**(3,170,511)**	**371,196**	**(3,170,511)**
Attributed to non-controlling shareholders		-	-	**49,512**	**27,968**
Earnings (loss) per share:					
Basic earnings per common share - R$	25	**0.0676**	**(0.6013)**	**0.0676**	**(0.6013)**
Diluted earnings per common share - R$	25	**0.0676**	**(0.6013)**	**0.0676**	**(0.6013)**
Earnings (loss) per share - discontinued operations:					
Basic earnings per common share - R$	25	**0.0004**	-	**0.0004**	-
Diluted earnings per common share - R$	25	**0.0004**	-	**0.0004**	-

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

STATEMENT OF COMPREHENSIVE INCOME (LOSS) FOR THE AND THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020

(All amounts in thousands of Reais)

	Parent Company		Consolidated	
	From 1/1 to 03/31/2021	From 1/1 to 03/31/2020	From 1/1 to 03/31/2021	From 1/1 to 03/31/2020
Income (loss) for the period	**371,196**	**(3,170,511)**	**420,708**	**(3,142,543)**
Other comprehensive income:				
. Foreign currency translation adjustments (i)	101	20,873	101	20,873
. Actuarial liability remeasurement (ii)	(5,322)	(2,771)	(5,322)	(2,771)
. Deferred income tax on actuarial liabilities	1,809	(2,151)	1,809	(2,151)
. Hedge accounting update	(1,717,470)	-	(1,717,470)	-
.Deferred income tax on hedge accounting	583,940	-	583,940	-
Total comprehensive income for the period, net of taxes	**(765,746)**	**(3,154,560)**	**(716,234)**	**(3,126,592)**
Attributed to Klabin's shareholders	**(765,746)**	**(3,154,560)**	**(765,746)**	**(3,154,560)**
Attributed to non-controlling shareholders	**-**	**-**	**49,512**	**27,968**

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

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

(A free translation of the original in Portuguese)

KLABIN S.A.
All amounts in thousands of Reais

STATEMENT OF CHANGES IN EQUITY FOR THE AND THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020
(All amounts in thousands of Reais)

			Revaluation reserve	Revenue reserves									
	Share capital	Capital reserves	Own assets	Legal	Tax incentives	Biological assets	Investments and working capital	Other comprehensive income value adjustments	Treasury shares	Retained earnings	Shareholder's equity from Klabin	Non-controlling interest	Consolidated shareholder's equity
At December 31, 2019	4,076,035	(350,622)	48,705	184,739	238,637	470,658	623,010	942,994	(187,274)	-	6,046,882	454,391	6,501,273
Profit (loss) for the period										(3,170,511)	(3,170,511)	30,648	(3,139,863)
Other comprehensive income for the period								15,951			15,951	-	15,951
Comprehensive income for the period	-	-	-	-	-	-	-	15,951	-	(3,170,511)	(3,154,560)	30,648	(3,123,912)
Prepaid dividends for 2020										(23,000)	(23,000)		(23,000)
Capital contribution from non-controlling shareholders (Note 1)											-	50,000	50,000
Stock option plan (Note 24):											-		-
. Treasury shares sold		8,872							4,716		13,588		13,588
. Award of treasury shares								(4,716)	4,716		-		-
. Recognition of the stock option plan remuneration								2,850			2,850		2,850
. Maturity of stock option plan		4,506						(4,506)			-		-
. Grant plan outflow								45	(45)		-		-
At March 31, 2020	4,076,035	(337,244)	48,705	184,739	238,637	470,658	623,010	952,618	(177,887)	(3,193,511)	2,885,760	535,039	3,420,799
At December 31, 2020	4,475,625	(365,791)	48,705	-	-	-	-	823,476	(177,884)	(993,826)	3,810,305	574,456	4,384,761
Profit for the period										371,196	371,196	55,384	426,580
Other comprehensive income for the period								(1,136,942)			(1,136,942)	-	(1,136,942)
Comprehensive income for the period	-	-	-	-	-	-	-	(1,136,942)	-	371,196	(765,746)	55,384	(710,362)
Capital contribution from non-controlling shareholders (Note 1)											-	87,500	87,500
Stock option plan (Note 24):											-		-
. Treasury shares sold		14,250							4,696		18,946		18,946
. Award of treasury shares								(4,696)	4,696		-		-
. Recognition of the stock option plan remuneration								3,389			3,389		3,389
. Maturity of stock option plan		8,090						(8,090)			-		-
. Grant plan outflow								16	(16)		-		-
At March 31, 2021	4,475,625	(343,451)	48,705	-	-	-	-	(322,847)	(168,508)	(622,630)	3,066,894	717,340	3,784,234

The accompanying notes are an integral part of this quarterly

(A free translation of the original in Portuguese)

KLABIN S.A.
All amounts in thousands of Reais

STATEMENT OF CASH FLOWS FOR THE AND THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020
(All amounts in thousands of Reais)

	Parent Company		Consolidated	
	From 1/1 to 03/31/2021	From 1/1 to 03/31/2020	From 1/1 to 03/31/2021	From 1/1 to 03/31/2020
Net cash provided by operating activities	**1,162,188**	**836,661**	**648,338**	**948,785**
Cash provided by operations	**1,195,733**	**1,025,801**	**1,372,275**	**1,163,554**
Net profit (loss) for the period (from continuing operations)	368,980	(3,170,511)	418,492	(3,142,543)
Net profit for the period (from discontinued operations)	2,216	-	2,216	-
Depreciation and amortization	257,746	271,866	259,601	277,415
Change in fair value of biological assets	163,752	(235,099)	(42,704)	(217,258)
Depletion of biological assets	286,630	281,345	366,537	357,344
Deferred income tax and social contribution	10,615	(1,932,114)	5,500	(1,934,444)
Interest and foreign exchange variations on borrowings and debentures	360,926	6,057,433	387,448	5,994,491
Realization of the hedge reserve	11,018	-	11,018	-
Interest on leases	8,956	2,430	10,308	2,462
Exchange variation on accounts receivable	(27,687)	(151,496)	(25,454)	(150,832)
Allowance for doubtful debts ("AFDD")	5,985	5,763	(1,749)	5,745
Estimated losses with stocks	(93)	500	(93)	1,619
Result on disposal of assets	(15,089)	(8,681)	(15,089)	(8,681)
Equity result of investees and JV	(215,956)	(85,428)	(925)	(22,287)
Other	(22,266)	(10,207)	(2,831)	523
Changes in assets and liabilities	**(33,545)**	**(189,140)**	**(723,937)**	**(214,769)**
Trade receivables and related parties	(238,685)	(287,381)	(617,324)	(210,569)
Inventories	(102,721)	(64,421)	(95,533)	(131,824)
Taxes recoverable	221,443	320,738	212,049	317,500
Marketable securities	(167,555)	6,691	(169,194)	(27,803)
Other assets	17,249	93,550	30,829	70,116
Suppliers	62,253	(181,930)	10,725	(170,373)
Tax obligations	(20,289)	(10,108)	(23,371)	(10,019)
Social security and labor obligations	(91,637)	(87,654)	(117,684)	(87,814)
Other liabilities	178,761	21,375	87,154	37,971
Income tax and social contribution paid	(38,050)	-	(41,588)	(1,954)
Change in assets and liabilities under incorporation	145,686	-	-	-
Net cash used in investing activities	**(594,734)**	**(674,393)**	**(659,693)**	**(752,035)**
Purchase of property, plant and equipment	(591,493)	(629,505)	(606,507)	(688,761)
Planting cost of biological assets	(160,961)	(113,709)	(208,776)	(130,355)
Proceeds from disposal of assets	152,195	63,700	152,195	63,700
Dividends received from subsidiaries	5,525	5,121	3,395	3,381
Net cash provided used in financing activities	**(867,736)**	**(2,950,460)**	**1,816,835**	**(2,740,487)**
New borrowings	422,380	995,725	2,698,048	987,330
Repayment of borrowings and debentures	(703,825)	(3,054,958)	(673,375)	(3,148,838)
Payment of interest on borrowings and debentures	(555,891)	(647,077)	(204,039)	(351,352)
Payment of lease liabilities	(47,524)	(31,306)	(47,665)	(31,415)
Disposal of treasury shares	18,946	13,588	18,946	13,588
Acquisition of investments and payment in subsidiaries (cash)	(1,822)	(3,432)	67,500	50,000
Outflow of SCPS investors	-	-	-	(2,000)
Dividends paid SPCs	-	-	(42,580)	(34,800)
Dividends paid	-	(223,000)	-	(223,000)
(Decrease) increase in cash and cash equivalents	**(300,282)**	**(2,788,192)**	**1,805,480**	**(2,543,737)**
Cash and cash equivalent at the beginning of the period	**4,529,748**	**7,735,568**	**5,208,830**	**8,340,386**
Cash and cash equivalent at the end of the period	**4,229,466**	**4,947,376**	**7,014,310**	**5,796,649**

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

(A free translation of the original in Portuguese)

KLABIN S.A.
All amounts in thousands of Reais

STATEMENT OF VALUE ADDED FOR THE AND THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020
(All amounts in thousands of Reais)

	Parent Company		Consolidated	
	From 1/1 to 03/31/2021	From 1/1 to 03/31/2020	From 1/1 to 03/31/2021	From 1/1 to 03/31/2020
Revenues				
. Sales of products	3,976,696	3,070,415	4,113,182	3,045,999
. Change in fair value of biological assets	(163,752)	235,099	42,704	217,258
. Other income	132,195	63,700	132,195	91,669
. Allowance for doubtful debts	14,658	7,792	18,608	7,512
	3,959,797	**3,377,006**	**4,306,689**	**3,362,438**
Inputs acquired from third parties				
. Cost of products sold	(1,475,016)	(1,045,370)	(1,503,066)	(1,054,400)
. Materials, electricity, outsourced services and other	(887,129)	(597,984)	(820,357)	(518,365)
	(2,362,145)	**(1,643,354)**	**(2,323,423)**	**(1,572,765)**
Gross value added	**1,597,652**	**1,733,652**	**1,983,266**	**1,789,673**
Retentions				
. Depreciation, amortization and depletion	(544,376)	(553,211)	(626,138)	(634,759)
Net value added generated	**1,053,276**	**1,180,441**	**1,357,128**	**1,154,914**
Value added received through transfer				
. Equity in the results of investees	215,956	85,428	925	22,287
. Finance income, including exchange variations	148,419	567,240	152,936	577,932
	364,375	**652,668**	**153,861**	**600,219**
Total value added to distribute	**1,417,651**	**1,833,109**	**1,510,989**	**1,755,133**
Distribution of value added:				
Personnel				
. Direct compensation	304,921	267,043	311,920	286,445
. Benefits	114,721	77,422	116,236	81,689
. Government Severance Indemnity Fund for Employees (FGTS)	27,996	19,915	28,094	20,122
	447,638	**364,380**	**456,250**	**388,256**
Taxes and contributions				
. Federal	194,986	(1,637,405)	205,264	(1,630,259)
. State	68,634	41,748	68,634	41,748
. Municipal	4,088	3,698	4,088	3,698
	267,708	**(1,591,959)**	**277,986**	**(1,584,813)**
Remuneration of third-party capital				
. Interest	331,109	6,231,199	356,045	6,066,265
	331,109	**6,231,199**	**356,045**	**6,066,265**
Remuneration of own capital				
. Dividends		23,000		23,000
. (Loss) profits reinvested for the period	371,196	(3,193,511)	371,196	(3,165,543)
. Net income attributable to non-controlling shareholders	-	-	49,512	27,968
	371,196	**(3,170,511)**	**420,708**	**(3,114,575)**
	1,417,651	**1,833,109**	**1,510,989**	**1,755,133**

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

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

1 GENERAL INFORMATION

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

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

1.1 Declaration of conformity

The issuance of this quarterly information of Klabin S.A. and its subsidiaries was authorized by the Chief Financial Officer on May 11, 2021.

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

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

1.2 Expansion project - Puma II

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

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

(i) First stage consists of the construction of a fiber line for the production of unbleached pulp integrated with a kraftliner and white kraftliner paper machine, which will be marketed under the Eukaliner brand, with a capacity of 450 thousand tons per year. This step also includes the construction and/or adjustment of support facilities to the new fiber lines, recovery areas and utilities.

(ii) Second stage contemplates the construction of a complementary fiber line integrated with a card board machine with a capacity of 460 thousand tons per year and the expansion of some support structures.

The commissioning of the first machine is scheduled for the July of 2021, and that of the second machine is scheduled for the second quarter of 2023.

The gross investment budgeted for the construction of the Puma II Project is R$ 12,9 billion, subject to exchange rate fluctuations and adjustments resulting from inflation, being R$ 5,8 billion disbursed up to March 31, 2021 and the remainder by 2023. Approximately R$ 1,2 billion of gross investment refers to recoverable taxes. Considering that most equipment will be installed in the first stage of the project, approximately two thirds of disbursements that are expected to occur until 2021.

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

1.3 Constitution of Pinus Taeda Florestal S.A.

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

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

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

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

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

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

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

1.5 Acquisition of International Paper do Brasil's assets

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

All amounts in thousands of Reais

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

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

Acquisition balance sheet

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

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

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

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

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

Business combination effects – gain from a bargain purchase

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

At the end of 2020, the Company engaged specialists to appraise the assets and liabilities of Embacorp and Embacorp Amazônia. The net effect of the gain from the bargain purchase of the assets acquired from IP amounted to R$ 206,061, which was allocated to the Company's profit or loss, in the "Other net" line.

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

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

Embacorp's corporate reorganization

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

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

1.6 Constitution of Aroeira Reflorestadora S.A.

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

On January 26, 2021, the necessary agreements were signed for association with a Timber Investment Management Organization ("TIMO"). The Company will contribute to the formation of the entity's equity by providing approximately 9.7 thousand hectares of planted forests, while TIMO will contribute up to R$ 500,000 in cash, a portion of which at the closing of the operation and the remaining portion in up to 3 years. Until March 31, 2021, an investment of R$ 53,657 was made by Klabin S.A. and R$ 37,500 by TIMO.

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

As of March 31, 2021, Klabin holds 59% of the voting capital and 59% of the total capital of the entity, while TIMO holds the remaining capital and may elect Board of Directors' members and participate in certain decisions of the entity with the right to vote, including in situations that require a qualified forum.

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

1.7 Constitution of Kla Holding S.A.

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

1.8 Acquisition of brands involved in royalties and merger of Sogemar

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

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

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

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

1.9 Closure of silent partnership CG Forest

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

1.10 Closure of subsidiaries

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

1.11 Merger of Riohold Papel e Celulose S.A

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

All amounts in thousands of Reais

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

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

1.12 Sale of Nova Campina unit (SP)

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

1.13 Capital Increase in Sapopema Reflorestadora S.A.

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

1.14 Impacts of COVID-19

The Company is actively working on preventive measures to help control the spread of Coronavirus (COVID-19), reinforcing hygiene protocols, spreading information on the topic through its internal communication channels and following the guidelines of the World Health Organization (WHO), canceling internal events and trips, adopting electronic means of communication, making work routines more flexible to avoid agglomerations, adherence to remote work for various groups of professionals, among other initiatives.

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

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

In view of the current scenario, and in line with the requirements of the Brazilian Securities and Exchange Commission ("CVM"), Company management analyzed any impacts due to an increase in expected losses or a significant change in the risks to which the Company is exposed (Note 28) based on the estimates, judgments and assumptions that could affect the recoverability of Company assets and measurement of the provisions presented in referred to quarterly information. This review considered the subsequent events that occurred up to the date of issue of this quarterly information and no significant impacts were identified that should be reflected in the quarterly information for the three-month period ended March 31, 2021.

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

2.1 Basis of presentation of the quarterly information

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

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

2.2 Summary of significant accounting practices adopted and statement of compliance

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

The quarterly information for the three-month period ended March 31, 2021 contains all information that is relevant for obtaining an understanding of the Company's financial position in the period.

a) Hedge accounting / cash flow hedge

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

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

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

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

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

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

3 CONSOLIDATED QUARTERLY INFORMATION

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

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

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

All amounts in thousands of Reais

	Country	Activity	Participation	Ownership - %		
				03/31/2021	12/31/2020	03/31/2020
Subsidiaries:						
Aroeira Reflorestadora S.A. (i)	Brazil	Reforestation	Direct	59	100	-
Celucat (i)	Brazil	Investment in companies	Direct	-	-	100
Cerejeira Reflorestadora S.A. (i)	Brazil	Reforestation	Direct	100	100	100
Embacorp Soluções em Embalagens de Papel Ltda (i)	Brazil	Manufacture and marketing of products	Direct	-	100	-
Embacorp da Amazônia - Soluções em Embalagens de Papel Ltda (i)	Brazil	Manufacture and marketing of products	Indirect	100	100	-
Guaricana Reflorestadora S.A.	Brazil	Reforestation	Direct	35	35	35
Klabin Argentina S.A.	Argentina	Industrial sacks	Direct	100	100	100
Klabin Áustria GmbH	Áustria	Sale of products in the foreign market	Direct	100	100	100
Klabin do Paraná Produtos Florestais Ltda.	Brazil	Manufacture of phytotherapic products	Direct	100	100	100
Klabin Finance S.A.	Luxemburgo	Finance	Direct	100	100	100
Klabin Fitoprodutos Ltda.	Brazil	Manufacture of phytotherapic products	Direct	100	100	100
Klabin Florestal Ltda.	Brazil	Forestry	Direct	100	100	100
Klabin Forest Products Company	Estados Unidos	Sale of products in the foreign market	Direct	100	100	100
Klabin Limited (i)	Ilhas Cayman	Investment in companies	Direct	-	-	100
Klabin Overseas (i)	Inglaterra	Investment in companies	Direct	-	-	100
Klabin Paranaguá SPE S.A. (i)	Brazil	Port services	Direct	100	100	100
Klabin Trade (i)	Inglaterra	Sale of products in the foreign market	Indirect	-	-	100
Kla Holding S.A. (i)	Brazil	Investment in companies	Direct	100	100	-
IKAPÊ Empreendimentos Ltda.	Brazil	Hotels	Direct	100	100	100
Monterla Holdings S.A.	Brazil	Investment in companies	Direct	100	100	100
Riohold Holdings (i)	Brazil	Investment in companies	Direct	-	100	100
Santa Catarina Florestal	Brazil	Packaging customization services	Direct	100	100	100
Sapopema Reflorestadora S.A. (i)	Brazil	Reforestation	Direct	23	26	19
Special Partnership Companies ('SPC'):						
CG Forest (i)	Brazil	Reforestation	Direct	-	-	69
Monte Alegre	Brazil	Reforestation	Direct	83	75	73
Harmonia	Brazil	Reforestation	Direct	73	72	74
Serrana	Brazil	Reforestation	Direct	74	64	67
Araucária	Brazil	Reforestation	Direct	57	56	66
Joint ventures (not consolidated):						
Florestal Vale do Corisco S.A.	Brazil	Reforestation	Direct	51	51	51
Pinus Taeda Florestal S.A. (i)	Brazil	Reforestation	Direct	26	26	26

(i) See information in note 1.

Investment in joint ventures

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

All amounts in thousands of Reais

4 CASH AND CASH EQUIVALENTS

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

	Parent Company		Consolidated	
	03/31/2021	**12/31/2020**	**03/31/2021**	**12/31/2020**
Cash and bank deposits - local currency	4,468	32,538	5,544	42,265
Cash and bank deposits - foreign currency (i)	-	-	6,997	7,723
Marketble securities- local currency	4,173,425	3,924,670	4,404,926	4,133,393
Marketble securities - foreign currency (i)	51,573	572,540	2,596,843	1,025,449
	4,229,466	**4,529,748**	**7,014,310**	**5,208,830**

(i) Substantially in US dollars

Marketable securites in national currency, corresponding to Bank Deposit Certificates - CDBs and other repurchase transactions, are indexed by the variation of the Interbank Deposit Certificate - CDI, with an average annual remuneration rate of 2.71% (1.94% on 31 December 2020), and foreign currency investments corresponding to overnight operations and *time deposit*, have an average annual remuneration rate of 0.09% and 0.64%, respectively (0.28% of overnight operations on December 31, 2020), with immediate liquidity guaranteed by the financial institutions.

5 MARKETABLE SECURITIES

The balance of marketable securities is represented by:

(i) Financial Treasury Bills (“LFT”) and Direct Treasury Bills (“NTN-B”). LFT has remuneration indexed to the SELIC variation and matures in 2023 and NTN-B is remunerated by the variation of the IPCA + 4.63% (average) per year with maturities from 2022 to 2040, with an amount corresponding to R$ 1,502,812 on March 31, 2021 (R$ 1,335,257 on December 31, 2020).

(ii) Bonds, through its wholly-owned subsidiary Klabin Finance, signed in dollars with fixed interest rates from 3.52% to 4.02%, with maturity in 2028 and 2038 and an amount corresponding to R$ 14,279 in March 31, 2021 (R$ 12,640 on December 31, 2020).

As of March 31, 2021, the balance of these securities amounted to R$ 1,502,812 in the parent company and R$ 1,517,091 in the consolidated (R$ 1,335,257 and R$ 1,347,897 respectively, as of December 31, 2020). These securities have an active trading market. Considering its characteristics, the fair value is basically the principal amount plus the interest originally established in these securities. Management classified financial assets measured at fair value through profit or loss, in accordance with CPC 48/ IFRS9 - Financial Instruments, given the possibility of selling these securities to realize gains/losses.

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

All amounts in thousands of Reais

6 TRADE RECEIVABLES

	Parent Company		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Trade receivables				
. Local	1,483,539	1,051,911	1,508,858	1,299,784
. Foreign	329,381	244,362	1,016,948	583,244
Total trade receivables	**1,812,920**	**1,296,273**	**2,525,806**	**1,883,028**
Allowance for doubtful debts ("AFDD")	(69,872)	(56,106)	(74,361)	(76,110)
	1,743,048	**1,240,167**	**2,451,445**	**1,806,918**
Overdue	**97,303**	**69,677**	**112,867**	**106,297**
% on total portfolio (without AFDD)	1.51%	1.05%	1.52%	1.60%
1 to 10 days	7,008	1,910	7,008	1,910
11 to 30 days	14,436	7,521	15,766	10,872
31 to 60 days	3,194	1,333	9,274	1,600
61 to 90 days	1,997	810	1,997	1,308
Over 90 days	70,668	58,103	78,822	90,607
Falling due	1,715,617	1,226,596	2,412,939	1,776,731
Total portfolio	**1,812,920**	**1,296,273**	**2,525,806**	**1,883,028**

On March 31, 2021, the average term for receiving accounts receivable from customers corresponds to approximately 81 days (82 days on December 31, 2020) for domestic sales and approximately 115 days (112 days on December 31, 2020) December 2019) for sales in the foreign market, with interest charged after the expiration of the term defined in the negotiation. As mentioned in Note 28, the Company has rules for monitoring overdue credits and receivables and the risk of not receiving amounts arising from credit sales.

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

a) Allowance for doubtful debts ("AFDD")

In Management's assumptions, the estimated allowance for doubtful debts ("AFDD") is considered sufficient to cover possible losses on the amounts receivable outstanding. The movement of estimated losses is shown below:

	Controladora	Consolidado
At December 31, 2019	**(49,451)**	**(49,469)**
Allowance for doubtful debts	(12,873)	(32,877)
Reversals	3,240	3,258
Write-off	2,978	2,978
At December 31, 2020	**(56,106)**	**(76,110)**
Allowance for doubtful debts	(7,840)	(8,833)
Reversals	1,765	10,492
Write-off	90	90
Incorporation balance (i)	(7,781)	-
At March 31, 2021	**(69,872)**	**(74,361)**

(i) See note 1.

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

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

b) Receivables discount operations

In the three-month period ended March 31, 2021, receivables discount operations with no right of return were carried out with specific customers in the amount of R$ 385,331 in the parent company and R$ 647,784 in the consolidated (R$ 1,234,195 in the parent company and R$ 2,773,151 in the consolidated at December 31, 2020), for which all risks and benefits associated with the assets were transferred to the counterparty, so that the receivables anticipated with third parties were derecognised from the quarteley information.

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

KLABIN S.A.
All amounts in thousands of Reais

7 RELATED PARTIES

a) Balances and transactions with related parties

	Klabin Argentina	Klabin Finance	Special Partnership Companies	Klabin Austria	Klabin Forest Company	BNDES	Others	Parent company 03/31/2021 Total	Parent company 12/31/2020 Total	Parent company 03/31/2020 Total
	(i)	(vi)	(ii) (v)	(i) (vi)	(i)	(vi)	(i) (iii) (iv) (v) (vii)			
Type of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Shareholder				
Balances										
Current assets	145,826	-	15,681	230,770	41,461	-	(1,047)	**432,691**	**675,185**	-
Non-current assets	36	-	-	-	-	-	98	**134**	**21,076**	-
Current liabilities	-	19,088	36,537	10,879	10	5,743	19,313	**91,570**	**273,364**	-
Non-current liabilities	-	3,802,948	-	8,845,058	-	1,178,888	-	**13,826,894**	**12,793,815**	-
Transactions										
Sales revenue	28,047	-	22,564	797,423	13,233	-	11,499	**872,766**	-	**818,902**
Purchases	-	-	(57,521)	-	-	-	-	**(57,521)**	-	**(49,944)**
Interest expenses on financing	-	(58,261)	-	(188,810)	-	(37,899)	-	**(284,970)**	-	**(300,378)**
Guarantee commission - expenses	-	-	-	-	-	-	(185)	**(185)**	-	**(1,108)**
Royalty expenses	-	-	-	-	-	-	-	**-**	-	**(15,531)**

(i) Balance receivable from product sales operations carried out at prices and terms (average of 180 days) under the conditions established between the parties;
(ii) Purchase of wood made at prices and terms (45 days) under the conditions established between the parties. It considers all companies in a participation account described in note 3;
(iii) License to use trademarks owned by KIC and Sogemar by Klabin, upon payment of royalties corresponding to 1.3657% of the Net Revenue of the products involved in the license. See information on the acquisition of royalties in note 1.
(iv) Guarantee commission, calculated on the BNDES financing balance of 0.8% per year - operation settled at the end of 2019, with the last installment settled in January 2020;
(v) Supply of seedlings, seeds and services at prices and terms in the commercial conditions established between the parties;
(vi) Fundraising under usual market conditions for operations of the same nature and for companies of a similar size to that of the Company (see rates in note 16);
(vii) Advances on future capital subscriptions.

All amounts in thousands of Reais

					Parent company
			03/31/2021	12/31/2020	03/31/2020
	BNDES (iii) Shareholder	Other (i) (ii) Shareholder	Total	Total	Total
Type of relationship					
Balances					
Current liabilities	5,743	-	**5,743**	**5,929**	-
Non-current liabilities	1,178,888	-	**1,178,888**	**1,153,206**	-
Transactions					
Interest expenses on financing	(37,899)	-	**(37,899)**		**(28,570)**
Guarantee commission - expenses	-	(185)	**(185)**		**(1,108)**
Royalty expenses	-	-	**-**		**(15,531)**

(i) License to use trademarks owned by KIC and Sogemar by Klabin, upon payment of royalties corresponding to 1.3657% of the Net Revenue of the products involved in the license. See information on the acquisition of royalties in note 1.
(ii) Guarantee commission, calculated on the BNDES financing balance of 0.8% per year - operation settled at the end of 2019, with the last installment settled in January 2020.
(iii) Fundraising under usual market conditions for operations of the same nature and for companies of a similar size to that of the Company (see rates in note 16).

b) Management and Fiscal Board remuneration and benefits

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

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

								Parent company and Consolidated
	Short term		Long term					
	Board of directors remuneration		Pension plan		Remuneration based on shares		Total benefits	
	From 1/1 to 03/31/2021	From 1/1 to 03/31/2020	From 1/1 to 03/31/2021	From 1/1 to 03/31/2020	From 1/1 to 03/31/2021	From 1/1 to 03/31/2020	From 1/1 to 03/31/2021	From 1/1 to 03/31/2020
Fiscal Board and statutory director's	7,712	8,781	216	219	866	820	8,794	9,820

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

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

All amounts in thousands of Reais

8 INVENTORY

	Parent Company		Consolidated	
	03/31/2021	**12/31/2020**	**03/31/2021**	**12/31/2020**
Finished products	304,820	263,804	415,651	327,996
Product in process	34,078	29,869	37,057	33,831
Timber and logs	233,373	250,645	233,373	250,645
Maintenance supplies	312,504	283,913	321,338	287,992
Raw materials	412,043	370,974	452,838	478,493
Estimated losses	(26,850)	(21,185)	(28,116)	(28,209)
Other	36,814	25,948	42,616	28,383
	1,306,782	**1,203,968**	**1,474,757**	**1,379,131**

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

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

The Company does not have inventories pledged as collateral.

9 TAXES RECOVERABLE

		03/31/2021		12/31/2020
	Current assets	**Non-current assets**	**Current assets**	**Non-current assets**
Value-added Tax on Sales and Services (ICMS)	231,503	678,610	214,008	665,565
Social Integration Program (PIS)/Social Contribution on Revenue (COFINS)	362,638	7,222	418,657	92,650
Income tax/social contribution (IR/CSLL)	35,575	-	111,216	-
Tax on Industrialized Products (IPI)	11,195	-	9,322	-
Special regime for the reintegration of tax amounts for exporting companies (Reintegra)	8,962	-	7,982	-
Other	34,304	5,853	34,595	5,260
Parent company	**684,177**	**691,685**	**795,780**	**763,475**
Subsidiaries	47,540		28,991	5,617
Consolidated	**731,717**	**691,685**	**824,771**	**769,092**

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

<u>PIS/COFINS</u>

According to a material fact disclosed to the market on August 22, 2019, the decision was final and unappealable, accepting the Company's intention to exclude ICMS from the PIS and COFINS calculation basis, effective as of April 2002. The Company calculated a total amount of out-of-date credit of R$ 631,000 in principal and R$ 383,000 in interest and monetary restatement, totaling R$ 1,014,000 reais. The method chosen for calculating these credits was the application of the PIS and COFINS percentage rate on the ICMS highlighted in the invoice. As of March 2020, out-of-date credits were approved and started to be offset with federal tax debts, as well as the calculation of said taxes follows the new calculation criteria.

The segregation between current and non-current assets was made based on Management's expectation of their compensation.

ICMS

Tax credits and contributions levied on acquisitions of property, plant and equipment in accordance with current legislation, in addition to a government ICMS subsidy granted by the Government of Paraná on behalf of the Puma Project I, which has been used to compensate taxes payable of the same nature. The ICMS credits of the Puma Project I are indexed by the FCA - Conversion and Monetary Update Factor of the State of Paraná, with a compensation period up to 2036 provided for in the protocol granting the subsidy.

10 INCOME TAX AND SOCIAL CONTRIBUTION

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

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

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

All amounts in thousands of Reais

a) Nature and expected realization of deferred taxes

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

	Parent Company		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Provision for tax, social security, labor and civil contingencies	6,624	6,413	6,624	6,413
Non-deductible provisions	85,087	114,385	85,932	127,443
Tax losses and negative bases	554,470	580,976	564,813	585,696
Actuarial liability	134,320	116,298	135,254	118,548
Provision for labor	33,421	32,926	33,421	32,926
Deferred foreign exchange variations (i)	728,148	887,628	728,148	887,628
Deferred foreign exchange variations - Hedge accouting (ii)	583,940	-	583,940	-
Gain or loss on financial instruments	948,229	843,974	948,229	843,974
Right of use (IFRS 16)	83,182	69,435	83,182	73,580
Other temporary differences	50,734	46,793	50,734	44,543
Non-current assets	**3,208,155**	**2,698,828**	**3,220,277**	**2,720,751**
Fair value of biological assets	423,876	539,685	446,244	557,363
Depreciation tax rate x useful life rate (Law 12,973/14)	419,504	419,727	419,504	419,727
Deemed cost of property, plant and equipment (land)	545,378	544,903	545,378	544,903
Interest capitalized (Law 12,973/14)	217,904	189,614	217,904	189,614
Revaluation reserve	25,091	25,091	25,091	25,091
Accelerated Depreciation - Law 12,272/12	67,140	68,817	67,140	68,817
Lease liability (IFRS 16)	67,216	55,852	67,223	59,839
Other temporary differences	81,208	84,686	81,209	90,298
Non-current liabilities	**1,847,317**	**1,928,375**	**1,869,693**	**1,955,652**
Net balance (liability)	**1,360,838**	**770,453**	**1,350,584**	**765,099**

(i) Effect of the cash exchange variation taxation regime.
(ii) See information in note 27.

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

	03/31/2021	
	Parent Company	**Consolidated**
2021	279,899	279,899
2022	264,926	264,926
2023	137,701	137,701
2024	185,570	185,570
2025	195,664	195,664
2026 onwards	2,144,395	2,156,517
	3,208,155	**3,220,277**

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

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

All amounts in thousands of Reais

b) Analysis of income tax and social contribution expenses

	Parent Company		Consolidated	
	From 1/1 to 03/31/2021	From 1/1 to 03/31/2020	From 1/1 to 03/31/2021	From 1/1 to 03/31/2020
Current tax expense	145,422	(1,660,841)	162,410	(1,651,049)
Adoption of the exchange variation cash regime (i)		1,135,295	-	1,135,935
PIS / COFINS extemporaneous credit (ii)	-	344,760	-	344,760
Constitution (consumption) of tax loss and negative basis	(26,506)	-	(61,468)	-
Other additions / exclusions	(164,818)	(37,012)	(152,409)	(50,608)
Current	**(45,902)**	**(217,798)**	**(51,467)**	**(220,962)**
Recognition and reversal of temporary differences	(20,372)	(35,447)	992	(64,784)
Constitution (consumption) of tax loss and negative basis	(26,506)	(104,353)	(26,506)	(104,353)
Gain or loss on financial instruments	104,254	580,233	104,254	580,233
Right of use (IFRS 16)	2,383	1,140	7,569	1,140
Interest capitalized (Law 12,973/14)	(28,289)	(6,144)	(28,289)	(6,144)
ICMS on PIS/COFINS calculation basis	-	344,892	-	344,892
Actuarial liability	1,809	2,771	1,809	2,771
Adoption of the exchange variation cash regime (i)	(159,480)	1,135,295	(159,480)	1,135,295
Depreciation tax rate x useful life rate (Law 12,973/14)	(223)	16,014	(223)	16,014
Variation in fair value and depletion of biological assets	115,809	(2,287)	94,374	29,380
Deferred	**(10,615)**	**1,932,114**	**(5,500)**	**1,934,444**

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

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

	Parent Company		Consolidated	
	From 1/1 to 03/31/2021	From 1/1 to 03/31/2020	From 1/1 to 03/31/2021	From 1/1 to 03/31/2020
Update of actuarial liability	1,809	(2,151)	1,809	(2,151)
Update of hedge accounting	583,940	-	583,940	-
Deferred	**585,749**	**(2,151)**	**585,749**	**(2,151)**

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

All amounts in thousands of Reais

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

	Parent Company		Consolidated	
	From 1/1 to 03/31/2021	**From 1/1 to 03/31/2020**	**From 1/1 to 03/31/2021**	**From 1/1 to 03/31/2020**
Income before income tax and social contribution	**427,713**	**(4,884,827)**	**477,675**	**(4,856,025)**
Income tax and social contribution at the rate of 34%	(145,422)	1,660,841	(162,410)	1,651,049
Tax effect on permanent differences:				
Difference in tax regime - controlled companies	-	-	58,343	20,124
Equity results of investees	73,425	29,046	315	7,578
Other effects	15,480	24,429	46,785	34,731
	(56,517)	**1,714,316**	**(56,967)**	**1,713,482**
Income tax and social contribution				
. Current	(45,902)	(217,798)	(51,467)	(220,962)
. Deferred	(10,615)	1,932,114	(5,500)	1,934,444
Income tax and social contribution expense	**(56,517)**	**1,714,316**	**(56,967)**	**1,713,482**

All amounts in thousands of Reais

11 INVESTMENTS IN SUBSIDIARIES AND JOINTLY CONTROLLED ENTITIES

	Klabin Finance S.A.	Klabin Áustria GmbH	Embacorp Sol. Embal. Papel Ltda (iv)	Riohold Holdings S.A. (iv)	Aroeira Reflorest. S.A. (iv)	Sapopema Reflorest. S.A. (iv)	Sociedades em Conta de Participação	Florestal Vale do Corisco S.A. (i)	Pinus Taeda Florestal S.A. (i)	Other	Total
At December 31, 2019	**86,471**	**187,829**	**-**		**-**	**70,343**	**814,095**	**160,970**	**-**	**222,353**	**1,542,061**
Acquisitions and capital contributions (iv)	-	-	388,071	-		28,168	(110,604)	-	72,165	35,240	413,040
Added Value (iv)	-	-	181,396	-		-	-	-	-	24,665	206,061
Corporate reorganization (iv)	-	-	(442,731)	425,667		-	-	-	-	17,064	-
Transfer to held for sale (v)	-	-	(138,769)	-		-	-	-	-		(138,769)
Dividends distributed	-	-	-	-		-	(2,151)	(10,186)	-	(74,877)	(87,214)
Equity in the results of investees (ii)	40,356	163,942	12,033	-		27,823	(69,697)	7,179	25,944	13,573	221,153
Foreign exchange variations on investments abroad (iii)	-	-	-	-		-	-	-	-	(16,963)	(16,963)
Unrealized profit from intercompany sales	-	(40,026)	-	-	-	-	-	-	-	(8,843)	(48,869)
At December 31, 2020	**126,827**	**311,745**	**-**	**425,667**	**-**	**126,334**	**631,643**	**157,963**	**98,109**	**212,212**	**2,090,500**
Acquisitions and capital contributions (iv)	-	-	-	-	53,657	-	-	-	-	1,822	55,479
Corporate reorganization (iv)	-	-	-	(425,667)	-	-	-	-	-	10,685	(414,982)
Transfer to held for sale (v)	-	-	(2,216)	-	-	-	-	-	-	-	(2,216)
Dividends distributed	-	-	-	-	-	-	(2,130)	(3,395)	-	-	(5,525)
Equity in the results of investees (ii)	(52,655)	203,639	2,216	-	64,731	(3,783)	84,113	1,724	(799)	(4,574)	294,612
Foreign exchange variations on investments abroad (iii)	-	-	-	-	-	-	-	-	-	101	101
Unrealized profit from intercompany sales	-	(68,249)	-	-	-	-	-	-	-	(10,407)	(78,656)
At March 31, 2021	**74,172**	**447,135**	**-**	**-**	**118,388**	**122,551**	**713,626**	**156,292**	**97,310**	**209,839**	**1,939,313**

Summary of the financial information of subsidiaries at March 31, 2021

	Klabin Finance S.A.	Klabin Áustria GmbH	Embacorp Sol. Embal. Papel Ltda (iv)	Riohold Holdings S.A. (iv)	Aroeira Reflorest. S.A. (iv)	Sapopema Reflorest. S.A. (iv)	Sociedades em Conta de Participação	Florestal Vale do Corisco S.A. (i)	Pinus Taeda Florestal S.A. (i)
Total assets	3,841,507	12,159,821	-	-	219,353	553,999	1,018,563	409,557	385,457
Total liabilities	3,767,335	11,644,436	-	-	18,227	11,752	30,262	103,471	3,848
Equity	74,172	515,385	-	-	201,126	542,247	988,301	306,086	381,609
Profit/(loss) for the period	(59,916)	120,635	-	-	109,921	9,135	99,695	3,380	(3,131)

(i) As it is a joint venture (see note 3), Vale do Corisco and Pinus Taeda Florestal are not consolidated, being the only investments presented in the consolidated balance sheets as investments with equity recognition.

(ii) Includes effects of variation and realization of the fair value of biological assets (note 13), when the result of the subsidiary suffers this impact, in addition to the exchange variation on investments abroad not characterized as a subsidiary.

(iii) Subsidiary and associated companies whit affiliate characteristics with exchange variation allocated to other comprehensive income.

(iv) See note 1.

(iv) See note 1 and 12.

All amounts in thousands of Reais

12 ASSETS HELD FOR SALE

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

The sale transaction, recorded on December 31, 2020, as an asset held for sale, at the equity value of the investment in the amount of R$ 139,769, net of selling expenses, was concluded on January 29, 2021 after closing together with the Klingele Paper & Packaging Group with the transfer of 100% of its shares. The transaction amounted to R$ 160,000, of which R$ 132,000 was received on this date and the remainder will be received in two annual installments of the same amount.

The sale resulted in a gain of R$ 20,231 recorded in income under the caption "Other net". Considering revenue of R$ 160,000 and cost of R$ 139,769.

The Income Statement shows a loss from discontinued operations of R$ 2,216 in the three-month period ended March 31, 2020 related to the respective assets. The detailed analysis of the result is not necessary given the immateriality of the amounts involved, so that they do not represent an important separate line from the Company's business units, as it only took effect after its acquisition on October 14, 2020, with the unit being acquired exclusively for its subsequent sale.

13 PROPERTY, PLANT AND EQUIPMENT

a) Composition of property, plant and equipment

			03/31/2021			12/31/2020
Parent company	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
Land	2,141,703	-	**2,141,703**	2,051,026	-	**2,051,026**
Buildings and construction	2,777,724	(754,645)	**2,023,079**	2,680,628	(729,393)	**1,951,235**
Machinery, equipment and facilities	12,922,087	(6,691,763)	**6,230,324**	12,808,926	(6,459,098)	**6,349,828**
Construction in progress	6,204,537	-	**6,204,537**	5,538,261	-	**5,538,261**
Other (i)	566,633	(432,928)	**133,705**	561,685	(419,005)	**142,680**
	24,612,684	**(7,879,336)**	**16,733,348**	**23,640,526**	**(7,607,496)**	**16,033,030**
Consolidated						
Land	2,373,755	-	**2,373,755**	2,374,134	-	**2,374,134**
Buildings and construction	2,820,135	(763,801)	**2,056,334**	2,821,878	(747,070)	**2,074,808**
Machinery, equipment and facilities	12,948,940	(6,720,032)	**6,228,908**	12,936,401	(6,504,244)	**6,432,157**
Construction in progress	6,346,094	-	**6,346,094**	5,648,428	-	**5,648,428**
Other (i)	568,835	(438,002)	**130,833**	568,824	(427,578)	**141,246**
	25,057,759	**(7,921,835)**	**17,135,924**	**24,349,665**	**(7,678,892)**	**16,670,773**

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

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

All amounts in thousands of Reais

b) Summary of changes in property, plant and equipment

Parent company

	Land	Building and construction	Machinery, equipment and facilities	Construction in progress	Other	Total
At December 31, 2019	**2,037,213**	**1,976,389**	**7,003,534**	**1,850,410**	**167,168**	**13,034,714**
Purchases (i) e (ii)	593	-	-	3,942,008	-	3,942,601
Disposals	(166)	-	(10,111)	(15)	(736)	(11,028)
Depreciation	-	(96,105)	(1,000,771)	-	(68,706)	(1,165,582)
Internal transfers	13,386	67,844	356,666	(481,076)	43,180	-
Capitalized interest (iii)	-	-	-	218,820	-	218,820
Other	-	3,107	510	8,114	1,774	13,505
At December 31, 2020	**2,051,026**	**1,951,235**	**6,349,828**	**5,538,261**	**142,680**	**16,033,030**
Purchases (i) e (ii)	-	-	-	640,162	-	640,162
Disposals	-	(24)	(461)	-	(1,713)	(2,198)
Depreciation	-	(24,242)	(246,987)	-	(16,634)	(287,863)
Internal transfers	-	3,011	54,736	(69,274)	11,527	-
Embacorp Incorporation (ii)	90,677	91,521	72,023	1,017	2,258	257,496
Capitalized interest (iii)	-	-	-	94,330	-	94,330
Other	-	1,578	1,185	41	(4,413)	(1,609)
At March 31, 2021	**2,141,703**	**2,023,079**	**6,230,324**	**6,204,537**	**133,705**	**16,733,348**

(i) Net of recoverable taxes (see note 9).
(ii) See information in note 1.
(iii) Capitalized interest related to projects in progress that have linked loans.

Consolidated

	Land	Building and construction	Machinery, equipment and facilities	Construction in progress	Other	Total
At December 31, 2019	**2,210,453**	**1,972,798**	**7,012,633**	**1,873,387**	**171,910**	**13,241,181**
Purchases (i) e (ii)	908	-	-	4,076,149	-	4,077,057
Disposals	(166)	-	(10,111)	(15)	2,698	(7,594)
Depreciation	-	(96,164)	(1,002,191)	-	(68,856)	(1,167,211)
Internal transfers	56,611	67,869	357,801	(526,486)	44,205	-
Capitalized interest (iii)	-	-	-	218,820	-	218,820
Acquisition of IP Assets (i)	11,998	45,757	139,697	1,104	(4,888)	193,668
Added value (i)	102,041	91,028	21,520	273	1,097	215,959
sale (iv)	(7,701)	(13,730)	(86,845)	(167)	(832)	(109,275)
Other	(10)	7,250	(347)	5,363	(4,088)	8,168
At December 31, 2020	**2,374,134**	**2,074,808**	**6,432,157**	**5,648,428**	**141,246**	**16,670,773**
Purchases (i) e (ii)	-	-	-	655,176	-	655,176
Disposals	-	(24)	(461)	-	(1,713)	(2,198)
Depreciation	-	(24,240)	(247,231)	-	(16,664)	(288,135)
Internal transfers	2,956	326	44,334	(58,618)	11,002	-
Capitalized interest (iii)	-	-	-	94,330	-	94,330
Other	(3,335)	5,464	109	6,778	(3,038)	5,978
At March 31, 2021	**2,373,755**	**2,056,334**	**6,228,908**	**6,346,094**	**130,833**	**17,135,924**

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

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

c) Useful live and depreciation method

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

All amounts in thousands of Reais

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

(i) Average rate 8%.

d) Construction in progress

As of March 31, 2021, the balance of works and installations in progress refers substantially to projects for the development of its industrial activity, such as the construction of two paper machines, with integrated pulp production, located at Klabin's industrial unit in the municipality. of Ortigueira (PR) (Puma II), according to note 1, the construction of a water treatment plant for boiler IV in Monte Alegre (PR) and the construction of an incinerator at the Monte Alegre (PR) unit with expected completion for May 2021, in addition to the Company's other operational continuity projects.

e) Impairment of property, plant and equipment

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

14 BIOLOGICAL ASSETS

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

As of March 31, 2021, the Company has 272 thousand hectares (267 thousand hectares on December 31, 2020) of planted forests, disregarding the areas of permanent preservation and legal reserve that must be maintained in order to comply with Brazilian environmental legislation.

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

	Parent company		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Cost of development of biological assets	1,786,405	1,788,191	2,588,079	2,514,101
Fair value adjustment of biological assets	1,228,458	1,569,750	1,954,685	2,143,720
	3,014,863	**3,357,941**	**4,542,764**	**4,657,821**

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

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

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

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

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

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

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

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

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

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

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

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

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

All amounts in thousands of Reais

b) Reconciliation and movement in fair value

	Parent company	Consolidated
At December 31, 2019	**3,375,564**	**4,712,381**
Planting and standing wood shopping (i)	495,211	624,870
Disposal of forest assets	(47,550)	(47,550)
Depletion:	**(944,236)**	**(1,218,104)**
. Historical cost	(222,769)	(306,291)
. Fair value adjustment	(721,467)	(911,813)
Change in fair value due to:	**579,443**	**658,389**
. Price	(13,271)	(23,360)
. Growth	592,714	681,749
Constitution of subsidiary (i)	(100,491)	(72,165)
At December 31, 2020	**3,357,941**	**4,657,821**
Planting and standing wood shopping (i)	160,961	208,776
Depletion:	**(286,630)**	**(366,537)**
. Historical cost	(109,081)	(134,782)
. Fair value adjustment	(177,549)	(231,755)
Change in fair value due to:	**(163,752)**	**42,704**
. Price	141,797	194,972
. Growth	(305,549)	(152,268)
Constitution of subsidiary (i)	(53,657)	-
At March 31, 2021	**3,014,863**	**4,542,764**

(i) Net of recoverable taxes (see note 9).
(ii) See information in note 1.

The depletion of biological assets for the year ended December 31, 2020 and 2019 was substantially allocated to production cost, after allocation to inventories through harvesting and using them in the production process or sale to third parties.

c) Sensitivity analysis

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

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

Significant increases (decreases) in the prices used in the valuation would result in an increase (decrease) in the measurement of the fair value of biological assets. The weighted average price used in the valuation of the asset on March 31, 2021 was equivalent to R$ 69/m³ (R$ 66/m³ on December 31, 2020).

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

15 RIGHT OF USE ASSET AND LEASE LIABILITY

a) Accounting policy and assumptions for recognition

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

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

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

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

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

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

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

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

(vi) The discount rate for the three-month period ended March 31, 2021 was based on the risk-free interest rates observed in the Brazilian market and adjusted to the reality of the Company, for forest and real estate lease operations administrative and commercial warehouses were 1.98% per year for contracts with a maturity of up to 5 years, 2.48% with a maturity of 6 to 10 years, 2.98% with maturities of 11 to 15 years, 3.48% with maturities from 16 to 20 years and 3.86% with maturities over 20 years, in addition to 1.86% for operations involving machinery and equipment. The rates, net of inflation, were obtained by financing operations for assets of these classes through surveys with the banks that serve the Company, net of inflation.

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

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

All amounts in thousands of Reais

The Company's leasing operations in effect on March 31, 2021 do not have any restriction clauses that impose the maintenance of financial ratios, as well as no variable payment clauses, or residual value guarantee clauses payment and purchase options at the end of the contracts.

The company evaluated on March 31, 2021 and there were no impacts related to the separation of components in the lease agreements, as well as there are no impacts on the initial direct costs linked to the contracts in the measurement of the asset.

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

As of March 31, 2021, the Company has 387 lease agreements with the parent company and 390 with the consolidated (369 in the parent company and 381 in the consolidated as of December 31, 2020) recognized in its balance sheet.

Parent company

Right of use	12/31/2020	Amortization	Additions / Disposals	03/31/2021
Lands	501,910	(11,417)	22,140	512,633
Buildings	8,325	(2,127)	3,673	9,871
Machines and equipment	293,242	(28,207)	55,443	320,478
Total assets			1,297	1,297
	803,477	**(41,751)**	**82,553**	**844,279**

Lease liabilities	12/31/2020	Interest	Payments	Additions / Disposals	CP / LP Transfer	Incorporation (i)	03/31/2021
Current	141,837	(10,982)	(47,524)	36,280	33,288	1,078	153,977
Non-current	676,464	(31,461)	-	97,672	(33,288)	219	709,606
Total in liabilities	**818,301**	**(42,443)**	**(47,524)**	**133,952**	**-**	**1,297**	**863,583**

Consolidated

Right of use	12/31/2020	Amortization	Additions / Disposals	03/31/2021
Lands	504,973	(11,518)	22,140	515,595
Buildings	8,712	(2,127)	3,285	9,870
Machines and equipment	294,735	(28,207)	55,431	321,959
Total assets	**808,420**	**(41,852)**	**80,856**	**847,424**

Lease liabilities	12/31/2020	Interest	Payments	Additions / Disposals	CP / LP Transfer	03/31/2021
Current	143,721	(11,330)	(47,665)	36,280	33,396	154,402
Non-current	679,591	(31,458)	-	97,672	(33,396)	712,409
Total in liabilities	**823,312**	**(42,788)**	**(47,665)**	**133,952**	**-**	**866,811**

(i) See note 1.

All amounts in thousands of Reais

						Parent company
Right of use	**12/31/2019**	**Amortization**	**Additions / Disposals**	**03/31/2020**		
Lands	361,474	(11,148)	10,432	360,758		
Buildings	18,084	(3,208)	2,405	17,282		
Machines and equipment	112,058	(14,747)	650	97,961		
Total assets	**491,616**	**(29,103)**	**13,487**	**476,000**		
Lease liabilities	**12/31/2019**	**Interest**	**Payments**	**Additions / Disposals**	**CP / LP Transfer**	**03/31/2020**
Current	100,198	616	(31,306)	6,832	22,517	98,857
Non-current	394,233	1,814	-	10,082	(22,517)	383,612
Total in liabilities	**494,431**	**2,430**	**(31,306)**	**16,915**	**-**	**482,469**

						Consolidated
Right of use	**12/31/2019**	**Amortization**	**Additions / Disposals**	**03/31/2020**		
Lands	364,258	(11,239)	10,431	363,449		
Buildings	18,084	(3,208)	2,405	17,282		
Machines and equipment	112,057	(14,747)	651	97,961		
Total assets	**494,399**	**(29,194)**	**13,487**	**478,692**		
Lease liabilities	**12/31/2019**	**Interest**	**Payments**	**Additions / Disposals**	**CP / LP Transfer**	**03/31/2020**
Current	100,509	620	(31,415)	6,861	22,597	99,172
Non-current	396,720	1,843	-	10,054	(22,597)	386,019
Total in liabilities	**497,229**	**2,462**	**(31,415)**	**16,915**	**-**	**485,191**

As of three-month period ended March 31, 2021, the Company recorded an expense of R$ 4.000 related to short-term leases (less than 12 months of the contract) or operations with low value assets involved in the contracts.

c) Lease maturity schedule

	Parent company				Consolidated			
				03/31/2021				03/31/2021
	Lands	**Buildings**	**Machines and Equipment**	**Total**	**Lands**	**Buildings**	**Machines and Equipment**	**Total**
2021	46,713	5,843	93,906	146,462	47,082	5,843	93,959	146,884
2022	52,800	2,460	99,847	155,107	53,292	2,460	99,918	155,670
2023	46,116	1,194	62,382	109,692	46,608	1,194	62,447	110,249
2024	45,286	114	53,829	99,229	45,779	114	53,829	99,722
2025 - 2029	214,865	114	40,896	255,875	216,313	114	40,895	257,322
2030 - 2034	185,366	457	-	185,823	185,656	457	-	186,113
2035 - 2039	98,324	57	-	98,381	98,435	57	-	98,492
2040 - 2058	120,225		-	120,225	120,225	-	-	120,225
	809,695	**10,239**	**350,860**	**1,170,794**	**813,390**	**10,239**	**351,048**	**1,174,677**
Interest	(283,524)	(377)	(23,310)	(307,211)	(284,175)	(377)	(23,314)	(307,866)
Lease liabilities	**526,171**	**9,862**	**327,550**	**863,583**	**529,215**	**9,862**	**327,734**	**866,811**

All amounts in thousands of Reais

d) Potential right to Pis / Cofins tax recoverble

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

	Parent Company and Consolidated	
Cash flow	**Nominal**	**Adjusted present value**
Lease consideration	361,287	337,596
Pis/Cofins (9.25%)	33,419	31,228

e) Misleading in the full application of CPC06 (R2)

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

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

Other assumptions, such as the maturity schedule of the liabilities and interest rates used in the calculation, are disclosed in other items of this same Note, as well as the inflation indices are observable in the market, so that the nominal flows can be prepared by the users of the quarteley information.

	Parent company		Consolidated	
	12/31/2020	**03/31/2021**	**12/31/2020**	**03/31/2021**
Actual flow				
Right to use assets	803,477	844,279	808,420	847,424
Lease Liabilities	1,126,311	1,170,795	1,132,437	1,174,680
Interest	(308,010)	(307,212)	(309,125)	(307,869)
	818,301	863,583	823,312	866,811
Flow with inflation effects				
Right to use assets	1,035,701	1,100,945	1,045,575	1,104,695
Lease Liabilities	1,509,699	1,589,872	1,520,695	1,594,531
Interest	(411,268)	(419,695)	(412,269)	(420,466)
	1,098,431	1,170,177	1,108,426	1,174,065

All amounts in thousands of Reais

16 BORROWINGS

a) Composition of borrowings

	Annual interest rate - %	03/31/2021		
		Current	Non-Current	Total
In local currency				
. BNDES - Project Puma (ii)	TLP + 3.58	4,590	1,057,967	1,062,557
. BNDES – Other (ii)	TJLP	1,153	120,921	122,074
. Export credit notes (in R$)	102 to 105.50 of CDI	99,628	537,500	637,128
. CRA	95 to 102 of CDI or IPCA + 3.50% to IPCA + 4.51%	1,034,570	2,916,312	3,950,882
. Other	0.76 to 8.5 or TJLP	3,934	4,675	8,609
. Cost with funding		(16,986)	(81,199)	(98,185)
		1,126,889	4,556,176	5,683,065
In foreign currency (i)				
. Export prepayments (iii)	USD + 5.40	12,178	712,163	724,341
. Export credit notes (iii)	4.70 to 5.67	21,665	3,004,373	3,026,038
. Export prepayments in subsidiaries	USD + 5.20 to 8.29	22,222	12,648,006	12,670,228
. Term Loan (BID Invest and IFC) (iii)	Libor + 1.59	5,784	569,730	575,514
. Finnvera (iii)	USD + Libor + 0.60 to 0.95 or USD + 3.38	229,285	1,197,151	1,426,436
. ECA (iii)	EUR + 0.45%	7,724	30,844	38,568
. Gain / loss on derivative instruments (swap) (iii)	4.70 to 5.67	-	2,012,791	2,012,791
. Cost with funding		(31,695)	(199,435)	(231,130)
		267,163	19,975,623	20,242,786
Total parent company		**1,394,052**	**24,531,799**	**25,925,851**
Subsidiaries:				
In foreign currency (i)				
. Bonds (Notes) (iii)	3.20% to 7.00%	299,068	14,945,449	15,244,517
. Cost with funding		(9,142)	(88,147)	(97,289)
		289,926	14,857,302	15,147,228
. Elimination of prepayments in subsidiaries		**(22,222)**	**(12,648,006)**	**(12,670,228)**
Total Consolidated		**1,661,756**	**26,741,095**	**28,402,851**

(i) In US dollars
(ii) BNDES - Considered a related party due to its shareholding in the Company (see note 7).
(iii) Operation designated in the hedge accounting program, see note 27.

All amounts in thousands of Reais

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

(i) In US dollars
(ii) BNDES - Considered a related party due to its shareholding in the Company (see note 7).

National Bank for Economic and Social Development (BNDES)

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

Export prepayments and export credit notes

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

Bonds (Notes)

A Companhia, por meio de suas subsidiárias integrais Klabin Finance S.A. e Klabin Áustria GmbH emitiram títulos representativos de dívida (*Notes*) no mercado internacional com listagem na Bolsa de Luxemburgo (Euro MTF) e na Bolsa de Singapura (*SGX*) com tipo de emissão *Senior Unsecured Notes* 144A/Reg S.

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

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

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

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

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

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

Finnvera (Finland Export Credit Agency)

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

Term Loan (BID Invest and IFC)

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

CRA – Agribusiness Receivables Certificates

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

All amounts in thousands of Reais

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

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

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

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

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

Derivative instruments (swap) - gain/loss

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

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

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

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

b) Schedule of non-current maturities

The maturity of the Company's financing on March 31, 2021 classified as non-current liabilities in the consolidated balance sheet is shown as follows:

Year	2022	2023	2024	2025	2026	2027	2028 onwards	Total
Amount	287,453	1,117,520	1,455,432	2,068,618	4,741,053	3,608,686	13,462,333	**26,741,095**

All amounts in thousands of Reais

c) Summary of changes in borrowing

	Parent company	Consolidated
At December 31, 2019	**22,376,127**	**22,241,175**
Borrowing	3,569,502	3,726,207
Gain or loss on financial instruments	1,348,208	1,348,208
Accrued interest	1,479,355	1,222,271
Foreign exchange and monetary variations	4,093,608	4,120,843
Repayments	(6,750,182)	(6,932,229)
Payment of interest	(1,402,939)	(1,220,288)
At December 31, 2020	**24,713,679**	**24,506,187**
Borrowing	422,380	2,698,048
Gain or loss on financial instruments	264,509	264,509
Accrued interest	403,514	367,241
Foreign exchange and monetary variations	1,370,863	1,433,658
Repayments	(703,825)	(673,375)
Payment of interest	(545,269)	(193,417)
At March 31, 2021	**25,925,851**	**28,402,851**

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

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

d) Guarantees

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

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

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

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

e) Restrictive covenants

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

All amounts in thousands of Reais

17 DEBENTURES

a) 7th issue of debentures

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

	Quantity	Unit Value	Total Value (R$ thousand)	Interest rates	Maturity	Amortization	Interest	Nature	Subscription bonus
First series	27,777,500	14.40	399,996	IPCA + 7.25%	06/15/2020	Without amortization	Semi-annual	Convertible debt	Yes
Second series	27,777,500	14.40	399,996	IPCA + 2.50%	06/15/2022	Semi-annual	Semi-annual	debt	No
	55,555,000		**799,992**						

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

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

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

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

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

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

b) 12th issue of debentures

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

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

All amounts in thousands of Reais

c) Composition of the balance of debentures

	Parent company and consolidated					
			03/31/2021			12/31/2020
	7th issue	12th issue	Total	7th issue	12th issue	Total
Current liabilities						
. Principal	61,538	-	61,538	61,538	-	61,538
. Interest	3,333	952	4,285	488	6,012	6,500
	64,871	**952**	**65,823**	**62,026**	**6,012**	**68,038**
Non-current liabilities						
. Principal	30,769	1,000,000	1,030,769	30,769	1,000,000	1,030,769
. Gain / loss on derivative instruments (swap)	-	776,117	776,117	-	733,996	733,996
	30,769	**1,776,117**	**1,806,886**	**30,769**	**1,733,996**	**1,764,765**
Total debenture liability	**95,640**	**1,777,069**	**1,872,709**	**92,795**	**1,740,008**	**1,832,803**

d) Debenture movement

	Parent company and consolidated
At December 31, 2019	**1,844,097**
Gain or loss on financial instruments (SWAP)	526,460
Interest and monetary variations on debenture:	64,859
Repayments (7th issue)	(62,053)
Debenture capitalization (7th issue)	(370,942)
Payment of interest and results (7th issue)	(128,014)
Payment of interest (12th issue)	(41,604)
At December 31, 2020	**1,832,803**
Gain or loss on financial instruments (SWAP)	42,122
Interest and monetary variations on debenture:	8,406
Payment of interest (12th issue)	(10,622)
At March 31, 2021	**1,872,709**

18 TRADE PAYABLES

	Parent company		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Local currency	1,388,066	1,401,267	1,412,900	1,471,110
Foreign currency	262,862	209,268	330,102	283,027
Total trade payables (without Forfait)	**1,650,928**	**1,610,535**	**1,743,002**	**1,754,137**
Local currency (Forfait)	319,421	248,892	319,421	248,892
Total trade payables	**1,970,349**	**1,859,427**	**2,062,423**	**2,003,029**

The Company, in general, operates with an average payment term with its operating suppliers of approximately 65 days (67 days on December 31, 2020). In the case of suppliers of fixed assets, the terms follow the commercial negotiation of each operation.

Of the balance of suppliers on March 31, 2021, R$ 319,421 (R$ 248,892 on December 31, 2020) in the parent company and in the consolidated, corresponds to the forfait operations in which there were no relevant changes in the purchase conditions (payments and negotiated prices) with suppliers, remaining as usual in the market. The forfait operations enable suppliers to better manage their cash flow needs, to the detriment of greater intensification of commercial relations with the Company.

All amounts in thousands of Reais

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

a) Provisioned risks

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

				03/31/2021
In the parent company:	**Provisioned amount**	**Restricted judicial deposits (i)**	**Net liability**	**Unrestricted judicial deposits (i)**
Tax:				
. PIS/COFINS	-	-	-	31,865
. ICMS/IPI	-	-	-	46,819
. Income tax/social contribution	(10,844)	10,844	-	865
. OTHER	(22)	22	-	10,789
	(10,866)	10,866	-	90,338
Labor	(33,421)	17,024	(16,397)	-
Civil	(8,617)	2,888	(5,729)	-
	(52,904)	**30,778**	**(22,126)**	**90,338**
Subsidiaries:				
Other	(242)	1,432	1,190	-
Consolidated	**(53,146)**	**32,210**	**(20,936)**	**90,338**

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

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

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

All amounts in thousands of Reais

b) Summary of changes to the provisioned amounts

				Consolidated
	Taxes	Labor	Civil	Net Exposure
At December 31, 2019	**(7,100)**	**(22,885)**	**(2,520)**	**(32,505)**
New lawsuits/increases	(3,245)	(554)	(1,125)	**(4,924)**
(Provision)/reversals	-	9,892	628	**10,520**
Deposit transactions	10,345	(5,334)	(1,150)	**3,861**
Incorporation balance (i)	-	(161)	-	**(161)**
At December 31, 2020	-	**(19,042)**	**(4,167)**	**(23,209)**
New lawsuits/increases	-	(495)	(682)	**(1,177)**
(Provision)/reversals	-	-	-	-
Deposit transactions	-	3,140	310	**3,450**
At March 31, 2021	-	**(16,397)**	**(4,539)**	**(20,936)**

(i) See note 1.

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

As of March 31, 2021, the Company and its subsidiaries were parties to other tax, labor and civil proceedings involving risks of loss for the Company assessed as "possible", which total approximately: R$ 4,728,601, R$ 221,177 and R$ 56,128 respectively (R$ 4,552,754, R$ 232,237 and R$ 68,618 as of December 31, 2020). Based on the individual analysis of the corresponding legal and administrative and supported by the opinion of its legal advisors, Management understands that these proceedings have the likelihood of loss assessed as "possible" and, therefore, are not provisioned.

At March 31, 2021, the Company appeared in the passive pole in several lawsuits, such as:

Tax Lawsuits

(i) Tax foreclosure filed by the Federal Government aiming at the collection of IRPJ due to alleged undue deductions for royalties for the use of brands and goodwill formed in the acquisitions of the companies Klamasa and Igaras. The total amount of this lawsuit on March 31, 2021 is approximately R$ 1,298,698 (R$ 1,296,197 on December 31, 2020), of which R$ 891,493 as goodwill, R$ 75,495 as royalties and R$ 331,710 as losses and negative bases.

(ii) Tax foreclosures filed by the Municipality of Lages/SC, whose object is the collection of ISS on the manufacture of packaging with personalized graphic prints, from January 2001 to December 2004 and January to April 2011. The total amount of these executions on March 31, 2021 is approximately R$ 1,864,435 (R$ 1,699,131 on December 31, 2020).

(iii) Tax execution filed by the Municipality of Rio de Janeiro/RJ, whose object is the collection of ISS on the manufacture of packaging with personalized graphic prints, from September 1996 to October 2001. The total amount of this execution in March 31, 2021 is approximately R$ 244,472 (R$ 233,464 on December 31, 2020).

(iv) Tax Foreclosure filed by the Federal Government to collect the difference in IRPJ and CSLL, for carrying out an indirect legal transaction involving the companies Norske Skog Pisa Ltda. and Lille Holdings S/A., with a fine increased from 75% to 150%. The total amount of this execution on March 31, 2021 is approximately R$ 91,652 (R$ 91,487 on December 31, 2020).

(v) Termination action by the Federal Government against Klabin S/A and Aracruz Celulose S/A, to rescind the judgment handed down in the ordinary action file, to rule out the application of the SELIC rate, as well as the rates provided for in CIEX resolution No. 2/79 in relation to the IPI premium credit. The total amount of this action on March 31, 2021 is approximately R$ 104,136 (R$ 103,924 on December 31, 2020).

(vi) Administrative proceedings whose object is the collection of a contribution of 2.6% on gross revenue from the sale of the production of the agro-industrial activity. The total value of these shares on March 31, 2021 is approximately R$ 370,702 (R$ 369,573 on December 31, 2020).

(vii) Administrative proceeding whose purpose is to adjust the calculation bases of IRPJ and CSLL, calendar year 2013, under the allegation that the company would have made undue exclusions due to the change in the exchange variation regime. The total amount of this proceeding on March 31, 2021 is approximately R$ 239,206 (R$ 238,555 on December 31, 2020).

(viii) Exemption in view of the disagreement on the FINSOCIAL credit correction criterion occurred in 2017. The total amount of the lawsuit on March 31, 2021 is approximately R$ 118,994 (R$ 118,620 on December 31, 2020) .

(ix) Exemption of COFINS credit compensation, arising from overpayments related to the expansion of the calculation base referred to in Law No. 9,718 / 98. The total amount of the lawsuit on March 31, 2021 is approximately R$ 54,339 (R$ 54,270 on December 31, 2020).

Civil and environmental lawsuits

(i) Public Civil Action proposed in 2009 by the Association of Environmental Fishermen of Paraná - APAP, in the face of alleged damage to the Tibagi River (PR), for the disposal of burnt coal waste, used by the Company until 1998. Despite there is no evidence of environmental damage, in December 2015 an unfavorable sentence was handed down to the Company, condemning it to the obligation to remove the burned mineral coal deposited in the riverbed. Currently, the lawsuit is suspended for 90 working days, as agreed between the parts. Only with the completion of the settlement phase will it be possible to stipulate the amount to be considered.

Labor Lawsuits

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

d) Lawsuits filed by the Company

As of March 31, 2021, the Company was involved in lawsuits involving active claims, for which there are no amounts recognized in its quarteley information, the assets being recognized only after the lawsuits are final and the gain is definitely certain.

20 EQUITY

a) Share Capital

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

All amounts in thousands of Reais

Stockholders (i)	03/31/2021 Common shares	03/31/2021 Preferred shares	12/31/2020 Common shares	12/31/2020 Preferred shares
Klabin Irmãos & Cia	945,359,142	-	945,359,143	-
Niblak Participações S/A	142,023,010	-	142,023,010	-
The Bank of New York Department	60,954,026	243,816,104	61,047,714	244,190,856
Monteiro Aranha S/A	76,709,905	265,235,406	78,548,705	272,590,606
BlackRock, Inc	48,109,602	192,438,408	45,775,687	183,102,748
Treasury shares	25,831,006	103,324,024	26,528,918	106,115,672
Other	782,741,904	2,731,350,219	782,445,418	2,730,164,279
	2,081,728,595	**3,536,164,161**	**2,081,728,595**	**3,536,164,161**

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

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

The Company's authorized capital is 5,600,000,000 common registered shares - ON and / or preferred registered shares - PN approved at the Extraordinary General Meeting held on March 20, 2014.

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

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

b) Treasury shares

As of March 31, 2021, the Company holds 130,230,512 shares of its own issue in treasury, corresponding to 26,064,102 "Units". The price on March 31, 2021 under negotiation on the São Paulo Stock Exchange was R$ 27.63 per "Unit" (code KLBN11 in B3).

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

c) Carrying value adjustments

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

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

All amounts in thousands of Reais

	Parent company and Consolidated	
	03/31/2021	**12/31/2020**
Deemed cost of property, plant and equipment	1,057,752	1,057,752
Foreign exchange variations - subsidiaries abroad	(81,555)	(81,656)
Stock option plan	959	10,340
Hedge accounting reserve (i)	(1,133,530)	-
Actuarial liability (i)	(166,473)	(162,960)
	(322,847)	**823,476**

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

The foreign exchange variation of a foreign subsidiary will be realized against the result only in the case of sale or closing of the investee. The other items that make up the equity valuation adjustment balance, due to their nature and the strength of the accounting standard, will not be realized against the result, even in their financial realization.

The changes in the balances contained in Equity valuation adjustments are presented in the "Statement of Comprehensive Income" and in the "Statement of Changes in Equity".

d) Dividends / Interest on equity

Dividends/interest on equity represent the portion of profits earned by the Company, which is distributed to shareholders as remuneration for the capital invested in the fiscal years. All shareholders are entitled to receive dividends and interest on equity, proportional to their shareholding, as ensured by Brazilian corporate law and the Company's Bylaws. The Bylaws also provide for the Administration's ability to approve interim distributions during the year in advance, "ad referendum" of the Annual General Meeting to assess the accounts for the year.

Interest on own capital, for purposes of complying with tax rules, is recorded against the caption "Financial expenses". For the purposes of preparing said quarteley information, the income is reversed against the retained earnings account, making up the balance of the minimum mandatory dividend, as instructed by the CVM.

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

All amounts in thousands of Reais

21 NET SALES REVENUE

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

	Parent company		Consolidated	
	From 1/1 to 03/31/2021	**From 1/1 to 03/31/2020**	**From 1/1 to 03/31/2021**	**From 1/1 to 03/31/2020**
Gross sales revenue	3,868,772	3,000,207	4,018,840	2,983,317
Discounts and rebates	(5,924)	(17,827)	(22,210)	(25,355)
Hedge accounting	(11,018)	-	(11,018)	-
Taxes on sales	(506,280)	(361,639)	(519,065)	(366,575)
	3,345,550	**2,620,741**	**3,466,547**	**2,591,387**
. Domestic market	2,116,299	1,521,290	2,160,153	1,537,587
. Foreign market	1,229,251	1,099,451	1,306,394	1,053,800
Net sales revenue	**3,345,550**	**2,620,741**	**3,466,547**	**2,591,387**

All amounts in thousands of Reais

22 COSTS, EXPENSES AND OTHER INCOME BY NATURE

	Parent company		Consolidated	
	From 1/1 to 03/31/2021	From 1/1 to 03/31/2020	From 1/1 to 03/31/2021	From 1/1 to 03/31/2020
Cost of products sold				
Variable costs (raw materials and consumables)	(1,145,931)	(787,876)	(1,095,519)	(737,932)
Personnel	(479,154)	(401,776)	(482,284)	(405,834)
Depreciation and amortization	(245,313)	(259,019)	(246,915)	(264,305)
Depletion	(286,630)	(281,345)	(366,537)	(357,344)
Other	(217,417)	(65,473)	(198,699)	(49,012)
	(2,374,445)	**(1,795,489)**	**(2,389,954)**	**(1,814,427)**
Sales expenses				
Freight	(190,023)	(167,608)	(202,145)	(173,503)
Royalties (i)	-	(15,531)	-	(15,531)
Commissions	(5,816)	(4,057)	(14,836)	(9,478)
Personnel	(29,690)	(24,590)	(29,990)	(24,839)
Depreciation and amortization	(777)	(1,161)	(792)	(1,184)
Storage and port expenses	(17,801)	(18,870)	(22,988)	(18,870)
Other	(443)	169	3,910	(3,584)
	(244,550)	**(231,648)**	**(266,841)**	**(246,989)**
General and administrative expenses				
Personnel	(111,236)	(57,323)	(112,360)	(57,902)
Services contracted	(56,906)	(24,049)	(57,480)	(24,292)
Depreciation, amortization and depletion	(11,656)	(11,687)	(11,894)	(11,926)
Maintenance	(10,317)	(3,290)	(10,421)	(3,357)
Other	(6,239)	(50,004)	(12,313)	(51,644)
	(196,354)	**(146,353)**	**(204,468)**	**(149,121)**
Other net				
Revenue from sales of prop, plant and equipment	161,062	59,970	161,062	59,970
Cost of sales and write-offs of prop, plant and equip.	(145,973)	(51,289)	(145,973)	(51,289)
Other	12,910	2,673	16,782	3,232
	27,999	**11,354**	**31,871**	**11,913**
Total	**(2,787,350)**	**(2,162,136)**	**(2,829,392)**	**(2,198,624)**

(i) See information in note 1.

All amounts in thousands of Reais

23 FINANCE RESULT

	Parent company		Consolidated	
	From 1/1 to 03/31/2021	From 1/1 to 03/31/2020	From 1/1 to 03/31/2021	From 1/1 to 03/31/2020
Finance income				
. Income from financial investments	6,401	68,536	10,962	72,196
. Social Integration Program (PIS)/Social Contribution on Revenue (COFINS) on interest income	(2,016)	(4,917)	(2,016)	(4,917)
. Update of tax credits	20,548	31,079	20,548	31,079
. Other (i)	333	2,757	337	9,133
	25,266	**97,455**	**29,831**	**107,491**
Finance costs				
. Interest on borrowing and debentures	(411,805)	(448,279)	(357,574)	(346,572)
. Interest capitalized on property, plant and equipment (ii)	94,330	29,198	94,330	29,198
. Derivative financial instruments (SWAP) (ii)	(68,393)	(1,717,217)	(68,393)	(1,717,217)
. Loan guarantees from related parties	(185)	(1,108)	(185)	(1,108)
. Investor Compensation - SCPs	-	-	(15,582)	(18,922)
. Commissions	(15,053)	(92,902)	(80,107)	(96,521)
. Other	(10,564)	(18,106)	(10,967)	(18,440)
	(411,670)	**(2,248,414)**	**(438,478)**	**(2,169,582)**
Exchange variations				
. Foreign exchange variations on assets	123,151	469,786	123,106	470,442
. Foreign exchange variations on liabilities (ii)	80,562	(3,982,786)	82,432	(3,896,684)
	203,713	**(3,513,000)**	**205,538**	**(3,426,242)**
Finance result	**(182,691)**	**(5,663,959)**	**(203,109)**	**(5,488,333)**

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

24 STOCK OPTION PLAN

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

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

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

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

The acquisition value of the treasury shares by the Plan's beneficiaries will be obtained by the average of the market value quotations of the last 60 trading sessions of the Company's shares, or of their quotation on the acquisition date, whichever is the lower. The value of the shares granted in usufruct corresponds to the price of the shares being traded on the São Paulo Stock Exchange on the day of the transaction.

All amounts in thousands of Reais

The clauses for the transfer of the granted shares to be consummated, establish the beneficiary's permanence in the Company and not alienation of the shares acquired in the adhesion to the Plan. The shares granted can also be immediately assigned in the event of dismissal at the initiative of the Company, retirement or death of the beneficiary, in the latter case passing the right of the shares to the estate.

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

The table below shows the information on the agreed plans:

a) Statutory and non-statutory Board Members

	Plan 2016 (i)	Plan 2017 (i)	Plan 2018	Plan 2019	Plan 2020	Total
Start of the plan	02/24/2017	02/28/2018	02/28/2019	02/28/2020	02/26/2021	
Final grant date	02/24/2020	02/28/2021	02/28/2022	02/28/2023	02/26/2024	
Treasury shares acquired by the beneficiaries	2,774,345	2,039,185	1,146,395	1,140,020	1,169,700	8,269,645
Purchase value per share (R$)	3.04	3.58	3.61	3.87	5.41	
Treasury shares granted with right to use	2,774,345	2,039,185	1,146,395	1,140,020	1,169,700	8,269,645
Value of the right to use per share (R$)	3.04	3.58	3.61	3.87	5.41	
Accumulated plan expenses - from the beginning	8,101	7,320	2,864	1,620	176	20,081
Expenses of the plan - 1/1 to 03/31/2021	-	408	345	374	176	1,303
Expenses of the plan - 1/1 to 03/31/2020	176	611	343	125	-	1,255

(i) Plan ended.

b) Managers

	Plan 2016 (i)	Plan 2017 (i)	Plan 2018	Plan 2019	Plan 2020	Total
Start of the plan	02/24/2017	02/28/2018	02/28/2019	02/28/2020	02/26/2021	
Final grant date	02/24/2020	02/28/2021	02/28/2022	02/28/2023	02/26/2024	
Treasury shares acquired by the beneficiaries	1,531,400	1,616,585	1,809,185	1,848,470	1,834,990	8,640,630
Purchase value per share (R$)	3.04	3.58	3.61	3.87	5.41	
Treasury shares granted with right to use	1,531,400	1,616,585	1,809,185	1,848,470	1,834,990	8,640,630
Value of the right to use per share (R$)	3.04	3.58	3.61	3.87	5.41	
Accumulated plan expenses - from the beginning	4,468	5,615	4,531	3,365	276	18,255
Expenses of the plan - 1/1 to 03/31/2021	-	310	546	564	276	1,696
Expenses of the plan - 1/1 to 03/31/2020	225	440	533	188	-	1,386

(i) Plan ended.

c) Other employees

	Plan 2018	Plan 2019	Plan 2020	Total
Start of the plan	02/28/2019	02/28/2020	02/26/2021	
Final grant date	02/28/2022	02/28/2023	02/26/2024	
Treasury shares acquired by the beneficiaries	548,300	527,285	497,385	1,572,970
Purchase value per share (R$)	3.61	3.87	5.41	
Treasury shares granted with right to use	548,300	527,285	497,385	1,572,970
Value of the right to use per share (R$)	3.61	3.87	5.41	
Accumulated plan expenses - from the beginning	1,249	817	74	2,140
Expenses of the plan - 1/1 to 03/31/2021	134	182	74	390
Expenses of the plan - 1/1 to 03/31/2020	145	64	-	209

All amounts in thousands of Reais

25 EARNINGS (LOSS) PER SHARE

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

As mentioned in Note 20, changes in the balance of treasury shares affect the weighted average number of preferred shares in treasury in the calculation in the three month period ended at March 31, 2021, the weighted average being used in the calculation of the earnings (loss) per share calculated as follows:

Weighted average number of treasury shares			
		March 31, 2021 (i)	
Jan	+	132,654,290	x 1/3
Feb	+	129,152,215	x 1/3
Mar	+	129,155,030	x 1/3
3 Months 2021	=	130,320,512	

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

The table below, presented in R$, shows the reconciliation of the results for the three-month period ended March 31, 2021 and 2020 in the calculation of basic and diluted earnings (loss) per share:

	Parent company and Consolidated		
	From 1/1 to 03/31/2021		
	Common (ON)	**Preferred (PN)**	**Total**
Denominator			
Total weighted average number of shares	2,081,728,595	3,536,164,161	5,617,892,756
Weighted average number of treasury shares	(26,064,102)	(104,256,409)	(130,320,512)
Weighted average number of outstanding shares	**2,055,664,493**	**3,431,907,752**	**5,487,572,244**
% of shares in relation to the total	**37.46%**	**62.54%**	**100%**
Numerator			
Earnings attributable to each class of shares (R$)	**139,051,370**	**232,144,630**	**371,196,000**
Weighted average number of outstanding shares	**2,055,664,493**	**3,431,907,752**	**5,487,572,244**
Basic and diluted earnings per share (R$)	**0.0676**	**0.0676**	

All amounts in thousands of Reais

	Parent company and Consolidated		
	From 1/1 to 03/31/2020		
	Common (ON)	Preferred (PN)	Total
Denominator			
Total weighted average number of shares	1,984,594,655	3,425,207,185	5,409,801,840
Weighted average number of treasury shares	(27,462,862)	(109,851,448)	(137,314,310)
Weighted average number of outstanding shares	**1,957,131,793**	**3,315,355,737**	**5,272,487,530**
% of shares in relation to the total	**37.12%**	**62.88%**	**100%**
Numerator			
Earnings attributable to each class of shares (R$)	**(1,176,884,316)**	**(1,993,626,684)**	**(3,170,511,000)**
Weighted average number of outstanding shares	**1,957,131,793**	**3,315,355,737**	**5,272,487,530**
Basic and diluted earnings per share (R$)	**(0.6013)**	**(0.6013)**	

Loss per share from discontinued operations

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

As highlighted in the Income Statement for the three-month period ended March 31, 2021, the discontinued operations correspond to a loss of R$ 2,216, comprising the effect on the calculation of the diluted basic loss per share attributable to holders of common shares - ON and preferred - PN of the Company as presented below:

	Parent company and Consolidated		
	From 1/1 to 03/31/2021		
	Common (ON)	Preferred (PN)	Total
Denominator			
Total weighted average number of shares	2,081,728,595	3,536,164,161	5,617,892,756
Weighted average number of treasury shares	(26,064,102)	(104,256,409)	(130,320,512)
Weighted average number of outstanding shares	**2,055,664,493**	**3,431,907,752**	**5,487,572,244**
% of shares in relation to the total	**37.46%**	**62.54%**	**100%**
Numerator			
Earnings attributable to each class of shares (R$)	**830,122**	**1,385,878**	**2,216,000**
Weighted average number of outstanding shares	**2,055,664,493**	**3,431,907,752**	**5,487,572,244**
Basic and diluted earnings per share (R$)	**0.0004**	**0.0004**	

All amounts in thousands of Reais

26 OPERATING SEGMENTS

a) Criteria for identification of operating segments

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

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

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

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

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

b) Consolidated information about operating segments

						From 1/1 to 03/31/2021
	Forestry	Paper	Conversion	Pulp	Corporate/ eliminations	Total Consolidated
Net revenue:						
.Domestic market	71,046	600,776	1,154,108	387,925	(53,702)	**2,160,153**
.Foreign market	-	386,032	118,208	813,172	(11,018)	**1,306,394**
Revenue from sales to third parties	**71,046**	**986,808**	**1,272,316**	**1,201,097**	**(64,720)**	**3,466,547**
Revenue between segments	388,340	563,001	8,955	25,285	(985,581)	-
Total net sales	**459,386**	**1,549,809**	**1,281,271**	**1,226,382**	**(1,050,301)**	**3,466,547**
Changes in the fair value of biological assets	42,704	-	-	-	-	**42,704**
Cost of products sold	(692,392)	(1,140,349)	(1,073,259)	(493,670)	1,009,716	**(2,389,954)**
Gross profit	**(190,302)**	**409,460**	**208,012**	**732,712**	**(40,585)**	**1,119,297**
Operating income (expenses)	21,530	(151,845)	(135,941)	(161,687)	(10,570)	**(438,513)**
Operating result before finance result	**(168,772)**	**257,615**	**72,071**	**571,025**	**(51,155)**	**680,784**
Sales of products (in metric tons)						
.Domestic market	-	163,002	264,562	128,517	-	**556,081**
.Foreign market	-	92,972	15,314	244,552	-	**352,838**
.Inter-segmental	-	241,561	1,023	8,657	(251,241)	-
	-	**497,535**	**280,899**	**381,726**	**(251,241)**	**908,919**
Sales of timber (in metric tons)						
.Domestic market	409,871	-	-	-	-	**409,871**
.Inter-segmental	3,226,907	-	-	-	(3,226,907)	-
	3,636,778	-	-	-	**(3,226,907)**	**409,871**
Investments during the period	85,297	95,188	24,352	536,280	74,166	**815,283**
Depreciation, depletion and amortizatio	(354,894)	(95,558)	(27,128)	(144,004)	(4,554)	**(626,138)**
Total assets - 03/31/2021	9,045,560	4,170,544	2,704,688	13,112,237	9,550,371	**38,583,400**
Total liabilities - 03/31/2021	2,570,716	843,164	735,227	1,597,063	29,052,996	**34,799,166**
Equity - 03/31/2021	5,757,504	3,327,380	1,969,461	11,515,174	(19,502,625)	**3,066,894**
Non-controlling shareholders	717,340	-	-	-	-	**717,340**

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All amounts in thousands of Reais

						1/1 to 03/31/2020
	Forestry	Paper	Conversion	Pulp	Corporate/ eliminations	Total Consolidated
Net revenue:						
.Domestic market	49,210	479,963	699,878	312,446	(3,910)	1,537,587
.Foreign market	-	450,438	81,016	522,346	-	1,053,800
Revenue from sales to third parties	49,210	930,401	780,894	834,792	(3,910)	2,591,387
Revenue between segments	407,228	405,725	7,787	19,676	(840,416)	-
Total net sales	456,438	1,336,126	788,681	854,468	(844,326)	2,591,387
Changes in the fair value of biological assets	217,258	-	-	-	-	217,258
Cost of products sold	(735,344)	(847,253)	(660,516)	(458,244)	886,930	(1,814,427)
Gross profit	(61,648)	488,873	128,165	396,224	42,604	994,218
Operating income (expenses)	(22,778)	(137,131)	(98,274)	(130,864)	27,137	(361,910)
Operating result before finance result	(84,426)	351,742	29,891	265,360	69,741	632,308
Sales of products (in metric tons)						
.Domestic market	-	141,081	179,055	144,286	-	464,422
.Foreign market	-	133,704	12,108	238,758	-	384,570
.Inter-segmental	-	203,385	1,121	8,166	(212,672)	-
	-	478,170	192,284	391,210	(212,672)	848,992
Sales of timber (in metric tons)						
.Domestic market	391,220	-	-	-	-	391,220
.Inter-segmental	3,467,382	-	-	-	(3,467,382)	-
	3,858,602	-	-	-	(3,467,382)	391,220
Investments during the period	105,364	117,609	38,438	548,225	9,480	819,116
Depreciation, depletion and amortization	(361,701)	(92,557)	(23,128)	(137,361)	(20,012)	(634,759)
Total assets - 03/31/2020	8,718,386	4,899,761	1,987,581	10,305,793	7,927,629	33,839,150
Total liabilities - 03/31/2020	2,263,437	904,398	415,328	1,140,259	25,694,929	30,418,351
Equity - 03/31/2020	5,919,910	3,995,363	1,572,253	9,165,534	(17,767,300)	2,885,760
Non-controlling shareholders	535,039	-	-	-	-	535,039

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

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

c) Information on net of external market sales revenue

The table below shows the distribution of net revenue from the foreign market, at three-month period ended March 31, 2021 and 2020:

	Consolidated			Consolidated	
	From 1/1 to 03/31/2021			From 1/1 to 03/31/2020	
Country	Total revenue (R$/million)	% of total net revenue	Country	Total revenue (R$/million)	% of total net revenue
China	589	17.0%	China	311	12.0%
Argentina	173	5.0%	Argentina	155	6.0%
United States	139	4.0%	Italy	104	4.0%
Italy	139	4.0%	Singapore	78	3.0%
Singapore	35	1.0%	United Arab Emirates	26	1.0%
United Arab Emirates	35	1.0%	South Africa	26	1.0%
France	35	1.0%	France	26	1.0%
Turkey	35	1.0%	Turkey	26	1.0%
Colombia	35	1.0%	Saudi Arabia	26	1.0%
Others	91	2.6%	Others	276	10.7%
	1,306	38%		1,054	41%

All amounts in thousands of Reais

In the three-month period ended March 31, 2020, a customer in the paper segment was responsible for approximately 14% (R$ 351,708) of the Company's net revenue. The remainder of the Company's customer base is dispersed, so that none of the other customers, individually, concentrates a relevant share (above 10%) of net sales revenue.

In the three-month period ended March 31, 2021, no customer was responsible for more than 10% of the Company's net revenue.

27 CASH FLOW HEDGE ACCOUNTING

a) Hedge accounting policy

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

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

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

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

b) Breakdown of hedge program

The hedging instruments comprise 31 foreign currency loan and financing contracts, corresponding to debentures, bonds, export credit notes, export prepayments, term loan (BID Invest and IFC), ECA and SWAP whose last installment matures in April 2049.

							Parent company and consolidated
							03/31/2021
Hedge instrument	Currency	Expiration until	Nominal value (USD)	Contract closing rate	Exchange variation recognized in the hedge reserve	Hedge Cost	Revenue adjustment
Bonds	Dollar	apr/49	2,293,462	5,16 e 5,46	1,196,204	-	-
Debênture	Dollar	mar/29	265,783	5.16	142,114	(117,637)	-
ECA	Dollar	sep/31	250,104	5.16	144,749	-	(11,019)
Export credit notes	Dollar	may/26	766,643	5.16	409,924	(167,173)	-
Export prepayments	Dollar	apr/29	125,000	5.16	66,838	-	-
Term loan	Dollar	oct/29	100,000	5.16	53,470	-	-
			3,800,992		**2,013,299**	**(284,810)**	**(11,019)**

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

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

All amounts in thousands of Reais

Expiration until	Nominal value (USD)
2021	36,630
2022	52,129
2023	60,932
2024	234,332
2025	302,754
2026	592,439
2027	605,213
2028	164,713
2029	858,713
2030	6,695
2031	506,695
2049	379,748
	3,800,992

c) Changes in the period

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

	Parent company and consolidated
At December 31, 2020	-
Change in fair value of the hedge instrument	1,728,488
Realization of hedge reserve for income	(11,018)
Income tax and contribution effect Social (i)	(583,940)
At March 31, 2021	**1,133,530**

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

In the three-month period ended March 31, 2021, loans and financing involved in the hedging instrument incurred an exchange variation (fair value variation) of R$ 1,728,488 recorded in equity under other comprehensive income value adjustments as long as future revenues in USD (hedged items) are not realized.

In this period, the Company settled USD 18,315 in loans and financing involved in the hedge, incurring an expense of R$ 11,018 referring to accumulated exchange variation recorded in P&L for the period under "net sales revenue", arising from realization of revenues in USD designated in the hedge program.

The effects of changes in fair value of the instruments involved in the hedge and settlement of the hedged items with realization of the hedge reserve in the net sales revenue resulted in an amount of R$ 1,717,470 recognized in the statement of comprehensive income for the three-month period ended March 31, 2021, amounting to R$ 1,133,530 net of deferred income taxes.

d) Hedge accounting effectiveness test

In the first quarter of 2021, effectiveness tests were carried out to demonstrate that the hedge accounting program implemented is highly effective, considering the economic relationship based on the hedge ratio analysis, the effect of credit risk involved in the instrument and hedged item, and evaluation of critical terms.

All amounts in thousands of Reais

28 RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

a) Risk management

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

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

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

The Company's main risks are described below:

Market risk

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

(i) Foreign Exchange rate risk

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

	Consolidated	
	03/31/2021	**12/31/2020**
Bank deposits and financial investments	2,603,840	1,033,172
Trade receivables (net of provision for doubtful debts)	1,012,998	563,240
Other assets and liabilities	(646,000)	(573,000)
Borrowing	(24,496,855)	(20,556,053)
Net exposure	**(21,526,017)**	**(19,532,641)**

The balance per year due on March 31, 2021 of this net exposure is divided as follows:

Year	2021	2022	2023	2024	2025	2026	2027 onwards	Total
Amount	2,849,876	(304,705)	(354,861)	(1,342,773)	(1,294,302)	(4,466,814)	(16,612,438)	**(21,526,017)**

As of March 31, 2021, the Company has no derivatives contracted to hedge foreign exchange exposure in the cash flow. In order to protect against this net liability exposure, the Company has a sales plan whose projected cash flow of export earnings of approximately USD 1 billion annually and its receipts, if they materialize, exceed, or approach, the payment flow of the respective liabilities, offsetting the cash effect of this foreign exchange exposure in the future.

All amounts in thousands of Reais

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

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

(ii) Interest rate risk

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

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

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

	Consolidated	
	03/31/2021	**12/31/2020**
Financial investments - CDI	4,404,926	4,133,393
Financial investments - Selic	779,400	626,566
Financial investments - IPCA	723,412	708,691
Asset exposure	**5,907,738**	**5,468,650**
Financing - CDI	(4,588,010)	(4,623,091)
Financing - TJLP	(1,193,240)	(1,169,546)
Financing - LIBOR	(5,752,329)	(5,588,808)
Debentures - IPCA	(1,872,709)	(1,832,803)
Liability exposure	**(13,406,288)**	**(13,214,248)**

Risk relating to investment

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

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

All amounts in thousands of Reais

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

	Consolidated	
	03/31/2021	**12/31/2020**
National rating AAA(bra)	6,307,148	4,741,806
National rating AA+(bra)	2,224,253	1,814,921
	8,531,401	**6,556,727**

Credit risk

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

As of March 31, 2021, the maximum amount exposed by the Company to the credit risk of accounts receivable from customers is equivalent to the balances presented in Note 6. The information on customer concentration is described in Note 26.

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

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

Liquidity risk

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

The table below shows the maturity of the financial liabilities contracted by the Company, in the consolidated balance sheet, where the amounts presented include the value of principal and future interest on operations, calculated using the rates and indices in effect on March 31, 2020:

	2021	2022	2023	2024	2025	2026	2027 onwards	Total
Trade payables	(2,062,423)	-	-	-	-		-	**(2,062,423)**
Financing/debentures	(1,240,354)	(2,569,755)	(2,329,471)	(2,638,173)	(3,178,373)	(3,763,252)	(31,908,735)	**(47,628,113)**
Total	**(3,302,777)**	**(2,569,755)**	**(2,329,471)**	**(2,638,173)**	**(3,178,373)**	**(3,763,252)**	**(31,908,735)**	**(49,690,536)**

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

All amounts in thousands of Reais

Capital management

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

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

	Consolidated	
	03/31/2021	**12/31/2020**
Cash and cash equivalents and marketable securities	8,531,401	6,556,727
Borrowing and debentures	(30,275,560)	(26,338,990)
Net indebtedness	**(21,744,159)**	**(19,782,263)**
Equity	3,066,894	3,810,305
Net indebtedness ratio	**(7.09)**	**(5.19)**

b) Financial instruments, by category

The Company has the following categories of financial instruments:

	Consolidated	
	03/31/2021	**12/31/2020**
Assets - at amortized cost		
. Cash and cash equivalents	7,014,310	5,208,830
. Trade receivables (net of provision for impairment of trade receivables)	2,451,445	1,806,918
. Other assets	481,840	512,669
	9,947,595	**7,528,417**
Assets - fair value by results		
. Marketable securities	1,517,091	1,347,897
	1,517,091	**1,347,897**
Liabilities - at amortized cost		
. Borrowing and debentures	30,275,560	26,338,990
. Trade payables	1,743,002	1,754,137
. Trade payables (Forfait)	319,421	248,892
. Other payables	1,158,600	1,107,622
	33,496,583	**29,449,641**

(i) Amortized cost

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

All amounts in thousands of Reais

(ii) Fair value through profit or loss

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

c) Sensitivity analysis

The Company presents below the sensitivity tables for the risks of foreign exchange and interest rates to which it is exposed considering that the eventual temporal effects would impact future results based on the exposures presented on March 31, 2021, being, the effects on equity are basically the same as income. The sensitivity analysis does not assess the impacts of exchange rate variations on the Company's cash flow.

(i) Foreign exchange exposure

The Company has assets and liabilities linked to foreign currency in the balance sheet as of December 31, 2020 and for the purposes of sensitivity analysis, it adopted as scenario I the future market rate in force in the exercise of preparing these quarteley information. For scenario II this rate was corrected by 25% and for scenario III by 50%.

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

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

Thus, keeping the other variables constant, the table below shows a simulation of the effect of the exchange rate variation considering the balances on March 31, 2021:

	At 03/31/2021	Scenario I		Scenario II		Scenario III	
	US$	Rate	R$ gain (loss)	Rate	R$ gain (loss)	Rate	R$ gain (loss)
Assets							
Cash and cash equivalents	457,031	5.62	(33,775)	7.03	609,085	8.44	1,253,498
Trade receivables, net of allowance for doubtful debts	177,803	5.62	(13,140)	7.03	236,958	8.44	487,661
Other assets and liabilities	(113,387)	5.62	8,379	7.03	(151,111)	8.44	(310,987)
Financing	(4,299,731)	5.62	317,750	7.03	(5,730,251)	8.44	(11,792,871)
Net effect on finance results			**279,214**		**(5,035,319)**		**(10,362,699)**

(ii) Interest Exposure

The Company has financial investments, loans, financing and debentures linked to the post-fixed interest rate of the CDI, TJLP, IPCA, Selic and Libor. For the purposes of sensitivity analysis, the Company adopted rates in force on dates close to the presentation of the referred quarteley information, extracted from the website of the Central Bank of Brazil, using the same rate for Selic, Libor, IPCA and CDI due to their proximity, in the scenario I projection, for scenario II these rates were corrected by 25% and for scenario III by 50%.

All amounts in thousands of Reais

Thus, keeping the other variables constant, the following table shows a simulation of the effect of changes in interest rates on shareholders' equity and on the future result of 12 months (consolidated) considering the balances at March 31, 2021:

		At 03/31/2021	Scenario I		Scenario II		Scenario III	
		R$	Rate	R$ gain (loss)	Rate	R$ gain (loss)	Rate	R$ gain (loss)
Financial investments								
CDBs	CDI	4,404,926	2.23%	98,230	2.79%	24,557	3.35%	49,115
LFTs	Selic	779,400	2.23%	17,381	2.79%	4,345	3.35%	8,690
NTN - B	IPCA	723,412	4.81%	34,796	6.01%	8,699	7.22%	17,398
Financing								
Export Credit Notes - NCE (R$) and Agribuisiness Receivables Certificate - CRA	CDI	(4,588,010)	2.23%	(102,313)	2.79%	(25,578)	3.35%	(51,156)
BNDES	TJLP	(1,193,240)	4.39%	(52,383)	5.49%	(13,096)	6.59%	(26,192)
Debentures	IPCA	(1,872,709)	4.81%	(90,077)	6.01%	(22,519)	7.22%	(45,039)
Export prepayment, Term Loan and Finnvera	Libor	(5,752,329)	0.28%	(16,287)	0.35%	(4,072)	0.42%	(8,143)
Net effect on finance results				**(110,653)**		**(27,664)**		**(55,327)**

29 INSURANCE COVERAGE

In order to protect its operational risks, assets and liabilities, the Company maintains insurance coverage for several types of events that could impact equity and operations.

Within the best market practices, the Company has contracted operational risk insurance policies, including loss of profits and several other coverage for material damages involving all industrial, administrative and inventory facilities.

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

30 EVENTS AFTER THE REPORTING PERIOD

Puma II Project Update

According to a material fact released on May 5, 2021, the Company's board of directors approved the update of the scope of the second stage of Puma II Project, for installation of a cardboard paper machine instead of the kraftliner machine initially planned, with production capacity of 460 thousand tons per year and forecasted startup in the second quarter of 2023. This update will require an additional gross investment of R$ 2.6 billion, totaling R$ 12.9 billion investments in the project, of which R$ 1.2 billion corresponds to recoverable taxes.

1 DISCLOSURE OF EBITDA

Pursuant to CVM Instruction 527/12, the Company has opted for the voluntary disclosure of non-financial information, as additional information included in its quarterly information, and presents EBITDA for the quarters ended March 31, 2021 and 2020.

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

			Consolidated
		From 1/1 to 03/31/2021	**From 1/1 to 03/31/2020**
(=)	Profit (loss) for the period	420,708	(3,142,543)
(+)	Income tax and social contribution	56,967	(1,713,482)
(+/-)	Finance results, net	203,109	5,488,333
(+)	Amortization, depreciation and depletion in the results	626,138	634,759
EBITDA		**1,306,922**	**1,267,067**
Adjustments pursuant to CVM Instruction 527/12			
(+/-)	Changes in the fair value of biological assets (i)	(42,704)	(217,258)
(+/-)	Equity in the results of investees (ii)	(925)	(22,287)
(+/-)	Realization of hedge accounting (iii)	11,018	-
Adjusted EBITDA		**1,274,311**	**1,027,522**
(+/-)	Non-recurring gain from sale of assets (iv)	(20,231)	-
Adjusted EBITDA (excluding non-recurring effects)		**1,254,080**	**1,027,522**

Adjustments for definition of EBITDA - adjusted:

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

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

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

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

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

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

(iii) Realization of hedge accounting

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

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

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

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

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

a) Company's ownership interest

	SHARES					
STOCKHOLDER	**COMMON**	**%**	**PREFERRED**	**%**	**TOTAL**	**%**
Klabin Irmãos & Cia.	945,359,142	45.41	-	-	945,359,142	16.83
Niblak Participações S.A.	142,023,010	6.82	-	-	142,023,010	2.53
Monteiro Aranha S.A.	76,709,905	3.68	265,235,406	7.50	341,945,311	6.09
The Bank Of New York ADR Department (*)	60,954,026	2.93	243,816,104	6.89	304,770,130	5.42
BLACKROCK	48,109,602	2.31	192,438,408	5.44	240,548,010	4.28
Treasury shares	25,831,006	1.24	103,324,024	2.92	129,155,030	2.30
Other (**)	782,741,904	37.60	2,731,350,219	77.24	3,514,092,123	62.55
TOTAL	**2,081,728,595**	**100.00**	**3,536,164,161**	**100.00**	**5,617,892,756**	**100.00**

(*) Foreign stockholders.
(**) Stockholdes with less than 5% of the shares.
(***) The position may differ from the base of the bookkeeping bank for operational reasons of recording transactions.

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

CONTROLLING STOCKHOLDER/ INVESTOR:
KLABIN IRMÃOS & CIA.

	SHARES	
QUOTAHOLDERS	**Amount**	**% of capital**
Jacob Klabin Lafer Adm. Partic. S.A.	1	18.78
Miguel Lafer Participações S.A.	1	6.26
PRESH S.A.	1	12.52
GL Holdings S.A	1	12.52
GLIMDAS Participações S.A.	1	11.07
DARO Participações S.A.	1	11.07
DAWOJOBE Participações S.A.	1	11.07
ESLI Participações S.A.	1	8.36
LKL Participações S.A.	1	8.35
TOTAL	**10**	**100.00**

General partnership, with capital of R$ 1,000,000.00, comprising quotas of different values.

CONTROLLING STOCKHOLDER/ INVESTOR:
Jacob Klabin Lafer Adm. Partic. S.A.

	SHARES					
STOCKHOLDERS	**ON**	**%**	**PN**	**%**	**TOTAL**	**%**
Vera Lafer	28,647,311	78.400	7,307,988	20.000	35,955,299	98.400
Novo Horizonte Agropecuária Ltda.	584,639	1.600			584,639	1.600
TOTAL	29,231,950	80.000	7,307,988	20.000	36,539,938	100.000

CONTROLLING STOCKHOLDER/ INVESTOR:
Miguel Lafer Participações S.A.

	SHARES	
STOCKHOLDERS	**ON**	**% Total**
Jacob Klabin Lafer Adm. Partic. S.A.	4,121,291	99.999976
Novo Horizonte Agropecuária Ltda	1	0.000024
TOTAL	4,121,292	100.00000

CONTROLLING STOCKHOLDER/ INVESTOR:
VFV Participações S.A.

	SHARES	
STOCKHOLDERS	**ON**	**% Total**
Jacob Klabin Lafer Adm.Partic.S.A.	11,640,664	99.999932
Vera Lafer Lorch Cury	4	0.000034
Francisco Lafer Pati	4	0.000034
TOTAL	11,640,672	100.00000

CONTROLLING STOCKHOLDER/ INVESTOR:
PRESH S.A.

	SHARES	
STOCKHOLDERS	**ON**	**% Total**
Horácio Lafer Piva	8,829,453	33.3333
Eduardo Lafer Piva	8,829,453	33.3333
Regina Piva Coelho Magalhães	8,829,453	33.3334
TOTAL	26,488,360	100.0000

CONTROLLING STOCKHOLDER/ INVESTOR:

GL Holdings S.A.

	SHARES					
STOCKHOLDERS	**ON**	**%**	**PN**	**%**	**TOTAL**	**%**
Graziela Lafer Galvão						
Paulo Sergio Coutinho Galvão Filho	2,154,077	50.00	8	50.00	2,154,085	50.00
Maria Eugênia Lafer Galvão	2,154,077	50.00	8	50.00	2,154,085	50.00
TOTAL	4,308,154	100.00	16	100.00	4,308,170	100.00

CONTROLLING STOCKHOLDER/ INVESTOR:
GLIMDAS Participações S.A.

	SHARES					
STOCKHOLDERS	**ON**	**%**	**PN**	**%**	**TOTAL**	**%**
Israel Klabin			1,287,625	90.052	1,287,625	6.384
Alberto Klabin (*)	3,123,133	16.666	23,707	1.658	3,146,840	15.603
Leonardo Klabin (*)	3,123,133	16.666	23,707	1.658	3,146,840	15.603
Stela Klabin (*)	3,123,133	16.666	23,707	1.658	3,146,840	15.603
Maria Klabin (*)	3,123,133	16.666	23,707	1.658	3,146,840	15.603
Dan Klabin (*)	3,123,133	16.666	23,707	1.658	3,146,840	15.603
Gabriel Klabin (*)	3,123,133	16.666	23,707	1.658	3,146,840	15.603
Espólio Maurício Klabin (*)	32	0.002			32	0.000
TOTAL	18,738,830	100.000	1,429,867	100.000	20,168,697	100.000

(*) Shares subject to rights to use, with the beneficiary Israel Klabin having voting rights.

CONTROLLING STOCKHOLDER/ INVESTOR:

DARO Participações S.A.

	SHARES	
STOCKHOLDERS	**ON**	**% Total**
Daniel Miguel Klabin	69,003	6.910
Rose Klabin (*)	310,000	31.030
Amanda Klabin (*)	310,000	31.030
David Klabin (*)	310,000	31.010
TOTAL	**999,003**	**100.000**

(*) Shares subject to rights to use, with the beneficiary Daniel Miguel Klabin having voting rights.

CONTROLLING STOCKHOLDER/ INVESTOR:
DAWOJOBE Participações S.A.

	SHARES	
STOCKHOLDERS	**ON**	**%**
Armando Klabin	4	0.16
Wolff Klabin (*)	516	24.96
Daniela Klabin (*)	516	24.96
Bernardo Klabin (*)	516	24.96
José Klabin (*)	516	24.96
TOTAL	**2,068**	**100.00**

(*) Shares subject to rights to use, with the beneficiary Armando Klabin having voting rights.

CONTROLLING STOCKHOLDER/ INVESTOR:
ESLI Participações S.A. (*)

	SHARES	
STOCKHOLDERS	**ON**	**% Total**
Cristina Levine Martins Xavier	7,602,070	33.333
Regina Klabin Xavier	7,602,070	33.333
Roberto Klabin Martins Xavier	7,602,070	33.333
TOTAL	**22,806,210**	**100.000**

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

CONTROLLING STOCKHOLDER/ INVESTOR:
LKL Participações S.A.(*)

	SHARES	
STOCKHOLDERS	**ON**	**% Total**
Cristina Levine Martins Xavier	1,525,700	33.333
Regina Klabin Xavier	1,525,700	33.333
Roberto Klabin Martins Xavier	1,525,700	33.333
TOTAL	**4,577,100**	**100.000**

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

CONTROLLING STOCKHOLDER/ INVESTOR:
NIBLAK PARTICIPAÇÕES S.A.

	SHARES	
STOCKHOLDERS	**ON**	**% Total**
Miguel Lafer Part. S/A	3,038,036	12.521
VFV Participações S/A	3,038,036	12.521
GL Holdings S/A	3,038,060	12.521
Glimdas Participações S/A.	2,686,870	11.074
Verde Vivo Investimentos Florestais Ltda.	2,686,870	11.074
Dawojobe Partic. S.A.	2,562,689	10.562
Armando Klabin	124,181	0.512
Esli Participações S/A	4,050,722	16.695
Eduardo Lafer Piva	1,012,687	4.174
Horacio Lafer Piva	1,012,687	4.174
Regina Piva Coelho de Magalhães	1,012,687	4.174
TOTAL	**24,263,522**	**100.000**

CONTROLLING STOCKHOLDER/ INVESTOR: VERDE VIVO INVESTIMENTOS FLORESTAIS LTDA.

	SHARES	
STOCKHOLDERS	**ON**	**% Total**
Amanda Klabin Tkacz	1,426,277	33.333
Rose Klabin	1,426,277	33.333
David Klabin	1,426,277	33.333
TOTAL	**4,278,831**	**100.000**

3 CHANGES IN THE OWNERSHIP STRUCTURE

		March 31, 2020		Changes					March 31, 2021		
STOCKHOLDER	Type	Number of shares	%	Purchase/ Subscription	Sale	New Investors	Whitdrawals	Corporate changes*	Number of shares	%	Change %
Stockholders	ON	1,245,700,562.00	62.77	1,060,900.00	(86,400.00)	-	-	-	1,246,675,062.00	59.89	0.08
	PN	374,957,523.00	10.95	4,243,600.00	(345,600.00)	-	-	-	378,855,523.00	10.71	1.04
Members of the Board of	ON	45,225,862.00	2.28	28,497,785.00	-	22,317,943.00	-	-	96,041,590.00	4.61	112.36
	PN	176,881,524.00	5.16	-	-	-	-	-	176,881,524.00	5.00	-
Members of the Executive Board	ON	1,503,961.00	0.08	6,344,331.00	(200,620.00)	1,825,731.00	-	-	9,473,403.00	0.46	529.90
	PN	6,015,844.00	0.18	-	(802,480.00)	-	-	-	5,213,364.00	0.15	(13.34)
Members of the Statutory Audit Board	ON	307,805.00	0.02	7,200.00	(21,000.00)	-	-	-	294,005.00	0.01	(4.48)
	PN	1,231,200.00	0.04	28,800.00	(84,000.00)	-	-	-	1,176,000.00	0.03	(4.48)
Treasury shares	ON	26,525,322.00	1.34	(694,316.00)	-	-	-	-	25,831,006.00	1.24	-
	PN	106,101,288.00	3.10	(2,777,264.00)	-	-	-	-	103,324,024.00	2.92	(2.62)
Other stockholders	ON	665,331,143.00	33.52	(35,215,900.00)	308,020.00	(24,143,674.00)	-	97,133,940.00	703,413,529.00	33.79	5.72
	PN	2,760,019,806.00	80.58	(1,495,136.00)	1,232,080.00	-	-	110,956,976.00	2,870,713,726.00	81.18	4.01
Total	**ON**	**1,984,594,655.00**	**100.00**	-	-	-	-	**97,133,940.00**	**2,081,728,595.00**	**100.00**	4.89
	PN	**3,425,207,185.00**	**100.00**	-	-	-	-	**110,956,976.00**	**3,536,164,161.00**	**100.00**	3.24

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

At 03/31/2021

	SHARES					
STOCKHOLDER	**COMMON**	**%**	**PREFERRED**	**%**	**TOTAL**	**%**
Stockholders	1,246,675,062	59.89	378,855,523	10.71	1,625,530,585	28.93
Members of the Board of Directors	96,041,590	4.61	176,881,524	5.00	272,923,114	4.86
Members of the Executive Board	9,473,403	0.46	5,213,364	0.15	14,686,767	0.26
Members of the Statutory Audit Board	294,005	0.01	1,176,000	0.03	1,470,005	0.03
Treasury shares	25,831,006	1.24	103,324,024	2.92	129,155,030	2.30
Other stockholders	703,413,529	33.79	2,870,713,726	81.18	3,574,127,255	63.62
Total	**2,081,728,595**	**100.00**	**3,536,164,161**	**100.00**	**5,617,892,756**	**100.00**

Number of shares outstanding in the market	**703,413,529**	**33.79**	**2,870,713,726**	**81.18**	**3,574,127,255**	**63.62**

At 03/31/2020

STOCKHOLDER	SHARES					
	COMMON	%	PREFERRED	%	TOTAL	%
Stockholders	1,245,700,562	62.77	374,957,523	10.95	1,620,658,085	29.96
Members of the Board of Directors	45,225,862	2.28	176,881,524	5.16	222,107,386	4.11
Members of the Executive Board	1,503,961	0.08	6,015,844	0.18	7,519,805	0.14
Members of the Statutory Audit Board	307,805	0.02	1,231,200	0.04	1,539,005	0.03
Treasury shares	26,525,322	1.34	106,101,288	3.10	132,626,610	2.45
Other stockholders	665,331,143	33.52	2,760,019,806	80.58	3,425,350,949	63.32
Total	**1,984,594,655**	**100.00**	**3,425,207,185**	**100.00**	**5,409,801,840**	**100.00**
Number of shares outstanding in the market	**665,331,143**	**33.52**	**2,760,019,806**	**80.58**	**3,425,350,949**	**63.32**

5 OTHER INFORMATION

Relationship with independent auditors

In conformity with CVM Instruction 381/03, the auditing firm Ernst & Young Auditores Independentes S.S. did not provide services unrelated to the external audit with a value exceeding 5% of its total fees.

The Company's policy for the contracting of services from its independent auditors not relating to an external audit is based on principles that preserve the independence of these professionals. These principles, which follow internationally accepted guidelines, consist of the following: (a) the auditor must not audit his/her own work; (b) the auditor must not perform managerial functions for his/her client; and (c) the auditor must not promote the interests of his/her clients.