

# Interim financial statements

June 30, 2024



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Interim financial statements and auditor's report for the three- and six-month periods ended June 30, 2024

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Parent company and consolidated interim financial statements for the three- and six-month periods ended June 30, 2024 and 2023

All amounts in thousands of Reais unless otherwise stated

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## STATEMENT OF FINANCIAL POSITION

ASSETS	Note	Parent Company		Consolidated	
		6/30/2024	12/31/2023	6/30/2024	12/31/2023
<b>Current</b>					
Cash and cash equivalents	5	10,349,346	8,129,921	11,904,719	9,558,829
Marketable securities	6	1,040,621	1,156,002	1,055,261	1,156,002
Trade receivables	7	2,101,271	1,760,017	2,429,640	2,112,722
Related parties	8	649,081	477,669	-	-
Inventory	9	3,067,601	2,602,525	3,122,447	2,665,525
Taxes recoverable	10	466,281	645,157	507,097	665,106
Other assets		351,748	282,026	370,349	307,461
<b>Total current assets</b>		<b>18,025,949</b>	<b>15,053,317</b>	<b>19,389,513</b>	<b>16,465,645</b>
<b>Assets held for sale</b>		<b>-</b>	<b>31,443</b>	<b>-</b>	<b>31,443</b>
<b>Non-current</b>					
Trade receivables	7	-	247,024	-	247,024
Derivative financial instruments	27	170,673	885,794	170,673	885,794
Deferred income tax and social contribution	11	-	-	2,601	2,567
Judicial deposits	19	175,489	125,037	175,489	125,037
Taxes recoverable	10	456,047	510,406	456,047	510,406
Related parties	8	59,464	111,922	-	-
Other assets		135,581	82,382	135,815	82,593
		<b>997,254</b>	<b>1,962,565</b>	<b>940,625</b>	<b>1,853,421</b>
Investments					
Interests in subsidiaries and joint ventures	12	3,993,861	4,079,585	262,899	263,732
Other		17,410	14,778	17,410	14,778
Property, plant and equipment	13	23,994,852	23,807,529	25,584,632	25,386,550
Biological assets	14	6,058,980	5,912,983	9,105,831	9,177,831
Right-of-use assets	15	1,627,767	1,746,097	1,810,132	1,901,652
Intangible assets		187,009	140,803	383,999	339,638
		<b>35,879,879</b>	<b>35,701,775</b>	<b>37,164,903</b>	<b>37,084,181</b>
<b>Total non-current assets</b>		<b>36,877,133</b>	<b>37,664,340</b>	<b>38,105,528</b>	<b>38,937,602</b>
<b>Total assets</b>		<b>54,903,082</b>	<b>52,749,100</b>	<b>57,495,041</b>	<b>55,434,690</b>

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

LIABILITIES AND EQUITY	Note	Parent Company		Consolidated	
		6/30/2024	12/31/2023	6/30/2024	12/31/2023
<b>Current</b>					
Trade payables	16	1,929,876	1,982,771	2,045,446	2,075,813
Forfeiting	16.1	529,450	464,324	529,450	464,324
Forfeiting - forestry operations	16.1	53,622	59,914	53,622	59,914
Lease liabilities	15	286,088	289,300	295,633	298,526
Tax obligations		257,775	300,463	262,772	308,567
Social security and labor obligations		434,660	448,974	442,106	456,083
Borrowing	17	2,697,367	1,625,351	2,538,910	1,523,215
Debentures	18	32,920	37,628	32,920	37,628
Derivative financial instruments	27	130,473	-	130,473	-
Income tax and social contribution payable	11	-	-	105,682	134,648
Related parties	8	68,228	11,283	-	-
Dividends and/or interest on capital payable	20	-	171,000	-	171,000
Other payables and provisions		323,896	306,952	378,113	346,023
<b>Total current liabilities</b>		<b>6,744,355</b>	<b>5,697,960</b>	<b>6,815,127</b>	<b>5,875,741</b>
<b>Non-current</b>					
Trade payables	16	269,954	97,091	270,740	97,091
Forfeiting - forestry operations	16.1	490,339	397,734	490,339	397,734
Lease liabilities	15	1,396,926	1,482,385	1,569,524	1,624,768
Borrowing	17	32,797,037	29,023,775	32,521,935	28,780,401
Debentures	18	1,000,000	1,000,000	1,000,000	1,000,000
Derivative financial instruments	27	800,407	452,332	800,407	452,332
Share of equity deficits of subsidiaries	12	139,999	122,310	-	-
Deferred income tax and social contribution	11	824,953	2,093,620	1,116,141	2,407,078
Special Partnership Companies		-	-	196,190	200,481
Provision for tax, social security, labor and civil contingencies	19	302,370	65,927	302,527	66,084
Provision for actuarial liabilities		491,726	468,793	495,097	471,818
Tax obligations		188,675	216,787	188,675	216,787
Other payables and provisions		42,060	45,264	110,012	111,845
<b>Total non-current liabilities</b>		<b>38,744,446</b>	<b>35,466,018</b>	<b>39,061,587</b>	<b>35,826,419</b>
<b>Total liabilities</b>		<b>45,488,801</b>	<b>41,163,978</b>	<b>45,876,714</b>	<b>41,702,160</b>
<b>Equity</b>					
Share capital	20.1	6,075,625	4,475,625	6,075,625	4,475,625
Capital reserves		(204,878)	(225,642)	(204,878)	(225,642)
Treasury shares		(123,108)	(135,808)	(123,108)	(135,808)
Revenue reserves		3,834,832	5,626,832	3,834,832	5,626,832
Carrying value adjustments	20.2	(552,915)	1,844,115	(552,915)	1,844,115
Retained earnings		384,725	-	384,725	-
<b>Total attributable to the Company`s equity holders</b>	<b>20</b>	<b>9,414,281</b>	<b>11,585,122</b>	<b>9,414,281</b>	<b>11,585,122</b>
<b>Non-controlling interests</b>	<b>20.5</b>	<b>-</b>	<b>-</b>	<b>2,204,046</b>	<b>2,147,408</b>
<b>Total equity</b>		<b>9,414,281</b>	<b>11,585,122</b>	<b>11,618,327</b>	<b>13,732,530</b>
<b>Total liabilities and equity</b>		<b>54,903,082</b>	<b>52,749,100</b>	<b>57,495,041</b>	<b>55,434,690</b>

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

## STATEMENT OF INCOME

	Note	Parent Company			
		4/01 to 6/30/2024	1/01 to 6/30/2024	4/01 to 6/30/2023	1/01 to 6/30/2023
<b>Net sales revenue</b>	21	4,869,949	9,151,861	4,205,810	8,882,106
Changes in the fair values of biological assets	14	(40,421)	104,588	170,252	205,147
Cost of products sold	22	(3,223,046)	(6,166,450)	(3,128,678)	(5,989,476)
<b>Gross profit</b>		<b>1,606,482</b>	<b>3,089,999</b>	<b>1,247,384</b>	<b>3,097,777</b>
<b>Operating income (expenses)</b>					
Selling	22	(372,020)	(686,661)	(333,782)	(734,385)
General and administrative	22	(246,126)	(494,996)	(241,704)	(479,320)
Other income (expenses), net	22	(17,208)	(56,079)	(31,167)	(79,637)
		<b>(635,354)</b>	<b>(1,237,736)</b>	<b>(606,653)</b>	<b>(1,293,342)</b>
Share of profits of subsidiaries and joint ventures	12	143,797	309,156	86,439	463,269
<b>Profit before finance result and taxes</b>		<b>1,114,925</b>	<b>2,161,419</b>	<b>727,170</b>	<b>2,267,704</b>
Finance income		861,134	1,182,462	162,566	276,076
Finance costs		(1,596,875)	(2,386,083)	5,349	(100,191)
<b>Finance result</b>	23	<b>(735,741)</b>	<b>(1,203,621)</b>	<b>167,915</b>	<b>175,885</b>
<b>Profit before taxes on income</b>		<b>379,184</b>	<b>957,798</b>	<b>895,085</b>	<b>2,443,589</b>
Current	11	(254,934)	(276,139)	(44,090)	(130,232)
Deferred	11	164,950	33,066	(210,056)	(507,778)
<b>Income tax and social contribution</b>		<b>(89,984)</b>	<b>(243,073)</b>	<b>(254,146)</b>	<b>(638,010)</b>
<b>Profit for the period</b>		<b>289,200</b>	<b>714,725</b>	<b>640,939</b>	<b>1,805,579</b>
<b>Earnings per share:</b>					
<b>Basic and diluted earnings per share - R\$</b>	25	<b>0.0404</b>	<b>0.1175</b>	<b>0.1161</b>	<b>0.3275</b>

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

		<b>Consolidated</b>			
	<b>Note</b>	<b>4/01 to 6/30/2024</b>	<b>1/01 to 6/30/2024</b>	<b>4/01 to 6/30/2023</b>	<b>1/01 to 6/30/2023</b>
<b>Net sales revenue</b>	21	4,948,733	9,378,316	4,292,579	9,123,340
Changes in the fair values of biological assets	14	(88,015)	111,633	572,671	956,130
Cost of products sold	22	(3,193,616)	(6,189,006)	(3,123,341)	(5,982,625)
<b>Gross profit</b>		<b>1,667,102</b>	<b>3,300,943</b>	<b>1,741,909</b>	<b>4,096,845</b>
<b>Operating income (expenses)</b>					
Selling	22	(401,741)	(745,064)	(333,704)	(776,541)
General and administrative	22	(252,639)	(508,705)	(252,612)	(498,851)
Other income (expenses), net	22	(19,053)	(53,706)	(30,725)	(78,605)
		<b>(673,433)</b>	<b>(1,307,475)</b>	<b>(617,041)</b>	<b>(1,353,997)</b>
Share of profits of subsidiaries and joint ventures	12	3,634	6,049	2,721	6,136
<b>Profit before finance result and taxes</b>		<b>997,303</b>	<b>1,999,517</b>	<b>1,127,589</b>	<b>2,748,984</b>
Finance income		981,270	1,363,427	175,180	325,502
Finance costs		(1,543,940)	(2,304,452)	(19,190)	(111,247)
<b>Finance result</b>	23	<b>(562,670)</b>	<b>(941,025)</b>	<b>155,990</b>	<b>214,255</b>
<b>Profit before taxes on income</b>		<b>434,633</b>	<b>1,058,492</b>	<b>1,283,579</b>	<b>2,963,239</b>
Current	11	(287,967)	(338,720)	(94,433)	(204,154)
Deferred	11	168,464	55,370	(218,447)	(526,260)
<b>Income tax and social contribution</b>		<b>(119,503)</b>	<b>(283,350)</b>	<b>(312,880)</b>	<b>(730,414)</b>
<b>Profit for the period</b>		<b>315,130</b>	<b>775,142</b>	<b>970,699</b>	<b>2,232,825</b>
<b>Attributable to the Company's equity holders</b>		<b>289,200</b>	<b>714,725</b>	<b>640,939</b>	<b>1,805,579</b>
<b>Attributable to non-controlling interests</b>		<b>25,930</b>	<b>60,417</b>	<b>329,760</b>	<b>427,246</b>
<b>Earnings per share:</b>					
<b>Basic and diluted earnings per share - R\$</b>		<b>0.0404</b>	<b>0.1175</b>	<b>0.1161</b>	<b>0.3275</b>

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

## STATEMENT OF COMPREHENSIVE INCOME

Parent company and consolidated interim financial statements for the three- and six-month periods ended June 30, 2024 and 2023  
All amounts in thousands of Reais unless otherwise stated

		<b>Parent Company</b>			
	<b>Note</b>	<b>4/01 to 6/30/2024</b>	<b>1/01 to 6/30/2024</b>	<b>4/01 to 6/30/2023</b>	<b>1/01 to 6/30/2023</b>
<b>Profit for the period</b>		<b>289,200</b>	<b>714,725</b>	<b>640,939</b>	<b>1,805,579</b>
<b>Other comprehensive income</b>					
Foreign currency translation adjustments		791	1,885	(6,170)	(11,654)
Changes in the fair values of hedging instruments		28	(2,802,842)	(3,608,513)	1,305,559
Realization of hedge reserve to profit or loss		(2,315)	(2,315)	-	-
Realization of hedge reserve to profit or loss - net revenue		28	(16,546)	(21,101)	(1,942)
Deferred income tax on cash flow hedges		28	959,782	1,234,856	(443,229)
Changes in actuarial liability obligations		-	(2,791)	(855)	(1,710)
Deferred income tax/social contribution on actuarial liabilities		-	949	290	581
<b>Total comprehensive income (loss) for the period</b>		<b>(1,571,930)</b>	<b>(1,682,305)</b>	<b>1,494,592</b>	<b>2,919,774</b>
		<b>Consolidated</b>			
	<b>Note</b>	<b>4/01 to 6/30/2024</b>	<b>1/01 to 6/30/2024</b>	<b>4/01 to 6/30/2023</b>	<b>1/01 to 6/30/2023</b>
<b>Profit for the period</b>		<b>315,130</b>	<b>775,142</b>	<b>970,699</b>	<b>2,232,825</b>
<b>Other comprehensive income</b>					
Foreign currency translation adjustments		791	1,885	(6,170)	(11,654)
Changes in the fair values of hedging instruments		28	(2,802,842)	(3,608,513)	1,305,559
Realization of hedge reserve to profit or loss		(2,315)	(2,315)	-	-
Realization of hedge reserve to profit or loss - net revenue		28	(16,546)	(21,101)	(1,942)
Deferred income tax on cash flow hedges		28	959,782	1,234,856	(443,229)
Changes in actuarial liability obligations		-	(2,791)	(855)	(1,710)
Deferred income tax/social contribution on actuarial liabilities		-	949	290	581
<b>Total comprehensive income (loss) for the period</b>		<b>(1,546,000)</b>	<b>(1,621,888)</b>	<b>1,824,352</b>	<b>3,347,020</b>
<b>Attributable to the Company`s equity holders</b>		<b>(1,571,930)</b>	<b>(1,682,305)</b>	<b>1,494,592</b>	<b>2,919,774</b>
<b>Attributable to non-controlling interests</b>		<b>25,930</b>	<b>60,417</b>	<b>329,760</b>	<b>427,246</b>

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

Parent company and consolidated interim financial statements for the three- and six-month periods ended June 30, 2024 and 2023  
All amounts in thousands of Reais unless otherwise stated

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## STATEMENT OF CHANGES IN EQUITY

	Note	Share capital	Capital reserves	Treasury shares	Revenue reserves	Carrying value adjustments	Retained earnings	Equity attributable to the Company's equity holders	Non-controlling interests	Consolidated equity
<b>At December 31, 2022</b>		<b>4,475,625</b>	<b>(270,399)</b>	<b>(155,360)</b>	<b>4,425,294</b>	<b>1,084,324</b>	-	<b>9,559,484</b>	<b>2,008,782</b>	<b>11,568,266</b>
Profit for the period		-	-	-	-	-	1,805,579	<b>1,805,579</b>	427,246	<b>2,232,825</b>
Other comprehensive income		-	-	-	-	1,114,195	-	<b>1,114,195</b>	-	<b>1,114,195</b>
Changes in interests in subsidiaries		-	-	-	-	-	-	-	(2,799)	<b>(2,799)</b>
<b>Total comprehensive income</b>		-	-	-	-	<b>1,114,195</b>	<b>1,805,579</b>	<b>2,919,774</b>	<b>424,447</b>	<b>3,344,221</b>
Capital increases by non-controlling shareholders		-	-	-	-	-	-	-	90,000	<b>90,000</b>
<b>Long term incentive plan</b>	24	-	<b>27,384</b>	<b>19,800</b>	-	<b>(8,164)</b>	-	<b>39,020</b>	-	<b>39,020</b>
Treasury shares sold		-	18,984	10,383	-	-	-	<b>29,367</b>	-	<b>29,367</b>
Grants of treasury shares		-	-	10,383	-	(10,383)	-	-	-	-
Stock option plan - remuneration		-	-	-	-	9,653	-	<b>9,653</b>	-	<b>9,653</b>
Stock option plan - vesting		-	8,400	-	-	(8,400)	-	-	-	-
Stock option plan - cancellations		-	-	(966)	-	966	-	-	-	-
<b>Allocation of profit for the period:</b>	20	-	-	-	<b>(345,000)</b>	-	<b>(389,000)</b>	<b>(734,000)</b>	<b>(61,644)</b>	<b>(795,644)</b>
Distribution of dividends and interest on capital		-	-	-	(345,000)	-	(389,000)	<b>(734,000)</b>	(61,644)	(795,644)
<b>At June 30, 2023</b>		<b>4,475,625</b>	<b>(243,015)</b>	<b>(135,560)</b>	<b>4,080,294</b>	<b>2,190,355</b>	<b>1,416,579</b>	<b>11,784,278</b>	<b>2,461,585</b>	<b>14,245,863</b>

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

Parent company and consolidated interim financial statements for the three- and six-month periods ended June 30, 2024 and 2023  
All amounts in thousands of Reais unless otherwise stated

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	Note	Share capital	Capital reserves	Treasury shares	Revenue reserves	Carrying value adjustments	Retained earnings (accumulated deficit)	Equity attributable to the Company's equity holders	Non-controlling interests	Consolidated equity
<b>At December 31, 2023</b>		<b>4,475,625</b>	<b>(225,642)</b>	<b>(135,808)</b>	<b>5,626,832</b>	<b>1,844,115</b>	-	<b>11,585,122</b>	<b>2,147,408</b>	<b>13,732,530</b>
Profit for the period		-	-	-	-	-	714,725	<b>714,725</b>	60,417	<b>775,142</b>
Other comprehensive income		-	-	-	-	(2,397,030)	-	<b>(2,397,030)</b>	-	<b>(2,397,030)</b>
Changes in interests in subsidiaries		-	-	-	-	-	-	-	(2,625)	<b>(2,625)</b>
<b>Total comprehensive income</b>		-	-	-	-	<b>(2,397,030)</b>	<b>714,725</b>	<b>(1,682,305)</b>	<b>57,792</b>	<b>(1,624,513)</b>
Capitalization of reserve		1,600,000	-	-	(1,600,000)	-	-	-	-	-
Capital increases by non-controlling shareholders		-	-	-	-	-	-	-	50,000	<b>50,000</b>
<b>Long term incentive plan</b>	24	-	<b>20,764</b>	<b>12,700</b>	-	-	-	<b>33,464</b>	-	<b>33,464</b>
Treasury shares sold		-	16,025	6,542	-	-	-	<b>22,567</b>	-	<b>22,567</b>
Grants of treasury shares		-	(6,542)	6,542	-	-	-	-	-	-
Stock option plan - remuneration		-	10,897	-	-	-	-	<b>10,897</b>	-	<b>10,897</b>
Stock option plan - cancellations		-	384	(384)	-	-	-	-	-	-
<b>Allocation of profit:</b>	20	-	-	-	<b>(192,000)</b>	-	<b>(330,000)</b>	<b>(522,000)</b>	<b>(51,154)</b>	<b>(573,154)</b>
Distribution of dividends and interest on capital		-	-	-	(192,000)	-	(330,000)	<b>(522,000)</b>	(51,154)	<b>(573,154)</b>
<b>At June 30, 2024</b>		<b>6,075,625</b>	<b>(204,878)</b>	<b>(123,108)</b>	<b>3,834,832</b>	<b>(552,915)</b>	<b>384,725</b>	<b>9,414,281</b>	<b>2,204,046</b>	<b>11,618,327</b>

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Parent company and consolidated interim financial statements for the three- and six-month periods ended June 30, 2024 and 2023  
All amounts in thousands of Reais unless otherwise stated

**KLBN4 KLBN3 KLBN11**

## STATEMENT OF CASH FLOW

	Note	Parent Company		Consolidated	
		6/30/2024	6/30/2023	6/30/2024	6/30/2023
<b>Net cash provided by operating activities</b>		<b>4,207,340</b>	<b>3,424,377</b>	<b>4,712,414</b>	<b>3,551,394</b>
<b>Cash provided by operations</b>		<b>3,641,145</b>	<b>3,985,605</b>	<b>3,976,991</b>	<b>4,139,954</b>
Profit before taxes on income		957,798	2,443,589	1,058,492	2,963,239
Depreciation and amortization		993,061	697,572	1,001,961	809,980
Depletion of biological assets	14	501,331	548,313	843,979	695,019
Changes in the fair values of biological assets	14	(104,588)	(205,147)	(111,633)	(956,130)
Interest accruals on marketable securities	23	35,926	(133,033)	35,872	(133,033)
Unrealized foreign exchange on trade receivables and related parties		(751,796)	117,552	(953,630)	192,006
Unrealized interest and foreign exchange on borrowing and debentures	17/18	2,175,282	883,471	1,958,598	477,491
Interest on leases accrued	15	81,635	47,294	91,478	52,011
Adjustments to present value - forfeiting - forestry operations	14	31,783	33,759	31,783	33,759
Realization of hedge reserve	28	(23,416)	(5,058)	(23,416)	(5,058)
Allowance for expected credit losses	7	(5,724)	(561)	(6,254)	(1,617)
Provision for inventory losses		19,530	42,650	19,679	43,092
Gain on disposals of assets		(1,185)	(361)	(1,185)	(361)
Share of profits of subsidiaries and joint ventures	12	(309,156)	(463,269)	(6,049)	(6,136)
Provision for legal and administrative proceedings		31,628	3,648	31,628	3,648
Other		9,036	(24,814)	5,688	(27,956)
<b>Changes in assets and liabilities</b>		<b>566,195</b>	<b>(561,228)</b>	<b>735,423</b>	<b>(588,560)</b>
Trade receivables and related parties	7/8	622,454	146,307	889,990	164,376
Inventory	9	202,023	(304,728)	256,110	(320,297)
Taxes recoverable	10	305,116	361,885	533,630	353,984
Marketable securities	6	79,455	(1,897)	64,869	(897)
Other assets		(11,280)	16,497	(4,270)	24,156
Trade payables	16	(493,798)	(499,375)	(541,998)	(587,673)
Forfeiting - trade payables and forfeiting forestry operations	16.1	157,040	3,601	157,040	3,601
Tax obligations		(206,652)	(164,435)	(577,445)	(183,415)
Social security and labor obligations		(14,314)	(42,548)	(13,977)	(43,484)
Other liabilities		11,119	842	156,884	106,068
Income tax and social contribution paid		(84,968)	(77,377)	(185,410)	(104,979)
<b>Net cash used in investing activities</b>		<b>(1,340,185)</b>	<b>(2,540,752)</b>	<b>(1,832,604)</b>	<b>(2,465,158)</b>
Additions to property, plant and equipment and intangible assets		(1,245,948)	(1,672,141)	(1,252,325)	(1,889,603)
Additions to planting and standing wood purchases		(493,603)	(498,925)	(591,024)	(619,655)
Acquisition of investments in and payment to subsidiaries and joint ventures	12	(155,028)	(429,080)	-	-
Advances for future capital increases		(21,173)	(7,216)	-	-
Proceeds from disposals of assets		3,862	34,471	3,863	34,471
Dividends received from subsidiaries	12	571,705	32,139	6,882	9,629
<b>Net cash used in financing activities</b>		<b>(647,730)</b>	<b>(1,345,361)</b>	<b>(533,920)</b>	<b>(1,698,701)</b>
New borrowing	17	1,800,466	1,558,171	1,800,395	1,558,316
Repayments of borrowing and debentures	17/18	(385,955)	(520,604)	(384,590)	(1,276,591)
Payment of interest on borrowing and debentures	17/18	(1,212,693)	(1,466,658)	(1,085,352)	(1,048,745)
Payment of lease liabilities	15	(179,115)	(193,454)	(181,916)	(202,968)
Disposals of treasury shares		22,567	47,184	22,567	47,184
Capital increases in subsidiaries by non-controlling interests		-	-	50,000	90,000
Payment of dividends - Special Partnership Companies and Special Purpose Entities	12	-	-	(62,024)	(95,897)
Dividends/interest on capital paid	20	(693,000)	(770,000)	(693,000)	(770,000)
<b>Increase (decrease) in cash and cash equivalents</b>		<b>2,219,425</b>	<b>(461,736)</b>	<b>2,345,890</b>	<b>(612,465)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>8,129,921</b>	<b>3,798,650</b>	<b>9,558,829</b>	<b>4,683,945</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>10,349,346</b>	<b>3,336,914</b>	<b>11,904,719</b>	<b>4,071,480</b>

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

Parent company and consolidated interim financial statements for the three- and six-month periods ended June 30, 2024 and 2023  
All amounts in thousands of Reais unless otherwise stated

**KLBN4 KLBN3 KLBN11**

## STATEMENT OF VALUE ADDED

	Parent Company		Consolidated	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023
<b>Revenue</b>				
Sales of products	10,459,538	10,472,326	10,712,430	10,736,160
Changes in the fair value of biological assets	104,588	205,147	111,633	956,130
Other revenue	25,784	34,471	25,784	34,471
Reversal of allowance for expected credit losses	9,801	561	9,730	1,617
	<b>10,599,711</b>	<b>10,712,505</b>	<b>10,859,577</b>	<b>11,728,378</b>
<b>Inputs acquired from third parties</b>				
Cost of products sold	(4,281,700)	(3,615,031)	(3,919,158)	(3,668,332)
Materials, electricity, outsourced services and others	(1,376,094)	(2,427,290)	(1,445,762)	(2,140,954)
	<b>(5,657,794)</b>	<b>(6,042,321)</b>	<b>(5,364,920)</b>	<b>(5,809,286)</b>
<b>Gross value added</b>	<b>4,941,917</b>	<b>4,670,184</b>	<b>5,494,657</b>	<b>5,919,092</b>
<b>Retentions</b>				
Depreciation, amortization and depletion	(1,482,348)	(1,245,885)	(1,833,896)	(1,504,999)
<b>Net value added generated by the Company</b>	<b>3,459,569</b>	<b>3,424,299</b>	<b>3,660,761</b>	<b>4,414,093</b>
<b>Value added received through transfers</b>				
Share of profits of subsidiaries and joint ventures	309,156	463,269	6,049	6,136
Finance income, including exchange variations	1,206,528	276,076	1,387,970	325,502
	<b>1,515,684</b>	<b>739,345</b>	<b>1,394,019</b>	<b>331,638</b>
<b>Total value added for distribution</b>	<b>4,975,253</b>	<b>4,163,644</b>	<b>5,054,780</b>	<b>4,745,731</b>
<b>Distribution of value added:</b>				
<b>Personnel</b>				
Direct compensation	799,264	774,555	821,396	774,594
Benefits	278,293	266,549	283,505	266,951
Government Severance Indemnity Fund for Employees (FGTS)	67,639	59,392	68,274	59,876
	<b>1,145,196</b>	<b>1,100,496</b>	<b>1,173,175</b>	<b>1,101,421</b>
<b>Taxes and contributions</b>				
Federal	426,277	963,923	493,884	1,095,012
State	300,864	179,850	305,404	179,850
Municipal	2,107	13,605	2,722	25,376
	<b>729,248</b>	<b>1,157,378</b>	<b>802,010</b>	<b>1,300,238</b>
<b>Remuneration of third-party capital</b>				
Interest	2,386,084	100,191	2,304,453	111,247
<b>Remuneration of own capital</b>				
Dividends and interest on capital	330,000	389,000	330,000	450,644
Retained earnings for the period	384,725	1,416,579	384,725	1,354,935
Profit for the period attributable to non-controlling interests	-	-	60,417	427,246
	<b>714,725</b>	<b>1,805,579</b>	<b>775,143</b>	<b>2,232,825</b>
<b>Value added distributed</b>	<b>4,975,253</b>	<b>4,163,644</b>	<b>5,054,780</b>	<b>4,745,731</b>

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

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## 1. GENERAL INFORMATION

### 1.1 Operational context

Klabin S.A. is a publicly-held corporation, domiciled in Brazil and headquartered in the city of São Paulo, State of São Paulo. Its shares and certificates of deposit of shares (units) are traded on B3 S.A. – Brasil, Bolsa, Balcão (B3) (the Brazilian Stock Exchange) under the tickers KLBN3, KLBN4 and KLBN11. The Company and its subsidiaries and joint ventures (collectively the "Company") operate in various segments of the pulp and paper industry, supplying domestic and foreign markets with wood, bleached pulp, packaging paper, paper sacks, and corrugated cardboard boxes. Their operations are vertically integrated, from the sourcing of materials from forestry activities, through to the production of the final products.

At June 30, 2024, the Company had 23 industrial units located throughout Brazil (22 units at December 31, 2023), as well as one industrial unit in Argentina. It also operates technology centers for the development of new forest-based products, including seedlings with a high productive content and resistance, and packaging for various purposes, and also has two commercial offices, one in the United States and one in Austria. The Company owns 755,000 hectares of land, of which 375,000 hectares are productive (pine and eucalyptus) and 380,000 hectares are conservation areas and unplanted areas (at December 31, 2023: total area of 751,000 hectares, of which 374,000 hectares are planted and 377,000 hectares are conservation areas and unplanted areas).

## Klabin Units



### SHORT AND LONG FIBER PULP, AND FLUFF

PR Ortigueira

### PAPER FOR PACKAGING

PR Monte Alegre  
 PR Ortigueira  
 SC Correia Pinto  
 SC Otacilio Costa  
 SP Angatuba

### CORRUGATED CARDBOARD PACKAGING

AM Manaus I  
 AM Manaus II  
 BA Feira de Santana  
 CE Horizonte  
 GO Rio Verde  
 MG Betim  
 PE Goiana  
 PR Rio Negro  
 RS São Leopoldo  
 SC Itajaí  
 SP Jundiá I  
 SP Jundiá TP  
 SP Paulínia  
 SP Piracicaba  
 SP Piracicaba II  
 SP Suzano

### RECYCLED PAPERS

PE Goiana  
 SP Franco da Rocha  
 SP Paulínia  
 SP Piracicaba

### KRAFT SACK PACKAGING

BUENOS AIRES Pilar  
 PE Goiana  
 SC Lages

### FORESTRY

PR Campos Gerais  
 PR Planalto Guarapuava  
 PR Vale do Corisco  
 SC Alto Vale do Itajaí  
 SP Alto do Paranapanema

The Company holds equity interests in other companies (Notes 3 and 12), which have operating activities related to its own business objectives, including a terminal at Paranaguá port in Paraná, and several reforestation companies used to supply its mills, in addition to expansion projects.

To serve the domestic and foreign markets, the manufacturing units produce three types of cellulose (pulp) fiber (short, long and fluff), Kraftliner paper (virgin fiber brown paper for packaging), Testliner (recycled paper), sack kraft (paper for sacks) and coated cardboard; corrugated cardboard packaging (virgin and/or recycled fiber), and industrial sacks. Additionally, the Company sells timber to the forestry sector, largely for internal consumption.

### 1.2 Statement of compliance

These interim condensed financial statements was authorized for issue by the Finance Director and reviewed by the Supervisory Board and the Audit Committee on July 29, 2024.

Management has evaluated the ability of the Company and its subsidiaries to continue as a going concern, and believes that they have the necessary resources and ability to continue developing and sustaining the business into the foreseeable future. It is not aware of any uncertainties that might lead to significant doubt as to their ability to continue to operate as a going concern.

These disclosures are limited to information of significance to the interim financial statements, which is consistent with the information utilized by management in the performance of its duties.

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

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

These parent company and consolidated condensed interim financial statements presented in the Quarterly Information Form (ITR) for the period ended June 30, 2024 have been prepared in accordance with CPC 21 (R1) – “Interim Statements” and IAS 34 – “Interim Financial Reporting”, issued by the International Accounting Standards Board (IASB) and are consistent with the rules and regulations issued by the Brazilian Securities Commission, applicable to the preparation of the ITR. Not all of notes and disclosures which are required annual financial statements are presented; accordingly, the condensed interim financial statements should be read in conjunction with the annual financial statements at December 31, 2023, as well as with the Company’s Reference Form, which is available on the Investor Relations website page.

The main accounting practices, bases of consolidation and calculation methods adopted for the preparation of the interim financial statements, as well as the principal assumptions underlying the accounting practices, are the same as those adopted for the preparation of the parent company and consolidated financial statements as at and for the year ended December 31, 2023, other than the adoption of any new accounting standards.

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## **3. CONSOLIDATION OF INTERIM FINANCIAL INFORMATION**

Subsidiaries are fully consolidated from the date of acquisition of control, and continue to be consolidated until control ceases. Joint ventures are accounted for using the equity method.

The following criteria were adopted for consolidation purposes: (i) investments in subsidiaries and the Company’s share of the profits (losses) of subsidiaries and joint ventures are eliminated; and (ii) the profits from intercompany transactions and the related assets and liabilities are eliminated.

The consolidated interim financial statements include those of Klabin S.A. and its subsidiaries at June 30, 2024 and December 31, 2023, as shown below:

	Country	Activity	Equity interest - %	
			6/30/2024	12/31/2023
<b>Subsidiaries</b>				
Klabin da Amazônia - Soluções em Embalagens de Papel Ltda.	Brazil	Manufacture and sale of products	100	100
Klabin Argentina S.A.	Argentina	Industrial sacks	100	100
Klabin Austria GmbH	Austria	Sale of products abroad	100	100
Klabin do Paraná Produtos Florestais Ltda.	Brazil	Manufacture of herbal medicines	100	100
Klabin Fitoprodutos Ltda.	Brazil	Manufacture of herbal medicines	100	100
Klabin Forest Products Company	United States	Sale of products abroad	100	100
Klabin Paranaguá SPE S.A.	Brazil	Port services	100	100
IKAPÊ Empreendimentos Ltda.	Brazil	Hotels	100	100
Klabin ForYou Soluções em Papel S.A.	Brazil	Packaging customization services	100	100
Manacá Reflorestadora S.A.	Brazil	Reforestation	100	100
Cambará Reflorestadora S.A.	Brazil	Reforestation	100	100
Jatobá Reflorestadora S.A.	Brazil	Reforestation	100	100
Pinheiro Reflorestadora S.A.	Brazil	Reforestation	100	100
Imbuia NO Reflorestadora S.A.	Brazil	Reforestation	100	-
Itararé Reflorestadora S.A.	Brazil	Reforestation	100	-
Arapoti Reflorestadora S.A.	Brazil	Reforestation	100	-
Paraná Reflorestadora S.A.	Brazil	Reforestation	100	-
Campo Tenente Reflorestadora S.A.	Brazil	Reforestation	100	-
Kla Holding S.A.	Brazil	Investments in companies	51	51
Cerejeira Reflorestadora S.A.	Brazil	Reforestation	50	50
Guaricana Reflorestadora S.A.	Brazil	Reforestation	35	35
Sapopema Reflorestadora S.A.	Brazil	Reforestation	13	13
Aroeira Reflorestadora S.A.	Brazil	Reforestation	10	11
<b>Silent Partnership Companies</b>				
Harmonia	Brazil	Reforestation	100	100
Araucária	Brazil	Reforestation	100	100
Serrana	Brazil	Reforestation	100	100
<b>Joint ventures</b>				
Florestal Vale do Corisco S.A.	Brazil	Reforestation	51	51
Pinus Taeda Florestal S.A.	Brazil	Reforestation	26	26

## 4. MAIN EVENTS DURING THE PERIOD

### 4.1 Special projects under construction

#### 4.1.1 Figueira Project

On April 22, 2024, the Company informed its shareholders and the market in general about the start-up of the new corrugated cardboard unit (“Figueira Project”), located in the city of Piracicaba, State of São Paulo.

The new plant has production capacity of 240 thousand metric tons of corrugated cardboard per year.

Parent company and consolidated interim financial statements for the three- and six-month periods ended June 30, 2024 and 2023  
All amounts in thousands of Reais unless otherwise stated

The total estimated investment in the Figueira Project is R\$ 1,500,000, which includes approximately R\$ 170,000 of taxes recoverable. Disbursement will occur from 2022 to 2025, and will be financed from the Company's available cash resources. Up to June 30, 2024, R\$ 1,094,335 had been disbursed (up to December 31, 2023, R\$ 665,666).

#### **4.1.2 Horizonte Project**

The Project for the expansion of the corrugated cardboard conversion unit in Horizonte, Ceará, which began operating on March 6, 2023, the production capacity by 100,000 tons of corrugated cardboard per year. The Project includes the acquisition of a corrugator and printer, in addition to the transfer of two printers from the Goiana (PE) Unit. The investment totals R\$ 188,000, of which R\$ 143,318 had been disbursed up to June 30, 2024 (R\$ 132,850 disbursed up to December 31, 2023).

#### **4.1.3 Modernization of the Monte Alegre unit**

On June 26, 2024, the Company approved the Project for modernization of the Monte Alegre unit, in Paraná ("Project").

The Project consists of the installation of a new recovery boiler with state-of-the-art technology and similar capacity to the existing recovery boiler, which will be discontinued. The boiler, an essential component in a pulp and paper plant, is responsible for recovering the chemicals used to cook wood and for producing steam from the processing of black liquor.

The investment totals R\$ 1,663,040, including around R\$ 180,367 in taxes recoverable between 2024 and 2027. The start-up is scheduled for the fourth quarter of 2026.

This modernization program is designed to ensure the operational continuity of the Monte Alegre unit, the leading producer of cardboard in Brazil, and to improve efficiency, competitiveness and sustainability. The expected benefits include reduction of greenhouse gas emissions, consistent with Klabin's sustainable development goals.



## 5. CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	6/30/2024	12/31/2023	6/30/2024	12/31/2023
Cash and bank deposits - local currency	1,489	2,135	10,077	6,219
Cash and bank deposits - foreign currency (i)	5,695,495	1,622,913	6,473,882	2,073,272
Financial investments - local currency	4,652,362	4,766,580	5,227,175	5,231,143
Financial investments - foreign currency (i)	-	1,738,293	193,585	2,248,195
<b>Total cash and cash equivalents</b>	<b>10,349,346</b>	<b>8,129,921</b>	<b>11,904,719</b>	<b>9,558,829</b>

(i) Mainly in USD

Financial investments in local currency are in bank deposit certificates (CDBs) and other repurchase transactions pegged to the Interbank Deposit Certificate – CDI rate, with an average annual yield of 10.63% in the parent company and 10.64% in the consolidated at June 30, 2024 (13.72% in the parent company and 12.12% in the consolidated at December 31, 2023). “Cash and bank deposits in foreign currency” are mostly overnight operations yielding an average annual rate of 5.44% at June 30, 2024 (5.68% at December 31, 2023), and have immediate liquidity as they are guaranteed by financial institutions, with no loss on income.

## 6. MARKETABLE SECURITIES

	Rate	Contract	Parent Company		Consolidated	
			6/30/2024	12/31/2023	6/30/2024	12/31/2023
Brazilian Federal Treasury Bills (LFTs)	SELIC	Mar/2024	-	66,211	-	66,211
Brazilian Federal Treasury Notes (NTN-Bs)	IPCA + 5.13% (average) p.a.	2024 to 2040	1,027,284	1,078,174	1,027,284	1,078,174
CRA repurchases	CDI	2024 and 2025	450	451	450	451
Bonds	USD + 3.52% to 4.02%	2028 and 2038	12,887	11,166	12,887	11,166
Other	ARS x USD	Jul/2024	-	-	14,640	-
<b>Total marketable securities</b>			<b>1,040,621</b>	<b>1,156,002</b>	<b>1,055,261</b>	<b>1,156,002</b>

Parent company and consolidated interim financial statements for the three- and six-month periods ended June 30, 2024 and 2023  
All amounts in thousands of Reais unless otherwise stated

## 7. TRADE RECEIVABLES

	Parent Company		Consolidated	
	6/30/2024	12/31/2023	6/30/2024	12/31/2023
<b>Trade receivables</b>				
Local	1,168,704	1,764,109	1,199,413	1,786,675
Foreign	992,475	308,564	1,293,362	642,460
	<b>2,161,179</b>	<b>2,072,673</b>	<b>2,492,775</b>	<b>2,429,135</b>
(-) Allowance for expected credit losses	(59,908)	(65,632)	(63,135)	(69,389)
<b>Total trade receivables</b>	<b>2,101,271</b>	<b>2,007,041</b>	<b>2,429,640</b>	<b>2,359,746</b>
<b>Current assets</b>	<b>2,101,271</b>	<b>1,760,017</b>	<b>2,429,640</b>	<b>2,112,722</b>
<b>Non-current assets</b>	-	<b>247,024</b>	-	<b>247,024</b>
<b>Not yet due</b>	<b>1,987,633</b>	<b>1,890,196</b>	<b>2,306,459</b>	<b>2,209,671</b>
1 to 10 days	1,512	6,854	1,523	6,857
11 to 30 days	8,456	23,126	13,987	46,230
31 to 60 days	9,403	24,589	11,972	27,884
61 to 90 days	9,711	13,307	10,517	18,621
Over 90 days	144,464	114,601	148,317	119,872
<b>Past due</b>	<b>173,546</b>	<b>182,477</b>	<b>186,316</b>	<b>219,464</b>
	<b>2,161,179</b>	<b>2,072,673</b>	<b>2,492,775</b>	<b>2,429,135</b>

As at June 30, 2024, the average collection period for trade receivables is approximately 86 days (82 days at December 31, 2023) for domestic market sales, and approximately 139 days (145 days at December 31, 2023) for foreign market sales, and interest is charged from the date of contractual maturity date.

### 7.1. Allowance for expected credit losses

The Company has credit insurance for receivables in the domestic and foreign markets in the amounts of R\$ 240,000 and USD 50 million, respectively, for all business units, except for wood products customers of the Forestry unit, and certain customers that do not meet specific risk requirements, such as those with going concern doubts and liquidity issues. The policy expires in September 2025.

The changes to the allowance for expected credit losses were as follow:

	Parent Company	Consolidated
<b>At December 31, 2022</b>	<b>(76,194)</b>	<b>(78,642)</b>
Charge for expected credit losses	(52,017)	(59,024)
Reversals of allowance	51,923	57,613
Definitive write-offs	10,656	10,664
<b>At December 31, 2023</b>	<b>(65,632)</b>	<b>(69,389)</b>
Charge for expected credit losses	(21,773)	(21,566)
Reversals of allowance	27,187	27,505
Definitive write-offs	310	315
<b>At June 30, 2024</b>	<b>(59,908)</b>	<b>(63,135)</b>

Parent company and consolidated interim financial statements for the three- and six-month periods ended June 30, 2024 and 2023  
All amounts in thousands of Reais unless otherwise stated

## 7.2. Receivables discounting operations

The Company carries out non-recourse receivables discounting operations with specific customers, the amount of these transactions on June 30, 2024 in the total amount of R\$ 653,718 in the parent company and R\$ 1,464,701 in the consolidated (R\$ 337,852 in the parent company and R\$ 1,157,260 in the consolidated at December 30, 2023), for which all of the risks and benefits associated with the assets were transferred to the counterparty.

The finance changes on the receivables discounting transactions for the period ended June 30, 2024 were R\$ 56,564 in the parent company and R\$ 82,201 in the consolidated (R\$ 53,917 in the parent company and R\$ 78,614 in the consolidated at June 30, 2023).

## 8. RELATED PARTIES

### 8.1. Balances and transactions with related parties

										Parent Company		
										6/30/2024	12/31/2023	6/30/2023
	Klabin Argentina	Special Partnership Companies	Klabin Austria	Klabin Forest Products Company	Aroeira Reflorestadora	Guaricana Reflorestadora	Sapopema Reflorestadora	Other	Klabin Austria	Total	Total	Total
	(i)	(ii)	(i)	(i)	(ii)	(ii)	(ii)	(i) (ii) and (iii)	(iv)			
Type of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiaries	Subsidiary			
<b>Balances</b>												
Current assets	217,697	20,654	318,418	67,280	144	280	1,988	22,620	-	649,081	477,669	661,683
Non-current assets	38,063	-	-	-	-	-	-	21,401	-	59,464	111,922	7,427
Current liabilities	-	-	-	-	23,153	244	40,425	4,406	328,563	396,791	299,816	13,323
Non-current liabilities	-	-	-	-	-	-	-	-	14,770,553	14,770,553	12,863,818	11,128,497
<b>Transactions</b>												
Sales revenue	24,960	63,774	2,147,973	49,554	-	-	-	59,953	-	2,346,214	4,183,888	2,156,411
Costs	-	(229,630)	-	-	(67,203)	(15,534)	(93,089)	(2,022)	-	(407,478)	(529,685)	(262,955)
Expenses	-	-	-	-	-	-	-	(19,057)	-	(19,057)	-	-
Finance result	(26,193)	-	2,397,178	(5,012)	-	-	-	-	-	2,365,973	(97,524)	(473,561)

(i) Balance receivable from product sales transactions carried out at prices and based on the terms (average of 180 days) and conditions established between the parties.

(ii) Purchases of timber at prices and based on the terms (45 days) and conditions established between the parties. Considers all SCPs and SPEs described in Note 3.

(iii) Advances on future capital increases, substantially in subsidiaries: Jatobá, Manacá, Cambará, Pinheiro and Klabin Fitoprodutos.

(iv) Financial operations between related parties (Note 17.2(h)).

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## 8.2. Management and Supervisory Board compensation and benefits

The compensation payable to Management and the Supervisory Board is determined by the shareholders at the Annual General Meeting (AGM), under the terms of the Brazilian corporate legislation and the Company's bylaws. Accordingly, at the AGM held on April 5, 2023, the shareholders determined an annual compensation ceiling for Management and the Supervisory Board of R\$ 94,591 for 2024 (R\$ 85,925 in 2023).

The compensation and benefits paid to Management and the Supervisory Board were as follow:

<b>Management and Supervisory Board compensation</b>	<b>6/30/2024</b>	<b>6/30/2023</b>
<b>Short term</b>		
Board fees (i)	14,419	12,140
Benefits	1,683	2,326
<b>Long term</b>		
Bonuses and share-based compensation (i) (ii)	19,649	13,897
<b>Total compensation</b>	<b>35,751</b>	<b>28,363</b>

(i) Includes charges.

(ii) For statutory officers only.

## 9. INVENTORY

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>6/30/2024</b>	<b>12/31/2023</b>	<b>6/30/2024</b>	<b>12/31/2023</b>
Finished products	1,225,227	1,022,519	1,211,010	1,047,041
Work in process	65,025	78,894	68,459	82,838
Timber and logs	497,445	302,469	497,445	302,473
Maintenance supplies	633,902	610,075	644,745	618,217
Raw materials	805,650	736,433	863,612	764,320
Estimated inventory losses	(194,449)	(174,919)	(196,410)	(176,731)
Other	34,801	27,054	33,586	27,367
<b>Total inventory</b>	<b>3,067,601</b>	<b>2,602,525</b>	<b>3,122,447</b>	<b>2,665,525</b>

Raw materials inventory includes paper rolls transferred from production units to conversion units. The inventory of finished products is mostly committed to approved sales orders.

The Company analyzes the need to make adjustments to reflect the impairment of its inventory items, and the expenses incurred in relation to the recognition of estimated inventory losses is recorded in the statement of income under “cost of products sold”.

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There are no finished products whose market value exceeds their cost, and the provision presented is substantially composed of maintenance items and spare parts.

The Company does not have any inventory pledged as collateral.

## 10. TAXES RECOVERABLE

	6/30/2024		12/31/2023	
	Current Assets	Non-current Assets	Current Assets	Non-current Assets
<b>IRPJ/CSLL recoverable</b>	<b>10,762</b>	<b>185,585</b>	<b>174,230</b>	<b>178,391</b>
Income tax and social contribution (IR/CS)	10,762	185,585	174,230	178,391
<b>Other taxes recoverable</b>	<b>455,519</b>	<b>270,462</b>	<b>470,927</b>	<b>332,015</b>
Value-added Tax on Sales and Services (ICMS)	194,579	262,327	187,398	295,414
Social Integration Program (PIS) / Social Contribution on Revenue (COFINS)	196,109	4,842	218,105	33,306
Tax on Industrial Products (IPI)	44,014	-	46,588	-
Special regime for the reintegration of tax for exporting companies (Reintegra)	17,122	-	15,551	-
Other	3,695	3,293	3,285	3,295
<b>Parent Company</b>	<b>466,281</b>	<b>456,047</b>	<b>645,157</b>	<b>510,406</b>
Other (i)	40,816	-	19,949	-
<b>Consolidated</b>	<b>507,097</b>	<b>456,047</b>	<b>665,106</b>	<b>510,406</b>

(i) Includes VAT for companies abroad.

### a) ICMS

Tax credits and contributions are levied on acquisitions of property, plant and equipment in accordance with the prevailing legislation.

There is no risk to the recoverability of accumulated ICMS credits.

### b) PIS/COFINS

The PIS and COFINS current assets arose from transactions subjects to Article 3 of Laws 10,637/02 and 10,833/03. The non-current assets refers to PIS and COFINS credits on buildings acquired for property, plant and equipment, or constructed for the purpose of producing goods for sale by the Company,

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within a period of 24 months, based on the cost of construction or acquisition of the building, as per Article 6 of Law 11,488/07.

**c) INCOME TAX AND SOCIAL CONTRIBUTION**

On September 23, 2021, the Federal Supreme Court (STF) unanimously determined that corporate income tax (IRPJ) and social contribution on net profit (CSLL) should not be levied on interest (SELIC rate) receivable on tax refunds due as a result of overpayments of taxes.

On October 16, 2019, the Company filed a writ of mandamus to secure this IRPJ and CSLL exemption on its refunds for taxes overpaid. The case was decided in favor of the Company.

The Company is awaiting the court's definitive decision regarding the calculation basis in the absence of binding effects of the STF decision. The credits will be offset once the final and unappealable decision has been issued, and the subsequent approval of credits granted by the tax authority.

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

The Company's taxes on income are determined under the Taxable Profit Regime. For 2024, the Company opted for the annual accounting profit regime and applying the cash basis to tax foreign exchange effects upon settlement. The cash basis option is not available for foreign subsidiaries, which are taxed based on the regulations in their respective tax jurisdictions.

## 11.1. Nature and expected realization of deferred taxes

	Parent Company			
	Recognized in			12/31/2023
	6/30/2024	Profit (loss) for the period	Other comprehensive income	
Tax carryforward losses	-	(16,905)	-	16,905
Provisions for tax, social security and civil contingencies	37,696	30,753	-	6,943
Other provisions	216,796	54,061	-	162,735
Actuarial liabilities	167,187	6,848	949	159,390
Provision for labor contingencies	23,426	5,906	-	17,520
Foreign exchange variations	1,004,841	(467,582)	1,234,856	237,567
Gain or loss on financial instruments	357,492	442,969	-	(85,477)
Lease liabilities	572,225	(30,148)	-	602,373
Other temporary differences	61,176	(3,062)	-	64,238
<b>Deferred tax assets</b>	<b>2,440,839</b>	<b>22,840</b>	<b>1,235,805</b>	<b>1,182,194</b>
Fair value of biological assets	(579,148)	39,580	-	(618,728)
Depreciation-tax vs. book rate (Law 12,973/14)	(866,723)	(71,162)	-	(795,561)
Deemed cost of property, plant and equipment (land)	(545,358)	12	-	(545,370)
Capitalized interest (Law 12,973/14)	(653,716)	16,113	-	(669,829)
Asset revaluation reserve	(25,092)	-	-	(25,092)
Accelerated depreciation (Law 12,272/12)	(65,063)	(14,425)	-	(50,638)
Right-of-use leases	(489,865)	49,294	-	(539,159)
Other temporary differences	(40,827)	(9,186)	-	(31,437)
<b>Deferred income tax and social contribution in non-current liabilities</b>	<b>(3,265,792)</b>	<b>10,226</b>	<b>-</b>	<b>(3,275,814)</b>
<b>Deferred tax liabilities</b>	<b>(824,953)</b>	<b>33,066</b>	<b>1,235,805</b>	<b>(2,093,620)</b>
<b>Non-current liabilities</b>	<b>(824,953)</b>			<b>(2,093,620)</b>

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	<b>Consolidated</b>			
	<b>Recognized in</b>			
	<b>6/30/2024</b>	<b>Profit (loss) for the period</b>	<b>Other comprehensive income</b>	<b>12/31/2023</b>
Tax carryforward losses	1,220	(15,685)	-	16,905
Provisions for tax, social security and civil contingencies	37,696	30,753	-	6,943
Other provisions	218,530	54,007	-	164,523
Actuarial liabilities	167,187	6,848	949	159,390
Provision for labor contingencies	23,477	5,906	-	17,571
Foreign exchange variations	1,004,841	(467,582)	1,234,856	237,567
Gain or loss on financial instruments	357,492	442,969	-	(85,477)
Lease liabilities	581,783	(30,315)	-	612,098
Other temporary differences	61,136	(4,578)	-	65,714
<b>Deferred tax assets</b>	<b>2,453,362</b>	<b>22,323</b>	<b>1,235,805</b>	<b>1,195,234</b>
Fair value of biological assets	(908,463)	19,073	-	(927,536)
Depreciation-tax rate vs. book rate (Law 12,973/14)	(866,998)	(71,215)	-	(795,783)
Deemed cost of property, plant and equipment (land)	(545,358)	12	-	(545,370)
Capitalized interest (Law 12,973/14)	(653,716)	16,113	-	(669,829)
Asset revaluation reserve	(25,092)	-	-	(25,092)
Accelerated depreciation (Law 12,272/12)	(65,063)	(14,425)	-	(50,638)
Right-of-use leases	(499,062)	49,542	-	(548,604)
Other temporary differences	(3,150)	33,947	-	(36,893)
<b>Deferred income tax and social contribution in non-current liabilities</b>	<b>(3,566,902)</b>	<b>33,047</b>	<b>-</b>	<b>(3,599,745)</b>
<b>Deferred tax liabilities</b>	<b>(1,113,540)</b>	<b>55,370</b>	<b>1,235,805</b>	<b>(2,404,511)</b>
<b>Non-current assets</b>	<b>2,601</b>			<b>2,567</b>
<b>Non-current liabilities</b>	<b>(1,116,141)</b>			<b>(2,407,078)</b>

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## 11.2. Reconciliation from the statutory to the effective rate

	Parent Company			
	4/01 to 6/30/2024	1/01 to 6/30/2024	4/01 to 6/30/2023	1/01 to 6/30/2023
<b>Profit before income tax and social contribution</b>	<b>379,184</b>	<b>957,798</b>	<b>895,085</b>	<b>2,443,589</b>
Statutory rates	34%	34%	34%	34%
<b>Tax (expense) income - nominal</b>	<b>(128,922)</b>	<b>(325,651)</b>	<b>(304,329)</b>	<b>(830,820)</b>
Permanent differences	320	(276)	(3,255)	(6,603)
Tax incentives (PAT/LE/Deductions/donations)	12,395	22,238	11,288	19,622
Share of profits of subsidiaries and joint ventures	20,862	56,819	29,389	157,511
IR/CS on SELIC interest for taxes overpaid	-	-	5,003	6,486
Investment subsidies (i)	9,849	19,060	8,756	16,967
Other	(4,488)	(15,263)	(998)	(1,173)
<b>Income tax and social contribution</b>	<b>(89,984)</b>	<b>(243,073)</b>	<b>(254,146)</b>	<b>(638,010)</b>
Current	(254,934)	(276,139)	(44,090)	(130,232)
Deferred	164,950	33,066	(210,056)	(507,778)
<b>Effective rate</b>	<b>23.73%</b>	<b>25.38%</b>	<b>28.39%</b>	<b>26.11%</b>

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

	Consolidated			
	4/01 to 6/30/2024	1/01 to 6/30/2024	4/01 to 6/30/2023	1/01 to 6/30/2023
<b>Profit before income tax and social contribution</b>	<b>434,633</b>	<b>1,058,492</b>	<b>1,283,579</b>	<b>2,963,239</b>
Statutory rate	34%	34%	34%	34%
<b>Tax (expense) income - nominal</b>	<b>(147,775)</b>	<b>(359,887)</b>	<b>(436,417)</b>	<b>(1,007,501)</b>
Permanent differences	312	(281)	(3,298)	(6,654)
Tax incentives (PAT/LE/Deductions/donations)	13,664	24,997	12,984	23,305
Differences in the nominal and estimated rates of subsidiaries	6,243	42,827	(39,876)	93,645
Share of profits of subsidiaries and joint ventures	3,634	6,049	2,721	6,136
Unrecognized deferred taxes from prior years	-	-	(995)	(995)
IR/CS on SELIC interest for taxes overpaid	-	-	5,003	6,486
Investment subsidies (i)	9,937	19,212	8,797	17,048
Unconstituted deferred taxes from fair value adjustment	-	-	139,144	139,144
Other	(5,518)	(16,267)	(943)	(1,028)
<b>Income tax and social contribution</b>	<b>(119,503)</b>	<b>(283,350)</b>	<b>(312,880)</b>	<b>(730,414)</b>
Current	(287,967)	(338,720)	(94,433)	(204,154)
Deferred	168,464	55,370	(218,447)	(526,260)
<b>Effective rate</b>	<b>27.50%</b>	<b>26.77%</b>	<b>24.38%</b>	<b>24.65%</b>

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

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### **11.3. Tax lawsuits**

At June 30, 2024, the Company was a defendant in proceedings related to income tax and social contribution that do not meet the provisioning criteria set forth in ICPC22/IFRIC23, but which are required to be disclosed and amount to R\$ 1,979,597 in both the parent company and consolidated (R\$ 1,924,035 at December 31, 2023 in both the parent company and consolidated). Some of these proceedings (representing material amounts) are described below:

(i) A tax collection claim filed by the Federal government for the collection of IRPJ due to alleged improper deductions as expenses of royalties for the use of brands, and of goodwill on the acquisitions of Klamasa and Igaras. The total amount of this lawsuit at June 30, 2024 is R\$ 1,483,032 (R\$ 1,453,417 at December 31, 2023).

(ii) A tax collection claim filed by the Federal Government to collect differences in IRPJ and CSLL, for alleged indirect legal transactions with Norske Skog Pisa Ltda. and Lille Holdings S/A., with a fine which increased from 75% to 150%. The total amount of this execution at June 30, 2024 is R\$ 103,869 (R\$ 101,906 at December 31, 2023).

(iii) Administrative proceeding contesting the IRPJ and CSLL calculation bases for 2013, alleging that the Company improperly applied the cash basis for the taxation of foreign exchange effects. The total amount of this lawsuit at June 30, 2024 is R\$ 287,180 (R\$ 279,473 at December 31, 2023).

### **11.4. Global implementation of OECD Pillar Two model rules**

In December 2021, the Organization for Economic Co-operation and Development (“OECD”) published the Pillar Two model rules, aiming to reform international corporate taxation in order to ensure that multinational economic groups within the scope of these rules pay tax on income at a minimum rate of 15%. The effective tax rate on the income of each country calculated under this model was denominated “GloBE effective tax rate”. The rules need to be passed into national legislation based on each country’s approach. Some countries have already enacted new laws or are in the process of discussing and approving them. Applying the OECD Pillar Two model rules and determining their impact is complex and poses a number of practical challenges.

In May 2023, the IASB issued amendments to IAS 12 “Income Taxes” to provide a temporary exception from accounting for deferred taxes arising from legislation enacted or substantially enacted to implement the OECD’s Pillar Two model rules.

To date, Brazil has not yet legislated the requirements to adopt the Pillar Two model. The Company does not expect any material impacts arising from these rules, as the consolidated effective tax rate is higher than 15% (Note 11.2).

## 12. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES

	Investments at December 31, 2023	Share of equity deficit at December 31, 2023	Acquisition and capital contribution	Dividends received	Share of profits (losses) of subsidiaries and joint ventures	Foreign exchange variations on investments abroad	Other changes	Total investments at June 30, 2024	Share of equity deficit at June 30, 2024
<b>Subsidiaries</b>									
Aroeira Reflorestadora S.A.	95,338	-	-	(6,975)	7,765	-	193	96,321	-
Cambará Reflorestadora S.A. (i)	646,152	-	(182,871)	-	(59,205)	-	-	404,076	-
Cerejeira Reflorestadora S.A.	87,020	-	-	-	(31,512)	-	-	55,508	-
Guaricana Reflorestadora S.A.	144,723	-	-	(3,155)	(8,524)	-	921	133,965	-
Imbuia NO Reflorestadora S.A.	-	-	22,000	-	(336)	-	-	21,664	-
Itararé Reflorestadora S.A. (i)	-	-	251,871	-	36,442	-	-	288,313	-
Jatobá Reflorestadora S.A.	95,624	-	24,000	-	5,986	-	-	125,610	-
Klabin Forest Products Company	29,624	-	-	-	(2,679)	-	-	26,945	-
Klabin Amazônia S. A	186,374	-	-	-	18,389	-	(1,768)	202,995	-
Klabin Argentina S.A.	-	(122,310)	-	-	(22,520)	4,831	-	-	(139,999)
Klabin Austria GmbH	1,261,410	-	-	(547,367)	381,397	-	-	1,095,440	-
Manacá Reflorestadora S.A.	118,401	-	24,000	-	(52,511)	-	-	89,890	-
Klabin Paranaguá SPE S.A.	165,270	-	-	(294)	(1,669)	-	(81)	163,226	-
Pinheiro Reflorestadora S.A.	134,341	-	15,000	-	30,025	-	-	179,366	-
Sapopema Reflorestadora S.A.	118,181	-	-	(6,488)	3,491	-	2	115,186	-
Other	3,893	-	-	-	(1,118)	-	10	2,785	-
<b>Silent partnership companies</b>									
Araucária	288,931	-	-	(221)	(10,371)	-	-	278,339	-
Harmonia	245,654	-	1,028	(186)	(32,263)	-	-	214,233	-
Serrana	194,917	-	-	(137)	42,320	-	-	237,100	-
<b>Total subsidiaries</b>	<b>3,815,853</b>	<b>(122,310)</b>	<b>155,028</b>	<b>(564,823)</b>	<b>303,107</b>	<b>4,831</b>	<b>(723)</b>	<b>3,730,962</b>	<b>(139,999)</b>
<b>Joint ventures</b>									
Florestal Vale do Corisco S.A.	150,296	-	-	(4,689)	6,790	-	-	152,397	-
Pinus Taeda Florestal S.A.	113,436	-	-	(2,193)	(741)	-	-	110,502	-
<b>Joint ventures</b>	<b>263,732</b>	<b>-</b>	<b>-</b>	<b>(6,882)</b>	<b>6,049</b>	<b>-</b>	<b>-</b>	<b>262,899</b>	<b>-</b>
<b>Total Parent Company</b>	<b>4,079,585</b>	<b>(122,310)</b>	<b>155,028</b>	<b>(571,705)</b>	<b>309,156</b>	<b>4,831</b>	<b>(723)</b>	<b>3,993,861</b>	<b>(139,999)</b>
<b>Total Consolidated</b>	<b>263,732</b>	<b>-</b>	<b>-</b>	<b>(6,882)</b>	<b>6,049</b>	<b>-</b>	<b>-</b>	<b>262,899</b>	<b>-</b>

(i) On April 3, 2024, there was a partial spin-off, with a capital decrease, of Cambará Reflorestadora to Itararé Reflorestadora S.A.

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	Investments at December 31, 2022	Acquisition and capital contribution	Dividends received	Share of profits (losses) of subsidiaries and joint ventures	Foreign exchange variations on investments abroad	Total investments at December 31, 2023	Share of equity deficit at December 31, 2023
<b>Subsidiaries</b>							
Aroeira Reflorestadora S.A.	128,162	-	(10,734)	(22,090)	-	95,338	-
Cambará Reflorestadora S.A.	460,040	177,397	-	8,715	-	646,152	-
Cerejeira Reflorestadora S.A.	75,550	-	-	11,470	-	87,020	-
Guaricana Reflorestadora S.A.	150,267	-	(30,468)	24,924	-	144,723	-
Jatobá Reflorestadora S.A.	115	95,000	-	509	-	95,624	-
Klabin Forest Products Company	26,950	-	-	2,674	-	29,624	-
Klabin Amazônia S. A	153,268	-	-	33,106	-	186,374	-
Klabin Argentina S.A.	(69,980)	-	-	(6,261)	(46,069)	-	(122,310)
Klabin Austria GmbH	862,570	-	-	398,840	-	1,261,410	-
Klabin Finance S.A.	16,595	(15,481)	-	(4,061)	2,947	-	-
Manacá Reflorestadora S.A.	30,401	38,000	-	50,000	-	118,401	-
Klabin Paranaguá SPE S.A.	146,107	18,000	(77)	1,240	-	165,270	-
Pinheiro Reflorestadora S.A.	(3,918)	105,000	-	33,259	-	134,341	-
Sapopema Reflorestadora S.A.	121,993	-	(7,067)	3,255	-	118,181	-
Other	3,025	2,900	-	(2,032)	-	3,893	-
<b>Silent partnership companies</b>							
Araucária	216,934	-	(439)	72,436	-	288,931	-
Harmonia	244,882	-	(55,378)	56,150	-	245,654	-
Serrana	116,212	-	(272)	78,977	-	194,917	-
<b>Total subsidiaries</b>	<b>2,679,173</b>	<b>420,816</b>	<b>(104,435)</b>	<b>741,111</b>	<b>(43,122)</b>	<b>3,815,853</b>	<b>(122,310)</b>
<b>Joint ventures</b>							
Florestal Vale do Corisco S.A.	148,861	-	(13,964)	15,399	-	150,296	-
Pinus Taeda Florestal S.A.	125,356	-	(11,209)	(711)	-	113,436	-
<b>Joint ventures</b>	<b>274,217</b>	<b>-</b>	<b>(25,173)</b>	<b>14,688</b>	<b>-</b>	<b>263,732</b>	<b>-</b>
<b>Total Parent Company</b>	<b>2,953,390</b>	<b>420,816</b>	<b>(129,608)</b>	<b>755,799</b>	<b>(43,122)</b>	<b>4,079,585</b>	<b>(122,310)</b>
<b>Total Consolidated</b>	<b>274,217</b>	<b>-</b>	<b>(25,173)</b>	<b>14,688</b>	<b>-</b>	<b>263,732</b>	<b>-</b>

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	Total assets	Total liabilities	Equity	Net revenue for the period	Profit (loss) for the period
<b>Subsidiaries</b>					
Aroeira Reflorestadora S.A.	1,425,231	295,111	1,130,120	63,372	14,497
Cambará Reflorestadora S.A.	422,541	11,465	411,076	-	(59,205)
Cerejeira Reflorestadora S.A.	167,686	445	167,241	11,778	(6,800)
Guaricana Reflorestadora S.A.	561,616	147,862	413,754	13,512	17,807
Imbuia NO Reflorestadora S.A.	39,647	17,983	21,664	-	(336)
Itararé Reflorestadora S.A.	294,471	1,158	293,313	-	36,442
Jatobá Reflorestadora S.A.	137,635	8,025	129,610	-	5,986
Klabin Forest Products Company	96,837	69,892	26,945	68,569	(2,679)
Klabin Amazônia S. A	225,323	41,908	183,415	85,704	16,513
Klabin Argentina S.A.	142,385	283,752	(141,367)	60,608	(22,767)
Klabin Austria GmbH	16,585,817	15,488,598	1,097,219	2,352,339	383,509
Manacá Reflorestadora S.A.	162,060	72,171	89,889	-	(52,511)
Klabin Paranaguá SPE S.A.	255,767	92,542	163,225	16,342	(1,670)
Pinheiro Reflorestadora S.A.	193,456	14,090	179,366	-	30,025
Sapopema Reflorestadora S.A.	1,000,763	40,101	960,662	94,980	44,939
Other	9,779	1,816	7,963	3,568	(866)
<b>Silent partnership companies</b>					
Araucária	377,266	101,770	275,496	110,561	(12,429)
Harmonia	303,469	88,517	214,952	95,701	(30,204)
Serrana	285,153	54,778	230,375	14,988	44,656
<b>Joint ventures</b>					
Florestal Vale do Corisco S.A.	405,191	106,374	298,817	24,254	(13,313)
Pinus Taeda Florestal S.A.	438,448	5,104	433,344	22,386	2,903

## 13. PROPERTY, PLANT AND EQUIPMENT

### 13.1. Composition of property, plant and equipment

Parent Company	6/30/2024			12/31/2023		
	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
Land	2,420,332	-	2,420,332	2,370,244	-	2,370,244
Buildings and construction	4,220,807	(1,169,359)	3,051,448	3,972,757	(1,098,810)	2,873,947
Machinery, equipment and facilities	26,820,754	(10,728,763)	16,091,991	25,256,813	(9,898,845)	15,357,968
Construction and installations in progress	2,213,973	-	2,213,973	2,990,920	-	2,990,920
Other (i)	771,105	(553,997)	217,108	743,272	(528,822)	214,450
<b>Total</b>	<b>36,446,971</b>	<b>(12,452,119)</b>	<b>23,994,852</b>	<b>35,334,006</b>	<b>(11,526,477)</b>	<b>23,807,529</b>
<b>Consolidated</b>						
Land	3,939,884	-	3,939,884	3,657,239	-	3,657,239
Buildings and construction	4,226,546	(1,171,431)	3,055,115	3,978,290	(1,100,695)	2,877,595
Machinery, equipment and facilities	26,857,524	(10,735,332)	16,122,192	25,287,490	(9,904,486)	15,383,004
Construction and installations in progress	2,239,822	-	2,239,822	3,244,286	-	3,244,286
Other (i)	783,700	(556,081)	227,619	755,113	(530,687)	224,426
<b>Total</b>	<b>38,047,476</b>	<b>(12,462,844)</b>	<b>25,584,632</b>	<b>36,922,418</b>	<b>(11,535,868)</b>	<b>25,386,550</b>

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

Information on property, plant and equipment pledged as collateral is presented in Note 17.5.

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## 13.2. Changes in property, plant and equipment

Parent Company

	Land	Buildings and construction	Machinery, equipment and facilities	Construction and installations in progress	Other	Total
<b>At December 31, 2022</b>	<b>2,254,807</b>	<b>2,431,434</b>	<b>11,535,472</b>	<b>6,265,428</b>	<b>166,998</b>	<b>22,654,139</b>
Purchases	-	-	-	2,377,049	-	2,377,049
Disposals	(3)	(78)	(761)	-	(28)	(870)
Depreciation	-	(137,579)	(1,457,149)	-	(54,145)	(1,648,873)
Internal transfers	115,470	576,718	5,294,654	(6,131,605)	144,763	-
Interest capitalized	-	-	-	505,178	-	505,178
Other (i)	(30)	3,452	(14,248)	(25,130)	(43,138)	(79,094)
<b>At December 31, 2023</b>	<b>2,370,244</b>	<b>2,873,947</b>	<b>15,357,968</b>	<b>2,990,920</b>	<b>214,450</b>	<b>23,807,529</b>
Purchases	-	-	-	1,220,573	-	1,220,573
Disposals	(32)	-	(78)	-	(380)	(490)
Depreciation	-	(71,435)	(856,875)	-	(30,676)	(958,986)
Internal transfers	50,433	247,928	1,600,771	(1,954,325)	55,193	-
Interest capitalized	-	-	-	11,242	-	11,242
Other (i)	(313)	1,008	(9,795)	(54,437)	(21,479)	(85,016)
<b>At June 30, 2024</b>	<b>2,420,332</b>	<b>3,051,448</b>	<b>16,091,991</b>	<b>2,213,973</b>	<b>217,108</b>	<b>23,994,852</b>

(i) Includes subsidies and transfers to other statement of financial position accounts.

Consolidated

	Land	Buildings and construction	Machinery, equipment and facilities	Construction and installations in progress	Other	Total
<b>At December 31, 2022</b>	<b>2,932,230</b>	<b>2,440,310</b>	<b>11,565,558</b>	<b>7,048,245</b>	<b>173,637</b>	<b>24,159,980</b>
Purchases	-	-	-	2,593,046	-	2,593,046
Disposals	(3)	(78)	(761)	-	(28)	(870)
Depreciation	-	(142,858)	(1,459,007)	-	(56,510)	(1,658,375)
Internal transfers	732,495	707,669	5,297,689	(6,889,868)	152,015	-
Interest capitalized	-	-	-	505,178	-	505,178
Other (i)	(7,483)	(127,448)	(20,475)	(12,315)	(44,688)	(212,409)
<b>At December 31, 2023</b>	<b>3,657,239</b>	<b>2,877,595</b>	<b>15,383,004</b>	<b>3,244,286</b>	<b>224,426</b>	<b>25,386,550</b>
Purchases	-	-	-	1,236,847	-	1,236,847
Disposals	(33)	-	(78)	-	(380)	(491)
Depreciation	-	(74,350)	(857,880)	-	(32,071)	(964,301)
Internal transfers	286,228	248,131	1,606,673	(2,198,168)	57,136	-
Interest capitalized	-	-	-	11,242	-	11,242
Other (i)	(3,550)	3,739	(9,527)	(54,385)	(21,492)	(85,215)
<b>At June 30, 2024</b>	<b>3,939,884</b>	<b>3,055,115</b>	<b>16,122,192</b>	<b>2,239,822</b>	<b>227,619</b>	<b>25,584,632</b>

(i) Includes subsidies and transfers to other statement of financial position accounts.

Depreciation of production-related assets is included in the Company's production costs, and is recognized in the Company's results as the products are sold. The amount recognized in the statement of income is presented in Note 22.

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### 13.3. Capitalization of interest on qualified items of property, plant and equipment

At June 30, 2024, interest capitalized during the period was R\$ 11,242, at an average rate of 5.21% (R\$ 488,352, at an average rate of 5.69% at June 30, 2023).

### 13.4. Construction and installations in progress

At June 30, 2024, the balance of works and facilities in progress mainly relates to the Figueira Project, a new unit for the conversion of corrugated cardboard, located in the municipality of Piracicaba (SP); the remaining balance is for the construction of a white cardboard machine at the Ortigueira unit to access a larger segment of the cardboard market (Puma II).

## 14. BIOLOGICAL ASSETS

The Company's biological assets are comprised of the cultivation and planting of pine and eucalyptus forests to provide raw materials for the production of short-fiber, long-fiber and fluff pulp during the paper production process, and sales of wood logs to third parties.

At June 30, 2024, the Company and its subsidiaries had 375,000 hectares (374,000 hectares at December 31, 2023) of productive forests, excluding permanent preservation and legal reserve areas under the Company's protection, as required by Brazilian environmental legislation.

Areas with harvest restrictions, 380 thousand hectares, refer mainly to preservation and unplanted areas (Note 1). These areas do not have fair value adjustments.

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

	Parent Company		Consolidated	
	6/30/2024	12/31/2023	6/30/2024	12/31/2023
Cost of development of biological assets	4,355,599	4,095,229	6,049,103	5,719,682
Fair value adjustments to biological assets	1,703,381	1,817,754	3,056,728	3,458,149
	<b>6,058,980</b>	<b>5,912,983</b>	<b>9,105,831</b>	<b>9,177,831</b>

### 14.1. Assumptions regarding fair value of biological assets

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

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

- (i) Eucalyptus forests are recorded at historical cost through to the third year from planting, and pine forests through to the fifth year of planting, based on analyses carried out by the Company indicating that during this period the historical costs of biological assets approximate their fair values. Measurements to assess the growth and expected production of the forests before these dates are not practicable;
- (ii) From the third and fifth years after the date of planting eucalyptus and pine forests, respectively, the forests are measured at their fair values, which reflect the sales prices of the assets less the costs necessary to prepare the assets for their intended use or sale;
- (iii) The methodology utilized for the fair value measurement of biological assets is based on the discounted future cash flow, estimated according to the projected productivity cycle of the forests, taking into consideration price variations and the growth of biological assets;
- (iv) The discount rate utilized for cash flow is the Company's weighted average cost of capital, which is reviewed annually by Management as part of the budget process, or to the extent that there are situations that require such a review;
- (v) The projected productivity volumes of forests are determined based on the forests' characteristics, genetic material, handling system, productive potential, rotation, region, and age. Together, these contribute to an average annual growth (AAG) index, which is expressed in cubic meters per hectare/year, and is utilized as a basis for projecting the forest's productivity. The Company's planned harvest timescale varies mainly from 6 to 7 years for eucalyptus trees, and 14 and 15 years for pine trees;
- (vi) The prices of biological assets (standing timber), denominated in R\$/cubic meter, are obtained through market price surveys carried out by specialized firms. The prices obtained are subject to the deduction of the cost of capital relating to land, since this asset is for the planting of forests, and any other costs necessary to prepare the assets for sale or for consumption;
- (vii) Planting expenses related to the costs of developing the biological assets; and
- (viii) The depletion of biological assets is calculated based on the fair value of the biological assets harvested during the period.

## 14.2. Balances and changes in biological assets

	Parent Company			Consolidated		
	Pine	Eucalyptus	Total	Pine	Eucalyptus	Total
<b>At December 31, 2022</b>	<b>3,864,620</b>	<b>1,806,449</b>	<b>5,671,069</b>	<b>5,905,819</b>	<b>2,203,140</b>	<b>8,108,959</b>
Planting and purchases of standing forest	832,700	739,839	1,572,539	1,096,014	994,310	2,090,324
Capital decreases in subsidiaries	33,456	147	33,603	-	-	-
<b>Depletion</b>	<b>(839,808)</b>	<b>(788,122)</b>	<b>(1,627,930)</b>	<b>(1,419,825)</b>	<b>(831,068)</b>	<b>(2,250,893)</b>
Historical cost	(478,579)	(561,810)	(1,040,389)	(573,896)	(597,320)	(1,171,216)
Fair value adjustments	(361,229)	(226,312)	(587,541)	(845,930)	(233,747)	(1,079,677)
<b>Changes in fair value due to</b>	<b>1,995,528</b>	<b>(1,731,826)</b>	<b>263,702</b>	<b>1,167,309</b>	<b>62,132</b>	<b>1,229,441</b>
Price	641,422	97,685	739,107	1,531,248	1,466	1,532,714
Growth (i)	1,354,106	(1,829,511)	(475,405)	(363,939)	60,666	(303,273)
<b>At December 31, 2023</b>	<b>5,886,496</b>	<b>26,487</b>	<b>5,912,983</b>	<b>6,749,317</b>	<b>2,428,514</b>	<b>9,177,831</b>
Planting and purchases of standing forest	653,956	419,333	1,073,289	768,531	460,413	1,228,944
<b>Depletion</b>	<b>(850,800)</b>	<b>(181,080)</b>	<b>(1,031,880)</b>	<b>(1,076,167)</b>	<b>(336,410)</b>	<b>(1,412,577)</b>
Historical cost	(713,353)	(99,562)	(812,915)	(798,243)	(101,271)	(899,514)
Fair value adjustments	(137,447)	(81,518)	(218,965)	(277,924)	(235,139)	(513,063)
<b>Changes in fair value due to</b>	<b>847,619</b>	<b>(743,031)</b>	<b>104,588</b>	<b>362,228</b>	<b>(250,595)</b>	<b>111,633</b>
Price	83,229	(4,616)	78,613	(2,491)	(16,515)	(19,006)
Growth (i)	764,390	(738,415)	25,975	364,719	(234,080)	130,639
<b>At June 30, 2024</b>	<b>6,537,271</b>	<b>(478,291)</b>	<b>6,058,980</b>	<b>6,803,909</b>	<b>2,301,922</b>	<b>9,105,831</b>

(i) In addition to forest growth from upcoming harvests, includes adjustments from assumptions that affect the fair values of biological assets, such as a review of the harvest plan, the productivity table, changes in the discount rate, changes in administrative costs, and others.

The depletion costs of biological assets were appropriated to production costs, excluding amounts allocated to inventory following forest harvesting, and for use in the production process or for sale to third parties.

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

The assumptions applied include price sensitivities and discount rates applied to the projected cash flow. Prices are segregated by operating region, and the discount rate corresponds to the average cost of capital, taking into consideration the basic interest (SELIC) and inflation rates.

The weighted average price used for the appraisal of the assets at June 30, 2024 was R\$ 117/m<sup>3</sup> (R\$ 121/m<sup>3</sup> at December 31, 2023).

An increase (decrease) in the discount rate used for the measurement of the fair value of biological assets would result in a decrease (increase) in the values measured. At June 30, 2024, the Company used a weighted average cost of capital of 6.67% in local currency for the parent company and 8.27% for the subsidiaries (6.67% for the parent company and 8.27% for the subsidiaries at December 31, 2023).

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

### 15.1. Balances and changes to right-of-use assets and lease liabilities

At June 30, 2024, the parent company had 609 lease contracts and 688 in the consolidated (591 in the parent company and 655 in the consolidated at December 31, 2023). The balances and changes to right-of-use assets and lease liabilities were as follow:

Right-of-use assets	Land	Buildings	Machinery and equipment	Parent Company
				Total assets
<b>At December 31, 2022</b>	<b>842,516</b>	<b>37,344</b>	<b>609,747</b>	<b>1,489,607</b>
Amortization	(40,692)	(15,310)	(231,732)	(287,734)
New contracts	294,972	2,351	40,109	337,432
Remeasurements	121,440	5,300	455,133	581,873
Effects of rate changes (i)	(237,597)	(1,357)	(56,182)	(295,136)
Write-offs	(66,808)	(693)	(12,444)	(79,945)
<b>At December 31, 2023</b>	<b>913,831</b>	<b>27,635</b>	<b>804,631</b>	<b>1,746,097</b>
Amortization	(26,688)	(6,687)	(143,893)	(177,268)
New contracts	30,195	8,317	19,205	57,717
Remeasurements	(6,999)	5,211	17,799	16,011
Write-offs	(11,726)	(3,212)	148	(14,790)
<b>At June 30, 2024</b>	<b>898,613</b>	<b>31,264</b>	<b>697,890</b>	<b>1,627,767</b>

(i) To align with market practices, from December 31, 2023 the Company changed the incremental rates for all lease contracts from real rates to nominal rates.

Right-of-use assets	Land	Buildings	Machinery and equipment	Consolidated
				Total assets
<b>At December 31, 2022</b>	<b>943,154</b>	<b>37,635</b>	<b>629,815</b>	<b>1,610,604</b>
Amortization	(46,503)	(15,880)	(235,419)	(297,802)
New contracts	418,031	3,792	40,109	461,932
Remeasurements	88,565	5,300	456,543	550,408
Effects of rate changes (i)	(265,759)	(1,400)	(56,539)	(323,698)
Write-offs	(86,455)	(994)	(12,343)	(99,792)
<b>At December 31, 2023</b>	<b>1,051,033</b>	<b>28,453</b>	<b>822,166</b>	<b>1,901,652</b>
Amortization	(30,820)	(6,959)	(145,879)	(183,658)
New contracts	52,813	8,317	19,354	80,484
Remeasurements	4,245	5,211	17,841	27,297
Write-offs	(12,431)	(3,212)	-	(15,643)
<b>At June 30, 2024</b>	<b>1,064,840</b>	<b>31,810</b>	<b>713,482</b>	<b>1,810,132</b>

(i) To align with market practices, from December 31, 2023 the Company changed the incremental rates for all lease contracts from real rates to nominal rates.

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Lease liabilities	Parent Company			Consolidated	
	6/30/2024	12/31/2023	6/30/2024	12/31/2023	
<b>Opening balance</b>	<b>1,771,685</b>	<b>1,524,349</b>	<b>1,923,294</b>	<b>1,644,888</b>	
Installment paid	(179,115)	(508,143)	(181,916)	(533,734)	
Interest	81,635	132,772	91,478	143,080	
New contracts	57,717	337,432	80,484	461,932	
Write-offs	(64,919)	(12,393)	(75,480)	(44,322)	
Effects of rate changes (i)	-	(284,205)	-	(298,958)	
Remeasurements	16,011	581,873	27,297	550,408	
<b>Closing balance</b>	<b>1,683,014</b>	<b>1,771,685</b>	<b>1,865,157</b>	<b>1,923,294</b>	
Current liabilities	286,088	289,300	295,633	298,526	
Non-current liabilities	1,396,926	1,482,385	1,569,524	1,624,768	
<b>Total liabilities</b>	<b>1,683,014</b>	<b>1,771,685</b>	<b>1,865,157</b>	<b>1,923,294</b>	

(i) To align with market practices, from December 31, 2023 the Company changed the incremental rates for all lease contracts from real rates to nominal rates.

During the period ended June 30, 2024, the Company recognized an expense of R\$ 8,109 (R\$ 7,543 at June 30, 2023) related to short-term leases (contracts of less than 12 months) or leases of low-value assets.

The Company's leases agreements at June 30, 2024 have no covenant clauses, variable payment clauses, guaranteed residual value clauses, or purchase options upon the expiry of the contract term.

At June 30, 2024, the Company performed an evaluation and concluded that segregation of its lease contract components was not required, and there were no impacts on the initial direct costs associated with the contracts regarding asset measurement.

## 15.2. Maturity schedule of leases

	Parent Company				Consolidated			
	6/30/2024				6/30/2024			
	Land	Buildings	Machinery and equipment	Total	Land	Buildings	Machinery and equipment	Total
2024	73,583	10,306	154,332	238,221	87,300	10,630	156,809	254,739
2025	131,833	17,089	248,824	397,746	155,413	17,474	253,777	426,664
2026	129,854	7,413	199,514	336,781	153,434	7,413	204,467	365,314
2027	128,025	294	142,433	270,752	151,460	294	146,672	298,426
2028 - 2032	621,725	387	104,027	726,139	737,451	387	106,939	844,777
2033 - 2037	527,771	-	-	527,771	643,456	-	-	643,456
2038 - 2042	293,272	-	-	293,272	364,743	-	-	364,743
2043 - 2082	343,999	-	-	343,999	487,536	-	-	487,536
	<b>2,250,062</b>	<b>35,489</b>	<b>849,130</b>	<b>3,134,681</b>	<b>2,780,793</b>	<b>36,198</b>	<b>868,664</b>	<b>3,685,655</b>
Embedded interest	(1,331,765)	(2,713)	(117,189)	(1,451,667)	(1,697,553)	(2,764)	(120,181)	(1,820,498)
<b>Lease liabilities</b>	<b>918,297</b>	<b>32,776</b>	<b>731,941</b>	<b>1,683,014</b>	<b>1,083,240</b>	<b>33,434</b>	<b>748,483</b>	<b>1,865,157</b>

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### 15.3. Potentially recoverable PIS/COFINS

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

Cash flow	Parent Company		Consolidated	
	Nominal rate	Adjusted to present value	Nominal rate	Adjusted to present value
		6/30/2024		6/30/2024
Lease consideration	884,619	764,717	904,862	781,917
PIS/COFINS (9.25%)	81,827	70,736	83,700	72,327

### 16. TRADE PAYABLES

	Parent Company		Consolidated	
	6/30/2024	12/31/2023	6/30/2024	12/31/2023
<b>Current</b>				
Local currency	1,809,075	1,913,090	1,864,358	1,973,412
Foreign currency	120,801	69,681	181,088	102,401
Forfaiting	529,450	464,324	529,450	464,324
Forfaiting - forestry operations	53,658	63,660	53,658	63,660
(-) Adjustments to present value - forfaiting - forestry operations	(36)	(3,746)	(36)	(3,746)
<b>Total trade payables - current</b>	<b>2,512,948</b>	<b>2,507,009</b>	<b>2,628,518</b>	<b>2,600,051</b>
<b>Non-current</b>				
Local currency	269,954	97,091	270,740	97,091
Forfaiting - forestry operations	600,310	517,953	600,310	517,953
(-) Adjustments to present value - forfaiting - forestry operations	(109,971)	(120,219)	(109,971)	(120,219)
<b>Total trade payables - non-current</b>	<b>760,293</b>	<b>494,825</b>	<b>761,079</b>	<b>494,825</b>
<b>Total trade payables</b>	<b>3,273,241</b>	<b>3,001,834</b>	<b>3,389,597</b>	<b>3,094,876</b>

At June 30, 2024, the average payment term of the notes outstanding with operational suppliers is approximately 75 days (76 days at December 31, 2023). In the case of suppliers of property, plant and equipment, the payment terms are determined based on the commercial negotiations for each transaction.

#### 16.1. Forfaiting

The balances due to suppliers associated with forfaiting operations at June 30, 2024 was R\$ 1,073,411 (R\$ 921,972 at December 31, 2023) in both the parent company and the consolidated. The Company has forfaiting arrangements with financial institutions to manage its commitments with strategic suppliers. As part of these operations, the supplier has to option to transfer the right to receive the amounts to the financial institution, and in exchange receives an advance from the financial institution, which, in turn, becomes the creditor of the operation.

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In the period ended June 30, 2024, the adjustment to present value of forfeiting recognized within the finance result was R\$ 31,783 in both the parent company and the consolidated (R\$ 33,759 at June 30, 2023 in both the parent company and the consolidated).

Pursuant to Circular Letter CVM SMC/SEP 01/21, the Company elected to present these amounts in two different groups:

Forfeiting: This includes operations for the acquisition of inputs and various raw materials for short-term consumption. Suppliers choose the financial institution that best meets their cash flow needs, and negotiations between the supplier and financial institution are usually carried out bilaterally, with the supplier being the decision maker. These operations do not present changes in the purchase conditions (payment terms and negotiated prices), consistent with those usually practiced in the market.

Forfeiting forestry operation: This includes operations for the acquisition of standing timber (forests) which, due to their long operational cycle, must be structured through specific financial institutions that exclusively serve suppliers seeking to discount their receivables. Due to the long-term nature of the balances payable, the amounts involved in the transaction are adjusted to their present value at the transaction date using pre-agreed discount rates between all parties. The adjustment to present value is initially recognized as a reduction in the Trade Payables - Forfeiting Forestry Operations account, and the net value of the transaction is adjusted against the biological assets account. The trade payables account is measured at amortized cost, with interest on the contract recognized as a finance cost over the payment period. At June 30, 2024, the weighted average term of forfeiting forestry operations is two years with a weighted average annual cost of 12.35% (1.3 year with a weighted average annual cost of 12.65% at December 31, 2023).

## 17. BORROWING

### 17.1. Borrowing balances

	Annual interest rate (%)	6/30/2024			12/31/2023		
		Current	Non-current	Total	Current	Non-current	Total
<b>In local currency</b>							
BNDES - Project Puma II	74.91% of CDI and IPCA + 3.42%	306,350	3,217,664	3,524,014	202,695	2,908,651	3,111,346
BNDES - Other	TLP	20,186	107,273	127,459	20,648	116,641	137,289
Export credit notes	102% of CDI	366,028	-	366,028	18,324	350,000	368,324
CRA	98% to 102% of CDI	255,274	834,856	1,090,130	281,145	826,868	1,108,013
Other	0.76% to 8.5%	149	-	149	190	909	1,099
Borrowing costs		(26,190)	(154,824)	(181,014)	(27,390)	(166,552)	(193,942)
		<b>921,797</b>	<b>4,004,969</b>	<b>4,926,766</b>	<b>495,612</b>	<b>4,036,517</b>	<b>4,532,129</b>
<b>In foreign currency</b>							
Export prepayments (EPP) (i)	USD + 5.40%	4,169	694,863	699,032	3,722	605,163	608,885
Export credit notes (i)	USD + 4.70% and SOFR + 2.01%	16,751	1,959,326	1,976,077	18,611	1,851,686	1,870,297
EPP w/ subsidiaries	USD + 5.20% to 8.29%	328,582	14,770,553	15,099,135	288,533	12,863,818	13,152,351
Term Loan (BID Invest and IFC) (i)	SOFR + 1.88% to 2.18%	91,535	4,046,879	4,138,414	60,534	3,873,040	3,933,574
Finnvera (i)	SOFR + 0.60% to 0.70% or USD + 3.38%	523,888	2,550,758	3,074,646	301,914	1,042,297	1,344,211
CRA linked to debentures	USD + 2.45% to 5.20%	813,034	4,266,312	5,079,346	478,569	4,266,312	4,744,881
ECA (i)	EUR + 0.45%	7,058	6,862	13,920	6,387	9,250	15,637
Synd Loan (i)	SOFR + 2.05%	47,852	833,835	881,687	14,615	726,195	740,810
Borrowing costs		(57,299)	(337,320)	(394,619)	(43,146)	(250,503)	(293,649)
		<b>1,775,570</b>	<b>28,792,068</b>	<b>30,567,638</b>	<b>1,129,739</b>	<b>24,987,258</b>	<b>26,116,997</b>
<b>Total Parent Company</b>		<b>2,697,367</b>	<b>32,797,037</b>	<b>35,494,404</b>	<b>1,625,351</b>	<b>29,023,775</b>	<b>30,649,126</b>
<b>Subsidiaries</b>							
<b>In foreign currency (i)</b>							
Bonds (Notes) (i)	USD + 3.20% to 7.00%	98,305	12,097,540	12,195,845	165,406	10,539,866	10,705,272
Synd Loan (i)	SOFR + 2.05%	88,306	2,473,711	2,562,017	35,254	2,154,379	2,189,633
Borrowing costs		(16,486)	(75,800)	(92,286)	(14,263)	(73,801)	(88,064)
		<b>170,125</b>	<b>14,495,451</b>	<b>14,665,576</b>	<b>186,397</b>	<b>12,620,444</b>	<b>12,806,841</b>
<b>Elimination of prepayments with subsidiaries</b>		<b>(328,582)</b>	<b>(14,770,553)</b>	<b>(15,099,135)</b>	<b>(288,533)</b>	<b>(12,863,818)</b>	<b>(13,152,351)</b>
<b>Total Consolidated</b>		<b>2,538,910</b>	<b>32,521,935</b>	<b>35,060,845</b>	<b>1,523,215</b>	<b>28,780,401</b>	<b>30,303,616</b>

(i) Transaction designated as a hedging instrument under the cash flow hedge accounting program (Note 28).

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## 17.2. Nature of main borrowing

### a) Brazilian Bank for Economic and Social Development (BNDES) – Project PUMA II and others

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

In June 2024, the Company made a single withdrawal from the line of credit with BNDES, in the total amount of R\$ 328,983, divided into two tranches, of which R\$ 100,462 for pine and R\$ 228,521 for eucalyptus, at IPCA + 3.42%. This line (SULC Florestal) financed the planting for 2019 and 2020, and the maintenance of the respective areas in the following two years, up to 2022 for pine and 2021 for eucalyptus.

### b) Export prepayments and export credit notes

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

In December 2023, the Company announced the issue of a contract for export credit notes in the amount of USD 150 million, for a five-year period, with full repayment on the maturity date and an average cost equivalent to SOFR + 2.01%.

### c) Agribusiness Receivables Certificates (CRAs)

The Company placed simple debentures for the issue of CRAs, as follow:

Type	Issued	Amount raised (Brazilian Real)	Term	Maturity	Issuer	Interest	Interest
CRA III	Sept/18	350,000	6 years	Jan/25	True Securitizadora	Semi-annual	102% of CDI
CRA IV	Apr/19	200,000	7 years	Mar/26	VERT Securitizadora	Semi-annual	97.5% of CDI
CRA IV	Apr/19	800,000	10 years	Mar/29	VERT Securitizadora	Semi-annual	IPCA + 4.51% p.a.
CRA V	Jul/19	966,291	10 years	Jun/29	VERT Securitizadora	Semi-annual	IPCA + 3.50% p.a.
CRA VI	Jul/22	2,500,000	12 years	May/34	VERT Securitizadora	Semi-annual	IPCA + 6.77% p.a.
Forestry CRA	Jul/23	300,000	3 years	Jul/26	True Securitizadora	Bullet	Fixed + 11.72% p.a.

### d) Issue of Commercial Notes

On July 10, 2023, the Company carried out the 2<sup>nd</sup> issue of the Company's commercial notes, with the issuance of 300,000 commercial notes, without guarantee, in a single series, and for private distribution. The credit rights are linked to the agribusiness receivables certificates of the 65<sup>th</sup> issue, in a single series, of TRUE Securitizadora S.A. The maturity of the commercial notes, will occur on July 15, 2026.

As in the first issue, the proceeds from the commercial notes are to be used exclusively for activities related to agribusiness, for purchases of wood, for forest management services, and for integrated logistics services for the transportation of wood.

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**KLBN4 KLBN3 KLBN11**

#### **e) Term loan (BID Invest, IFC and JICA)**

The disbursed amount of this financing contract is currently USD 800 million, divided into three tranches, the first of which for USD 448 million with interest at SOFR + 1.88% p.a., maturing in 2029, the second of which for USD 280 million with interest at SOFR + 2.18% p.a., maturity in 2032, and the third of USD 72 million with interest at SOFR + 1.83% p.a., maturing in 2032.

#### **f) Finnvera (Finnish export credit agency)**

To fund the execution of the Puma II Project, the Company entered into a loan agreement for the financing of its acquired assets. USD 67 million was capitalized for the Puma II Project in 2020 and USD 165 million in March 2022. This line of credit bears an average cost of SOFR plus 0.60% p.a., with half-yearly amortization, and matures in 2031.

On December 30, 2021, the Company retained an ECA line of credit of USD 447 million, with a withdrawal period until February 2024, at a floating rate of SOFR plus 0.70% p.a. and maturity in September 2033. The financing is guaranteed by Finnvera and relates to imports of equipment for stage two of the Puma II Project.

In February 2024, Klabin withdrew R\$ 1,539,000, equivalent to USD 320 million (USD 295 million in funding and USD 25 million in premium) from the ECA line of credit, which is lower than the agreed amount because the expenses related to the Project did not reach the limit of the contracted line of credit. No other withdrawals will be made under this agreement.

#### **g) Revolving credit facility (RCF)**

On October 7, 2021, the Company contracted a USD 500 million Sustainability-Linked revolving credit facility, maturing in October 2026.

In the event that this facility is not disbursed, the commitment fee will range from 0.36% p.a. to 0.38% p.a.; should it be drawn down, the rate will range from SOFR+1.50% p.a. to SOFR+1.55% p.a.

The RCF cost is linked to the annual the environmental indicator performance for the reuse of solid industrial waste. The sustainability indicator used for this transaction is one of Klabin's Sustainable Development Goals (KODS) for 2030.

#### **h) Bonds (Notes)**

The Company, through its foreign subsidiaries, has issued debt securities (Notes) in the form of Senior Unsecured Notes under 144/Reg S in the international capital market, which are listed on the Luxembourg Stock Exchange (Euro MTF) and on the Singapore Stock Exchange (SGX).

On June 2, 2023, the Company announced the early redemption of all Notes issued in 2014, which were to mature on July 16, 2024. The principal repurchased was USD 127 million, and bore interest at 5.25% p.a.

The transaction was settled with the bondholders on July 3, 2023, as announced in a statement released by the Company on June 28, 2023.

At June 30, 2024, the Bonds in circulation were as follow:

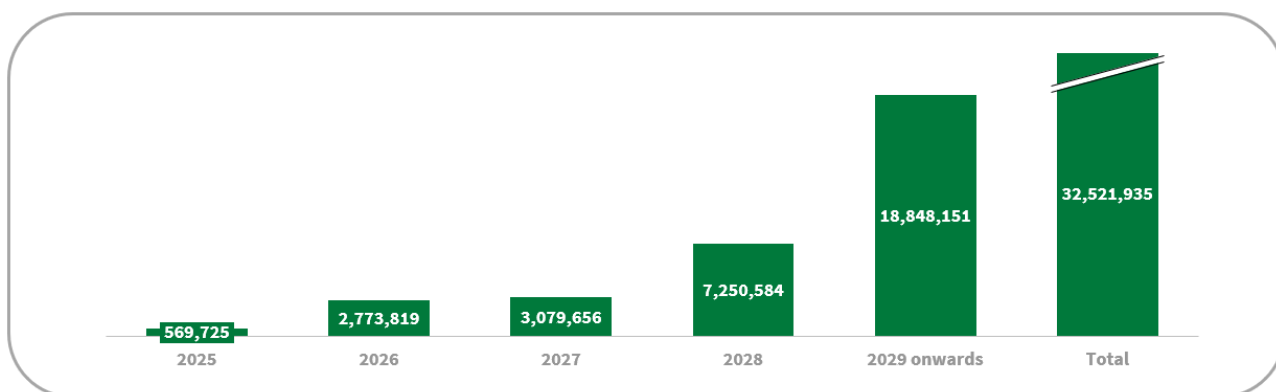
Type	Fundraising	Amount raised (USD 000)	Term	Maturity	Coupon	Amortization	Repurchase	
							Date	Amount (USD 000)
Green Bonds	Sept/17	500,000	10 years	2027	4.88%	Semi-annual	2020	10,000
Bonds	Mar/19	500,000	10 years	2029	5.75%	Annual	Mar/22	235,000
Green Bonds	Mar/19	500,000	30 years	2049	7%	Annual	2020	18,500
Bonds	Jul/19	250,000	10 years	2029	5.75%	Annual	-	-
Bonds	Jan/20	200,000	30 years	2049	7%	Annual	-	-
Sustainability Linked Bonds (SLB)	Jan/21	500,000	10 years	2031	3.20%	Annual	-	-

### i) Syndicated loans

On October 3, 2023, the Company entered into a syndicated loan agreement in the amount of USD 595 million for a five-year period, with full repayment on the maturity date and average cost equivalent to SOFR + 2.05%.

### 17.3. Schedule of maturities

The maturity dates of the Company's borrowing classified within non-current liabilities in the consolidated statement of financial position at June 30, 2024 are as follow:



## 17.4. Changes in borrowing

	Parent Company	Consolidated
<b>At December 31, 2022</b>	<b>26,221,936</b>	<b>25,923,500</b>
New funds	7,606,589	7,526,918
Accrued interest	2,341,017	2,084,477
Foreign exchange rate variation and charges	(1,060,318)	(1,306,575)
Amortization	(2,112,883)	(2,185,019)
Interest payments	(2,347,215)	(1,739,685)
<b>At December 31, 2023</b>	<b>30,649,126</b>	<b>30,303,616</b>
New funds	1,800,466	1,800,395
Accrued interest	1,258,704	1,092,256
Foreign exchange rate variation and charges	3,282,453	3,232,217
Amortization	(385,955)	(384,590)
Interest payments	(1,110,390)	(983,049)
<b>At June 30, 2024</b>	<b>35,494,404</b>	<b>35,060,845</b>

## 17.5. Guarantees

BNDES financing includes guarantees of land, buildings, improvements, machinery, equipment and facilities at the Ortigueira - PR plant.

Finnvera financing is guaranteed by the industrial plants of Angatuba (SP), Piracicaba (SP), Betim (MG), Goiana (PE), Otacílio Costa (SC), Jundiá TP and DI (SP), Lages I (SC), and Horizonte (CE).

Financing from BID Invest, IFC and JICA is guaranteed by the industrial plants in Correia Pinto (SC) and Monte Alegre (PR).

Export credit loans, export prepayments, bonds, agribusiness receivables certificates and working capital are not subject to collateral.

## 17.6. Restrictive covenants

At the financial information date, the Company and its subsidiaries had no borrowing or financing contracts with covenants establishing obligations to maintain financial ratios linked to its results, liquidity or leverage in connection with the contracted operations. In the event of any breaches of these covenants, the debt would become immediately due and payable.

## 18. DEBENTURES

### 18.1. Balances

On March 19, 2019, the Company announced the 12<sup>th</sup> issue of simple debentures, non-convertible into shares, in a single series, in the total amount of R\$ 1,000,000. The debentures mature in 10 years from the issue date and bear interest corresponding to 114.65% of the DI Rate.

	12 <sup>th</sup> issue	Current liabilities	Non-current liabilities
<b>At December 31, 2022</b>	<b>1,042,691</b>	<b>42,691</b>	<b>1,000,000</b>
Interest and accruals	145,826		
Interest payments	(150,889)		
<b>At December 31, 2023</b>	<b>1,037,628</b>	<b>37,628</b>	<b>1,000,000</b>
Interest and accruals	60,211		
Interest payment	(64,919)		
<b>At June 30, 2024</b>	<b>1,032,920</b>	<b>32,920</b>	<b>1,000,000</b>

## 19. JUDICIAL DEPOSITS AND PROVISIONS FOR TAX, SOCIAL SECURITY, LABOR AND CIVIL RISKS

### 19.1 Provisioned risks

Based on an individual analysis of the lawsuits filed against the Company and its subsidiaries, and on the advice of legal counsel, the Company recorded provisions in non-current liabilities for cases in which the risk of loss is considered probable, as shown below:

				6/30/2024
Parent Company	Provisioned Amount	Unrestricted judicial deposits (i)	Subtotal	Unrestricted judicial deposits (i)
Tax				
PIS/COFINS	-	-	-	36,283
ICMS/IPI	(54,079)	51,322	(2,757)	50,189
Income tax and social contribution (IR/CS)	(573)	-	(573)	1,866
IPTU	(7,943)	-	(7,943)	-
Other	(4,015)	-	(4,015)	20,954
	<b>(66,610)</b>	<b>51,322</b>	<b>(15,288)</b>	<b>109,292</b>
Labor	(68,901)	14,875	(54,026)	-
Civil	(166,859)	-	(166,859)	-
	<b>(302,370)</b>	<b>66,197</b>	<b>(236,173)</b>	<b>109,292</b>
<b>Subsidiaries</b>				
Other risks	(157)	-	(157)	-
<b>Consolidated</b>	<b>(302,527)</b>	<b>66,197</b>	<b>(236,330)</b>	<b>109,292</b>

(i) Judicial deposits in non-current assets

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	12/31/2023			
Parent Company	Provisioned amount	Unrestricted judicial deposits (i)	Subtotal	Unrestricted judicial deposits (i)
Tax				
PIS/COFINS	-	-	-	35,877
ICMS/IPI	-	-	-	54,011
Income tax and social contribution (IR/CS)	-	-	-	798
IPTU	(7,671)	-	(7,671)	-
Other	-	-	-	18,607
	<b>(7,671)</b>	<b>-</b>	<b>(7,671)</b>	<b>109,293</b>
Labor	(51,530)	14,889	(36,641)	-
Civil	(6,726)	855	(5,871)	-
	<b>(65,927)</b>	<b>15,744</b>	<b>(50,183)</b>	<b>109,293</b>
<b>Subsidiaries</b>				
Other risks	(157)	-	(157)	-
<b>Consolidated</b>	<b>(66,084)</b>	<b>15,744</b>	<b>(50,340)</b>	<b>109,293</b>

(i) Judicial deposits in non-current assets

## 19.2 Changes in contingency balances

					Parent Company	Consolidated
	Tax	Labor	Civil	Gross exposure	Net exposure	Net exposure
<b>At December 31, 2022</b>	<b>(8,428)</b>	<b>(32,045)</b>	<b>(3,984)</b>	<b>(41,493)</b>	<b>(44,457)</b>	<b>(44,580)</b>
Increases/new lawsuits	(4,520)	(13,306)	(13,262)	(31,088)	(31,088)	(31,122)
Write-offs and reversals	5,277	7,842	11,269	24,388	24,388	24,388
Changes in deposits	-	868	106	-	974	974
<b>At December 31, 2023</b>	<b>(7,671)</b>	<b>(36,641)</b>	<b>(5,871)</b>	<b>(48,193)</b>	<b>(50,183)</b>	<b>(50,340)</b>
Increases/new lawsuits	(59,200)	(24,942)	(160,265)	(244,407)	(244,407)	(244,407)
Write-offs and reversals	261	7,571	132	7,964	7,964	7,964
Changes in deposits	51,322	(14)	(855)	-	50,453	50,453
<b>At June 30, 2024</b>	<b>(15,288)</b>	<b>(54,026)</b>	<b>(166,859)</b>	<b>(284,636)</b>	<b>(236,173)</b>	<b>(236,330)</b>

## 19.3 Tax, social security, labor and civil lawsuits classified as representing a possible risk of loss

At June 30, 2024, the Company and its subsidiaries were party to other tax, labor and civil proceedings involving a possible risk of loss, estimated as follows:

	Consolidated	
Possible	6/30/2024	12/31/2023
Tax	1,216,066	1,167,216
Labor	287,993	300,487
Civil and environmental	68,647	64,095
<b>Total</b>	<b>1,572,706</b>	<b>1,531,798</b>

Based on individual analyses of the corresponding legal and administrative proceedings, and supported by the advice of its legal advisors, Management classified these as possible risks of loss, and therefore no provisions were recorded.

At June 30, 2024, the main lawsuits in which the Company was a defendant were as follow:

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#### **a) Tax lawsuits**

(i) Administrative proceedings regarding the collection of a contribution of 2.6% on the Company's gross revenue from the sale of the production of agro-industrial activities. The total amount involved at June 30, 2024 was R\$ 414,340 (R\$ 407,330 at December 31, 2023).

(ii) Disallowance of FINSOCIAL credit indexation in 2017. The total amount involved at June 30, 2024 was R\$ 146,555 (R\$ 142,127 at December 31, 2023).

(iii) Disallowance of the offsetting of COFINS credits arising from underpayments related to the expansion of the COFINS calculation base set out in Law 9,718/98. The total amount involved at June 30, 2024 was R\$ 75,342 (R\$ 74,296 at December 31, 2023).

#### **b) Labor claims**

The main claims concern overtime, personal damages, health exposure and risk exposure premiums, as well as indemnities and secondary obligor liabilities related to third parties. No individual lawsuit is sufficiently significant to materially affect the Company's results.

#### **c) Civil and environmental lawsuits**

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

On January 3, 2023, Água e Terra (IAT), a local environmental agency, filed a report favorable to the Company's argument in the lawsuit that an attempt to remove the coal waste from the Tibagi river may cause a concrete environmental impact that was more serious than leaving the material in place.

#### **d) Lawsuits filed by the Company**

At June 30, 2024, the Company was a plaintiff in civil and tax lawsuits for which no amounts were recognized in its financial information. The assets are recognized only after a final and unappealable court decision has been rendered and when the gain is certain.

## 20. EQUITY

### 20.1 Share capital

Klabin S.A.'s subscribed and paid-up capital is R\$ 6,075,625 at June 30, 2024 (R\$ 4,475,625 at December 31, 2023), comprised of 6,179,682,031 shares (5,617,892,756 at December 31, 2023), without par value, held as follow:

Shareholders	6/30/2024		12/31/2023	
	Common shares	Preferred shares	Common shares	Preferred shares
Klabin Irmãos S.A.	1,039,895,056	-	945,359,142	-
Niblak Participações S.A.	156,225,311	-	142,023,010	-
The Bank of New York (i)	69,060,747	276,242,988	62,717,212	250,868,848
T. Rowe Price Associates (i)	58,251,131	233,004,541	57,991,957	231,967,828
BlackRock (i)	51,192,785	204,771,150	46,411,739	185,646,956
Treasury shares	20,024,495	80,097,982	20,262,477	81,049,908
Other	895,251,930	3,095,663,915	806,963,058	2,786,630,621
<b>Total shares</b>	<b>2,289,901,455</b>	<b>3,889,780,576</b>	<b>2,081,728,595</b>	<b>3,536,164,161</b>

(i) Non-resident shareholders.

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

On April 16, 2024, the General Meeting approved an increase in the Company's capital of R\$ 1,600,000 through the capitalization of part of the "Investment and working capital reserve" in revenue reserves, with the issuance of 561,789,275 new book-entry shares, without par value, of which 208,172,860 are common shares and 353,616,415 are preferred shares, to be granted as a bonus to shareholders at the ratio of 1 new share of each type for every 10 shares of the same type held by the shareholder, i.e. at the ratio of 10%.

The new shares arising from the bonus will be entitled to the same rights conferred by the Company's Bylaws and under law applicable to the Company's existing shares of the same type, including dividends and interest on capital that come to be declared after their issuance.

### 20.2 Carrying value adjustments

The "carrying value adjustments" account arose from the effects of Law 11,638/07 upon the adoption of new accounting principles converging with IFRS from January 1, 2009 based on valuation adjustments to reflect increases and decreases in assets and liabilities, where applicable, among others.

The balance of this account refers to the adoption of the deemed cost of PP&E for forest land, upon adoption of the new accounting standards (Law 11,638/07), in addition to: (i) exchange rate changes for foreign subsidiaries with a functional currency different to that of the Company; (ii) balances associated with the share awards plan granted to executives (Note 24); (iii) cash flow hedge accounting (Note 28); and (iv) variations in actuarial liabilities.

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	<b>6/30/2024</b>	<b>Consolidated 12/31/2023</b>
Deemed cost of property, plant and equipment (land) (i)	1,058,680	1,058,680
Foreign currency translation adjustments	(114,917)	(116,802)
Cash flow hedge reserve (i)	(1,318,059)	1,079,014
Actuarial liabilities (i)	(178,619)	(176,777)
<b>Total carrying value adjustments</b>	<b>(552,915)</b>	<b>1,844,115</b>

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

### 20.3 Treasury shares

At June 30, 2024, the Company held 100,122,477 of its own shares in treasury, corresponding to 20,024,495 units (101,312,385 shares, corresponding to 20,262,477 units at December 31, 2023). At June 28, 2024, the trading price on the São Paulo Stock Exchange (B3) was R\$ 21.44 per unit (B3 ticker KLBN11).

Under the stock option plan (Note 24), which provides long-term compensation to the Company's employees and officers, on February 29, 2024, 5,226,000 treasury shares were sold for R\$ 16,025, corresponding to 1,045,200 units. The right to use 5,226,000 shares, corresponding to 1,045,200 units, was also granted. The amount was derecognized in the treasury shares account at a historical cost of R\$ 6,542.

### 20.4 Dividends/ interest on capital

Dividends and interest on capital are distribution to the shareholders as remuneration of the capital invested. All shareholders are entitled to dividends and interest on capital, proportional to their shareholding, pursuant to the Brazilian corporation law and the Company's Bylaws. These Bylaws allow Management to propose interim distributions during the year which are paid as an advance, "ad referendum" to the Annual General Meeting convened to approve the corresponding financial statements.

Interest on capital is tax deductible if it is first booked in the tax accounting records as "finance costs". As required by the CVM, for the purposes of the financial statements, it is then reversed and deducted directly from the retained earnings account, representing part of the balance of the mandatory minimum dividend.

The basis for calculating the mandatory minimum dividend under the Company's Bylaws is adjusted to record the setup, realization and reversal, during the respective year, of the "biological assets reserves". The Company may distribute dividends and interest on capital from the "revenue reserves" balances.

#### 20.4.1 2023 supplementary dividends

At the Board of Directors' meeting held on February 6, 2024, the Company informed its shareholders that the distribution and payment of supplementary dividends on the Company's capital shares was approved. The payment was made on February 26, 2024, in the amount of R\$ 192,000, equivalent to R\$ 0.03480416981 per share and R\$ 0.17402084905 per unit.

## 20.4.2 Interim dividends

At the Board of Directors' meeting held on April 24, 2024, the Company informed its shareholders that the distribution and payment of interim dividends for the Company's capital shares was approved, in the amount of R\$ 330,000, equivalent to R\$ 0.05970763088 per share and R\$ 0.29853815440 per unit.

Payment of declared dividends was made on May 16, 2024, based on the shareholding position of May 3, 2024. As a general rule, income tax is not levied on dividends.

## 20.5 Non-controlling interests

At June 30, 2024, the non-controlling shareholders' share of the consolidated equity was R\$ 2,204,046 (R\$ 2,147,408 at December 31, 2023). This relates to non-controlling interests in the subsidiaries Guaricana Reflorestadora S.A., Sapopema Reflorestadora S.A., Aroeira Reflorestadora S.A. and Cerejeira Reflorestadora S.A., respectively and proportionally:

	6/30/2024			
Interest	Guaricana Reflorestadora S.A.	Sapopema Reflorestadora S.A.	Aroeira Reflorestadora S.A.	Cerejeira Reflorestadora S.A.
Non-controlling interests	65.26%	87.26%	89.56%	49.99%
Klabin S.A	34.74%	12.74%	10.44%	50.01%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

	12/31/2023			
Interest	Guaricana Reflorestadora S.A.	Sapopema Reflorestadora S.A.	Aroeira Reflorestadora S.A.	Cerejeira Reflorestadora S.A.
Non-controlling interests	65.26%	87.26%	88.74%	49.99%
Klabin S.A	34.74%	12.74%	11.26%	50.01%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

The Company has the right to purchase shares of the non-controlling interests in SPEs, under the commercial conditions provided for in the shareholders' agreement, taking into account:

- The net value between the capital invested by non-controlling interests less the return obtained in the period up to exercise of the option, for Guaricana Reflorestadora S.A., Sapopema Reflorestadora S.A. and Aroeira Reflorestadora S.A.;
- The market price of the shares held by investors, which will be assessed based on their discounted cash flow, for Cerejeira Reflorestadora S.A.

## 21. NET SALES REVENUE

The Company's net revenue was as follows:

	<b>Parent Company</b>			
	<b>4/01 to 6/30/2024</b>	<b>1/01 to 6/30/2024</b>	<b>4/01 to 6/30/2023</b>	<b>1/01 to 6/30/2023</b>
Gross sales revenue	5,567,532	10,500,268	4,875,273	10,243,151
Discounts and rebates	(33,360)	(64,146)	(12,255)	(23,154)
Cash flow hedges	18,861	23,416	1,942	5,058
Taxes on sales	(683,084)	(1,307,677)	(659,150)	(1,342,949)
<b>Net sales revenue</b>	<b>4,869,949</b>	<b>9,151,861</b>	<b>4,205,810</b>	<b>8,882,106</b>
Domestic market	3,764,564	7,188,819	2,904,703	5,828,829
Foreign market	1,105,385	1,963,042	1,301,107	3,053,277
<b>Net sales revenue</b>	<b>4,869,949</b>	<b>9,151,861</b>	<b>4,205,810</b>	<b>8,882,106</b>

	<b>Consolidated</b>			
	<b>4/01 to 6/30/2024</b>	<b>1/01 to 6/30/2024</b>	<b>4/01 to 6/30/2023</b>	<b>1/01 to 6/30/2023</b>
Gross sales revenue	5,684,527	10,801,032	5,000,088	10,555,142
Discounts and rebates	(57,172)	(110,046)	(37,164)	(71,128)
Cash flow hedges	18,861	23,416	1,942	5,058
Taxes on sales	(697,483)	(1,336,086)	(672,287)	(1,365,732)
<b>Net sales revenue</b>	<b>4,948,733</b>	<b>9,378,316</b>	<b>4,292,579</b>	<b>9,123,340</b>
Domestic market	3,118,130	6,006,665	2,941,534	5,914,126
Foreign market	1,830,603	3,371,651	1,351,045	3,209,214
<b>Net sales revenue</b>	<b>4,948,733</b>	<b>9,378,316</b>	<b>4,292,579</b>	<b>9,123,340</b>

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## 22. COSTS, EXPENSES AND OTHER INCOME BY NATURE

	Parent Company			
	4/01 to 6/30/2024	1/01 to 6/30/2024	4/01 to 6/30/2023	1/01 to 6/30/2023
<b>Cost of products sold</b>				
Variable costs (i)	(1,199,743)	(2,496,795)	(1,279,114)	(2,630,088)
Personnel	(656,326)	(1,282,411)	(656,667)	(1,240,944)
Depreciation and amortization	(488,958)	(961,864)	(274,123)	(675,256)
Depletion	(309,467)	(501,331)	(320,545)	(548,313)
Other (ii)	(568,552)	(924,049)	(598,229)	(894,875)
	<b>(3,223,046)</b>	<b>(6,166,450)</b>	<b>(3,128,678)</b>	<b>(5,989,476)</b>
<b>Selling expenses</b>				
Freight	(302,298)	(538,288)	(262,328)	(570,784)
Commission	(3,913)	(6,888)	(3,882)	(9,804)
Personnel	(32,276)	(68,901)	(37,882)	(76,545)
Depreciation and amortization	(1,966)	(4,136)	(411)	(1,288)
Port and storage	(39,406)	(74,577)	(17,094)	(33,559)
Other (ii)	7,838	6,129	(12,185)	(42,405)
	<b>(372,020)</b>	<b>(686,661)</b>	<b>(333,782)</b>	<b>(734,385)</b>
<b>General and administrative expenses</b>				
Personnel	(130,955)	(264,730)	(131,720)	(253,578)
Services contracted	(64,255)	(138,205)	(61,970)	(138,272)
Depreciation and amortization	(13,827)	(27,061)	(9,363)	(21,028)
Maintenance	(3,388)	(6,145)	(4,168)	(8,587)
Other (ii)	(33,701)	(58,855)	(34,483)	(57,855)
	<b>(246,126)</b>	<b>(494,996)</b>	<b>(241,704)</b>	<b>(479,320)</b>
<b>Other income (expenses), net</b>				
Gains on sales of property, plant and equipment	1,705	2,908	841	2,548
Cost of sales and write-offs of property, plant and equipment	(822)	(1,723)	(432)	(2,187)
Other (ii)	(18,091)	(57,264)	(31,576)	(79,998)
	<b>(17,208)</b>	<b>(56,079)</b>	<b>(31,167)</b>	<b>(79,637)</b>
<b>Total</b>	<b>(3,858,400)</b>	<b>(7,404,186)</b>	<b>(3,735,331)</b>	<b>(7,282,817)</b>

(i) Raw materials and consumables.

(ii) Maintenance, factory shutdowns, insurance, materials for use and consumption, indemnities, travel and lodging, fairs and events, and other individually immaterial amounts.

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	<b>Consolidated</b>			
	<b>4/01 to 6/30/2024</b>	<b>1/01 to 6/30/2024</b>	<b>4/01 to 6/30/2023</b>	<b>1/01 to 6/30/2023</b>
<b>Cost of products sold</b>				
Variable costs (i)	(1,431,174)	(2,780,647)	(1,346,522)	(2,721,159)
Personnel	(669,721)	(1,308,583)	(670,068)	(1,266,269)
Depreciation and amortization	(492,958)	(970,036)	(398,530)	(787,235)
Depletion	(480,208)	(843,979)	(385,702)	(695,019)
Other (ii)	(119,555)	(285,761)	(322,519)	(512,943)
	<b>(3,193,616)</b>	<b>(6,189,006)</b>	<b>(3,123,341)</b>	<b>(5,982,625)</b>
<b>Selling expenses</b>				
Freight	(325,598)	(581,698)	(268,193)	(599,497)
Commission	(12,071)	(23,430)	1,093	(16,086)
Personnel	(32,934)	(70,307)	(38,655)	(78,107)
Depreciation and amortization	(2,103)	(4,411)	(411)	(1,288)
Port and storage	(47,623)	(87,349)	(6,627)	(28,291)
Other (ii)	18,588	22,131	(20,911)	(53,272)
	<b>(401,741)</b>	<b>(745,064)</b>	<b>(333,704)</b>	<b>(776,541)</b>
<b>General and administrative expenses</b>				
Personnel	(133,628)	(270,133)	(134,408)	(258,753)
Services contracted	(65,566)	(141,025)	(63,235)	(141,094)
Depreciation and amortization	(14,058)	(27,514)	(9,554)	(21,457)
Maintenance	(3,457)	(6,270)	(4,253)	(8,762)
Other (ii)	(35,930)	(63,763)	(41,162)	(68,785)
	<b>(252,639)</b>	<b>(508,705)</b>	<b>(252,612)</b>	<b>(498,851)</b>
<b>Other income (expenses), net</b>				
Gains on sales of property, plant and equipment	1,705	2,908	841	2,548
Cost of sales and write-offs of property, plant and equipment	(822)	(1,723)	(432)	(2,187)
Other (ii)	(19,936)	(54,891)	(31,134)	(78,966)
	<b>(19,053)</b>	<b>(53,706)</b>	<b>(30,725)</b>	<b>(78,605)</b>
<b>Total</b>	<b>(3,867,049)</b>	<b>(7,496,481)</b>	<b>(3,740,382)</b>	<b>(7,336,622)</b>

(i) Raw materials and consumables.

(ii) Maintenance, factory shutdowns, insurance, materials for use and consumption, indemnities, travel and lodging, fairs and events, and other individually immaterial amounts.

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## 23. FINANCE RESULT

	Parent Company			
	4/01 to 6/30/2024	1/01 to 6/30/2024	4/01 to 6/30/2023	1/01 to 6/30/2023
<b>Finance income</b>				
Income from financial investments	184,997	379,436	131,340	270,239
Social Integration Program (PIS)/Social Contribution on Revenue (COFINS) on finance income	(12,501)	(24,066)	(11,496)	(19,964)
Interest	5,793	9,462	949	2,223
Interest from marketable securities	(17,901)	(35,926)	86,138	133,033
Other	6,685	21,451	16,784	22,869
	<b>167,073</b>	<b>350,357</b>	<b>223,715</b>	<b>408,400</b>
<b>Finance costs</b>				
Interest and charges on borrowing	(771,862)	(1,505,335)	(613,134)	(1,285,030)
Interest capitalized on property, plant and equipment (Note 13)	303	11,242	257,657	487,484
Derivative financial instruments (swaps)	225,570	471,563	304,549	599,226
Discounting of receivables	(31,977)	(56,564)	(25,854)	(53,917)
Commissions	(24,655)	(44,950)	(25,027)	(46,129)
Lease charges	(38,637)	(81,635)	(24,614)	(49,473)
Adjustments to present value – forfeiting forestry operations	(16,214)	(31,783)	(20,020)	(33,759)
Other	(15,120)	(28,023)	(1,021)	192
	<b>(672,592)</b>	<b>(1,265,485)</b>	<b>(147,464)</b>	<b>(381,406)</b>
<b>Foreign exchange variations</b>				
Foreign exchange variations – assets	694,061	832,105	(61,147)	(132,322)
Foreign exchange variations - liabilities	(924,283)	(1,120,598)	152,811	281,213
	<b>(230,222)</b>	<b>(288,493)</b>	<b>91,664</b>	<b>148,891</b>
<b>Finance result</b>	<b>(735,741)</b>	<b>(1,203,621)</b>	<b>167,915</b>	<b>175,885</b>

	Consolidated			
	4/01 to 6/30/2024	1/01 to 6/30/2024	4/01 to 6/30/2023	1/01 to 6/30/2023
<b>Finance income</b>				
Income from financial investments	212,729	433,221	150,390	306,541
Social Integration Program (PIS)/Social Contribution on Revenue (COFINS) on finance income	(12,727)	(24,543)	(12,212)	(20,834)
Interest	3,522	7,194	17,090	24,080
Interest from marketable securities	(17,900)	(35,872)	86,138	133,033
Other	14,989	29,799	34,093	74,688
	<b>200,613</b>	<b>409,799</b>	<b>275,499</b>	<b>517,508</b>
<b>Finance costs</b>				
Interest and charges on borrowing	(686,632)	(1,349,370)	(592,350)	(1,158,055)
Interest capitalized on property, plant and equipment (Note 13)	303	11,242	257,657	487,484
Derivative financial instruments (swaps)	223,255	469,248	304,549	599,226
Discounting of receivables	(46,750)	(82,201)	(35,444)	(78,614)
Commissions	(30,162)	(54,376)	(22,943)	(42,802)
Lease charges	(44,161)	(91,478)	(26,282)	(55,067)
Adjustments to present value – forfeiting forestry operations	(16,214)	(31,783)	(20,020)	(33,759)
Remuneration of investors - SCPs	(3,239)	(7,608)	(6,585)	(14,423)
Other	(21,161)	(38,781)	9,351	(59,947)
	<b>(624,761)</b>	<b>(1,175,107)</b>	<b>(132,067)</b>	<b>(355,957)</b>
<b>Foreign exchange variations</b>				
Foreign exchange variations - assets	780,657	953,628	(100,319)	(192,006)
Foreign exchange variations - liabilities	(919,179)	(1,129,345)	112,877	244,710
	<b>(138,522)</b>	<b>(175,717)</b>	<b>12,558</b>	<b>52,704</b>
<b>Finance result</b>	<b>(562,670)</b>	<b>(941,025)</b>	<b>155,990</b>	<b>214,255</b>

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## 24. LONG-TERM INCENTIVE PLAN

### 24.1 LTIP - Matching

The Company has a long-term incentives plan in which, annually, it grants shares to beneficiaries conditioned on their continuing employment and non-disposal of the shares. The shares awarded can be immediately assigned in the event of the dismissal of the employee on the initiative of the Company, or upon the retirement or death of the beneficiary. In the latter case, title over the shares is conveyed to the estate.

The table below presents information on the plans:

#### Statutory and non-statutory officers

	2019 Plan (i)	2020 Plan (i)	2021 Plan	2022 Plan	2023 Plan	Total
Start of the plan	02/28/2020	02/26/2021	02/28/2022	02/28/2023	02/29/2024	
Final grant date	02/28/2023	02/26/2024	02/28/2025	02/28/2026	02/28/2027	
Treasury shares acquired by beneficiaries	1,140,020	1,169,700	1,355,905	3,906,885	2,847,300	
Purchase value per share (R\$)	3.87	5.41	4.64	3.80	4.33	
Treasury shares awarded as usufruct	1,140,020	1,169,700	1,355,905	3,906,885	2,847,300	
Value of the rights to use per share (R\$)	3.87	5.41	4.64	3.80	4.33	
Accumulated plan expenses – from the beginning	4,238	4,197	2,714	2,304	1,372	
Plan expenses – 1/01 to 6/30/2024	-	330	966	2,304	1,372	4,972
Plan expenses – 1/01 to 6/30/2023	249	761	830	1,535	-	3,375

(i) Terminated plans

#### Managers

	2019 Plan (i)	2020 Plan (i)	2021 Plan	2022 Plan	2023 Plan	Total
Start of the plan	02/28/2020	02/26/2021	02/28/2022	02/28/2023	02/29/2024	
Final grant date	02/28/2023	02/26/2024	02/28/2025	02/28/2026	02/28/2027	
Treasury shares acquired by beneficiaries	1,848,470	1,834,990	2,399,645	2,399,240	1,440,050	
Purchase value per share (R\$)	3.87	5.41	4.64	3.80	4.33	
Treasury shares awarded as usufruct	1,848,470	1,834,990	2,399,645	2,399,240	1,440,050	
Value of the rights to use per share (R\$)	3.87	5.41	4.64	3.80	4.33	
Accumulated plan expenses – from the beginning	6,069	6,007	4,435	1,341	692	
Plan expenses – 1/01 to 6/30/2024	-	235	1,409	1,341	692	3,677
Plan expenses – 1/01 to 6/30/2023	217	1,467	1,612	1,000	-	4,296

(i) Terminated plans

#### Other employees

	2019 Plan (i)	2020 Plan (i)	2021 Plan	2022 Plan	2023 Plan	Total
Start of the plan	02/28/2020	02/26/2021	02/28/2022	02/28/2023	02/29/2024	
Final grant date	02/28/2023	02/26/2024	02/28/2025	02/28/2026	02/28/2027	
Treasury shares acquired by beneficiaries	527,285	497,385	1,343,955	1,439,665	937,205	
Purchase value per share (R\$)	3.87	5.41	4.64	3.80	4.33	
Treasury shares awarded as usufruct	527,285	497,385	1,343,955	1,439,665	937,205	
Value of the rights to use per share (R\$)	3.87	5.41	4.64	3.80	4.33	
Accumulated plan expenses – from the beginning	1,994	1,626	2,528	822	448	
Plan expenses – 1/01 to 6/30/2024	-	117	861	822	448	2,248
Plan expenses – 1/01 to 6/30/2023	105	364	917	596	-	1,982

(i) Terminated plans

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## 25. EARNINGS PER SHARE

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

Changes in the balance of treasury shares affect the weighted average number of preferred shares held in treasury (Note 20) at June 30, 2024. The weighted average used for the calculation of the earnings per share was determined as follows:

Weighted average number of treasury shares at June 30, 2024 (i)			
Month		Treasury shares	Ratio
Jan	+	101,366,365	x1/6
Feb	+	90,971,280	x1/6
Mar	+	90,972,865	x1/6
Apr	+	91,020,055	x1/6
May	+	100,135,820	x1/6
Jun	+	100,226,110	x1/6
<b>6 months of 2024</b>	<b>=</b>	<b>95,782,083</b>	<b>x 1/6</b>

(i) As the Company only holds units in treasury, the Balances of ON and PN shares are in line with the Balances of Units.

The tables below demonstrates the calculation of the basic and diluted earnings per share:

	1/01 to 6/30/2024		
	Common shares (ON)	Preferred shares (PN)	Total
<b>Denominator</b>			
Total weighted average number of shares	2,289,901	3,889,781	6,179,682
Weighted average number of treasury shares	(19,156)	(76,626)	(95,782)
Weighted average number of shares outstanding	<b>2,270,745</b>	<b>3,813,155</b>	<b>6,083,900</b>
% of shares relative to the total	<b>37.32%</b>	<b>62.68%</b>	<b>100.00%</b>
<b>Numerator</b>			
Profit attributable to each class of shares	<b>266,763</b>	<b>447,962</b>	<b>714,725</b>
Weighted average number of shares outstanding	<b>2,270,745</b>	<b>3,813,155</b>	<b>6,083,900</b>
<b>Basic and diluted earnings per share</b>	<b>0.1175</b>	<b>0.1175</b>	

	1/01 to 6/30/2023		
	Common shares (ON)	Preferred shares (PN)	Total
<b>Denominator</b>			
Total weighted average number of shares	2,081,729	3,536,164	5,617,893
Weighted average number of treasury shares	(20,912)	(83,650)	(104,562)
Weighted average number of shares outstanding	<b>2,060,817</b>	<b>3,452,514</b>	<b>5,513,331</b>
% of shares relative to the total	<b>37.38%</b>	<b>62.62%</b>	<b>100%</b>
<b>Numerator</b>			
Profit attributable to each class of shares	<b>674,904</b>	<b>1,130,675</b>	<b>1,805,579</b>
Weighted average number of shares outstanding	<b>2,060,816</b>	<b>3,452,514</b>	<b>5,513,331</b>
<b>Basic and diluted earnings per share</b>	<b>0.3275</b>	<b>0.3275</b>	

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## 26. OPERATING SEGMENTS

### 26.1 Criteria for the identification of operating segments

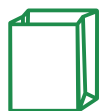
The Company's operating structure is divided into segments to reflect the manner in which Management operates the business, in accordance with CPC 22/IFRS 8. The operating segments defined by Management are as follow:



**Forestry Segment:** involves operations relating to planting and growing pine and eucalyptus trees to supply the Company's plants. It also involves selling commercial timber to third parties in the domestic market;



**Paper Segment:** mainly involves the production of cardboard, Kraftliner and recycled paper rolls, and their sale in the domestic and foreign markets.



**Conversion Segment:** involves the production of corrugated cardboard boxes, corrugated cardboard and industrial sacks, and their sale in the domestic and foreign markets; and



**Pulp Segment:** includes the production of short, long and fluff fiber pulp and its sale in the domestic and foreign markets.

## 26.2 Consolidated information on operating segments

	1/01 to 6/30/2024					
	Forestry	Paper	Conversion	Pulp	Corporate/ Eliminations	Total Consolidated
<b>Net revenue:</b>						
Domestic market	189,229	1,676,741	2,935,417	1,199,314	5,964	6,006,665
Foreign market	-	1,404,803	245,505	1,721,343	-	3,371,651
<b>Revenue from sales to third parties</b>	<b>189,229</b>	<b>3,081,544</b>	<b>3,180,922</b>	<b>2,920,657</b>	<b>5,964</b>	<b>9,378,316</b>
Revenue between segments	1,452,247	1,769,568	33,997	46,994	(3,302,806)	-
<b>Total net sales</b>	<b>1,641,476</b>	<b>4,851,112</b>	<b>3,214,919</b>	<b>2,967,651</b>	<b>(3,296,842)</b>	<b>9,378,316</b>
Changes in the fair values of biological assets	111,633	-	-	-	-	111,633
Cost of products sold	(2,286,748)	(3,264,213)	(2,705,476)	(1,315,017)	3,382,448	(6,189,006)
<b>Gross profit</b>	<b>(533,639)</b>	<b>1,586,899</b>	<b>509,443</b>	<b>1,652,634</b>	<b>85,606</b>	<b>3,300,943</b>
Operating income (expenses) (i)	(101,418)	(448,812)	(337,787)	(414,263)	854	(1,301,426)
<b>Operating profit before finance result</b>	<b>(635,057)</b>	<b>1,138,087</b>	<b>171,656</b>	<b>1,238,371</b>	<b>86,460</b>	<b>1,999,517</b>
<b>Sales of products (metric tons)</b>						
Domestic market	-	319,558	482,514	289,796	1,177	1,093,045
Foreign market	-	353,856	27,155	442,608	-	823,619
Inter-segment	-	598,901	2,888	10,733	(612,522)	-
	-	<b>1,272,315</b>	<b>512,557</b>	<b>743,137</b>	<b>(611,345)</b>	<b>1,916,664</b>
<b>Sales of timber (in metric tons)</b>						
Domestic market	663,147	-	-	-	-	663,147
Inter-segment	8,174,400	-	-	-	(8,174,400)	-
	<b>8,837,547</b>	-	-	-	<b>(8,174,400)</b>	<b>663,147</b>
<b>Investments during the period</b>	652,834	529,607	495,413	39,626	65,286	1,782,766
<b>Depreciation, depletion and amortization</b>	(991,529)	(474,614)	(86,203)	(280,997)	(12,597)	(1,845,940)
<b>Total assets – 6/30/2024</b>	17,460,424	15,186,984	4,943,798	8,687,559	11,216,276	57,495,041
<b>Total liabilities – 6/30/2024</b>	5,298,874	1,177,578	1,109,887	1,355,070	36,935,305	45,876,714
<b>Equity – 6/30/2024</b>	9,957,504	14,009,406	3,833,911	7,332,489	(25,719,029)	9,414,281
<b>Non-controlling interests</b>	2,204,046	-	-	-	-	2,204,046

(i) Operating income (expenses) includes a share of the profits (losses) of joint ventures.

	4/01 to 6/30/2024					
	Forestry	Paper	Conversion	Pulp	Corporate/ Eliminations	Total Consolidated
<b>Net revenue:</b>						
Domestic market	88,439	886,069	1,491,485	645,287	6,850	3,118,130
Foreign market	-	760,436	134,366	935,801	-	1,830,603
<b>Revenue from sales to third parties</b>	<b>88,439</b>	<b>1,646,505</b>	<b>1,625,851</b>	<b>1,581,088</b>	<b>6,850</b>	<b>4,948,733</b>
Revenue between segments	761,121	895,501	15,890	24,588	(1,697,100)	-
<b>Total net sales</b>	<b>849,560</b>	<b>2,542,006</b>	<b>1,641,741</b>	<b>1,605,676</b>	<b>(1,690,250)</b>	<b>4,948,733</b>
Changes in the fair values of biological assets	(88,015)	-	-	-	-	(88,015)
Cost of products sold	(1,193,646)	(1,681,380)	(1,382,800)	(663,681)	1,727,891	(3,193,616)
<b>Gross profit</b>	<b>(432,101)</b>	<b>860,626</b>	<b>258,941</b>	<b>941,995</b>	<b>37,641</b>	<b>1,667,102</b>
Operating income (expenses) (i)	(39,072)	(225,569)	(169,540)	(222,985)	(12,633)	(669,799)
<b>Operating profit before finance result</b>	<b>(471,173)</b>	<b>635,057</b>	<b>89,401</b>	<b>719,010</b>	<b>25,008</b>	<b>997,303</b>
<b>Sales of products (metric tons)</b>						
Domestic market	-	169,468	246,681	145,984	741	562,874
Foreign market	-	192,353	14,918	224,799	-	432,070
Inter-segment	-	304,434	1,476	5,050	(310,960)	-
	-	<b>666,255</b>	<b>263,075</b>	<b>375,833</b>	<b>(310,219)</b>	<b>994,944</b>
<b>Sales of timber (in metric tons)</b>						
Domestic market	264,557	-	-	-	-	264,557
Inter-segment	4,253,670	-	-	-	(4,253,670)	-
	<b>4,518,227</b>	-	-	-	<b>(4,253,670)</b>	<b>264,557</b>
<b>Investments during the period</b>	344,959	243,339	231,388	19,479	18,891	858,056
<b>Depreciation, depletion and amortization</b>	(554,472)	(245,051)	(45,033)	(138,313)	(6,458)	(989,327)

(i) Operating income (expenses) includes a share of the profits (losses) of joint ventures.

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	1/01 to 6/30/2023					
	Forestry	Paper	Conversion	Pulp	Corporate/ Eliminations	Total Consolidated
<b>Net revenue:</b>						
Domestic market	184,389	1,566,277	2,898,075	1,276,278	(10,893)	<b>5,914,126</b>
Foreign market	-	1,165,500	305,986	1,737,728	-	<b>3,209,214</b>
<b>Revenue from sales to third parties</b>	<b>184,389</b>	<b>2,731,777</b>	<b>3,204,061</b>	<b>3,014,006</b>	<b>(10,893)</b>	<b>9,123,340</b>
Revenue between segments	1,681,787	1,645,140	29,312	76,560	(3,432,799)	-
<b>Total net sales</b>	<b>1,866,176</b>	<b>4,376,917</b>	<b>3,233,373</b>	<b>3,090,566</b>	<b>(3,443,692)</b>	<b>9,123,340</b>
Changes in the fair values of biological assets	956,130	-	-	-	-	<b>956,130</b>
Cost of products sold	(2,140,370)	(2,962,142)	(2,678,672)	(1,617,930)	3,416,489	<b>(5,982,625)</b>
<b>Gross profit</b>	<b>681,936</b>	<b>1,414,775</b>	<b>554,701</b>	<b>1,472,636</b>	<b>(27,203)</b>	<b>4,096,845</b>
Operating income (expenses) (i)	176,384	(446,802)	(370,177)	(423,004)	(284,262)	<b>(1,347,861)</b>
<b>Operating profit before finance result</b>	<b>858,320</b>	<b>967,973</b>	<b>184,524</b>	<b>1,049,632</b>	<b>(311,465)</b>	<b>2,748,984</b>
<b>Sales of products (metric tons)</b>						
Domestic market	-	275,449	463,931	266,475	1,571	<b>1,007,426</b>
Foreign market	-	256,759	32,657	441,026	-	<b>730,442</b>
Inter-segment	-	538,422	4,421	15,892	(558,735)	-
	-	<b>1,070,630</b>	<b>501,009</b>	<b>723,393</b>	<b>(557,164)</b>	<b>1,737,868</b>
<b>Sales of timber (in metric tons)</b>						
Domestic market	341,690	-	-	-	-	<b>341,690</b>
Inter-segment	7,346,854	-	-	-	(7,346,854)	-
	<b>7,688,544</b>	-	-	-	<b>(7,346,854)</b>	<b>341,690</b>
<b>Investments during the period</b>	562,509	1,113,228	389,423	77,029	28,878	<b>2,171,067</b>
<b>Depreciation, depletion and amortization</b>	(805,310)	(341,353)	(67,313)	(282,375)	(8,648)	<b>(1,504,999)</b>
<b>Total assets – 6/30/2023</b>	17,164,162	4,790,427	3,923,291	18,802,832	4,577,699	<b>49,258,411</b>
<b>Total liabilities – 6/30/2023</b>	4,786,525	1,099,740	882,032	1,258,264	26,985,987	<b>35,012,548</b>
<b>Equity – 6/30/2023</b>	9,916,052	3,690,687	3,041,259	17,544,568	(22,408,288)	<b>11,784,278</b>
<b>Non-controlling interests</b>	2,461,585	-	-	-	-	<b>2,461,585</b>

(i) Operating income (expenses) includes the share of profit (loss) of joint ventures.

	4/01 to 6/30/2023					
	Forestry	Paper	Conversion	Pulp	Corporate/ Eliminations	Total Consolidated
<b>Net revenue:</b>						
Domestic market	94,058	770,722	1,474,834	611,727	(9,807)	<b>2,941,534</b>
Foreign market	-	557,235	152,043	641,462	305	<b>1,351,045</b>
<b>Revenue from sales to third parties</b>	<b>94,058</b>	<b>1,327,957</b>	<b>1,626,877</b>	<b>1,253,189</b>	<b>(9,502)</b>	<b>4,292,579</b>
Revenue between segments	798,193	833,754	15,944	36,768	(1,684,659)	-
<b>Total net sales</b>	<b>892,251</b>	<b>2,161,711</b>	<b>1,642,821</b>	<b>1,289,957</b>	<b>(1,694,161)</b>	<b>4,292,579</b>
Changes in the fair values of biological assets	572,671	-	-	-	-	<b>572,671</b>
Cost of products sold	(1,068,903)	(1,546,693)	(1,339,518)	(862,495)	1,694,268	<b>(3,123,341)</b>
<b>Gross profit</b>	<b>396,019</b>	<b>615,018</b>	<b>303,303</b>	<b>427,462</b>	<b>107</b>	<b>1,741,909</b>
Operating income (expenses) (i)	(54,258)	(196,864)	(179,954)	(181,508)	(1,736)	<b>(614,320)</b>
<b>Operating profit before finance result</b>	<b>341,761</b>	<b>418,154</b>	<b>123,349</b>	<b>245,954</b>	<b>(1,629)</b>	<b>1,127,589</b>
<b>Sales of products (metric tons)</b>						
Domestic market	-	134,279	235,952	133,704	1,013	<b>504,948</b>
Foreign market	-	134,433	16,289	200,725	-	<b>351,447</b>
Inter-segment	-	275,619	2,874	8,399	(286,892)	-
	-	<b>544,331</b>	<b>255,115</b>	<b>342,828</b>	<b>(285,879)</b>	<b>856,395</b>
<b>Sales of timber (in metric tons)</b>						
Domestic market	221,627	-	-	-	-	<b>221,627</b>
Inter-segment	3,507,664	-	-	-	(3,507,664)	-
	<b>3,729,291</b>	-	-	-	<b>(3,507,664)</b>	<b>221,627</b>
<b>Investments during the period</b>	245,833	496,599	224,706	49,343	(3,737)	<b>1,012,744</b>
<b>Depreciation, depletion and amortization</b>	(439,570)	(188,281)	(25,338)	(142,082)	1,074	<b>(794,197)</b>

(i) Operating income (expenses) includes a share of the profits (losses) of joint ventures.

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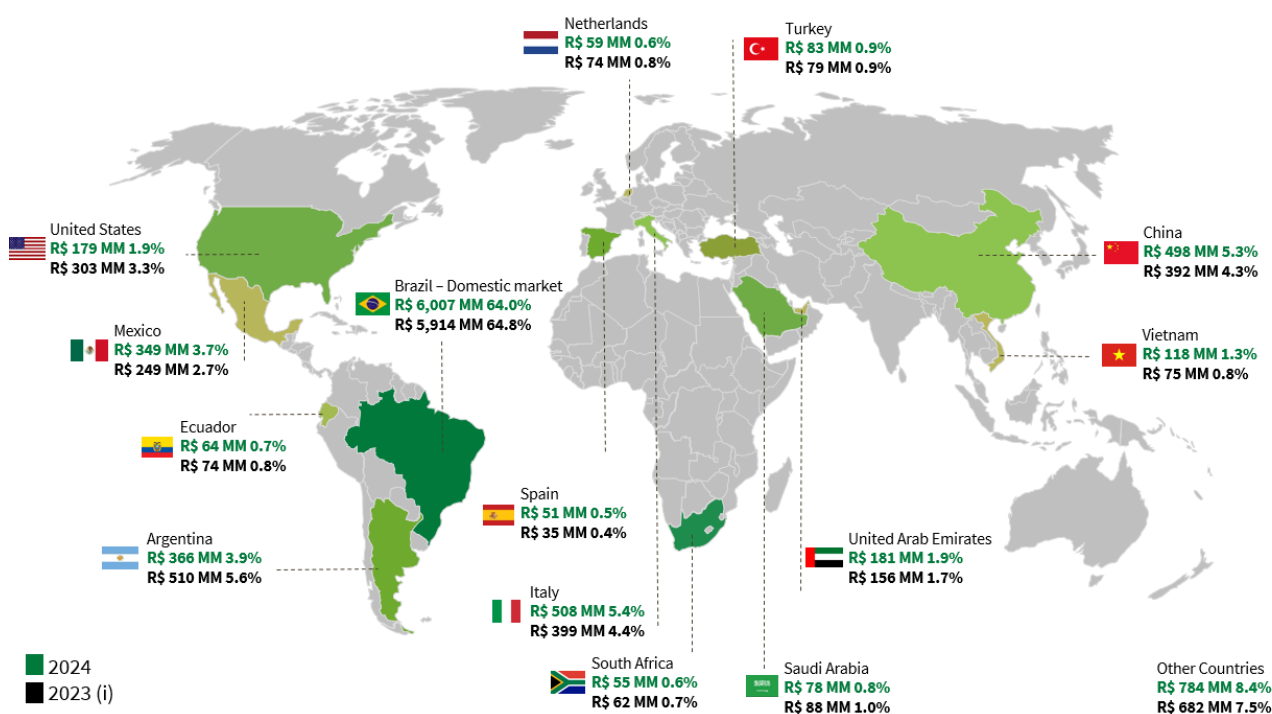
The Corporate/eliminations column refers to the corporate expenses not apportioned among the segments, while eliminations refer to adjustments to reflect transactions among the segments.

The finance result and income tax expense are not disclosed in the segment reporting, because Management does not assess this data on a segmented basis, only on a consolidated basis.

### 26.3 Net sales revenue

The map below illustrates the distribution of net revenue for the periods ended June 30, 2024 and 2023:

**Consolidated net revenue**



(i) 2023 data re-presented for better comparability with 2024.

In the period ended June 30, 2024, a single customer of the paper segment accounted for 9.93% (R\$ 909,166) of the parent company's net revenue (R\$ 819,510 at June 30, 2023, 9.23% of net sales revenue). The customer base is otherwise diluted, as no individual customer accounts for more than 10% of the Company's net sales revenue in the period.

## 27. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 27.1 Risk management

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

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

#### 27.1.1 Market risk

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

##### a) Foreign exchange rate risk

The Company has transactions denominated in foreign currencies (mainly in US Dollars) that are exposed to market risks arising from fluctuations in foreign exchange rates. Any fluctuations in foreign exchange rates could increase or reduce these balances. This exposure is as follows:

	Consolidated	
	6/30/2024	12/31/2023
Bank deposits and financial investments	6,667,467	2,595,427
Trade receivables (net of allowance)	1,261,853	608,053
Other assets and liabilities	653,000	845,000
Trade payables	181,088	102,401
Borrowing (i)	(30,134,079)	(25,771,487)
<b>Net exposure</b>	<b>(21,370,671)</b>	<b>(21,620,606)</b>

(i) Includes borrowing and debentures in foreign currency designated as hedging instruments (Note 28).

At June 30, 2024, the balances of this net exposure by year of maturity were as follow:

Year	2024	2025	2026	2027	2028	2029 onwards	Total
<b>Amount</b>	7,970,952	(1,203,955)	(2,121,066)	(2,874,085)	(7,022,094)	(16,120,423)	<b>(21,370,671)</b>

The Company designates a portion of its borrowing in foreign currency as a hedging instrument for the transactions that are highly probable to take place. The forecast annual cash flow from US Dollar-denominated revenue is approximately USD 1,000 million.

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In addition to borrowing in foreign currency, the Company holds derivative instruments (Note 28) for exchange rate swaps, converting the issue of certain export credit notes and local currency debentures into US Dollars. These are linked transactions, executed exclusively to convert domestic currency-denominated borrowing into foreign currency-denominated operations, which are subsequently designated as future revenue hedging instruments.

The cash flows on the net exposure are covered by the derivative instruments described in Note 28.3. The Company's strategy is based on contracting Zero Cost Collar (ZCC) and Non-Deliverable Forwards (NDFs) Options (Note 28).

## b) Interest rate risk

The Company established the following parameters to mitigate negative impacts of IPCA variations on Brazilian Real debt contracts, by contracting derivative instruments (swaps) and replacing the IPCA by the CDI. The composition of the Company's interest rate risk by type of asset and liability instrument is as follows:

	<b>Consolidated</b>	
	<b>6/30/2024</b>	<b>12/31/2023</b>
Financial investments – CDI	5,227,625	6,957,183
Financial investments – SELIC	-	66,211
Financial investments – IPCA	1,027,284	1,078,174
<b>Asset exposure</b>	<b>6,254,909</b>	<b>8,101,568</b>
Financing – CDI	(4,980,172)	(4,587,683)
Financing – TJLP	(127,459)	(137,289)
Financing – SOFR	(9,888,169)	(7,756,967)
Debentures – IPCA	(1,446,892)	(1,295,218)
<b>Liability exposure</b>	<b>(16,442,692)</b>	<b>(13,777,157)</b>

### 27.1.2 Risk relating to the investments of surplus funds

The table below presents the cash, cash equivalents and marketable securities invested by the Company, classifying the amounts according to the Brazilian and international credit ratings of the financial institutions by the ratings agencies Fitch, Moody's and S&P:

	<b>Consolidated</b>	
<b>National credit risk</b>	<b>6/30/2024</b>	<b>12/31/2023</b>
AAA	6,288,279	6,287,270
A+ until AA+	781,401	761,443
<b>Total</b>	<b>7,069,680</b>	<b>7,048,713</b>

	<b>Consolidated</b>	
<b>International credit risk</b>	<b>6/30/2024</b>	<b>12/31/2023</b>
A- until A+	5,477,173	3,423,755
BBB+	413,127	242,363
<b>Total</b>	<b>5,890,300</b>	<b>3,666,118</b>

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### 27.1.3 Credit risk

At June 30, 2024, the maximum exposure to credit risk was equivalent to the carrying amounts of the trade receivables (Note 7). Information on customer concentration risk is set out in Note 26.

The Company has an insurance policy for receivables in the domestic and foreign markets in the amounts of R\$ 240,000 and USD 50 million, respectively, for all business units, except for wood products customers of the Forestry unit, and certain customers that do not meet specific risk requirements, such as going concern status and liquidity. The policy expires in September 2025.

### 27.1.4 Liquidity risk

The table below shows the maturities of the financial liabilities contracted by the Company and reported in the consolidated statement of financial position. The amounts include the principal and future interest on transactions, calculated using the rates and indices prevailing at June 30, 2024:

	2024	2025	2026	2027	2028 onwards	Total
Trade payables	(2,628,554)	(871,050)	-	-	-	<b>(3,499,604)</b>
Lease liabilities	(254,739)	(426,664)	(365,314)	(298,426)	(2,340,512)	<b>(3,685,655)</b>
Borrowing and debentures	(353,889)	(1,665,508)	(2,826,215)	(3,160,046)	(28,088,107)	<b>(36,093,765)</b>
Derivative financial instruments	130,473	126,340	252,679	129,937	120,778	<b>760,207</b>
<b>Total</b>	<b>(3,106,709)</b>	<b>(2,836,882)</b>	<b>(2,938,850)</b>	<b>(3,328,535)</b>	<b>(30,307,841)</b>	<b>(42,518,817)</b>

### 27.1.5 Climate risk management

Given the nature of its operations, the Company is exposed to climate change risk. The Company's property, plant and equipment (Note 13) and biological assets (Note 14) may be impacted by the determination of their respective variables used in the calculations of fair value and recoverable amount (impairment).

The Company performs studies to assess the effects of climate change, in particular from droughts, that may directly affect the productivity of its biological assets and potentially its virgin fiber pulp and paper production capacity. Through its Technological Center of Forestry Research, the Company coordinates studies and continuously monitors its forests, seeking to understand the behavior of its biological assets under varied temperature and water conditions, as well as soil preservation, and the importance of existing biodiversity.

Historically, the timberlands that serve the Company's pulp and paper manufacturing units are located in regions with a subtropical climate where water shortage issues are less common. The Company carries out monitoring based on mathematical models and field experiments, seeking to identify regions that have proven more resilient against the projected impacts on climate and biodiversity. This ESG vision should be read in conjunction with the Sustainability Report and the information on the Company's ESG Portal.

The Company has a structure dedicated to corporate risk management, including risks related to climate change, which uses specific methodologies, tools and processes to identify, assess and, if necessary, mitigate the main risks. This enables the Company to continuously monitor risks and possible impacts, and control the variables, as well as to establish and implement mitigating measures and strategies for resilience and adaptation, aimed at reducing the identified exposures.

Management reviews different scenarios to identify, assess and price the impacts of climate-related risks and opportunities on its forestry and industrial operations and the scenarios analyzed consider physical and transition variables.

In the six-month periods ended June 30, 2024 and 2023, the Company had no significant financial impacts arising from events caused by climate change.

## 27.2 Capital management

The Company's capital structure is monitored based on its net indebtedness, which is comprised of its borrowing (Note 17) and debentures (Note 18), less the impacts of derivatives linked to borrowing and debentures (Notes 28.1 and 28.2), cash, cash equivalents and marketable securities (Notes 5 and 6), through a net debt ratio (Note 20), including the capital issued and all reserves.

	<b>Consolidated</b>	
	<b>6/30/2024</b>	<b>12/31/2023</b>
Cash and cash equivalents and marketable securities	12,959,980	10,714,831
Borrowing and debentures	(36,093,765)	(31,341,244)
Derivative financial instruments (i)	(622,318)	433,462
<b>Net indebtedness</b>	<b>(23,756,103)</b>	<b>(20,192,951)</b>
Equity	11,618,327	13,732,530
<b>Net indebtedness ratio</b>	<b>(2.04)</b>	<b>(1.47)</b>

(i) Excluding operating derivative instruments - ZCC and NDFs.

## 27.3 Financial instruments by category

The Company has the following categories of financial instruments:



	Fair value Hierarchy	Consolidated			
		Carrying amount	Fair value	Carrying amount	Fair value
		6/30/2024	6/30/2024	12/31/2023	12/31/2023
<b>Current</b>					
Cash and cash equivalents		11,904,719	11,904,719	9,558,829	9,558,829
Trade receivables (net of allowance)		2,429,640	2,429,640	2,359,746	2,359,746
Other assets		681,653	681,653	515,091	515,091
<b>Assets – at amortized cost</b>		<b>15,016,012</b>	<b>15,016,012</b>	<b>12,433,666</b>	<b>12,433,666</b>
Marketable securities	1	1,055,261	1,055,261	1,156,002	1,156,002
<b>Assets – at fair value through profit or loss</b>		<b>1,055,261</b>	<b>1,055,261</b>	<b>1,156,002</b>	<b>1,156,002</b>
Derivative financial instruments	2	170,673	170,673	885,794	885,794
<b>Assets – at fair value through comprehensive income</b>		<b>170,673</b>	<b>170,673</b>	<b>885,794</b>	<b>885,794</b>
<b>Liabilities</b>					
Trade payables		2,316,186	2,316,186	2,172,904	2,172,904
Forfeiting - trade payables and forfeiting forestry operations		1,073,411	1,073,411	921,972	921,972
Lease liabilities		1,865,157	1,865,157	1,923,294	1,923,294
Borrowing and debentures	2	36,093,765	37,208,959	31,341,244	32,943,190
Other payables		684,315	684,315	658,349	658,349
<b>Liabilities – at amortized cost</b>		<b>42,032,834</b>	<b>43,148,028</b>	<b>37,017,763</b>	<b>38,619,709</b>
Derivative financial instruments	2	800,407	800,407	452,332	452,332
<b>Liabilities – at fair value through comprehensive income</b>		<b>800,407</b>	<b>800,407</b>	<b>452,332</b>	<b>452,332</b>

### 27.3.1 Fair value hierarchy

Financial instruments are measured at fair value, which reflects the price that would be received for the sale of an asset, or paid for the transfer of a liability, in a non-forced transaction between market participants at the measurement date.

Depending on the assumptions used for measurement, financial instruments measured at fair value are classified into three hierarchical levels:

- (i) Level 1 – Based on quoted prices (unadjusted) in active markets for identical assets and liabilities. A market is considered active if transactions are carried out with sufficient frequency and volume to provide immediate and continuous pricing information, generally obtained from a commodities exchange, pricing service or regulatory agency, and if the prices represent real market transactions, which take place regularly on a commercial basis;
- (ii) Level 2 – Based on quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, pricing models for which the assumptions are observable, such as interest rates and yield curves, volatilities and credit spreads, and information that can be corroborated by the market. Assets and liabilities classified at this level are measured using the discounted cash flow method and interest accruals, respectively, for

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derivative financial instruments and financial investments. The observable inputs used are interest rates and curves, volatility factors and foreign exchange parity quotations; and

- (iii) Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

During the period ended June 30, 2024, there were no changes among the three hierarchy levels.

### **27.3.2 Amortized cost**

These financial instruments are held by the Company from usual transactions, such as cash and cash equivalents, trade receivables, trade payables, lease liabilities, and borrowing and debentures. All such instruments are recorded at their notional amounts plus, when applicable, contractual charges and interest rates, in respect of which the related income and expenses are recognized in the results for each period.

### **27.3.3 Fair value through profit or loss**

The Company classifies its marketable securities, being Financial Treasury Bills and Brazilian Federal Treasury Notes (LFT and NTN -B) (Note 6), as financial assets measured at fair value through profit or loss, as these are subject to changes in their value if they are not held to maturity.

### **27.3.4 Fair value through other comprehensive income**

The Company classified derivative financial instruments (Note 28) as financial assets and liabilities measured at fair value through other comprehensive income for items designated as hedges and eligible for hedge accounting.

## **27.4 Sensitivity analysis**

The Company presents below its sensitivity analysis for the foreign exchange and interest rate risks to which it is exposed. The sensitivity analysis does not consider the effects on its cash flow of foreign exchange variations.

### **a) Foreign exchange exposure**

The Company has assets and liabilities denominated in foreign currency in the statement of financial position at June 30, 2024. For sensitivity analysis purposes, it adopted for Scenario I the projected market rates in effect on dates close to the end of the reporting period. For Scenarios II and III, this rate was stressed by factors of 25% and 50%, respectively.

The sensitivity analysis considers the net exchange rate exposure (foreign currency-denominated borrowing, cash and cash equivalents, trade receivables, and trade payables) without taking into account forecast future exports that will offset this net exchange rate exposure.

As per the hedge accounting policy (Note 28), the effects of foreign exchange rate variations do not directly affect the results for the period as they are first recognized in equity until their settlement, as comprehensive income.

Accordingly, the table below shows a simulation of the effects of foreign exchange rate variations on the statement of financial position, other comprehensive income, and finance result, considering the balances at June 30, 2024:

	Consolidated						
	At	Scenario I		Scenario II		Scenario III	
	6/30/2024	Rate	R\$ gain (loss)	Rate	R\$ gain (loss)	Rate	R\$ gain (loss)
	USD 000	(A)		(B) = A+25%		(C) = A+50%	
Cash and cash equivalents	1,199,422	5.41	(178,594)	6.76	1,440,626	8.12	3,071,840
Trade receivables (net of allowance)	232,665	5.41	(34,644)	6.76	279,454	8.12	595,879
Other assets and liabilities	117,469	5.41	(17,491)	6.76	141,092	8.12	300,851
Trade payables	(21,731)	5.41	3,236	6.76	(26,101)	8.12	(55,656)
Borrowing and debentures	(5,743,440)	5.41	855,198	6.76	(6,898,445)	8.12	(14,709,523)
<b>Net effect on statement of financial position</b>			<b>627,705</b>		<b>(5,063,374)</b>		<b>(10,796,609)</b>
<b>Effect on other comprehensive income</b>			<b>851,901</b>		<b>(6,871,845)</b>		<b>(14,652,803)</b>
<b>Net effect on finance result</b>			<b>(224,196)</b>		<b>1,808,471</b>		<b>3,856,194</b>

## b) Interest rate exposure

The Company has financial investments, borrowing and debentures linked to the CDI, TLP, TJLP, IPCA, SELIC and SOFR floating interest rates. For sensitivity analysis purposes, the Company adopts the rates close to the date of the latest statement financial position. These are obtained from the Central Bank of Brazil, using the same rates for the SELIC, SOFR, IPCA and CDI for Scenario I, due to the similarity of these rates. These rates are then stressed by 25% and 50% for Scenarios II and III, respectively.

With all other variables being held constant, the table below simulates the effects of interest rate changes on the equity and future results (consolidated) for 12 months, considering the balances at June 30, 2024:

		<b>Consolidated</b>						
		<b>At 6/30/2024</b>	<b>Scenario I</b>		<b>Scenario II</b>		<b>Scenario III</b>	
		<b>R\$</b>	<b>Rate (A)</b>	<b>R\$ gain (loss)</b>	<b>Rate (B) = A+25%</b>	<b>R\$ gain (loss)</b>	<b>Rate (C) = A+50%</b>	<b>R\$ gain (loss)</b>
<b>Financial investments</b>								
CDBs	CDI	5,227,175	10.40%	543,626	13.00%	679,533	15.60%	815,439
NTN - B	IPCA	1,027,285	4.23%	43,454	5.29%	54,318	6.35%	65,181
<b>Borrowing</b>								
NCE (R\$) and CRA	CDI	(1,456,158)	10.40%	(151,440)	13.00%	(189,301)	15.60%	(227,161)
BNDES	CDI	(3,524,014)	10.40%	(366,497)	13.00%	(458,122)	15.60%	(549,746)
BNDES - Other	TJLP	(127,608)	6.91%	(8,818)	8.64%	(11,022)	10.37%	(13,227)
Debentures	IPCA	(1,446,892)	4.23%	(61,204)	5.29%	(76,504)	6.35%	(91,805)
Exp. prepayments, term loans and Finnvera	SOFR	(9,888,169)	5.33%	(527,039)	6.66%	(658,799)	8.00%	(790,559)
<b>Net effect on finance result</b>				<b>(527,918)</b>		<b>(659,897)</b>		<b>(791,878)</b>

## 27.5 Derivative financial instruments

Gains and losses on derivative instruments (swaps) are marked to market to their fair values, and the effects are recognized in other comprehensive income. At June 30, 2024, the balance of derivative financial instruments marked to market was a loss of R\$ 760,207 (a gain of R\$ 433,462 at December 31, 2023). The amounts recorded in the statement of income in "finance result" was income of R\$ 471,263 in the parent company and R\$ 469,248 in the consolidated (income of R\$ 599,226 in the parent company and consolidated for the period ended June 30, 2023). In the same period, a balance of R\$ 1,318,059 was recognized in equity under "carrying value adjustments".

The contracted amounts of these instruments, their fair values and the balances recognized in the statement of income are presented in Note 28.

<b>Derivative financial instruments</b>	<b>Note</b>	<b>6/30/2024</b>	<b>12/31/2023</b>
Foreign exchange hedges	28.1	(629,733)	358,959
Interest rate hedges	28.2	7,416	74,503
Cash flow foreign exchange hedges	28.3	(137,890)	-
<b>Total</b>		<b>(760,207)</b>	<b>433,462</b>
Non-current assets		170,673	885,794
Current liabilities		(130,473)	-
Non-current liabilities		(800,407)	(452,332)

## 28. CASH FLOW HEDGE ACCOUNTING

The Company designates financial instruments (derivatives and loans in foreign currency) as a hedging instrument. These designations are segregated into three hedge programs (all falling into the cash flow hedge category): i. Interest rate hedge, ii. Future revenue hedge (highly probable transactions) and iii. Net cash exposure hedge.

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Information about each of these programs is presented below:

						At June 30, 2024
Modality	Currency	Nominal value	Maturity until	Rate	Fair value	
<i>i.</i> Interest rate hedge	Real	3,122,963	November/2039	IPCA/CDI	7,416	
		<b>3,122,963</b>			<b>7,416</b>	
Borrowing designated as hedging instruments	USD	3,552,581	April/2029	5.08 to 5.46	-	
Derivatives designated as hedging instrument	USD	1,434,439	May/2034	5.16 to 5.34	(629,734)	
<b><i>ii.</i> Future revenue hedge (highly probable transactions)</b>		<b>4,987,020</b>			<b>(629,734)</b>	
<b><i>iii.</i> Hedge net cash exposure</b>	USD	552,000	June/2026	5.15 to 5.75	(137,890)	
		<b>552,000</b>			<b>(137,890)</b>	
<b>Total</b>		<b>8,661,983</b>			<b>(760,208)</b>	
<b>Total assets</b>					<b>170,673</b>	
<b>Total liabilities</b>					<b>(930,880)</b>	

						At December 31, 2023
Modality	Currency	Nominal value	Maturity until	Rate	Fair value	
<i>i.</i> Interest rate hedge	Real	3,099,727	November/2039	IPCA/CDI	74,503	
		<b>3,099,727</b>			<b>74,503</b>	
Borrowing designated as hedging instruments	USD	3,803,211	April/2029	5.08 to 5.46	-	
Derivatives designated as hedging instrument	USD	1,434,439	May/2034	5.16 to 5.34	358,959	
<b><i>ii.</i> Future revenue hedge (highly probable transactions)</b>		<b>5,237,650</b>			<b>358,959</b>	
<b>Total</b>		<b>8,337,377</b>			<b>433,462</b>	
<b>Total assets</b>					<b>885,794</b>	
<b>Total liabilities</b>					<b>(452,332)</b>	

### 28.1 Future revenue hedge (highly probable transactions):

The Company adopted a cash flow hedge accounting program for highly probable future revenue, designating foreign loans, financing and debentures (debt instruments) denominated in foreign currency (USD) and/or converted into foreign currency through swaps hedges of its highly probable future revenue denominated in the same currency.

At June 30, 2024, the hedging instruments are comprised of 25 foreign currency-denominated borrowing agreements (25 agreements at December 31, 2023), including debentures, bonds, export credit notes, export prepayments (EPP), term loans (BID Invest and IFC), ECA and swaps (debentures, NCE and CRA), the last payments of which are due in April 2049.

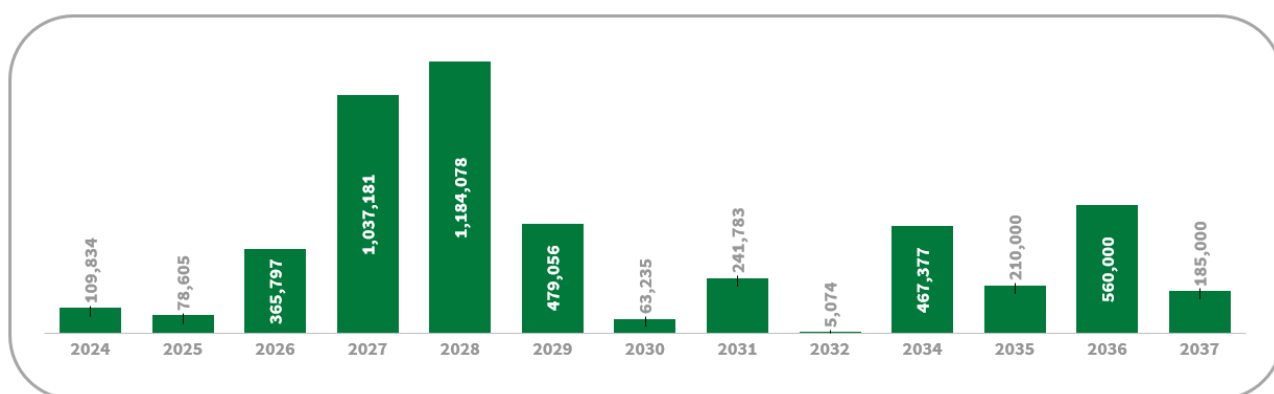
Loans designated as hedging instruments are measured at amortized cost and foreign exchange variations is are recognized in other comprehensive income.

In the case of swaps, the fair value is measured based on the present value of the projected cash flows discounted at market rates.

At June 30, 2024							
Hedging instruments	Maturity until	Nominal value (USD)	Contract close rate	Recognized in the hedge reserve	Fair value	Cost of hedge	Adjustment to revenue
Bonds	Apr/49	2,616,604	5.16 and 5.46	(859,032)	-	-	(19,270)
ECA	Sept/31	250,291	5.08 and 5.16	(96,132)	-	-	(4,555)
Export prepayments	Apr/29	125,000	5.16	(49,487)	-	-	-
Term loans	Oct/32	560,686	5.16/5.19/5.2 1/5.25	(203,694)	-	-	409
<b>Borrowing designated as hedging instruments</b>		<b>3,552,581</b>		<b>(1,208,345)</b>	-	-	<b>(23,416)</b>
Swap	Mar/29	265,783	5.16	(105,223)	(413,972)	(125,548)	-
Swap	Dec/26	283,000	5.16	(202,191)	(379,019)	120,162	-
Swap	May/34	885,656	5.17/5.23/ 5.34	(247,295)	163,257	(90,299)	-
<b>Derivatives designated as hedging instrument</b>		<b>1,434,439</b>		<b>(554,709)</b>	<b>(629,734)</b>	<b>(95,685)</b>	-
<b>Total</b>		<b>4,987,020</b>		<b>(1,763,054)</b>	<b>(629,734)</b>	<b>(95,685)</b>	<b>(23,416)</b>

At December 31, 2023							
Hedging instruments	Maturity until	Nominal value (USD)	Contract close rate	Recognized in the hedge reserve	Fair value	Cost of hedge	Adjustment to revenue
Bonds	Apr/49	2,832,669	5.16 and 5.46	541,286	-	-	-
ECA	Sept/31	276,053	5.08 and 5.16	86,263	-	-	(6,396)
Export prepayments	Apr/29	125,000	5.16	40,163	-	-	-
Term loan	Oct/32	569,489	5.16/5.19/5.21 /5.25	192,939	-	-	(1,771)
<b>Borrowing designated as hedging instruments</b>		<b>3,803,211</b>		<b>860,651</b>	-	-	<b>(8,167)</b>
Swap	Mar/29	265,783	5.16	85,396	(257,590)	123,939	-
Swap	Dec/26	283,000	5.16	777	(194,742)	129,978	-
Swap	May/34	885,656	5.17/5.23/5.34	387,898	811,291	(28,272)	(1,605)
<b>Derivatives designated as hedging instrument</b>		<b>1,434,439</b>		<b>474,071</b>	<b>358,959</b>	<b>225,645</b>	<b>(1,605)</b>
<b>Total</b>		<b>5,237,650</b>		<b>1,334,722</b>	<b>358,959</b>	<b>225,645</b>	<b>(9,772)</b>

The following chart shows the portion of future revenue denominated in US Dollars, which is highly probable, which is defined as the hedged object:



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## 28.2 Interest rate hedge

The Company adopts a hedge accounting program for interest rates, to hedge against the risks of variations in the IPCA on Brazilian Real debt swapped for the CDI.

The Company has established the following parameters for the hedging strategy and objectives: (i) IPCA volatility in the interest expenses of loans in Brazilian Real swapped for the CDI; and (ii) the prospective elimination of IPCA variations on debt contracts in Brazilian Real, by contracting derivative instruments (swaps) and replacing the IPCA with the CDI.

Interest rate swaps are measured at market value based on the present value of the projected cash flows discounted at market rates. The respective accruals of these balances are recognized in profit or loss for the period and the portion related to mark-to-market of these instruments is recognized in other comprehensive income.

Interest rate hedging instrument	Consolidated	
	6/30/2024	12/31/2023
Currency	Real	Real
Maturity up to	Nov/39	Nov/39
Nominal value (R\$)	3,122,963	3,099,727
IPCA	2,584,611	2,776,685
CDI	(2,577,195)	(2,702,182)
Fair value	7,416	74,503

## 28.3 Cash flow hedge – net exposure

On December 5, 2023, the Company's cash flow hedging policy was approved and, contracting of instruments began in January 2024. The program consists of protecting the net exposure of cash flow in foreign currency (US dollar - USD) against fluctuations in the USD vs Brazilian Real exchange rate. The Company adopts foreign exchange cash flow hedge accounting to mitigate the accounting effects of this policy, where the variation in the fair value of the instruments used is recognized in other comprehensive income until its realization, when the accumulated effects are reclassified to finance result in the statement of income. The exchange rate risk covered in the hedge relationship, depending on the instrument used, is fixed between a minimum and maximum limit for exchange rates combined between purchased and sold options, and/or the variation of the spot rate at a future fixed exchange rate.

The contracted instruments are measured at their value using the following methodologies: i. Non-Deliverable Forwards (NDFs) and ii. Zero Cost Collar (ZCC) Options.

**Zero Cost Collar:** Financial instrument that combines simultaneously the purchase of put options and the sale of call options in dollars, with the same principal amount and maturity date. This strategy aims to protect cash flows from exports by establishing a range in which there is no deposit or receipt of financial

margin upon the maturity of the options. Its purpose is to protect cash flows from exports against the devaluation of the real.

**Non-Deliverable Forward (“NDF”):** positions sold under over-the-counter or forward contracts, with the purpose of protecting cash flows from exports against the devaluation of the real.

The Company establishes the following parameters as its Hedging Objective and Strategy:

**Hedging strategy:** To protect the Company’s projected net exposure of the cash flow in foreign currency against the risk of foreign exchange variation (USD) by designating derivative financial instruments in a cash flow hedge relationship.

**Hedging objective:** To designate Zero Cost Collar (ZCC) and/or Non-Deliverable Forwards (NDFs) Options as hedging instruments to protect between 25% and 50% of the Company’s net exchange rate exposure over up to 24 months.

Contract maturity	Financial instrument	Contracted volume (USD thousand)	Strike range	Fair value (R\$ thousand)
9/30/2024	ZCC	76,000	4.99 - 5.43	(16,792)
12/31/2024	ZCC	70,500	5.00 - 5.42	(21,330)
3/31/2025	ZCC	81,500	5.11 - 5.60	(20,111)
6/30/2025	ZCC	72,000	5.13 - 5.72	(16,811)
9/30/2025	ZCC	78,000	5.16 - 5.84	(20,212)
12/31/2025	ZCC	61,500	5.21 - 5.97	(16,818)
3/31/2026	ZCC	71,500	5.32 - 6.15	(16,227)
6/30/2026	ZCC	20,500	5.62 - 6.46	(2,666)
12/31/2024	NDFs	20,500	5.00 - 5.32	(6,923)
		<b>552,000</b>		<b>(137,890)</b>

## 28.4 Changes during the period

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

	<b>Consolidated</b>
<b>At December 31, 2022</b>	<b>199,511</b>
Changes in the fair values of hedging instruments	1,342,353
Realization of hedge reserve to profit or loss	(9,772)
Income tax and social contribution effects	(453,078)
<b>At December 31, 2023</b>	<b>1,079,014</b>
Changes in the fair values of hedging instruments	(3,608,513)
Realization of hedge reserve to profit or loss	(2,315)
Realization of hedge reserve to profit or loss - net revenue	(21,101)
Income tax and social contribution effects	1,234,856
<b>At June 30, 2024</b>	<b>(1,318,059)</b>

At June 30, 2024, borrowings designated as hedging instruments present a negative exchange variation of R\$ 1,763,054. This amount, recognized in equity under “carrying value adjustments”, reflects changes in the fair value of these instruments since the date of their designation.



During the same period, the Company realized export revenue in the amount of USD 251 million (USD 43 million at June 30, 2023), which was subject to hedge accounting, and for which borrowing instruments designated as hedges were settled concurrently, giving rise to income of R\$ 23,416 from the accumulated foreign exchange variations (income of R\$ 5,058 at June 30, 2023), recognized in the statement of income for the period under “sales revenue”.

The effects of marking to market of the fair values of hedge instruments and the settling of hedge objects by means of the realization of the hedge reserve in sales revenue resulted in a debt balance of R\$ 3,631,929, recognized in the statement of comprehensive income for the period ended June 30, 2024, of which R\$ 2,397,073 refers to the balance net of taxes (R\$ 1,707,542 recognized in the statement of comprehensive income for the period ended June 30, 2023, of which R\$ 1,126,978 net of taxes).

## 28.5 Hedge accounting effectiveness testing

In the period ended June 30, 2024, the Company conducted effectiveness testing which demonstrated that the hedge accounting program is effective given the economic relationship between the hedge ratio, the effects of the credit risk involved in the instrument and the hedged item, and the assessment of the critical terms.

## 29. SUPPLEMENTARY INFORMATION TO THE STATEMENT OF CASH FLOW

In accordance with CPC 03 (R2) / IAS 7 – Statements of Cash Flow, some investing and financing activities do not directly affect cash flows, although they affect the Company’s capital and asset structure. statement of cash flows, by its nature, did not contemplate non cash transactions below.

Transactions not involving cash	Parent Company		Consolidated	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023
<b>Investing activities</b>				
Purchases of property, plant and equipment in installments	(34,089)	(119,810)	(47,369)	(89,092)
Purchases of forests in installments	(579,686)	(176,421)	(637,920)	(246,260)
<b>Total investing activities</b>	<b>(613,775)</b>	<b>(296,231)</b>	<b>(685,289)</b>	<b>(335,352)</b>

## 30. EVENTS AFTER THE REPORTING PERIOD

### 30.1 Closing of Caetê project

On July 16, 2024, pursuant to article 157, paragraph 4 of Law 6,404/76 and CVM Resolution 44/21, and as notified in material fact release dated December 20, 2023, the Company closed the transaction in the total amount of USD 1,160 million, in which it acquired, through its subsidiaries, 100% of the capital of Arauco Florestal Arapoti S.A. (AFA) and of Arauco Forest Brasil S.A. (AFB), and indirectly 49% of the capital of

Florestal Vale do Corisco S.A. (VdC) and 100% of Empreendimentos Florestais Santa Cruz Ltda. (SC) (“Transaction” or “Caetê Project”).

The Transaction was having fulfilled the suspensive conditions, including the approval by the CADE (Brazilian antitrust regulatory agency).

The Company elected to apply the optional test to identify a concentration of fair value under paragraph B7A of IFRS 3. The transaction was accounted for as an asset acquisition given that substantially all of the fair value of the acquired set of assets was concentrated in the principal asset (property, plant and equipment).

### **30.2 Distribution of dividends**

At the Board of Directors’ meeting held on July 30, 2024, the payment of dividends for the Company’s capital shares was approved, in the amount of R\$ 410,000, equivalent to R\$ 0.06743909593/share and R\$ 0.33719547965/unit.

Payment will be made on August 15, 2024, based on the shareholding position of August 5, 2024, and the shares will be traded ex-dividends as from August 6, 2024. As a general rule, income tax is not levied on dividends.



(A free translation of the original in Portuguese)

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

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

### **Introduction**

We have reviewed the accompanying condensed interim balance sheet of Klabin S.A. ("Company") as at June 30, 2024 and the related condensed statements of income and comprehensive income for the quarter and six-month period then ended, and the condensed statements of changes in equity and cash flows for the six-month period then ended, as well as the accompanying consolidated condensed interim balance sheet of the Company and its subsidiaries ("Consolidated") as at June 30, 2024 and the related consolidated condensed statements of income and comprehensive income for the quarter and six-month period then ended, and the consolidated condensed statements of changes in equity and cash flows for the six-month period then ended, and explanatory notes.

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

### **Scope of review**

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



Klabin S.A.

### **Conclusion**

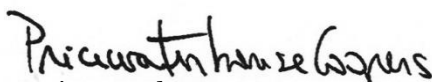
Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated condensed interim financial statements referred to above are not prepared, in all material respects, in accordance with CPC 21 and IAS 34.

### **Other matters**

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

The interim condensed financial statements referred to above include the parent company and consolidated condensed statements of value added for the six-month period ended June 30, 2024. These statements are the responsibility of the Company's management and are presented as supplementary information under IAS 34. These statements have been subjected to review procedures performed together with the review of the condensed interim financial statements for the purpose of concluding whether they are reconciled with the condensed interim financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these condensed statements of value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the parent company and consolidated condensed interim financial statements taken as a whole.

São Paulo, July 29, 2024

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

Renato Barbosa Postal  
Contador CRC 1SP187382/O-0

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## OFFICERS' STATEMENT ON THE INTERIM FINANCIAL INFORMATION

We, as Officers of KLABIN S.A., a corporation headquartered in the city of São Paulo, State of São Paulo, at Avenida Brigadeiro Faria Lima, 3.600, 3rd, 4th and 5th floors, Itaim Bibi, CEP 04538-132, enrolled in the National Corporate Taxpayer's Registry (CNPJ) under No. 89.637.490/0001-45, declare that we have reviewed, discussed and agreed with the set of quarterly information for the period ended June 30, 2024.

São Paulo, July 29, 2024

Cristiano Cardoso Teixeira	Chief Executive Officer
Marcos Paulo Conde Ivo	Chief Financial and Investor Relations Officer
Francisco Cezar Razzolini	Chief Industrial Technology, Innovation, Sustainability and Project Officer
Antonio Alexandre Nicolini	Chief Pulp Business Officer
Douglas Dalmasi	Chief Packaging Business Officer
Sandro Fabiano Ávila	Chief Forestry Business Officer

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## OFFICERS' STATEMENT ON THE INDEPENDENT AUDITOR'S REVIEW REPORT

We, as Officers of KLABIN S.A., a corporation headquartered in the city of São Paulo, State of São Paulo, at Avenida Brigadeiro Faria Lima, 3.600, 3rd, 4th and 5th floors, Itaim Bibi, CEP 04538-132, enrolled in the National Corporate Taxpayers' Registry (CNPJ) under No. 89.637.490/0001-45, declare that we have reviewed, discussed and agreed with the opinions expressed in the independent auditor's report related to the set of quarterly information for the period ended June 30, 2024.

São Paulo, July 29, 2024

Cristiano Cardoso Teixeira	Chief Executive Officer
Marcos Paulo Conde Ivo	Chief Financial and Investor Relations Officer
Francisco Cezar Razzolini	Chief Industrial Technology, Innovation, Sustainability and Project Officer
Antonio Alexandre Nicolini	Chief Pulp Business Officer
Douglas Dalmasi	Chief Packaging Business Officer
Sandro Fabiano Ávila	Chief Forestry Business Officer

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

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## **BOARD OF DIRECTORS**

### **Chair**

Horacio Lafer Piva

### **Board Members**

Alberto Klabin  
Amanda Klabin Tkacz  
Wolff Klabin  
Vera Lafer  
Mauro Gentile Rodrigues da Cunha  
Francisco Lafer Pati  
Paulo Sérgio Coutinho Galvão Filho  
Lilia Klabin Levine  
Celso Lafer  
Roberto Luiz Leme Klabin  
Amaury Guilherme Bier  
Marcelo Mesquita de Siqueira Filho  
Roberto Diniz Junqueira Neto  
Isabella Saboya de Albuquerque

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## **SUPERVISORY BOARD**

Tomas Junqueira de Camargo  
Célio de Melo Almada Neto  
Igor Lima  
Pedro Guilherme Zan  
Sergio Ladeira Furquim Werneck Filho

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## **EXECUTIVE BOARD**

Cristiano Cardoso Teixeira	Chief Executive Officer
Marcos Paulo Conde Ivo	Chief Financial and Investor Relations Officer
Francisco Cezar Razzolini	Chief Industrial Technology, Innovation, Sustainability and Project Officer
Antonio Alexandre Nicolini	Chief Pulp Business Officer
Douglas Dalmasi	Chief Packaging Business Officer
Sandro Fabiano Ávila	Chief Forestry Business Officer

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Herbert Wang Ho  
Chief Controlling Officer

Ahmad Abu Islaim  
Accountant – CRC SP259626/O-8

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Parent company and consolidated interim financial statements for the three- and six-month periods ended June 30, 2024 and 2023

All amounts in thousands of Reais unless otherwise stated

**KLBN4 KLBN3 KLBN11**