



Earnings Release

3Q23

Earnings Release 3Q23

October 25th, 2023

ADJUSTED EBITDA OF R\$ 1.352 BILLION IN 3Q23, AN INCREASE OF 1% COMPARED TO 2Q23 AND A REDUCTION OF 41% IN RELATION TO 3Q22

Pulp

Flexibility

In 3Q23, sales volume of pulp reached 426 thousand tons, the second largest volume since the startup of the Puma I Project, highlighting the record volume of fluff sales for a quarter.

Capex

R\$ 1.093 bn

Investments totaled R\$ 1.093 billion in 3Q23, 35% lower compared to 3Q22. In the accumulated of 2023, the amount invested totaled R\$ 3.296 billion, 22% below 9M22.

Total Cash Cost

R\$ 3,042/t

The total cash cost, excluding the effects of the maintenance stoppage, was R\$ 3,042/t in 3Q23, a year-on-year decline of 3% and 6% in the quarterly comparison.

Adjusted FCF Yield

17.6%

Adjusted Free Cash Flow (FCF)¹ amounted to R\$ 4.0 billion in the last twelve months, representing an Adjusted FCF yield¹ of 17.6%.

¹ See methodology in the Cash Flow section

Paper and Packaging

Resilience

Adjusted EBITDA/t for the paper and packaging business, in the first nine months of 2023, was R\$ 1,824 per ton, a growth of 7% when compared to the same period of the previous year, evidence of the structural resilience of these segments.

Earnings

Dividends

Klabin paid out R\$ 1.5 billion in dividends in the last twelve months, representing a dividend yield of 6.7%, in line with its Dividends and Interest on Capital Policy.

Klabin

Market Cap

R\$ 26.2 billion¹

¹based on price of KLBN11 on 09/29/23

KLBN11

Closing Price

R\$ 23.81/unit¹

3Q23 Average Daily

Trading Volume

R\$ 99 million

Conference Call October 26, 2023

(Thursday)

10:00 a.m. (EST)

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Code: Klabin

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Financial Highlights

R\$ million	3Q23	2Q23	3Q22	Δ	Δ	9M23	9M22	Δ
				3Q23/2Q23	3Q23/3Q22			9M23/9M22
Sales Volume (thousand tonnes) ¹	967	856	1,015	13%	-5%	2,705	2,924	-7%
% Domestic Market	56%	59%	56%	- 3 p.p.	+ 0 p.p.	57%	55%	+ 2 p.p.
Pulp	426	334	411	27%	4%	1,133	1,169	-3%
Paper	268	268	324	0%	-17%	799	963	-17%
Packaging	262	252	277	4%	-5%	759	785	-3%
Net Revenue ²	4,400	4,293	5,488	3%	-20%	13,524	14,949	-10%
% Domestic Market	67%	69%	58%	- 2 p.p.	+ 9 p.p.	65%	58%	+ 7 p.p.
Pulp	1,339	1,270	2,016	5%	-34%	4,320	5,173	-16%
Paper	1,260	1,338	1,679	-6%	-25%	3,972	4,809	-17%
Packaging	1,648	1,608	1,674	2%	-2%	4,827	4,647	4%
Adjusted EBITDA	1,352	1,344	2,311	1%	-41%	4,639	6,027	-23%
Adjusted EBITDA Margin	31%	31%	42%	+ 0 p.p.	- 11 p.p.	34%	40%	- 6 p.p.
Adjusted EBITDA Excl. Non-Recurring Effects ³	1,352	1,344	2,311	1%	-41%	4,639	5,879	-21%
Adjusted EBITDA Margin Excl. Non-Recurring Effects ³	31%	31%	42%	+ 0 p.p.	- 11 p.p.	34%	39%	- 5 p.p.
Net Income	245	971	2,053	-75%	-88%	2,477	3,899	-36%
Net Debt	20,882	19,515	21,435	7%	-3%	20,882	21,435	-3%
Net Debt / EBITDA (LTM - BRL)	3.2x	2.6x	2.7x	+ 0.6x	+ 0.5x	3.2x	2.7x	+ 0.5x
Net Debt / EBITDA (LTM - USD)	3.2x	2.8x	2.6x	+ 0.4x	+ 0.6x	3.2x	2.6x	+ 0.6x
CAPEX	1,093	1,029	1,691	6%	-35%	3,296	4,235	-22%

¹ Excludes wood and includes by-product sales

² Includes by-product sales and hedge accounting

³ Excludes the non-recurring effect of R\$ 147 million in 2Q22 related to the extemporaneous PIS/COFINS credit on OCC purchases

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



Quarterly Message

The quarter in Brazil was marked by the continued improvement in inflation and the beginning of a down cycle in interest rates, the Selic rate decreasing from an annual 13.75% to the current 12.75%. However, there is high degree of uncertainty in the domestic market, given the challenges presented by the international scenario. In the USA, growth remains robust and continues to outperform the other developed markets, bringing with it the risks of rising inflation and the maintenance of high interest rates over a longer period. Meanwhile in Europe, the scenario remains more challenging due to weak economic activity and an incipient easing in inflation rates. Although at a more moderate pace, in China, the indicators of economic activity suggest economic stabilization.

In the pulp market, we highlight the solid performance with the second highest sales volume for a quarter since the startup of the Puma I as well as record sales volume of fluff pulp, prices of which held at elevated levels. In the quarter, Klabin once again made use of its flexibility to diversify its sales across the geographies, given the different performances reported for the period in the regions where it operates. Larger volumes were directed to China, where prices were higher in the light of stronger demand during the quarter with an important reduction in portside inventory. This movement reflects the improvement in various segments of the paper business in addition to fiber consumption on the part of the integrated producers which reduced their own production of high-cost fibers. Conversely, in the European market, prices remained below those in China, as there was a decrease in demand influenced by the low seasonality during this period. On the other hand, the tissue segment continued to operate at good levels of capacity, consuming contracted volumes for the quarter in full. It is also worth recalling that the Company has a greater exposure to European prices due to the large volume sold to the Brazilian market where cost-to-serve is lower.

While demand for the product was less intense than in recent quarters, the coated board market remained resilient. Demand continued to be driven by new habits of consumption stimulated with the onset of the pandemic as well as the trend towards sustainable packaging, replacing single use plastic for recyclable, biodegradable solutions derived of materials from renewable sources. According to the Brazilian Tree Industry (IBÁ)¹, sales in the Brazilian market increased by approximately 3% in the accumulated period from January to August 2023, in relation to the same period in 2022.

In the quarter, the containerboard market continued to be a challenging one. The average kraftliner reference price in 3Q23, as reported by FOEX Europe, was US\$ 762/t, a reduction of 21% in relation to the average of US\$ 961/t for 3Q22 and a 3% decline compared to the average of US\$ 785/t in 2Q23. In the light of this scenario, the Company maintained its strategy of greater integration of kraftliner in its corrugated box conversion plants, at the same time executing tactical production stoppages in line with market conditions, prioritizing the profitability of operations.

In the packaging market, according to previous information released by Empapel, the shipment of corrugated boxes in 3Q23, measured in m², decreased by 1.4%, while at Klabin the retraction was 2.5%, both in comparison with 3Q22. In tons, in this same period, the shipping volume reported by Empapel fell by 2.0% compared to 3Q22, while at Klabin the sales volume was 4% lower than the same period of the previous year. This reduction was due to the lower weight of Eukaliner® compared to traditional kraftliner and the sales mix.

Still in the packaging segment, demand for cement in the Brazilian market which impacts the sale of the Company's industrial bags, posted a 2% decline in the first nine months of 2023 compared with the same period in 2022 according to preliminary data published by the National Cement Industry Union (SNIC). At Klabin, in the year to date, the volume sales of industrial bags was 6% lower than the same period of the previous year. This reduction was mainly caused by the drop in industrial bags exports to Latin America.

Total net revenue was R\$ 4.400 billion in 3Q23, a reduction of 20% compared with 3Q22, due mainly to lower sales volume, a reduction in kraftliner and pulp prices and the appreciation of the Real against the US\$ in the period. Adjusted EBITDA amounted to R\$ 1.352 billion, 41% lower than in 3Q22, with an 11 p.p. reduction in Adjusted EBITDA margin.

In the light of this scenario, the Company closed the period with a leverage measured by the ratio of net debt to Adjusted EBITDA, in US\$, of 3.2x, an increase compared with 2Q23, within the parameters established in the Indebtedness Policy for the Company.

¹ Excluding LPB volumes

In sustainability, Klabin was recognized for the third consecutive occasion by the Santa Catarina SDG National Movement for its work based on best practices and actions in sustainability, conservation of biomass and the local communities. On this occasion, the company received two citations, the first for meeting the targets for 2022, and the second commemorating four years from the date the Company joined the Movement.

Again, in the third quarter, Klabin received approval for the use of the PineFluff line in Blue Angel products – the world’s first environmental label, linked to the German Ministry for the Environment and to RAL GmbH. Created in 1978, the label adopts a holistic view of the lifecycle of the product in order to assess its sustainability. The production of PineFluff was designed to provide stability, homogeneity and quality required by the absorbent products segment. Among the qualities are low defibration energy, high capacity, and speed of absorption, retention of liquid and uniformity.

The results for 3Q23 are a reflection of the solid and consistent performance obtained in a volatile and challenging macroeconomic environment. Klabin’s exposure to staple products, most notably food, beverages, and hygiene, contributed to the results resilience. This capacity to adapt reinforces the benefits of our integrated, diversified, and flexible business model and the consistent creation of value for all stakeholders.

Operating and Economic-Financial Performance

Pulp and Paper Production

Volume (k tons)	3Q23	2Q23	3Q22	Δ	Δ	9M23	9M22	Δ
				3Q23/2Q23	3Q23/3Q22			9M23/9M22
Pulp	422	321	418	32%	1%	1,151	1,193	-4%
Short Fiber	299	226	294	32%	2%	818	851	-4%
Long Fiber/Fluff	123	94	124	30%	-1%	333	342	-3%
Paper	607	550	636	10%	-5%	1,711	1,821	-6%
Coated Boards	177	183	189	-3%	-6%	544	534	2%
PM28	8	-	-	n/a	n/a	8	-	n/a
Containerboard ¹	430	367	447	17%	-4%	1,167	1,287	-9%
Kraftliner	217	216	259	0%	-16%	649	752	-14%
PM27	94	85	94	11%	0%	272	263	3%
PM28	63	5	-	n/a	n/a	68	-	n/a
Recycled	56	62	94	-9%	-41%	179	272	-34%
Total Production Volume	1,029	871	1,054	18%	-2%	2,862	3,014	-5%

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

In 3Q23, pulp production volume amounted to 422 thousand tons, an increase of 1% compared to the same quarter in 2022, the result of gains in manufacturing productivity.

Coated board output in 3Q23 was 177 thousand tons, 6% lower than the same period in the preceding year, explained by the maintenance stoppage at the Monte Alegre unit during the quarter.

In the containerboard segment, production volume in 3Q23 was 430 thousand tons, 4% less than 3Q22. This result, also impacted by the maintenance stoppage at the Monte Alegre unit, was partially offset by the ramp-up of PM28, the second machine of the Puma II Project, that started on June 9 this year. In addition, the Company continued executing tactical production stoppages of machines that produce recycled paper - Paulínia (PM29), Franco da Rocha (PM30) and Goiana (PM17), and paper machine 1 in Monte Alegre, that produces kraftliner. Klabin continues to use its business model, exercising flexibility and integration, tactically reducing containerboard production, and prioritizing the conversion of kraftliner paper into corrugated boxes.

Maintenance Stoppages

As scheduled, in the third quarter of 2023 there was a maintenance stoppage at the Monte Alegre unit, which was concluded as planned. The stoppage lasted 11 days with a total maintenance cost of R\$ 103 million – 7% lower than the cost in the preceding year when the maintenance at the plant took place in 2Q22.

No stoppages are programmed for 4Q23. In addition, the preliminary schedule for maintenance stoppages in 2024 is shown below.

		Maintenance Stoppage Schedule 2023											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Manufacturing Plant													
Ortigueira (PR) ¹				ORT									
Monte Alegre (PR)								MA					
Correia Pinto (SC)					CP								

¹Pulp and Paper (Puma I and Puma II)

		Maintenance Stoppage Schedule 2024											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Manufacturing Plant													
Ortigueira (PR) ¹								ORT					
Monte Alegre (PR)											MA		
Correia Pinto (SC)									CP				
Otacílio Costa (SC)	OC												

¹Pulp and Paper (Puma I and Puma II)

Legend:

Executed

To be Executed

Sales Volume

Volume (k tons)	3Q23	2Q23	3Q22	Δ 3Q23/2Q23	Δ 3Q23/3Q22	9M23	9M22	Δ 9M23/9M22
Pulp	426	334	411	27%	4%	1,133	1,169	-3%
Short Fiber	315	244	295	29%	7%	830	840	-1%
Long Fiber/Fluff	111	90	116	23%	-4%	303	330	-8%
Paper	268	268	324	0%	-17%	799	963	-17%
Coated Boards	166	170	183	-2%	-9%	507	521	-3%
Containerboard ¹	102	98	141	4%	-28%	291	442	-34%
Packaging	262	252	277	4%	-5%	759	785	-3%
Corrugated Boxes	226	216	237	5%	-4%	648	666	-3%
Industrial Bags	36	36	39	0%	-9%	111	118	-6%
Other	11	2	4	n/a	n/a	14	7	107%
Total Sales Volume (ex-wood)²	967	856	1,015	13%	-5%	2,705	2,924	-7%

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

² Includes by-product sales.

Total pulp volume sold in the third quarter 2023 was 426 thousand tons, the second largest sales volume since the startup of the Puma I, with emphasis on the record sales volume of fluff for a single quarter. This result reflects a high level of manufacturing productivity and the Company's geographic flexibility in allocating greater sales volume to the Chinese market, where demand was stronger relative to other regions in the period.

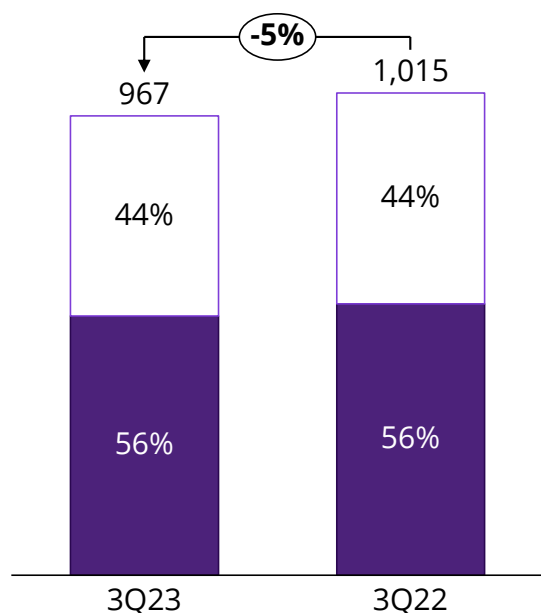
Sales volume of coated board was 166 thousand tons in 3Q23, a year-on-year reduction of 9%, explained by lower production due to the maintenance stoppage at the Monte Alegre unit and demand stabilization.

Containerboard sales volume amounted to 102 thousand tons in the quarter, a reduction of 28% compared with 3Q22. Despite improved demand in relation to 2Q23, the market remained challenging in Brazil and abroad. In this context, Klabin continues prioritizing the conversion of kraftliner into corrugated boxes.

In the packaging paper segment, volumes of corrugated box shipments in 3Q23 measured in m², reported a year-on-year decrease of 2.5%. Based on a comparison in tons, sales volume was 226 thousand, a reduction of 4% when compared to the same period in 2022. The reduction in tons is greater than the drop in m² due to the reduced grammage of the Eukaliner® product in relation to traditional kraftliner as well as changes in sales mix.

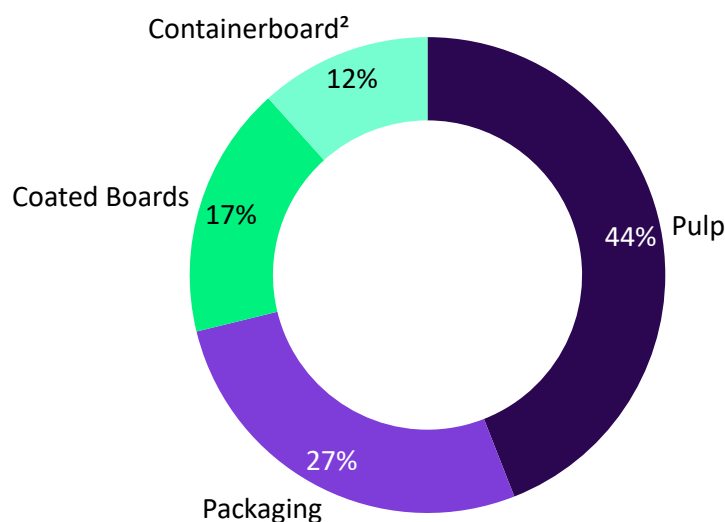
Sales volume of industrial bags was 9% lower than 3Q22, largely a result of a decrease in exports to Latin America. However, sales continue to benefit from the demand for bags with greater value added and directed to new uses such as bags for pet food, flour and coffee.

Sales Volume¹
(excluding wood – k tons)



■ Domestic Market □ Foreign Market

Sales Volume by Product¹
3Q23



¹Excludes Wood

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

Foreign Exchange

R\$ / US\$	3Q23	2Q23	3Q22	Δ		9M23	9M22	Δ
				3Q23/2Q23	3Q23/3Q22			9M23/9M22
Average Rate	4.88	4.95	5.25	-1%	-7%	5.01	5.14	-2%
End of Period	5.01	4.82	5.41	4%	-7%	5.01	5.41	-7%

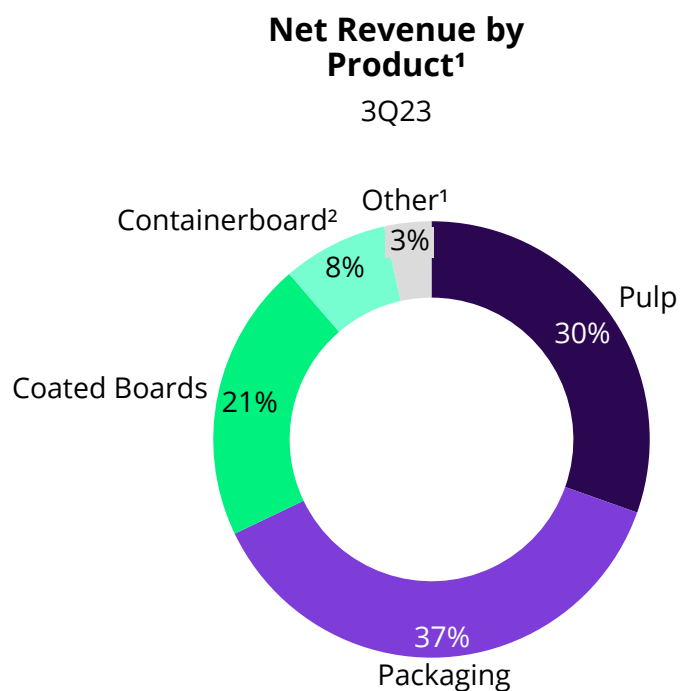
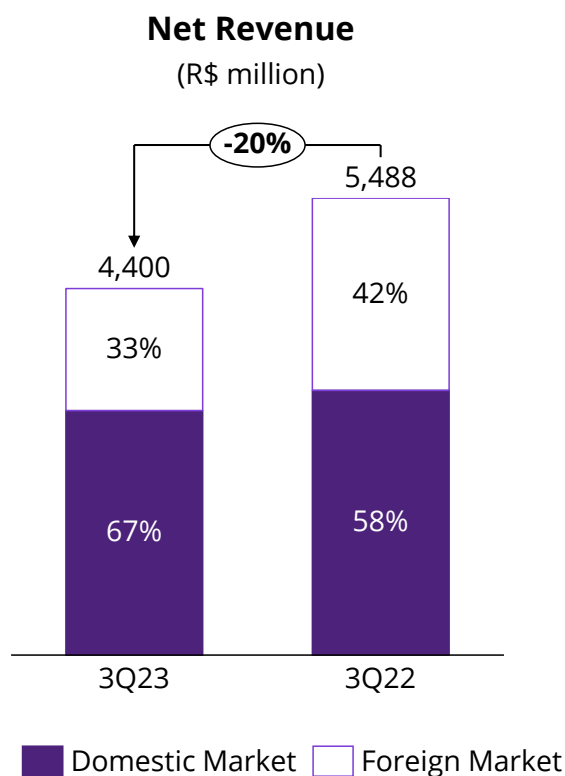
Source: Brazilian Central Bank

Net Revenue

Net Revenue (R\$ million)	3Q23	2Q23	3Q22	Δ	Δ	9M23	9M22	Δ
				3Q23/2Q23	3Q23/3Q22			9M23/9M22
Wood	51	44	50	14%	1%	138	147	-6%
Pulp	1,339	1,270	2,016	5%	-34%	4,320	5,173	-16%
Short Fiber	826	772	1,296	7%	-36%	2,696	3,329	-19%
Long Fiber/Fluff	514	497	720	3%	-29%	1,624	1,845	-12%
Paper	1,260	1,338	1,679	-6%	-25%	3,972	4,809	-17%
Coated Boards	916	951	944	-4%	-3%	2,832	2,607	9%
Containerboard ¹	344	387	735	-11%	-53%	1,140	2,203	-48%
Packaging	1,648	1,608	1,674	2%	-2%	4,827	4,647	4%
Corrugated Boxes	1,327	1,281	1,364	4%	-3%	3,825	3,743	2%
Industrial Bags	321	327	310	-2%	3%	1,001	904	11%
Other²	102	32	69	n/a	49%	267	172	55%
Total Net Revenue	4,400	4,293	5,488	3%	-20%	13,524	14,949	-10%

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

² Includes by-product sales and hedge accounting



¹Excludes Wood

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

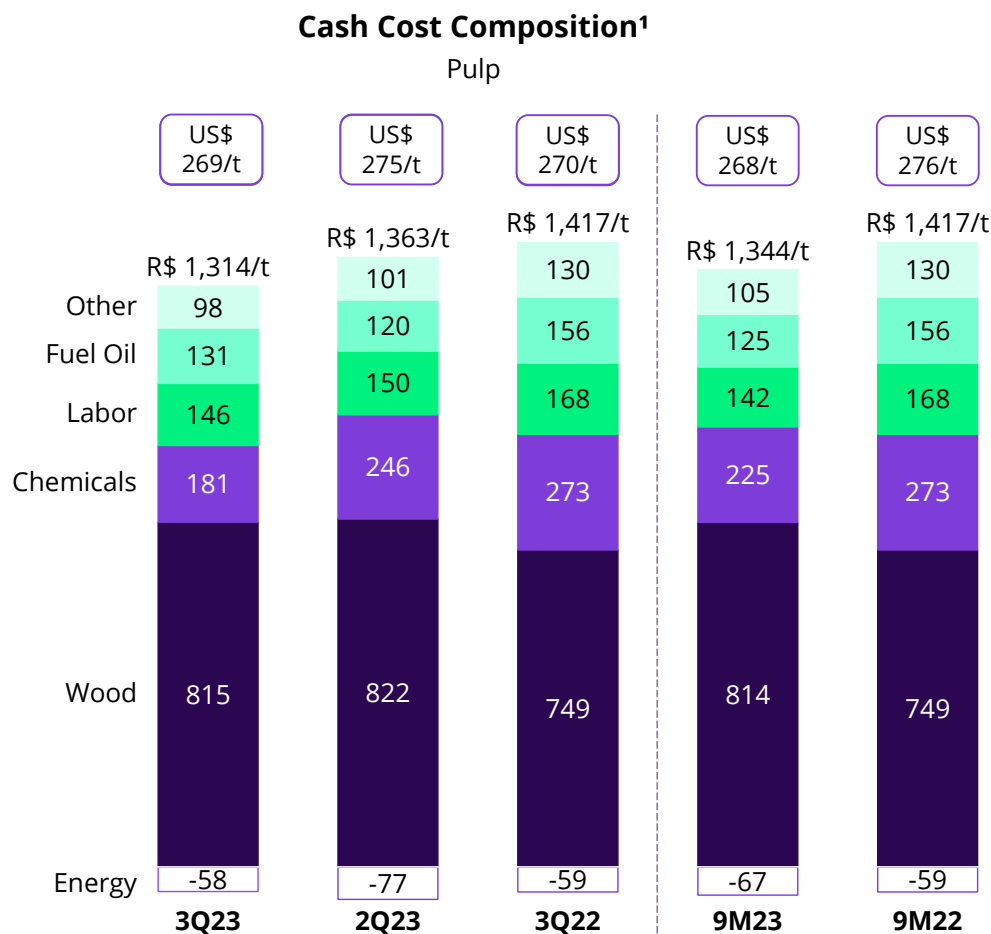
Net Revenue totaled R\$ 4.400 billion in 3Q23, a year-on-year reduction of 20%, a reflection of lower sales volume, lower prices of pulp and kraftliner and the appreciation of the Real against the US\$ in the period.

Operational Costs and Expenses

Pulp Cash Cost

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

Pulp production **cash cost** in 3Q23 was R\$ 1,314 per ton, a decrease of 7% relative to 3Q22, and 4% in comparison with 2Q23, excluding the impacts of the maintenance stoppage executed in 2Q23. This result quarter over quarter is largely explained by the reduction in commodity-linked chemicals, particularly caustic soda, which was partially offset by the increase in fuel prices. It is worth highlighting that several initiatives designed to optimize processes, which reduce the consumption of chemicals, are being implemented by the Company, contributing to the lower cash cost in the period.



¹Excludes cost of maintenance stoppage

Total Cash Cost

Costs and Expenses (R\$ million)	3Q23	2Q23	3Q22	Δ	Δ	9M23	9M22	Δ
				3Q23/2Q23	3Q23/3Q22			9M23/9M22
Cost of Goods Sold (COGS)¹	(2,371)	(2,329)	(2,378)	2%	0%	(6,849)	(6,849)	0%
Variable Costs	(1,301)	(1,347)	(1,580)	-3%	-18%	(4,022)	(4,365)	-8%
Labor and Third Parties/Services	(665)	(670)	(625)	-1%	7%	(1,932)	(1,760)	10%
Other ²	(405)	(313)	(173)	29%	133%	(895)	(725)	24%
COGS/t ³	(2,346)	(2,522)	(2,341)	-7%	0%	(2,432)	(2,261)	8%
Sales Expenses	(382)	(334)	(552)	14%	-31%	(1,158)	(1,422)	-19%
Administrative Expenses	(236)	(253)	(257)	-6%	-8%	(735)	(737)	0%
Other Net Expenses⁴	(55)	(31)	2	78%	n/a	(133)	(59)	-125%
Total Cash Cost	(3,044)	(2,946)	(3,184)	3%	-4%	(8,875)	(9,067)	-2%
Cash Cost/t (excluding MS effects)^{3/4}	(3,042)	(3,243)	(3,134)	-6%	-3%	(3,181)	(3,019)	5%

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

² Item under which the maintenance stoppage cost is classified

³ Excludes the maintenance stoppage cost

⁴ Excludes the non-recurring effect of R\$ 147 million in 2Q22 related to the extemporaneous PIS/COFINS credit on OCC purchases

The cost of goods sold (COGS) was R\$ 2.371 billion in the third quarter of 2023, in line with the cost reported for the same period in 2022. COGS/t, excluding the impact of the maintenance stoppage, also remained at the same level compared with 3Q22, amounting to R\$ 2,346/t in 3Q23.

Sales expenses amounted to R\$ 382 million in 3Q23, equivalent to 8.7% of net revenue, a reduction in relation to the 10.0% recorded for the same period in the preceding year. The reduction relates to lower costs due to the renewal in April 2023 of more favorable contractual conditions for maritime freight via containers as well as a reduction in port and warehousing charges.

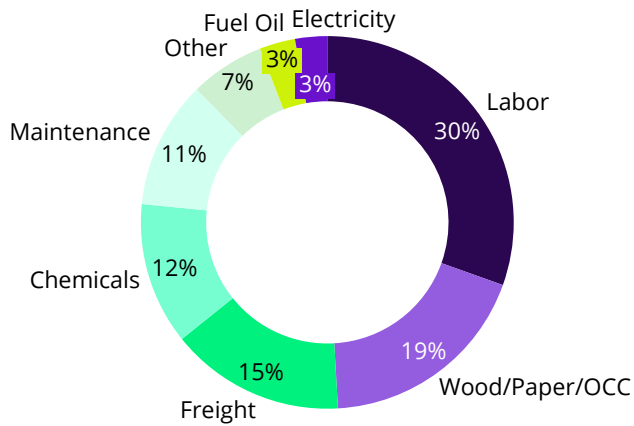
General and administrative expenses totaled R\$ 236 million in 3Q23, 8% less compared to 3Q22, due to various initiatives for reducing fixed costs and efficiency gains implemented by the Company.

Other operating revenues/expenses in the quarter recorded an expense of R\$ 55 million, impacted by the one-off effect of provisions relating to legal fees ("success fee").

Total cash cost per ton, excluding the impact of the maintenance stoppage, was R\$ 3,042/t in 3Q23, 3% down on 3Q22 and 6% lower than 2Q23. This annual performance is explained by the drop in the commodities prices, chemicals and fuels, market production stoppages focused on profitability and actions to reduce fixed costs and operational efficiency. In the accumulated period for 2023 (9M23), total cash cost per ton was R\$ 3,181/t, 5% higher than the same period in 2022.

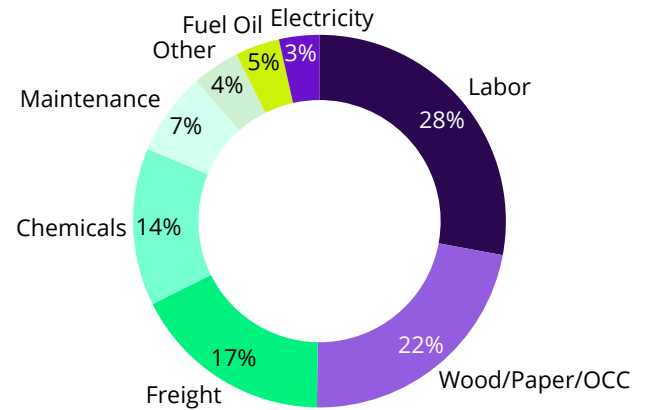
Cash Cost Composition

3Q23



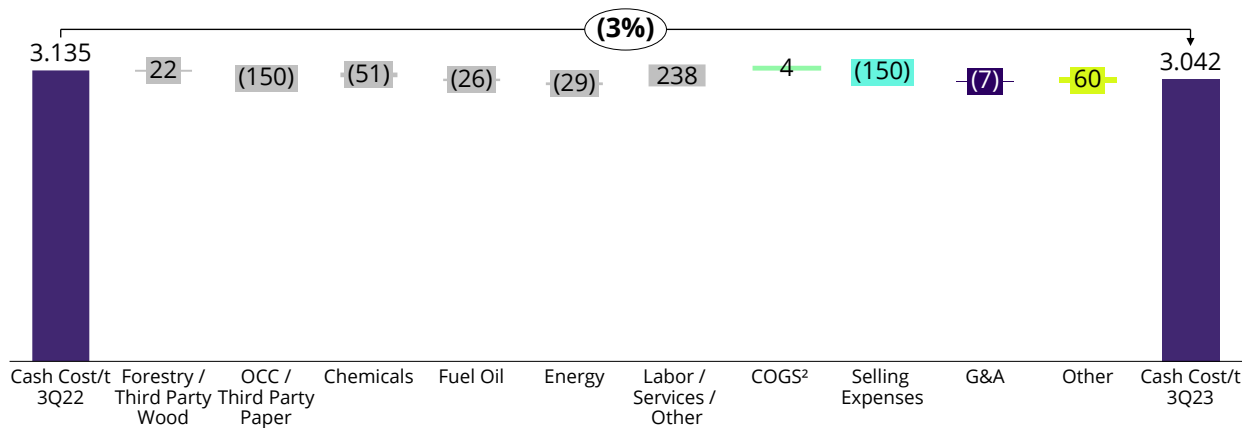
Cash Cost Composition

3Q22



Total Cash Cost Evolution 3Q22 vs. 3Q23¹

R\$/ton

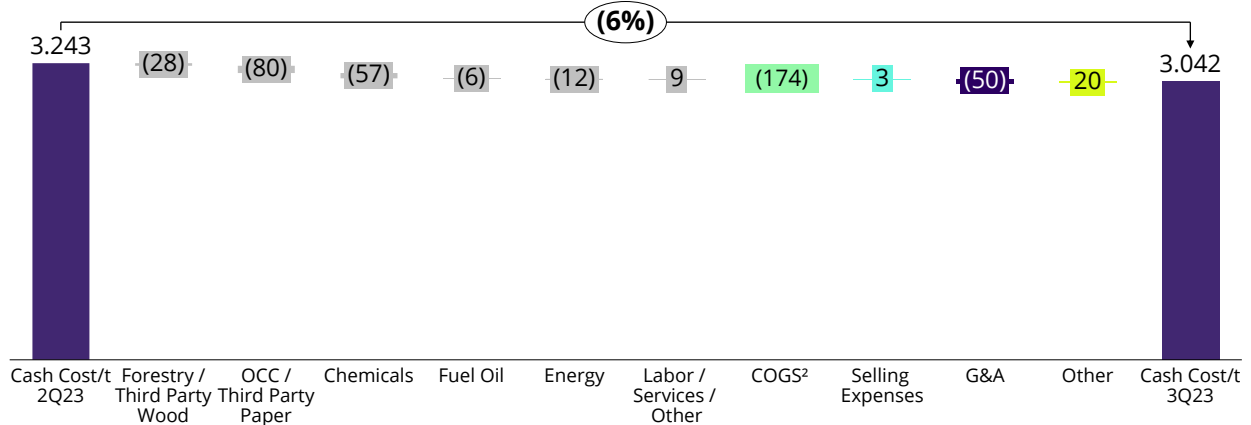


¹ Cost of goods sold and operating expenses, excluding depreciation, amortization and exhaustion, as well as the maintenance stoppage cost.

² COGS represents the sum of the categories detailed in the graph: Forestry / Paper / OCC + Chemicals + Fuel Oil + Energy + Labor / Services / Others

Total Cash Cost Evolution 2Q23 vs. 3Q23¹

R\$/ton



¹ Cost of goods sold and operating expenses, excluding depreciation, amortization and exhaustion, as well as the maintenance stoppage cost.

² COGS represents the sum of the categories detailed in the graph: Forestry / Paper / OCC + Chemicals + Fuel Oil + Energy + Labor / Services / Others

Effect of the variation in fair value of biological assets

Biological Assets (R\$ million)	3Q23	2Q23	3Q22	Δ	Δ	9M23	9M22	Δ
				3Q23/2Q23	3Q23/3Q22			9M23/9M22
Beginning Balance	9,236	8,750	6,657	6%	39%	8,109	5,528	47%
Planting and Purchase of Standing Forest	376	505	655	-26%	-43%	1,554	1,777	-13%
Exhaustion	(511)	(591)	(431)	14%	-19%	(1,519)	(1,381)	-10%
Historical Cost	(269)	(276)	(180)	3%	-49%	(784)	(563)	-39%
Fair Value Adjustment	(243)	(316)	(251)	23%	3%	(735)	(818)	10%
Fair Value Variation	143	573	961	-75%	-85%	1,099	1,919	-43%
Price	(128)	767	798	n/a	n/a	1,502	1,419	6%
Growth	271	(195)	163	n/a	66%	(403)	500	n/a
Ending Balance	9,244	9,236	7,842	0%	18%	9,244	7,842	18%

The **valuation of biological assets** at their fair value considers certain estimates such as the price of wood, discount rate, forestry harvest plan and productivity, the variation of which has no cash impact on the Company's results. The end balance for the biological assets in 3Q23 was R\$ 9.2 billion, R\$ 1.4 billion higher than the final balance for the same period in 2022. This increase is conducive to the expansion in Klabin's forestry asset base to meet the demands of the growth projects and appreciation in the price of wood over the past twelve months, partially offset by the increase in the discount rate for the period.

The variation in the fair value of the biological assets was positive at R\$ 143 million in 3Q23, largely a reflection of the positive result of R\$ 271 million in the 'growth line', due to better productivity and an increase of the forestry area evaluated at fair value. This revenue was partially offset by the negative effect of R\$ 128 million in the price of the biological assets (standing forest), measured on the basis of market surveys by specialized companies. The effect of exhaustion of the fair value of the biological assets on the cost of products sold was R\$ 243 million in the period. Thus, the non-cash effect of the fair value of the biological assets on operating results (EBIT) for 3Q23 was positive at R\$ 100 million.

EBITDA and Operating Cash Generation

R\$ million	3Q23	2Q23	3Q22	Δ 3Q23/2Q23	Δ 3Q23/3Q22	9M23	9M22	Δ 9M23/9M22
Net Income (loss)	245	971	2,053	-75%	-88%	2,477	3,899	-36%
(+) Income Taxes and Social Contribution	65	313	744	-79%	-91%	796	1,623	-51%
(+) Net Financial Revenues	325	(156)	(319)	n/a	n/a	111	61	82%
(+) Depreciation, Amortization, Depletion	869	794	792	9%	10%	2,374	2,378	0%
Adjustments According to CVM Resolution 156/22 art. 4º								
(+) Variation of Fair Value of Biological Assets	(143)	(573)	(961)	75%	85%	(1,099)	(1,919)	43%
(+) Cash Flow Hedge Effect	(4)	(2)	6	-120%	n/a	(9)	(3)	n/a
(+) Equity Pickup	(4)	(3)	(3)	-46%	-19%	(10)	(14)	25%
Adjusted EBITDA	1,352	1,344	2,311	1%	-41%	4,639	6,027	-23%
Adjusted EBITDA Margin	31%	31%	42%	+ 0 p.p.	- 11 p.p.	34%	40%	- 6 p.p.
(+) Non-Recurring Effects ¹	-	-	-	n/a	n/a	-	(147)	n/a
Adjusted EBITDA Excluding Non-Recurring Effects¹	1,352	1,344	2,311	1%	-41%	4,639	5,879	-21%
Adjusted EBITDA Margin Excluding Non-Recurring Effects ¹	31%	31%	42%	+ 0 p.p.	- 11 p.p.	34%	39%	- 5 p.p.
Cash Generation (Adjusted EBITDA - Maintenance Capex)	843	959	1,821	-12%	-54%	3,262	4,669	-30%
Cash Generation/t² (R\$/t)	872	1,120	1,794	-22%	-51%	1,206	1,597	-24%

¹ Regarding R\$ 147 million in 2Q22 related to the extemporaneous PIS/COFINS credit on OCC purchases

² Sales volume excludes wood

In the third quarter of 2023, Adjusted EBITDA amounted to R\$ 1.352 billion, 41% lower than the same period in 2022, a result of the retraction in net revenue due to lower sales volumes, lower prices of pulp and kraftliner and the appreciation of the Real against the US\$, leading to a decline of 11 p.p. in Adjusted EBITDA Margin.

Cash generation per ton, measured by Adjusted EBITDA less maintenance Capex in relation to volume sold, was R\$ 872/t in 3Q23, 51% lower than 3Q22, a result of the decrease in EBITDA and an increase of 4% in maintenance Capex, as detailed in the respective section.

EBITDA by Segment ¹	3Q23	2Q23	3Q22	Δ 3Q23/2Q23	Δ 3Q23/3Q22	9M23	9M22	Δ 9M23/9M22
Adjusted EBITDA (R\$ million)	1,352	1,344	2,311	1%	-41%	4,639	5,879	-21%
Pulp	439	389	1,208	13%	-64%	1,773	2,877	-38%
EBITDA Margin ¹	33%	31%	60%	+ 2 p.p.	- 27 p.p.	41%	56%	- 15 p.p.
% EBITDA Participation	32%	29%	52%	+ 3 p.p.	- 20 p.p.	38%	49%	- 11 p.p.
Paper and Packaging	913	956	1,103	-4%	-17%	2,866	3,002	-5%
EBITDA Margin ¹	31%	32%	33%	- 1 p.p.	- 2 p.p.	33%	32%	+ 1 p.p.
% EBITDA Participation	68%	71%	48%	- 3 p.p.	+ 20 p.p.	62%	51%	+ 11 p.p.
Adjusted EBITDA/t² (R\$/t)	1,399	1,570	2,277	-11%	-39%	1,715	2,011	-15%
Pulp	1,031	1,162	2,937	-11%	-65%	1,564	2,460	-36%
Paper and Packaging	1,687	1,831	1,827	-8%	-8%	1,824	1,711	7%

¹ For purposes of this EBITDA by segment calculation, the 'Others' results were allocated in the respective businesses

² Sales volume excludes wood sales to third parties

Adjusted EBITDA/t from the Pulp Business was R\$ 1,031/t in 3Q23, a reduction of 65% in relation to the same period in 2022, the result of lower prices and the appreciation of the Real against the US\$ in the period, was partially offset by the increase in sales volume for the quarter.

In the Paper and Packaging segment, there was a year-on-year reduction of 8% in the Adjusted EBITDA/t, mainly the effect of the maintenance stoppage at the Monte Alegre unit. Excluding the effect of the stoppage, the Company reported a 3% growth in Adjusted EBITDA/t relative to 3Q22 on the back of readjustments in coated board and packaging prices in recent quarters.

Debt and Financial Investments

Debt (R\$ million)	Sep-23	Prop. %	Jun-23	Prop. %
Local Currency	1,073	4%	1,073	4%
Foreign Currency ¹	1,132	4%	892	3%
Total Short Term	2,204	8%	1,964	8%
Long Term				
Local Currency	4,082	14%	3,908	15%
Foreign Currency ¹	22,448	78%	19,666	77%
Total Long Term	26,530	92%	23,574	92%
Total Local Currency	5,155	18%	4,981	20%
Total Foreign Currency ¹	23,580	82%	20,558	80%
Gross Debt	28,735		25,538	
(-) Cash	7,853		6,024	
Net Debt	20,882		19,515	
Net Debt / EBITDA (LTM) - US\$	3.2 x		2,8 x	
Net Debt / EBITDA (LTM) - R\$	3.2 x		2.6 x	

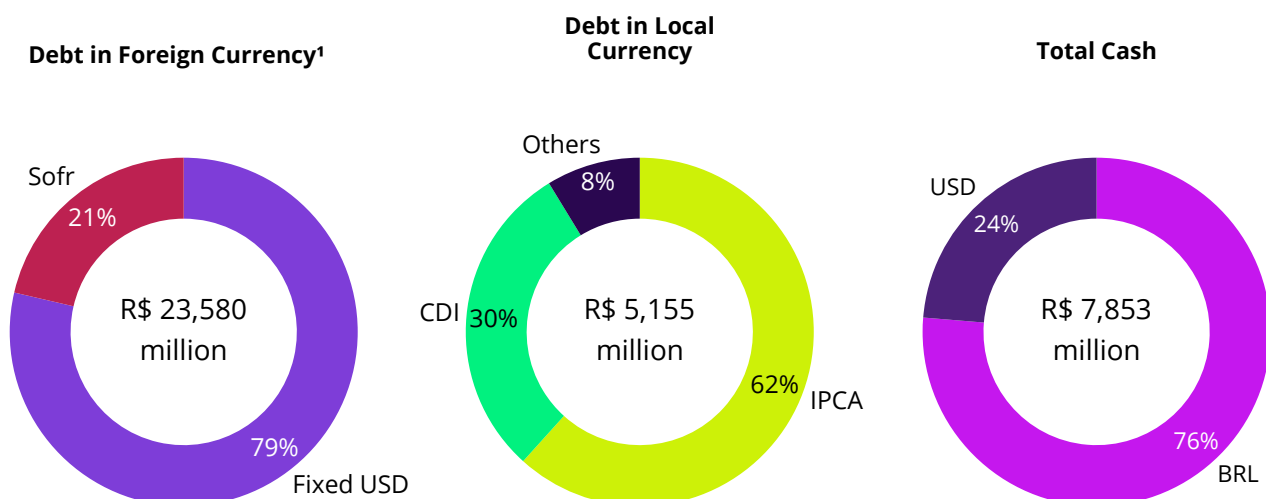
¹Includes BRL to USD swaps, as well as the market fair value of these instruments

Gross debt as of September 30, 2023, was R\$ 28.735 billion, an increase of R\$ 3.197 billion compared with the end of 2Q23. This increase reflects the disbursement of R\$ 1.989 billion from the IDB/IFC/JICA credit line as well as the effect of the appreciation of the US\$ on foreign currency denominated debt.

Average Maturity / Cost of Debt ¹	3Q23	2Q23	3Q22
Local Currency Cost	9.7% p.y.	9.4% p.y.	12.6% p.y.
Foreign Currency Cost	5.5% p.y.	5.3% p.y.	5.1% p.y.
Average maturity	99 months	104 months	113 months

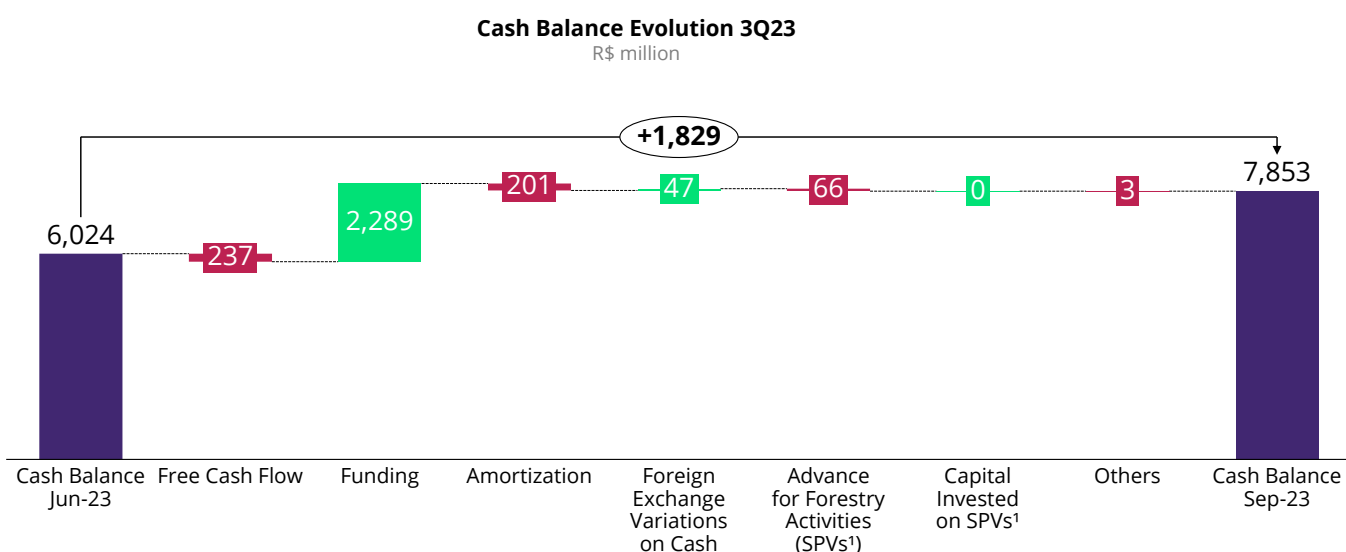
¹ Accounting cost

Average debt maturities ended the third quarter of 2023 at 99 months, 67 months for local currency debt and 107 months for foreign currency denominated debt. The average cost of Klabin's foreign currency denominated debt, the Company's main source of credit, saw a slight increase in relation to the preceding quarter, ending 3Q23 at an annual 5.5%, largely impacted by the drawdown of R\$ 1.989 billion from the IDB/IFC/JICA line, indexed to the SOFR+. At the end of 3Q23, 79% of the gross debt denominated in US\$ and representing Klabin's structural net indebtedness, was fixed rated.



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

Cash and financial investments at the end of the third quarter 2023 amounted to R\$ 7.853 billion, an increase of R\$ 1.829 billion in relation to the preceding quarter, mainly due to the drawdown of resources from the IDB/IFC/JICA line. This cash position is sufficient to amortize 47 months of debt. In addition, Klabin has a Revolving Credit Facility characterized as Sustainability-Linked totaling US\$ 500 million (equivalent to R\$ 2.504 billion), maturing in October 2026.



Klabin also has financing earmarked to the execution of the Puma II Project, contracted and partially disbursed, with the ECA Finnvera Phase II in the amount of R\$ 2.238 billion (US\$ 447 million). These lines may be drawn in full or partially, according to the progress of the Puma II Project and/or the Company's cash requirements.

Consolidated **net debt** as of September 30, 2023, amounted to R\$ 20.882 billion, an increase of R\$ 1.367 billion compared with debt at the end of 2Q23, reflecting the appreciation of the US\$ on foreign currency denominated debt as well as the negative impact of free cash flow in the period.

The **Net Debt/Adjusted EBITDA** ratio measured in US\$, which best reflects the profile of Klabin's financial leverage, ended 3Q23 at 3.2 times, an increase in relation to 3Q22, within the parameters established in the Company's **Financial Leverage Policy** ([click here](#) to access).

Hedge Accounting

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

Debts in US\$ are designated as an instrument of protection of highly probable future revenues in US\$. The effects of the currency variation on these debts are recorded in Shareholders' Equity in the "Equity Valuation Adjustments" line. With the realization of revenues in US\$ linked to these designated debts for hedge accounting purposes, so the respective accumulated amounts of currency variation in the "Equity Valuation Adjustments" line are reclassified to demonstrate the result in the "Net Sales Revenue" line.

In the year to date of 2023, the exchange variation of the debts designated for hedge accounting amounted to a net positive effect of R\$ 515 million in the "Equity Valuation Adjustments" account of shareholders' equity. This amount refers to the debit balance of R\$ 789 million booked to the financial result, offset mainly by a credit balance of R\$ 9 million of realization of hedge reserve and R\$ 265 million in deferred Income Tax/ Social Contribution.

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

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

Financial Result¹

R\$ million	3Q23	2Q23	3Q22	Δ 3Q23/2Q23	Δ 3Q23/3Q22	9M23	9M22	Δ 9M23/9M22
Financial Expenses	(404)	(132)	(232)	n/a	74%	(760)	(1,043)	-27%
Financial Revenues	161	275	169	-42%	-5%	678	599	13%
Subtotal	(243)	143	(62)	n/a	n/a	(82)	(444)	-82%
Net Foreign Exchange Variation	(558)	709	(415)	n/a	34%	547	410	33%
Derivative Instruments (SWAP)	(238)	647	50	n/a	n/a	562	1,029	-45%
Hedge Accounting Effect	714	(1,344)	747	n/a	-4%	(1,137)	(1,055)	8%
Subtotal	(82)	13	382	n/a	n/a	(29)	384	n/a
Financial Result	(325)	156	319	n/a	n/a	(111)	(61)	82%

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

In 3Q23, **financial expenses** amounted to R\$ 404 million, a quarter-on-quarter increase due mainly to the reduced amount of capitalized interest linked to the Puma II Project.

Financial revenues amounted to R\$ 161 million in the quarter, a decrease in relation to 2Q23 due mainly to the negative effect of R\$ 28 million from the marking-to-market of Brazilian government securities held in the cash position in 3Q23, while in 2Q23 this effect was positive at R\$ 86 million.

The exchange rate ended the quarter at R\$ 5.0076/US\$, 3.9% above the rate for 2Q23, generating a negative result in the net foreign exchange variation line of R\$ 558 million due to the impact on net debt denominated in US\$ and from the marking-to-market of swaps linked to loans and financing contracted in in local currency a and converted into US\$, without any material cash effect in the period.

As already explained, the Company implemented cash flow hedge accounting in January 2021. In 3Q23, the book effect before Income Tax/Social Contribution was positive at R\$ 714 million, due to the impact of US\$ appreciation on the markup of foreign currency denominated debt. This amount is no longer booked to the income statement, but rather to shareholders' equity in the "Equity Valuation Adjustments" account. Important to note that foreign exchange variation and the effect of hedge accounting on US\$ denominated debt has no cash impact until settlement.

Investments

R\$ million	3Q23	2Q23	3Q22	Δ		9M23	9M22	Δ
				3Q23/2Q23	3Q23/3Q22			9M23/9M22
Forestry	258	232	328	11%	-21%	750	679	10%
Operational Continuity	252	154	162	64%	56%	626	532	18%
Maintenance Capex	509	386	490	32%	4%	1,376	1,211	14%
Special Projects and Growth	185	210	267	-12%	-31%	567	614	-8%
Puma II Project	399	433	934	-8%	-57%	1,353	2,410	-44%
Total	1,093	1,029	1,691	6%	-35%	3,296	4,235	-22%

For comparative purposes, analysis on a quarterly basis may produce calendar anomalies which impair such analysis. For this reason, evaluating the accumulated period for the year to date (9M23), Klabin invested R\$ 3.296 billion in its operations and expansion projects. Of the total investment, R\$ 750 million were allocated to forestry operations, of which R\$ 125 million acquiring standing forest in the state of Paraná. Compared with the same accumulated period in 2022, there was a greater disbursement in the acquisition of standing forest in the region, which mainly explains the 10% increase in the period. Additionally, R\$ 626 million were allocated to the operational continuity of the plants, 18% above the same period last year, mainly explained by inflation in the period and increase in the operations' scope. These amounts combined represent investments in operational maintenance totaling R\$ 1.376 billion in 9M23.

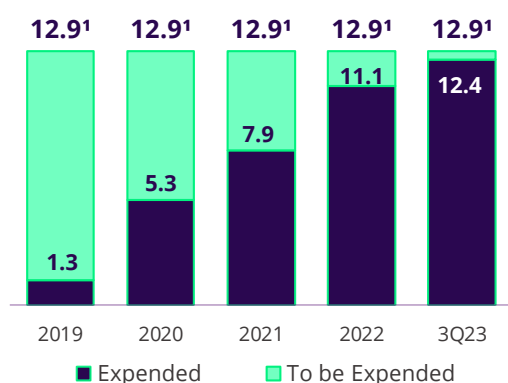
In the light of their cash nature, the amounts invested do not include investments related to the activities for expanding the forestry base of the subsidiaries through the medium of the Special Purpose Vehicles (SPV's), realized via the injection of forestry assets already existing in Klabin's balance sheet. It is worth noting that there may potentially be a temporal mismatch between the amount disbursed by Klabin in these forestry assets and the entry of the SPV investors' cash.

Investments in Special and Growth Projects in 9M23 amounted to R\$ 567 million, an 8% reduction in relation to the same period in the preceding year, mainly a reflection of lower disbursements with the Figueira Project released in the [Material Fact](#) of July 20, 2022 and the Horizonte Project, detailed in the [Notice to the Market](#) of February 8, 2022. Additionally, R\$ 65 million were invested in the purchase of strategic forests in the state of Santa Catarina for future expansion.

With respect to the Puma I Project, the Company invested R\$ 1.353 billion in 9M23, total accumulated disbursements in the Project amounting to R\$ 12.4 billion. The Project's two machines, PM27 and PM28, are now operational and, in accordance to plan, at the ramp-up stage. The remaining investments required to conclude the Project will be financed from the Company's cash position, complemented, when necessary, by disbursements from credit lines already in place and still not drawn with ECA Finnvera Phase II, with no additional financing required.

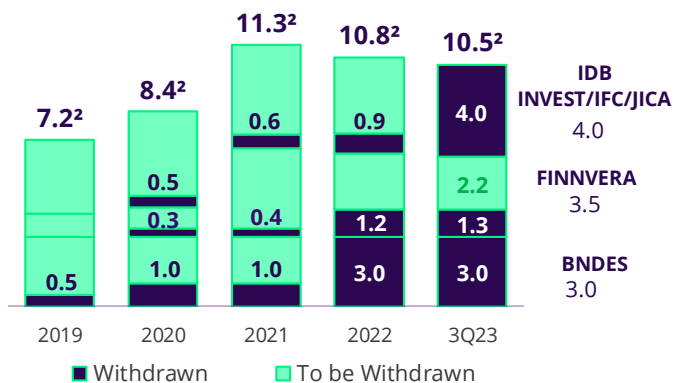
Gross Capex - Puma II

Budgeted vs Expended
(R\$ billion)



Puma II Financing

Funded vs Withdrawn
(R\$ billion)



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

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

Free Cash Flow

R\$ million	3Q23	2Q23	3Q22	LTM 3Q23	LTM 3Q22
Adjusted EBITDA¹	1,352	1,344	2,311	6,544	7,911
(-) Capex ²	(1,093)	(1,029)	(1,691)	(4,878)	(5,394)
(-) Lease contracts - IFRS 16	(80)	(60)	(65)	(270)	(215)
(-) Interest Paid/Received ³	(111)	(208)	(334)	(772)	(1,224)
(-) Income Tax	(17)	(47)	(81)	(267)	(582)
(+/-) Working Capital Variation ³	2	152	(164)	537	(956)
(-) Dividends & IOC	(269)	(389)	(399)	(1,541)	(1,524)
(+/-) Others	(21)	(9)	8	130	(15)
Free Cash Flow	(237)	(245)	(415)	(518)	(2,000)
Dividends & IOC	269	389	399	1,541	1,524
Puma II Project	399	433	934	2,146	3,169
Special Projects and Growth	185	210	267	858	734
Adjusted Free Cash Flow³	616	787	1,186	4,027	3,428
Adjusted FCF Yield⁴				17.6%	13.9%

¹ Includes the non-recurring effect of R\$ 147 million in 2Q22 related to the extemporaneous PIS/COFINS credit on OCC purchases

² Capex under cash accrual method does not consider investments into SPVs (Special Purpose Vehicles)

³ Excluding dividends and special projects and growth

⁴ Yield - Adjusted FCF per unit (excluding treasury stock) divided by the average price of the Units in the LTM (Last Twelve Months)

In the third quarter of 2023, the Company reported Free Cash Flow at R\$ 178 million above the third quarter for 2022, explained by lower investments, a reduction in the payout of dividends and lower interest payments due to the anticipated repayment of debt in 3Q22. These factors combined offset lower operational cash generation as measured by the Adjusted EBITDA in the period.

In 3Q23, the Adjusted Free Cash Flow, which excludes discretionary factors and expansion projects, was R\$ 616 million. In the last twelve months, Adjusted Free Cash Flow amounted to R\$ 4.027 billion, equivalent to a Free Cash Flow Yield of 17.6%, above the 13.9% recorded for the last twelve months ending September 2022.

ROIC - Return on Invested Capital

ROIC (R\$ million) - LTM ¹	3Q23	2Q23	3Q22
Total Asset	49,478	48,086	43,173
(-) Total Liability (ex-debt)	(8,965)	(8,489)	(6,513)
(-) Construction in Progress	(5,723)	(6,186)	(4,172)
Invested Capital	34,789	33,411	32,488
(-) CPC 29 Adjustment ²	(2,840)	(2,800)	(2,239)
Adjusted Invested Capital	31,949	30,611	30,249
Adjusted EBITDA	6,544	7,502	7,911
(-) Maintenance Capex	(1,875)	(1,855)	(1,491)
(-) Income Tax and Soc. Contr. (cash)	(267)	(332)	(582)
Adjusted Operating Cash Flow	4,401	5,316	5,839
ROIC³	13.8%	17.4%	19.3%

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

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

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

Klabin's consolidated **return**, measured by the Return on Invested Capital (ROIC)³ metric, was 13.8% in the last twelve months ending in September 2023, a reduction of 5.5 p.p. compared with the same period in 2022. This retraction is due to the reduction in free operating cash flow and the increase in capital employed.

Capital employed was impacted mainly by the increase in the Total Asset, reflecting the immobilization of investments in the second phase of the Puma II Project and the increase in cash position. Operating cash flow posted a reduction of 25% compared with 3Q22, largely due to the decrease in the Company's Adjusted EBITDA.

Business Performance

Consolidated information by unit in 3Q23:

R\$ million	Forestry	Pulp	Paper	Packaging	Eliminations	Total
Net revenue						
Domestic market	90	516	796	1,542	(9)	2,935
Exports	-	838	493	135	-	1,465
Third part revenue	90	1,355	1,288	1,676	(9)	4,400
Segments revenue	887	14	930	16	(1,848)	-
Total net revenue	977	1,369	2,218	1,693	(1,856)	4,400
Change in fair value - biological assets	143	-	-	-	-	143
Cost of goods sold ¹	(1,139)	(841)	(1,730)	(1,370)	1,841	(3,240)
Gross income	(19)	528	488	322	(15)	1,304
Operating revenue and expenses	(105)	(231)	(220)	(183)	70	(669)
Op. results before financial results	(124)	297	267	139	54	635

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

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

Forestry Business Unit

Volume (k tons)	3Q23	2Q23	3Q22	Δ		9M23	9M22	Δ
				3Q23/2Q23	3Q23/3Q22			9M23/9M22
Wood	227	222	246	2%	-8%	569	817	-30%
Revenue (R\$ million)	3Q23	2Q23	3Q22	Δ		9M23	9M22	Δ
				3Q23/2Q23	3Q23/3Q22			9M23/9M22
Wood	51	44	50	14%	1%	138	147	-6%

In 3Q23, 227 thousand tons of wood were sold, in volume terms 8% down on the same period in 2022. Thus, for the accumulated nine-month period, there was a retraction of 30% versus 9M22, explained by the reduced availability of wood assortment usually sold to third parties. As a result, revenues amounted to R\$ 51 million in 3Q23 in line with the same period in 2022, and R\$ 138 million for the first nine months of the year, impacted by the sales mix in the first months of 2023.

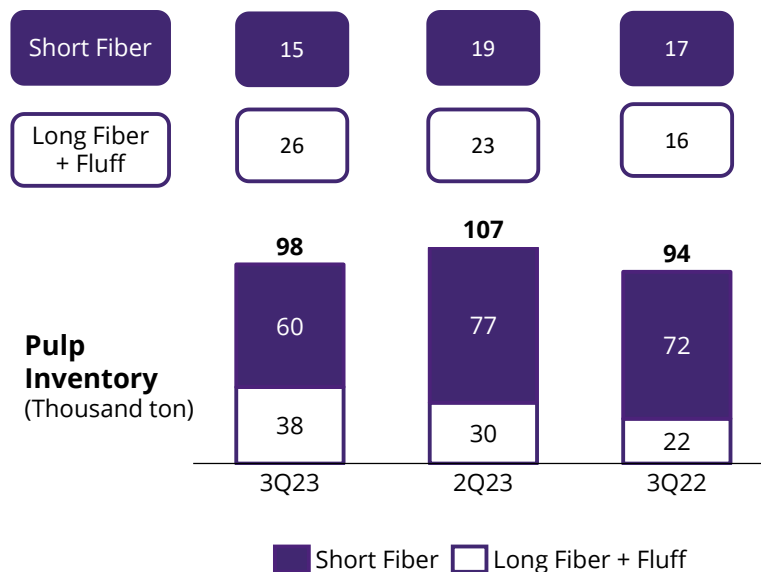
Pulp Business Unit

Volume (k tons)	3Q23	2Q23	3Q22	Δ	Δ	9M23	9M22	Δ
				3Q23/2Q23	3Q23/3Q22			9M23/9M22
Short Fiber DM	85	75	84	13%	2%	240	235	2%
Short Fiber EM	229	169	211	36%	9%	590	605	-3%
Short Fiber	315	244	295	29%	7%	830	840	-1%
Long Fiber/Fluff DM	60	58	60	4%	1%	172	164	5%
Long Fiber/Fluff EM	51	32	56	58%	-9%	131	165	-21%
Long Fiber/Fluff	111	90	116	23%	-4%	303	330	-8%
Total Pulp	426	334	411	27%	4%	1,133	1,169	-3%
Revenue (R\$ million)								
Short Fiber	826	772	1,296	7%	-36%	2,696	3,329	-19%
Long Fiber/Fluff	514	497	720	3%	-29%	1,624	1,845	-12%
Total Pulp	1,339	1,270	2,016	5%	-34%	4,320	5,173	-16%
Net Price (R\$/ton)								
Short Fiber	2,623	3,164	4,389	-17%	-40%	3,248	3,963	-18%
Long Fiber/Fluff	4,624	5,509	6,210	-16%	-26%	5,354	5,599	-4%
Total Pulp	3,145	3,797	4,903	-17%	-36%	3,811	4,424	-14%

DM: Domestic Market

EM: Export Market

Inventory Turnover¹ (Days)



¹ Methodology: Inventory volume in the last month of the period divided by the sales volume in the last month of the period multiplied by the number of days in the last month of the period.

Total pulp sales volume in 3Q23 was 426 thousand tons, the second-best quarterly result since the startup of Puma I, and 4% greater on an annual comparison basis, a consequence of increased demand, principally in the APAC region, plus the greater operational efficiency of the Puma unit. For the accumulated nine-month period of 2023, there was a 3% contraction, reflecting the greater scope and duration of the maintenance stoppage in 2023.

Demand in the Chinese market intensified during the course of the quarter with portside inventories dropping significantly. This increase reflects the improvement in the various segments of the paper business as well as the consumption of fibers on the part of the integrated producers, which reduced their own production of high-cost fibers, prioritizing the consumption of market pulp at more competitive prices. In the European market, there was a retraction in demand influenced by the seasonal low for the period with the exception of the tissue segment that continues to operate at good levels of production capacity, consuming the quarter's contracted volumes in full in the region.

In this context, price variations continued to report different dynamics between regions. In China, the price readjustments which had begun a rising trend in the middle of 2Q23, had new increases during the third quarter. Once more, Klabin, used its flexibility to redirect part of its volume to the Chinese market. In Europe, where prices had begun the quarter above those of China, the decrease in demand associated to the seasonal low in this market together with high inventories, contributed to price corrections in July and August. However, prices began rising again in September. In the regions which benchmark against European reference prices (Brazil included), there was a correction of prices in 3Q23 on average of approximately 17% for short and long fiber compared with 2Q23 and about 30% compared with the average for 3Q22.

In this regard, worthy of note is that Klabin has major exposure to the FOEX Europe price index due to the importance of the supply of fibers to the domestic market where cost-to-serve is lower. In China, long and short-term prices reached an average of US\$ 532/t and US\$ 665/t in 3Q23, respectively. These amounts represent an increase of 3% in short fiber and a retraction of 6% in long fiber compared to the average for 2Q23. On the other hand, in relation to 3Q22, there was a reduction of 38% in short fiber and 32% in long fiber, both grades measured by the FOEX index.

The positioning of Klabin as the only Brazilian company producing and selling three types of pulp (short and long fiber and fluff) translates into a diversified sales mix, allowing the Company to maximize the management of the business's revenues and margins. In this context, particular mention should be made of the solid performance of fluff, which has reached record sales volume since the start of manufacturing operations, maintaining prices at elevated levels.

In the light of this scenario, net revenue from the pulp business reached R\$ 1.339 billion in 3Q23, a reduction of 34% in relation to the same period in 2022. For the first nine months of 2023, net revenue was R\$ 4.320 billion, 16% less than the same period in the preceding year.

Paper Business Unit

Volume (k tons)	3Q23	2Q23	3Q22	Δ	Δ	9M23	9M22	Δ
				3Q23/2Q23	3Q23/3Q22			9M23/9M22
Coated Boards DM	113	107	120	6%	-6%	334	330	1%
Coated Boards EM	52	63	62	-17%	-16%	173	191	-9%
Coated Boards	166	170	183	-2%	-9%	507	521	-3%
Containerboard DM	28	26	41	7%	-32%	81	125	-35%
Containerboard EM	74	72	100	4%	-26%	210	316	-34%
Containerboard¹	102	98	141	4%	-28%	291	442	-34%
Paper	268	268	324	0%	-17%	799	963	-17%
Revenue (R\$ million)								
Coated Boards	916	951	944	-4%	-3%	2,832	2,607	9%
Containerboard ¹	344	387	735	-11%	-53%	1,140	2,203	-48%
Paper	1,260	1,338	1,679	-6%	-25%	3,972	4,809	-17%
Net Price (R\$/ton)								
Coated Boards	5,524	5,594	5,173	-1%	7%	5,580	4,999	12%
Containerboard ¹	3,370	3,955	5,199	-15%	-35%	3,917	4,988	-21%
Paper	4,703	4,996	5,185	-6%	-9%	4,974	4,994	0%

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

DM: Domestic Market

EM: Export Market

Coated Boards

While demand was not so intense as previously, in 3Q23, the coated board segment remained resilient. Demand has continued to be driven by new consumption habits since the onset of the pandemic as well as the trend towards sustainable packaging, replacing single use plastic for recyclable, biodegradable solutions derived from renewable sources. Klabin's strong exposure to segments dedicated to products of prime necessity, particularly food and beverages, has contributed to a greater stability of results in this market.

According to the Brazilian Tree Industry (IBÁ)¹, sales to the domestic market rose approximately 3% in the accumulated period from January to August 2023 compared with the same period in 2022.

Klabin's coated board sales volume amounted to 166 thousand tons in 3Q23, 9% lower than 3Q22, impacted by the maintenance stoppage at the Monte Alegre unit. For the first nine months of 2023, sales volume was 507 thousand tons, a 3% reduction compared with the same period 2022, a reflection of some accommodation in demand.

Net revenue for the segment in the quarter was 3% lower compared with the same period in the preceding year due to the impact of the appreciation of the Real against the US\$ and lower sales volume. In comparison with the accumulated nine-month period for 2023 versus 2022, the growth of 9% reflected price readjustments made over the last quarters, more than offsetting the lowest volume sold and the exchange rate impact.

¹Excluding LPB volumes

Containerboard

In the third quarter of 2023, the containerboard market remained challenging. However, it is worth highlighting that there was stability in prices, which remained at the same level as those at the end of the preceding quarter. The price list average for kraftliner in the period based on FOEX Europe levels was US\$ 762/t, a reduction of 21% compared to the average of US\$ 961/t in 3Q22 and 3% in relation to the average of US\$ 785/t for 2Q23.

At Klabin, sales volume of containerboard was down 28% compared to the third quarter 2022 and presented a year-on-year decrease of 34% for the accumulated nine months in 2023 due to the deceleration in kraftliner exports. In the light of this scenario, Klabin made use of the flexibility in its business model, increasing the integration of papers in corrugated boxes and realizing some tactical market-related stoppages thus benefiting operational profitability.

Net revenue in 3Q23 was 53% down on the same period for 2022 and 48% lower when comparing the first nine months of 2023 with those of 2022 due to lower sales volume, price reductions made over recent quarters and the appreciation of the Real against the US\$.

Packaging Business Unit

Volume (k tons)	3Q23	2Q23	3Q22	Δ 3Q23/2Q23	Δ 3Q23/3Q22	9M23	9M22	Δ 9M23/9M22
Corrugated Boxes	226	216	237	5%	-4%	648	666	-3%
Industrial Bags	36	36	39	0%	-9%	111	118	-6%
Packaging	262	252	277	4%	-5%	759	785	-3%
Revenue (R\$ million)								
Corrugated Boxes	1,327	1,281	1,364	4%	-3%	3,825	3,743	2%
Industrial Bags	321	327	310	-2%	3%	1,001	904	11%
Packaging	1,648	1,608	1,674	2%	-2%	4,827	4,647	4%
Net Price (R\$/ton)								
Corrugated Boxes	5,859	5,925	5,754	-1%	2%	5,903	5,618	5%
Industrial Bags	8,940	9,086	7,853	-2%	14%	9,029	7,630	18%
Packaging	6,280	6,377	6,054	-2%	4%	6,360	5,922	7%

Volume	3Q23	2Q23	3Q22	Δ 3Q23/2Q23	Δ 3Q23/3Q22	9M23	9M22	Δ 9M23/9M22
Corrugated Boxes (million m ²)	406	388	417	5%	-3%	1,162	1,169	-1%

Corrugated Boxes

Preliminary data published by Empapel shows volumes of corrugated box shipments in 3Q23, and measured in m², reporting a decrease of 1.4%, below forecast, while at Klabin the retraction was 2.5%, both in comparison with 3Q22. In tons, volumes of corrugated box shipments in 3Q23 reported a decrease of 2% while Klabin presented a reduction of 4% when compared to the same period in 2022, decrease greater than when measured in m², due to the lower grammage of Eukaliner®.

For the nine-month period to the end of September, in m², sales volume published by Empapel shows a year-on-year increase of 0.4%. In tons, there was a decrease of 0.4% when in the same comparative

period. Klabin reported a reduction of 0.6%, in m², and a 3% drop in tons, on the same comparative basis.

The net price per ton increased 2% comparing 3Q23 with 3Q22 and 5% for the nine-month period in 2023 in relation to the same period in 2022.

Industrial Bags

Preliminary data published by the National Cement Industry Union (SNIC) indicates Brazilian cement consumption, which directly impacts the Company's sales of industrial bags in Brazil, decreasing by 2% when comparing the first nine months of 2023 with the same period in 2022.

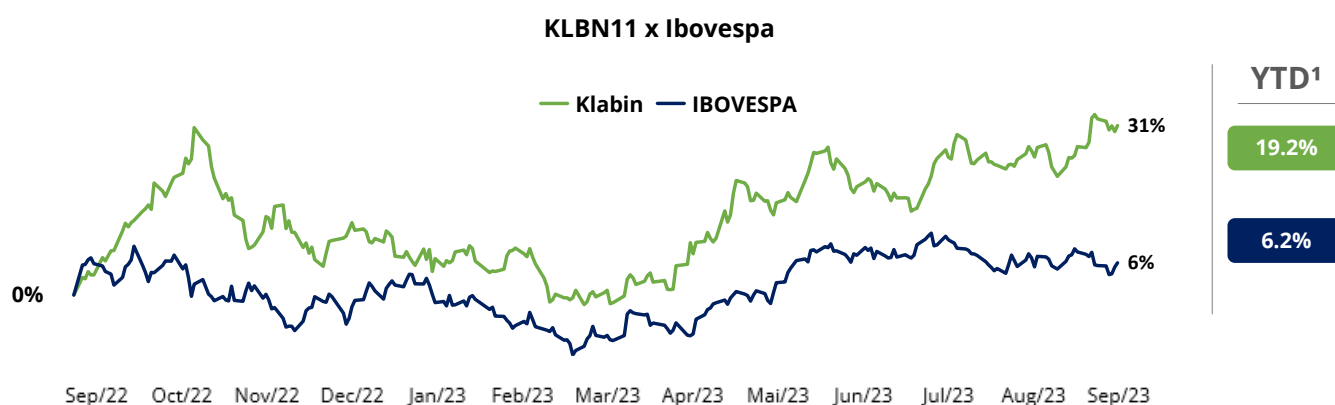
At Klabin, sales volume of industrial bags in 3Q23 presented a reduction of 9% compared with 3Q22 and 6% for the accumulated period to the end of September versus the same period in 2022. The cause of this reduction was largely due to the decline in industrial bags exports to the Latin American market. However, there was an improved sales mix in the period with a greater focus on sales of industrial bags for new uses such as pet food, flour and coffee, prioritizing the profitability of operations.

The net price of the bags increased 14% in 3Q23 versus 3Q22 and 18% for the accumulated period to the end of September 2023 in relation to the same period in 2022, also reflecting a better sales mix and the passing on of prices over the last few quarters.

Capital Markets

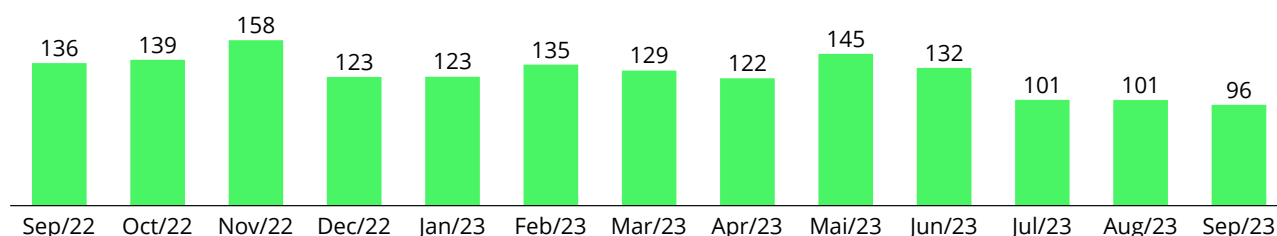
Equity Income

Klabin's units, trading under the KLBN11 ticker (1 common share + 4 preferred shares), recorded an appreciation of 9% in the third quarter 2023 and 31% over the last twelve months ending September 2023, posting a closing price of R\$ 23.81/unit. The Ibovespa reported a 1% depreciation in 3Q23 and a 6% appreciation in the past 12 months. Klabin's units, traded on all the days the B3 was open for business, reporting approximately 282 million transactions in 3Q23. In financial volume terms, net average daily liquidity was R\$ 99 million in the period. The maximum price reached during the third quarter was R\$ 24.46/unit on September 21, 2023, and the minimum value was R\$ 20.75/unit, on July 19, 2023.



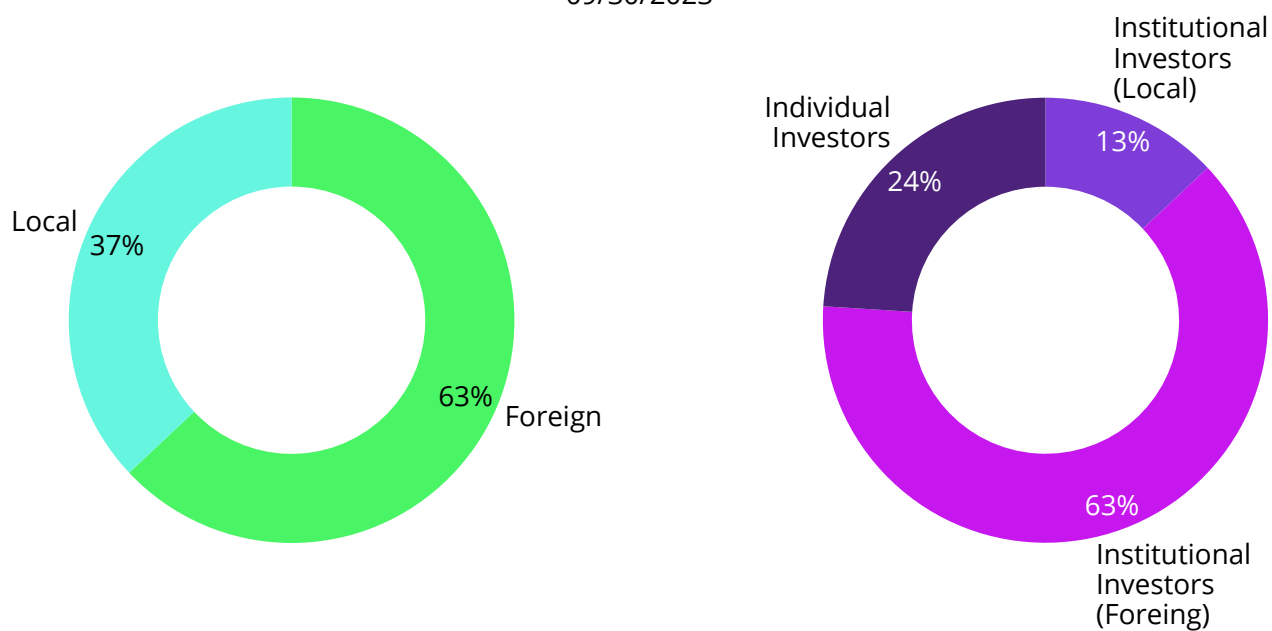
¹ YTD: Year-To-Date (Year Evolution)
From 12/29/2022 to 09/30/2023

Average Daily Trading Volume - KLBN11
(R\$ million)



Free Float¹ Distribution

09/30/2023

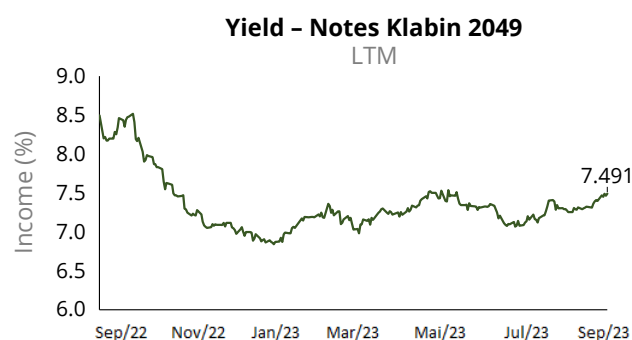
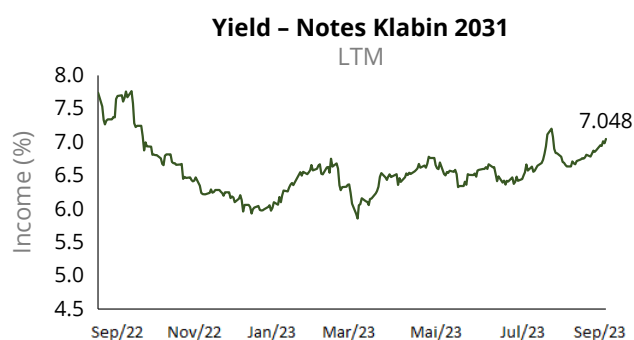
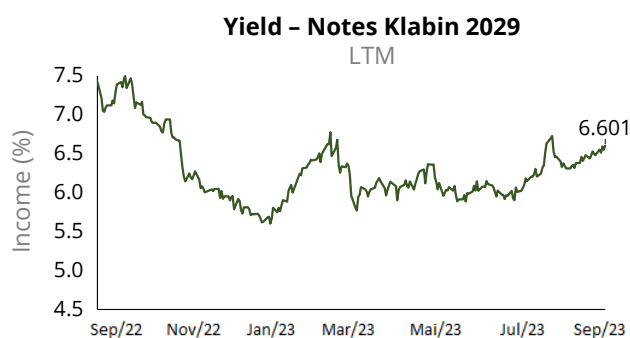
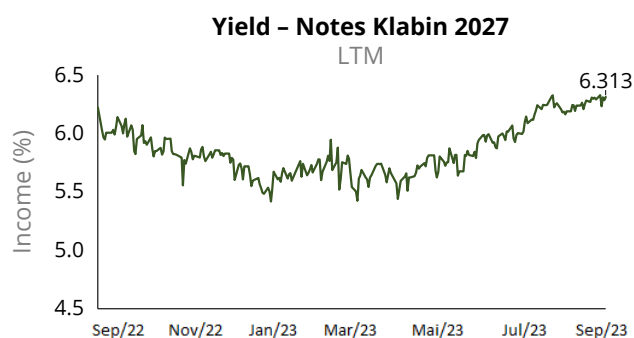


¹Free-float considers the total number of shares excluding controllers, directors, officers, treasury shares and Monteiro Aranha

Fixed Income

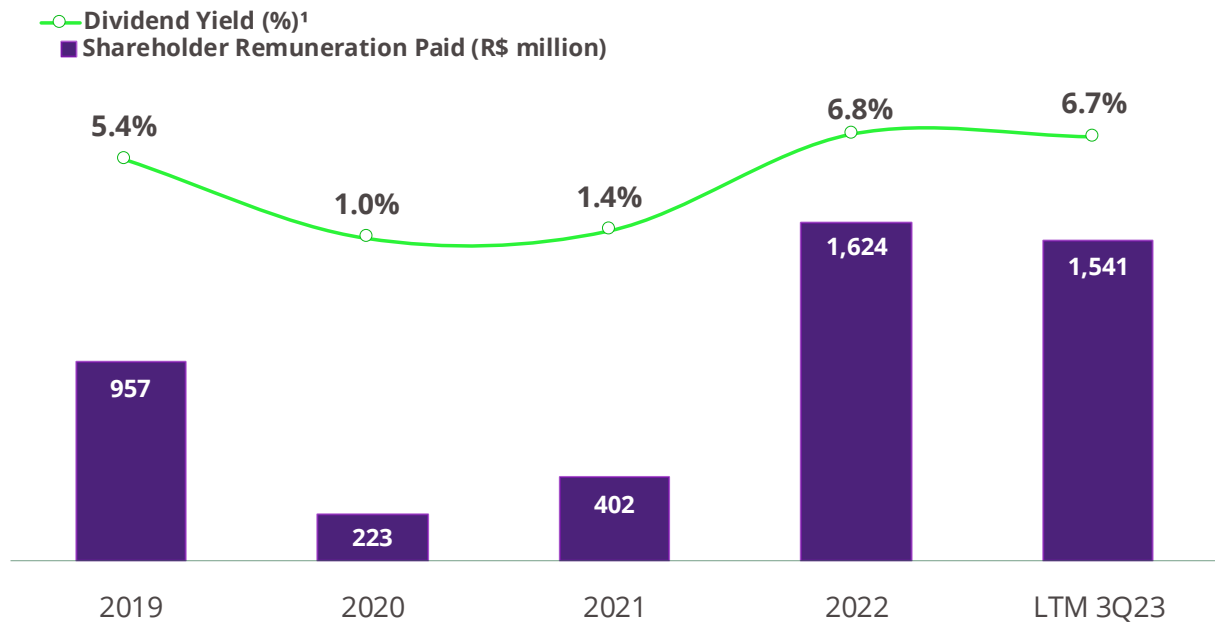
Currently, the Company has four active note or bond issues in the international market (Notes or Bonds). Among these are two Green Bond issues (2027 and 2049), the securities of which must necessarily have their resources earmarked to eligible green projects. Additionally, there is one conventional debt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

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



In 3Q23, S&P reaffirmed the Company's rating at "BB+" in the global scale and "brAAA" in the national scale as well as maintaining a stable outlook as announced in the [Notice to the Market](#) published on July 13, 2023. There were no changes to Klabin's other risk rating classifications: BB+ from Fitch and Ba1 from Moody's, all in the global scale with stable outlook.

Shareholder Remuneration (cash method)



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

In the third quarter 2023, the Company distributed (cash method) R\$ 269 million in dividends, corresponding to the amount of R\$ 0.04875599703 per share and R\$ 0.24377998515 per unit. In the last twelve months, the amount paid in shareholder remuneration totaled R\$ 1.541 billion, equivalent to a dividend yield of 6.7%.

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

Subsequent Events

Syndicated Loan Agreement

According to the Notice to the Market of October 3, 2023, the Company entered into a syndicated loan agreement in the amount of US\$ 595 million. For further details [click here](#) and access the document in full.

Shareholder Remuneration

According to a Notice to Shareholders published on October 25, 2023, Klabin's Board of Directors has approved the payment of Interest on Capital ("IoC") in the amount of R\$ 319 million. The payment will be made on November 14, 2023, and the shares shall be traded as "ex-interest on capital" as from October 30, 2023. To access the Notice to Shareholders in full, [click here](#).

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

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

Conference Call

English (Simultaneous Translation)

Thursday, October 26, 2023

Time: 10:00 a.m. (NYC)

Telephone: 1 412 717 9627 or 1 844 204 8942

Code: Klabin

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

Access via Webcast: [click here](#)

Replay: +55 11 4118-5151

Code: 219230#

Portuguese

Thursday, October 26, 2023

Time: 11:00 a.m. (Brasília)

Telephone: (11) 4090-1621

Code: Klabin

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

Access via Webcast: [click here](#)

Replay: (11) 4118-5151

Code: 219229#

IR Channels

The Investor Relations Team is at your disposal:

- Marcos Ivo – Chief Financial and Investor Relations Officer
- Gabriela Woge – Corporate Finance and Investor Relations Director
- Luiza Chaves – IR Manager
- Anna Atui – IR Specialist
- Jaqueline Furrier – IR Analyst
- Thaise Furtado – IR Analyst
- Thiago Borges – IR Intern

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

E-mail: invest@klabin.com.br

Telephone: +55 11 3046-8401

Content platform for the attention of the **personal investor** with videos and podcasts on **Klabin's businesses** and the investments market. Access ri.klabin.com.br/KlabinInvest or see publications in our [social media](#).



In 2023, we launched the Klabin Invest Newsletter, which delivers to your e-mail inbox the main and most recent news on the Company. To register, [click here](#).

Appendix 1 – Consolidated Income Statement

(R\$ thousands)	3Q23	2Q23	3Q22	Δ		9M23	9M22	Δ
				3Q23/2Q23	3Q23/3Q22			9M23/9M22
Gross Revenue	5,084,538	5,000,088	6,307,273	2%	-19%	15,639,680	17,117,160	-9%
Discounts and Rebates	(688,409)	(709,451)	(812,759)	-3%	-15%	(2,125,269)	(2,170,506)	-2%
Cash Flow Hedge Realization	4,278	1,942	(6,286)	120%	n/a	9,336	2,659	251%
Net Revenue	4,400,407	4,292,579	5,488,228	3%	-20%	13,523,747	14,949,313	-10%
Variation in the Fair Value of Biological Assets	143,230	572,671	960,782	-75%	-85%	1,099,360	1,918,838	-43%
Cost of Products Sold	(3,240,065)	(3,123,341)	(3,169,203)	4%	2%	(9,222,690)	(9,227,759)	0%
Gross Profit	1,303,572	1,741,909	3,279,807	-25%	-60%	5,400,418	7,640,392	-29%
Selling Expenses	(381,697)	(333,704)	(551,540)	14%	-31%	(1,158,238)	(1,421,649)	-19%
General & Administrative Expenses	(236,495)	(252,612)	(256,789)	-6%	-8%	(735,346)	(737,192)	0%
Other Revenues (Expenses)	(54,670)	(30,725)	2,416	78%	n/a	(133,276)	88,310	n/a
Total Operating Expenses	(672,862)	(617,041)	(805,913)	9%	-17%	(2,026,860)	(2,070,531)	-2%
Equity Pickup	3,969	2,721	3,328	46%	19%	10,105	13,517	-25%
Operating Income (Before Fin. Results)	634,679	1,127,590	2,477,222	-44%	-74%	3,383,663	5,583,378	-39%
Financial Expenses	(404,044)	(132,066)	410,123	206%	n/a	(760,001)	(466,328)	63%
Liabilities Foreign Exchange Result	(145,865)	112,876	(327,450)	n/a	-55%	98,844	(89,927)	n/a
Total Financial Expenses	(549,909)	(19,190)	82,673	2766%	n/a	(661,156)	(556,255)	19%
Financial Revenues	160,926	275,499	169,122	-42%	-5%	678,434	598,931	13%
Assets Foreign Exchange Result	64,152	(100,320)	67,525	n/a	-5%	(127,855)	(103,471)	24%
Total Financial Revenues	225,078	175,179	236,647	28%	-5%	550,579	495,460	11%
Financial Result	(324,831)	155,989	319,320	n/a	n/a	(110,577)	(60,795)	82%
Net Income Before Taxes	309,848	1,283,579	2,796,542	-76%	-89%	3,273,086	5,522,583	-41%
Income Tax and Soc. Contrib.	(65,268)	(312,880)	(743,787)	-79%	-91%	(795,682)	(1,623,304)	-51%
Net Income (Loss)	244,580	970,699	2,052,755	-75%	-88%	2,477,404	3,899,279	-36%
Net income (Loss) Attributable to Noncontrolling Interests	(13,722)	329,760	132,907	n/a	n/a	413,524	243,466	70%
Net Income Attributable to Klabin's Stockholders	258,302	640,939	1,919,848	-60%	-87%	2,063,880	3,655,813	-44%
Depreciation/Amortization/Exhaustion	869,060	794,197	791,509	9%	10%	2,374,059	2,378,386	0%
Change in Fair Value of Biological Assets	143,230	572,671	(960,782)	-75%	n/a	(1,099,360)	1,918,838	n/a
Net Realization of Cash Flow Hedge	(4,278)	(1,942)	6,286	120%	n/a	(9,336)	(2,659)	251%
Adjusted EBITDA	1,352,261	1,344,452	2,310,907	1%	-41%	4,638,919	6,026,749	-23%
Non-Recurring Effects ¹	-	-	-	n/a	n/a	-	(147,480)	n/a
Adjusted EBITDA Excl. Non-Recurring Effects¹	1,352,261	1,344,452	2,310,907	1%	-41%	4,638,919	5,879,269	-21%

¹Refers to the non-recurring effect of R\$ 147 million in 2Q22 related to the extemporaneous PIS/COFINS credit on OCC purchases

Appendix 2 – Consolidated Balance Sheet

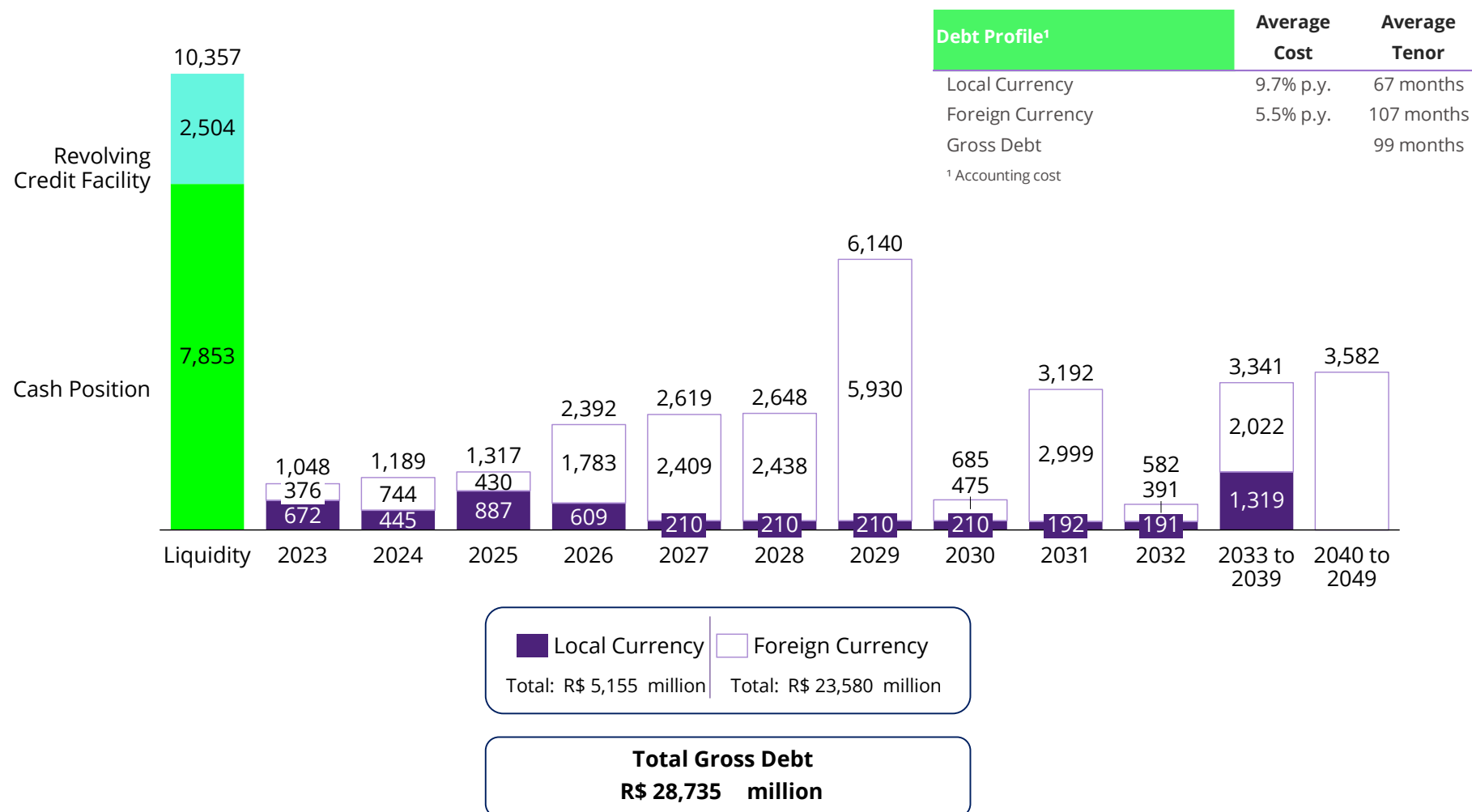
Assets (R\$ thousands)	Sep-23	Jun-22	Sep-22	Liabilities and Equity (R\$ thousands)	Sep-23	Jun-22	Sep-22
Current Assets	13,576,633	11,645,316	12,510,469	Current Liabilities	6,290,335	6,276,431	5,330,134
Cash and Cash-Equivalents	5,926,913	4,071,480	3,711,468	Loans and financing	2,199,563	1,922,324	1,065,611
Securities	1,926,214	1,952,298	2,541,120	Debentures	4,880	42,085	5,748
Receivables	2,395,415	2,320,134	2,963,631	Suppliers	1,695,244	2,169,215	2,157,442
Inventories	2,663,739	2,719,210	2,350,706	Trade payables (Forfaiting)	407,568	399,277	508,717
Recoverable taxes and contributions	372,233	260,538	666,748	Forestry Trade payables (Forfaiting)	267,057	221,732	9,438
Other receivables	292,119	321,656	276,796	Taxes payable	510,214	522,319	512,794
				Salaries and payroll charges	515,057	441,562	531,687
				Dividends/IOC payable	-	-	-
Goods assets for sale	31,745	19,266	12,503	Liability use benefit	337,143	248,817	258,093
				Other accounts payable	353,609	309,100	280,604
Noncurrent Assets	38,085,304	37,593,829	33,602,285	Noncurrent Liabilities	31,806,038	28,736,117	29,812,236
Deferred income tax and social contribution	3,009	-	-	Suppliers	96,243	93,859	31,421
Taxes to compensate	395,250	365,580	470,345	Forestry Trade payables (Forfaiting)	347,590	383,368	78,190
Judicial Deposits	120,926	118,700	116,315	Loans and financing	25,256,943	22,358,836	25,219,661
Other receivables	90,125	111,134	130,981	Debentures	1,273,397	1,215,238	1,396,226
Investments	287,824	285,502	280,982	Other accounts payable - Investors SCPs	197,017	204,024	195,924
Property, plant & equipment, net	25,373,811	25,410,136	23,086,876	Lease liability	1,970,428	1,556,574	1,301,145
Biological assets	9,243,721	9,235,985	7,842,496	Taxes payable	2,124,373	2,389,999	1,045,266
Right of use asset	2,267,324	1,764,919	1,527,310	Other accounts payable	540,047	534,219	544,403
Intangible assets	303,314	301,873	146,980				
				Shareholders' Equity	11,159,889	11,784,278	9,002,800
				Capital	4,475,625	4,475,625	4,475,625
				Capital and revaluation reserves	(243,015)	(243,015)	(270,399)
				Profit reserve	4,080,294	4,080,294	1,247,044
				Valuation adjustments to shareholders'equity	1,576,815	2,190,355	795,049
				Retained earnings	1,405,881	1,416,579	2,910,813
				Treasury stock	(135,711)	(135,560)	(155,332)
				Equity Attrib. to Noncont. Interests	2,437,420	2,461,585	1,980,087
Total Asset	51,693,682	49,258,411	46,125,257	Total Liability + Equity	51,693,682	49,258,411	46,125,257

Appendix 3 - Financial Redemption Schedule (as of September 30, 2023)

Debt raised in Reais linked to swaps for US\$ is considered as foreign currency debt for the purposes of this Appendix

R\$ million	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033 to 2039	2040 to 2049	Total
BNDES	56	211	209	210	210	210	210	210	192	191	1,319	-	3,227
Export Credit Notes	-	4	346	-	-	-	-	-	-	-	-	-	350
Agribusiness Receiv. Certificate	616	231	331	399	-	-	-	-	-	-	-	-	1,577
Local Currency	672	445	887	609	210	210	210	210	192	191	1,319	-	5,155
EPP/ECN	75	-	60	1,372	63	313	125	-	-	-	-	-	2,008
Debentures	-	4	-	-	424	424	424	-	-	-	-	-	1,278
Bonds	229	8	-	-	1,082	-	3,675	-	2,492	-	-	3,593	11,080
ECA's	-	335	371	411	328	1,193	1,194	475	500	391	-	-	5,197
CRA's	71	397	-	-	512	508	508	-	-	-	2,022	-	4,017
Foreign Currency¹	375	744	431	1,783	2,409	2,438	5,927	475	2,992	391	2,022	3,593	23,580
Gross Debt	1,047	1,189	1,318	2,392	2,619	2,648	6,136	685	3,184	582	3,341	3,593	28,735

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



Appendix 4 – Consolidated Cash Flow Statement

R\$ thousand	3Q23	2Q23	3Q22	9M23	9M22
Net Cash from Operating Activities	1,064,628	1,687,858	2,321,945	4,951,374	5,036,374
Cash Generated from Operations	1,499,656	1,705,205	1,915,329	5,435,456	5,879,347
Net Profit/Loss From Ongoing Operations	244,580	970,699	2,052,755	2,477,405	3,899,279
Depreciation and Amortization	487,091	515,301	360,696	1,297,071	997,234
Change in Fair Value of Biological Assets	(143,230)	(572,671)	(960,782)	(1,099,360)	(1,918,838)
Exhaustion of Biological Assets	381,969	278,896	430,813	1,076,988	1,381,152
Deferred Income Tax and Social Contribution	25,060	218,447	652,745	551,320	1,199,557
Monetary adjustment of marketable securities	28,932	(86,138)	9,642	(104,101)	(15,633)
Interest and Currency Variations on Loans, Financing and Debentures	468,233	230,151	(690,378)	945,724	74,262
Interest present value - Trade payables (Forfeiting)	20,903	20,020	-	54,662	-
Interest on Leases	39,425	25,526	21,295	91,436	53,506
Realization of Cash Flow Hedge Reserve	(4,278)	(1,942)	6,286	(9,336)	(2,659)
Foreign Exchange Variations on Trade Receivables and Related Parties	(64,152)	100,319	22,402	127,854	193,398
Allowance for Expected Credit Losses	(8,576)	(5,200)	9,143	(10,193)	7,086
Estimated Inventory Loss/Composition	28,426	16,791	7,382	71,518	29,424
Result of Disposal of Assets	312	(409)	802	(49)	(10,714)
Equity Pickup	(3,969)	(2,721)	(3,328)	(10,105)	(13,517)
Other	(1,070)	(1,864)	(4,145)	(25,378)	5,810
Changes in Assets and Liabilities	(435,028)	(17,347)	406,616	(484,082)	(842,973)
Trade Receivables and Related Parties	(2,553)	18,043	(70,177)	161,823	(355,601)
Inventories	27,045	(132,082)	(212,944)	(293,252)	(376,736)
Taxes Recoverable	(129,040)	44,014	151,860	224,944	354,663
Marketable Securities	(2,848)	(984)	(30,403)	(3,745)	(508,252)
Other Assets	35,190	37,308	60,130	59,346	(27,843)
Suppliers	(474,652)	55,402	(162,156)	(723,372)	(468,159)
Taxes Obligations	10,549	(10,740)	49,774	31,288	166,007
Social Security and Labor Obligations	73,495	104,176	117,348	30,011	100,318
Other Liabilities	40,111	(85,172)	584,590	146,179	661,781
Income Tax and Social Contribution Paid	(12,325)	(47,312)	(81,406)	(117,304)	(389,151)
Net Cash Used in Investing Activities	(591,012)	(1,155,531)	(2,817,397)	(3,391,522)	(6,075,732)
Increase in property, plant and equipment, intangible assets and IFRS 16	500,257	(128,400)	(734,368)	411,165	(822,170)
Purchases of Property, Plant and Equipment (Capex)	(847,092)	(807,269)	(1,471,814)	(2,736,695)	(3,723,191)
Increase in Planting and Purchases of Standing Wood	65,131	61,983	(83,089)	(181,129)	4,713
Purchases of Planting and Purchases of Standing Wood (Capex)	(311,606)	(292,341)	(531,616)	(931,261)	(1,590,772)
Proceeds from Disposal of Assets	651	867	3,490	35,122	49,419
Dividends Received from Subsidiaries	1,647	9,629	-	11,276	6,269
Net Cash Provided Used in Financing Activities	1,381,817	(1,671,559)	(668,976)	(316,884)	(1,654,374)
New Borrowings	2,267,667	(18,149)	2,408,003	3,825,983	5,156,127
Amortization of Loans and Debentures	(235,276)	(732,853)	(2,154,980)	(1,511,867)	(4,451,050)
Payment of Interests on Loans, Financing and Debentures	(228,069)	(467,528)	(543,155)	(1,276,814)	(1,375,259)
Payment of Lease Liabilities	(154,795)	(107,276)	(93,106)	(357,763)	(238,742)
Disposal of Treasury Shares	(151)	6,180	(89)	47,033	37,616
Acquisition of Investments and Payment in Subsidiaries (Cash)	-	60,000	128,991	90,000	414,551
Dividends Paid/Received JVs and SPVs	1,441	(22,933)	(15,640)	(94,456)	(75,617)
Dividends Paid & IOC Paid	(269,000)	(389,000)	(399,000)	(1,039,000)	(1,122,000)
Increase (Decrease) in Cash and Cash Equivalents	1,855,433	(1,139,231)	(1,164,428)	1,242,968	(2,693,732)
Cash and Cash Equivalents at Beginning of Period	4,071,480	5,210,712	4,875,896	4,683,945	6,405,200
Cash and Cash Equivalents at End of Period	5,926,913	4,071,480	3,711,468	5,926,913	3,711,468

Appendix 5 – Business Segment Evolution

3Q23

R\$ million	Forestry	Pulp	Paper	Packaging	Eliminations	Total
Net revenue						
Domestic market	90	516	796	1,542	(9)	2,935
Exports	-	838	493	135	-	1,465
Third part revenue	90	1,355	1,288	1,676	(9)	4,400
Segments revenue	887	14	930	16	(1,848)	-
Total net revenue	977	1,369	2,218	1,693	(1,856)	4,400
Change in fair value - biological assets	143	-	-	-	-	143
Cost of goods sold ¹	(1,139)	(841)	(1,730)	(1,370)	1,841	(3,240)
Gross income	(19)	528	488	322	(15)	1,304
Operating revenue and expenses	(105)	(231)	(220)	(183)	70	(669)
Op. results before financial results	(124)	297	267	139	54	635

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

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

2Q23

R\$ million	Forestry	Pulp	Paper	Packaging	Eliminations	Total
Net revenue						
Domestic market	94	612	771	1,475	(10)	2,942
Exports	-	641	557	152	0	1,351
Third part revenue	94	1,253	1,328	1,627	(10)	4,293
Segments revenue	798	37	834	16	(1,685)	-
Total net revenue	892	1,290	2,162	1,643	(1,694)	4,293
Change in fair value - biological assets	573	-	-	-	-	573
Cost of goods sold ¹	(1,069)	(862)	(1,547)	(1,340)	1,694	(3,123)
Gross income	396	427	615	303	0	1,742
Operating revenue and expenses	(54)	(182)	(197)	(180)	(2)	(614)
Op. results before financial results	342	246	418	123	(2)	1,128

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

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

3Q22

R\$ million	Forestry	Pulp	Paper	Packaging	Eliminations	Total
Net revenue						
Domestic market	85	700	836	1,561	(4)	3,178
Exports	-	1,318	872	127	(6)	2,311
Third part revenue	85	2,018	1,707	1,688	(10)	5,488
Segments revenue	671	26	1,035	22	(1,755)	-
Total net revenue	756	2,044	2,743	1,710	(1,765)	5,488
Change in fair value - biological assets	961	-	-	-	-	961
Cost of goods sold ¹	(1,104)	(731)	(1,542)	(1,556)	1,764	(3,169)
Gross income	613	1,312	1,201	155	(1)	3,280
Operating expenses	55	(249)	(300)	(205)	(103)	(803)
Op. results before financial results	668	1,063	901	(51)	(104)	2,477

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

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