Klabin S.A.

Interim financial statements and auditor's report for the three-month period ended March 31, 2023

KLBN B3 LISTED N2 ISE B3 ICO2 B3 TCFD CDP Member of Dow Jones Sustainability Indices Klabin

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Klabin

STATEMENT OF FINANCIAL POSITION

		Parent Company		Consolidated	
ASSETS	**Note**	**03/31/2023**	**12/31/2022**	**03/31/2023**	**12/31/2022**
Current					
Cash and cash equivalents	5	4,236,541	3,798,650	5,210,712	4,683,945
Marketable securities	6	1,852,444	1,805,291	1,865,176	1,818,368
Trade receivables:	7	2,230,163	2,284,046	2,433,296	2,674,899
Related parties	8	281,328	475,068	-	-
Inventories	9	2,374,788	2,216,517	2,603,919	2,442,005
Taxes recoverable	10	269,077	535,315	293,095	505,351
Other assets		313,020	355,777	558,034	379,436
Total current assets		**11,557,361**	**11,470,664**	**12,964,232**	**12,504,004**
Assets held for sale		**12,178**	**11,675**	**12,178**	**11,675**
Non-current					
Judicial deposits	19	118,900	118,179	118,900	118,179
Taxes recoverable	10	329,725	369,772	329,725	369,772
Related parties	8	413,743	326,111	-	-
Other assets		148,211	119,533	148,437	120,093
		1,010,579	**933,595**	**597,062**	**608,044**
Investments					
Interests in subsidiaries and joint venture	12	3,309,293	2,953,390	277,633	274,217
Other		14,778	14,778	14,778	14,778
Property, plant and equipment	13	23,182,940	22,654,139	24,743,311	24,159,980
Biological assets	14	5,851,391	5,671,069	8,749,666	8,108,959
Right-of-use assets	15	1,514,269	1,489,607	1,724,506	1,610,604
Intangible assets		95,806	85,706	298,168	285,097
		33,968,477	**32,868,689**	**35,808,062**	**34,453,635**
Total non-current assets		**34,979,056**	**33,802,284**	**36,405,124**	**35,061,679**
Total assets		**46,548,595**	**45,284,623**	**49,381,534**	**47,577,358**

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

All amounts in thousands of Reais unless otherwise stated

LIABILITIES AND EQUITY	Note	Parent Company 03/31/2023	Parent Company 12/31/2022	Consolidated 03/31/2023	Consolidated 12/31/2022
Current					
Trade payables	16	1,947,539	2,222,349	2,104,721	2,383,700
Forfaiting	16	408,695	531,646	408,695	531,646
Forfaiting forestry operations	16	206,421	21,330	206,421	21,330
Lease liabilities	15	250,276	255,638	257,941	262,923
Tax obligations		448,728	454,920	460,510	475,768
Social security and labor obligations		329,928	476,210	337,386	485,046
Borrowings	17	1,938,040	2,010,619	2,132,959	1,910,289
Debentures	18	5,748	42,691	5,748	42,691
Provision for income tax and social contribution		1,501	-	70,637	4,252
Related parties	8	19,207	87,468	-	-
Dividends and/or interest on capital payable	20	-	36,000	-	36,000
Other payables and provisions		229,580	254,742	278,520	308,105
Total current liabilities		**5,785,663**	**6,393,613**	**6,263,538**	**6,461,750**
Non-current					
Trade payables	16	92,320	131,695	92,320	131,695
Forfaiting forestry operations	16	379,872	414,041	379,872	414,041
Lease liabilities	15	1,306,735	1,268,711	1,510,176	1,381,965
Borrowings	17	24,841,636	24,437,384	24,593,321	24,239,278
Debentures	18	1,329,012	1,348,354	1,329,012	1,348,354
Deferred income tax and social contribution	11	1,598,621	1,163,855	1,642,055	1,198,049
Special Partnership Companies		-	-	197,439	199,387
Provision for tax, social security, labor and civil contingencies	19	59,430	59,227	59,641	59,350
Provision for actuarial liabilities		357,100	356,245	359,310	358,423
Tax obligations		87,962	107,610	87,962	107,610
Other payables and provisions		41,884	44,404	104,096	109,190
Total non-current liabilities		**30,094,572**	**29,331,526**	**30,355,204**	**29,547,342**
Total liabilities		**35,880,235**	**35,725,139**	**36,618,742**	**36,009,092**
Equity					
Share capital	20.1	4,475,625	4,475,625	4,475,625	4,475,625
Capital and revaluation reserves		(246,325)	(270,399)	(246,325)	(270,399)
Revenue reserves		4,080,294	4,425,294	4,080,294	4,425,294
Carrying value adjustments	20.2	1,332,556	1,084,324	1,332,556	1,084,324
Retained earnings (accumulated losses)		1,164,640	-	1,164,640	-
Treasury shares		(138,430)	(155,360)	(138,430)	(155,360)
Equity attributable to the equity holders of Klabin	**20**	**10,668,360**	**9,559,484**	**10,668,360**	**9,559,484**
Non-controlling interests	**20.5**	**-**	**-**	**2,094,432**	**2,008,782**
Consolidated equity		**10,668,360**	**9,559,484**	**12,762,792**	**11,568,266**
Total liabilities and equity		**46,548,595**	**45,284,623**	**49,381,534**	**47,577,358**

(i) See note 2.1.

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

All amounts in thousands of Reais unless otherwise stated

STATEMENT OF INCOME

	Note	Parent Company 1/1 to 3/31/2023	Parent Company 1/1 to 3/31/2022	Consolidated 1/1 to 3/31/2023	Consolidated 1/1 to 3/31/2022
Net sales revenue	21	4,676,296	4,519,879	4,830,761	4,422,130
Change in the fair value of biological assets	14	34,895	450,902	383,459	371,680
Cost of products sold	22	(2,860,798)	(2,740,782)	(2,859,284)	(2,717,093)
Gross profit		**1,850,393**	**2,229,999**	**2,354,936**	**2,076,717**
Operating expenses (income)					
Selling	22	(400,603)	(329,514)	(442,837)	(366,550)
General and administrative	22	(237,616)	(229,380)	(246,239)	(236,552)
Other income, net	22	(48,470)	(13,986)	(47,880)	7,531
Interest capitalized (Law 12,973/14)		**(686,689)**	**(572,880)**	**(736,956)**	**(595,571)**
Share of profit (loss) of subsidiaries and joint ventures	12	376,830	(139,505)	3,415	20,262
Profit before finance result and taxes		**1,540,534**	**1,517,614**	**1,621,395**	**1,501,408**
Finance income		113,510	(140,691)	150,322	(176,196)
Finance costs		(105,540)	143,297	(92,057)	98,921
Finance result	23	**7,970**	**2,606**	**58,265**	**(77,275)**
Profit before taxes on income		**1,548,504**	**1,520,220**	**1,679,660**	**1,424,133**
Current	11	(86,142)	(120,291)	(109,721)	(135,927)
Deferred	11	(297,722)	(415,648)	(307,813)	(413,333)
Income tax and social contribution		**(383,864)**	**(535,939)**	**(417,534)**	**(549,260)**
Profit for the period		**1,164,640**	**984,281**	**1,262,126**	**874,873**
From continuing operations		**1,164,640**	**984,281**	**1,262,126**	**874,873**
From discontinued operations		**-**		**-**	
Attributable to the equity holders of Klabin		**1,164,640**	**984,281**	**1,164,640**	**984,281**
Attributable to non-controlling interests		**-**	**-**	**97,486**	**(109,408)**
Earnings per share:					
Basic and diluted earnings per common share - R$	25	**0.2114**	**0.1790**	**0.2114**	**0.1790**
Basic and diluted earnings per preferred share - R$	25	**0.2114**	**0.1790**	**0.2114**	**0.1790**

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All amounts in thousands of Reais unless otherwise stated

Klabin

STATEMENT OF COMPREHENSIVE INCOME

		Parent Company		Consolidated	
	Note	**03/31/2023**	**03/31/2022**	**03/31/2023**	**03/31/2022**
Profit for the period		**1,164,640**	**984,281**	**1,262,126**	**874,873**
Other comprehensive income					
Foreign currency translation adjustments (i)		(5,484)	2,065	(5,484)	2,065
Adjustment of cash flow hedge	28	403,925	3,395,321	403,925	3,395,321
Deferred income tax on cash flow hedge	28	(137,335)	(1,154,409)	(137,335)	(1,154,409)
Adjustment of actuarial liabilities		(855)	(2,106)	(855)	(2,106)
Deferred income tax on actuarial liabilities		291	716	291	716
Total comprehensive income for the period		**1,425,182**	**3,225,868**	**1,522,668**	**3,116,460**
Attributable to the equity holders of Klabin		**1,425,182**	**3,225,868**	**1,425,182**	**3,225,868**
Attributable to non-controlling interests		**-**	**-**	**97,486**	**- 109,408**

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

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All amounts in thousands of Reais unless otherwise stated

STATEMENT OF CHANGES IN EQUITY

	Share capital	Capital and revaluation reserves	Revenue reserves	Carrying value adjustments	Treasury shares	Retained earnings (accumulated losses)	Equity attributable to the equity holders of Klabin	Non-controlling interests (i)	Consolidated equity
At December 31, 2021	**4,475,625**	**(294,758)**	**1,624,044**	**103,246**	**(168,589)**	**-**	**5,739,568**	**1,346,659**	**7,086,227**
Profit for the period	-	-	-	-	-	984,281	984,281	(110,642)	**873,639**
Other comprehensive income for the period	-	-	-	2,241,587	-	-	**2,241,587**	**-**	**2,241,587**
Total comprehensive income for the period	-	-	-	**2,241,587**	**-**	**984,281**	**3,225,868**	**(110,642)**	**3,115,226**
Capital increase by non-controlling shareholders	-	-	-	-	-	-	-	30,000	**30,000**
Stock Option Plan	**-**	**24,359**	-	**(10,706)**	**13,480**	-	**27,133**	-	**27,133**
Treasury shares sold	-	16,668	-	-	6,839	-	23,507	-	**23,507**
Award of treasury shares	-	-	-	(6,839)	6,839	-	-	-	**-**
Interest capitalized (Law 12,973/14)	-	-	-	3,626	-	-	3,626	-	**3,626**
Maturity of stock option plan	-	7,691	-	(7,691)	-	-	-	-	**-**
Withdrawals from stock option plan	-	-	-	198	(198)	-	-	-	**-**
At March 31, 2022	**4,475,625**	**(270,399)**	**1,247,044**	**2,334,127**	**(155,109)**	**984,281**	**8,615,569**	**1,243,801**	**9,859,370**
At December 31, 2022	**4,475,625**	**(270,399)**	**4,425,294**	**1,084,324**	**(155,360)**	**-**	**9,559,484**	**2,008,782**	**11,568,266**
Profit for the period	-	-	-	-	-	1,164,640	**1,164,640**	97,486	**1,262,126**
Other comprehensive income for the period	-	-	-	260,542	-	-	**260,542**	-	**260,542**
Changes in interests in subsidiaries	-	-	-	-	-	-	**-**	(3,125)	**(3,125)**
Total comprehensive income for the period	**-**	**-**	**-**	**260,542**	**-**	**1,164,640**	**1,425,182**	**94,361**	**1,519,543**
Capital increase by non-controlling shareholders	-	-	-	-	-	-	**-**	30,000	**30,000**
Stock Option Plan	**-**	**24,074**	**-**	**(12,310)**	**16,930**	**-**	**28,694**	**-**	**28,694**
Treasury shares sold	-	15,674	-	-	8,580	-	**24,254**	-	**24,254**
Award of treasury shares	-	-	-	(8,580)	8,580	-	**-**	-	**-**
Recognition of the stock option plan remuneration	-	-	-	4,440	-	-	**4,440**	-	**4,440**
Maturity of stock option plan	-	8,400	-	(8,400)	-	-	**-**	-	**-**
Withdrawals from stock option plan	-	-	-	230	(230)	-	**-**	-	**-**
Allocation of profit for the period:	**-**	**-**	**(345,000)**	**-**	**-**	**-**	**(345,000)**	**(38,711)**	**(383,711)**
Distribution of dividends and interest on capital	-	-	(345,000)	-	-	-	**(345,000)**	(38,711)	**(383,711)**
At March 31, 2023	**4,475,625**	**(246,325)**	**4,080,294**	**1,332,556**	**(138,430)**	**1,164,640**	**10,668,360**	**2,094,432**	**12,762,792**

(i) During the period, there were changes in the % of equity interest held by non-controlling interests, the effects of which were recognized in equity.

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All amounts in thousands of Reais unless otherwise stated

STATEMENT OF CASH FLOWS

	Parent Company		Consolidated	
		(restated)		(restated)
	1/1 to 03/31/2023	1/1 to 03/31/2022	1/1 to 03/31/2023	1/1 to 03/31/2022
Net cash provided by operating activities	**2,100,603**	**1,106,908**	**1,970,270**	**1,362,770**
Cash provided by operations	**2,405,143**	**1,986,039**	**2,277,490**	**1,886,206**
Profit for the period from operations	1,164,640	984,281	1,262,126	874,873
Depreciation and amortization	301,912	320,730	294,679	309,278
Change in the fair value of biological assets	(34,895)	(450,902)	(383,459)	(371,680)
Depletion of biological assets	339,531	261,938	416,123	315,853
Deferred income tax and social contribution	297,723	415,649	307,813	421,810
Interest and foreign exchange variations on borrowing and debentures	613,285	(10,735)	247,340	(25,150)
Adjustment to present value - forfaiting forestry operations	13,739	-	13,739	-
Realization of hedge reserve	(3,116)	(8,945)	(3,116)	(8,945)
Interest on leases	23,114	13,661	26,485	14,031
Foreign exchange variations on trade receivables and related parties	57,590	348,980	91,687	389,601
Allowance for expected credit losses (ECLs)	1,141	(4,187)	3,583	(4,389)
Estimated inventory losses	25,730	10,416	26,301	10,475
Result on disposal of assets	48	(23,306)	48	(23,306)
Share of profit (loss) of subsidiaries and joint ventures	(376,830)	139,505	(3,415)	(20,262)
Other	(18,469)	(11,045)	(22,444)	4,018
Changes in assets and liabilities	**(304,540)**	**(879,132)**	**(307,220)**	**(523,437)**
Trade receivables and related parties	101,260	(340,989)	146,333	46,791
Inventories	(184,001)	(139,714)	(188,215)	(102,695)
Taxes recoverable	353,715	201,701	309,970	181,959
Marketable securities	(47,153)	(20,383)	(46,808)	(18,271)
Other assets	(15,265)	2,454	(241,770)	(183,608)
Trade payables	(299,953)	(251,435)	(304,122)	(141,624)
Tax obligations	(24,339)	(100,306)	31,479	(87,118)
Social security and labor obligations	(146,282)	(123,790)	(147,660)	(125,526)
Other liabilities	4,908	76,710	191,240	94,186
Income tax and social contribution paid	(47,430)	(183,380)	(57,667)	(187,531)
Net cash used in investing activities	**(1,301,614)**	**(1,012,965)**	**(1,644,979)**	**(1,366,417)**
(Increase)/ Decrease in property plant and equipment, intangible assets and IFRS 16	(25,056)	(59,248)	39,308	13,606
Purchases of property, plant and equipment (i)	(878,461)	(696,438)	(1,082,334)	(979,801)
(Increase)/ Decrease in planting and purchases of standing wood	(150,922)	3,363	(308,243)	37,694
Acquisition of planting and purchases of standing wood (i)	(296,222)	(302,861)	(327,314)	(471,420)
Acquisition of investments and payment in subsidiaries	87,216	235,522	-	-
Advances on future capital increases	(87,216)	(235,522)	-	-
Proceeds from disposal of assets	33,604	33,504	33,604	33,504
Dividends received from subsidiaries	15,443	8,715	-	-
Net cash provided by (used in) financing activities	**(361,098)**	**(2,620,323)**	**201,476**	**(2,251,898)**
New borrowing	1,576,465	755,193	1,576,465	755,193
Repayment of borrowing and debentures	(488,027)	(2,307,134)	(543,738)	(2,268,014)
Payment of interest on borrowing and debentures	(1,019,295)	(662,060)	(352,599)	(321,264)
Payment of lease liabilities	(90,245)	(67,161)	(95,692)	(67,823)
Disposal of treasury shares	41,004	37,839	41,004	37,839
Capital increase in subsidiaries by non-controlling interests	-	-	30,000	30,000
Payment of dividends - Special Partnership Companies and Special Purpose Entities	-	-	(72,964)	(40,829)
Dividends/interest on capital paid	(381,000)	(377,000)	(381,000)	(377,000)
Increase (decrease) in cash and cash equivalents	**437,891**	**(2,526,380)**	**526,767**	**(2,255,545)**
Cash and cash equivalents at the beginning of the period	**3,798,650**	**5,966,190**	**4,683,945**	**6,405,200**
Cash and cash equivalents at the end of the period	**4,236,541**	**3,439,810**	**5,210,712**	**4,149,655**

(i) Actual disbursement for the period.

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All amounts in thousands of Reais unless otherwise stated

Klabin

STATEMENT OF VALUE ADDED

	Parent Company			Consolidated
	1/1 to 03/31/2023	1/1 to 03/31/2022	1/1 to 03/31/2023	1/1 to 03/31/2022
Revenue				
Sales of products	5,484,739	5,252,845	5,648,805	5,159,576
Change in the fair value of biological assets	34,895	450,902	383,459	371,680
Other revenue	33,604	33,504	33,604	33,504
ECLs	(1,141)	4,187	(3,583)	4,389
	5,552,097	**5,741,438**	**6,062,285**	**5,569,149**
Inputs acquired from third parties				
Cost of products sold	(1,871,345)	(1,772,486)	(1,939,997)	(1,787,744)
Materials, electricity, outsourced services and other	(1,098,928)	(1,056,074)	(1,018,713)	(984,581)
	(2,970,273)	**(2,828,560)**	**(2,958,710)**	**(2,772,325)**
Gross value added	**2,581,824**	**2,912,878**	**3,103,575**	**2,796,824**
Retentions				
Depreciation, amortization and depletion	(641,443)	(582,668)	(710,802)	(625,131)
Net value added generated by the Company	**1,940,381**	**2,330,210**	**2,392,773**	**2,171,693**
Value added received through transfer				
Share of profit (loss) of subsidiaries and joint ventures	376,830	(139,505)	3,415	20,262
Finance income, including exchange variations	113,510	(140,691)	150,322	(176,196)
	490,340	**(280,196)**	**153,737**	**(155,934)**
Total value added for distribution	**2,430,721**	**2,050,014**	**2,546,510**	**2,015,759**
Distribution of value added:				
Personnel				
Direct compensation	372,337	372,471	372,351	379,336
Benefits	126,960	104,447	127,249	106,307
Government Severance Indemnity Fund for Employees (FGTS)	27,819	26,133	27,844	26,175
	527,116	**503,051**	**527,444**	**511,818**
Taxes and contributions				
Federal	541,982	670,569	573,440	692,579
State	83,987	35,410	83,987	35,410
Municipal	7,456	-	7,456	
	633,425	**705,979**	**664,883**	**727,989**
Remuneration of third party capital				
Interest	105,540	(143,297)	92,057	(98,921)
	105,540	**(143,297)**	**92,057**	**(98,921)**
Remuneration of own capital				
Retained earnings for the period	1,164,640	984,281	1,164,640	984,281
Profit for the period attributable to non-controlling interests	-	-	97,486	(109,408)
	1,164,640	**984,281**	**1,262,126**	**874,873**
Value added distributed	**2,430,721**	**2,050,014**	**2,546,510**	**2,015,759**

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All amounts in thousands of Reais unless otherwise stated

1. GENERAL INFORMATION

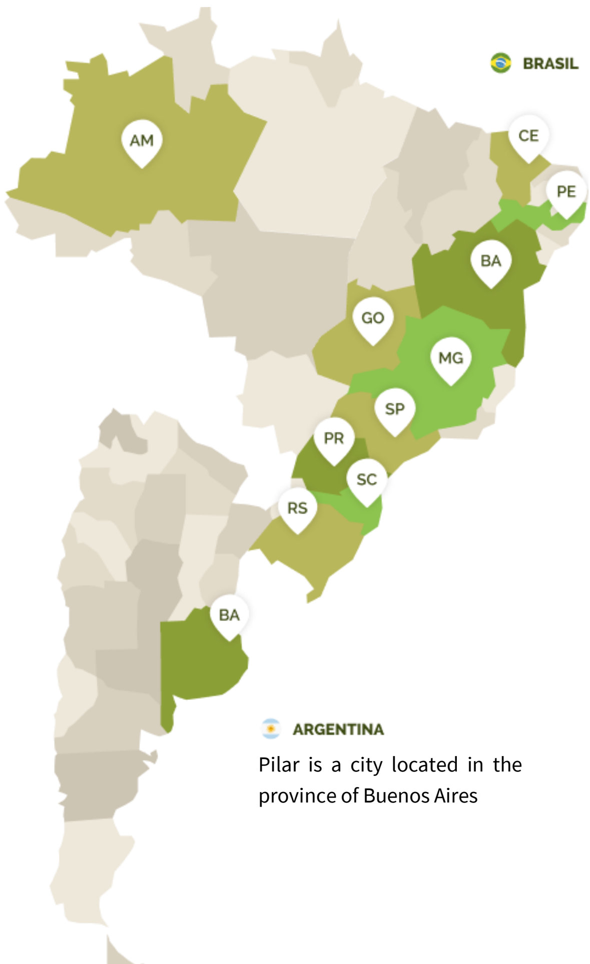
Klabin S.A. (the "Company"), its subsidiaries and joint ventures operate in various segments of the pulp and paper industry, supplying the domestic and foreign markets with wood, pulp, packaging paper, paper sacks, and corrugated cardboard boxes (Note 26). Their operations are vertically integrated, from forestry activities to the production of the final products. Klabin S.A. is a publicly-held corporation whose shares and certificates of deposit of shares (units) are traded on B3 S.A. - Brasil, Bolsa, Balcão (B3) (São Paulo Stock Exchange) under the tickers KLBN3, KLBN4 and KLBN11. The Company is domiciled in Brazil and has its headquarters in São Paulo (SP).

On April 19, 2023, the Company completes 124 years and celebrates another year of a history guided by sustainability, the development of innovative solutions and continuous growth, generation of shared value and operational efficiency.

Currently, the Company has 21 industrial units (21 industrial units as of December 31, 2022) spread across the country as well as one industrial unit in Argentina; it also has technology centers for the development of new forest-based products, seedlings of high productive content and resistance, and packaging for various purposes, and two commercial offices, one in the United States and one in Austria. In addition, the Company owns a total land area of 719,000 hectares, of which 307,000 hectares are planted (pine and eucalyptus) and 412,000 hectares are preservation and unplanted areas (total area of 719,000 hectares, of which 310,000 hectares are planted areas and 409,000 hectares are conservation areas and unplanted areas at December 31, 2022).

Klabin

Klabin Units



SHORT AND LONG FIBER PULP, AND FLUFF	
PR	Ortigueira

PAPER FOR PACKAGING	
SP	Angatuba
PR	Monte Alegre
PR	Ortigueira
SC	Correia Pinto
SC	Otacílio Costa

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

RECYCLED PAPERS	
PE	Goiana
SP	Paulínia
SP	Piracicaba

KRAFT SACK PACKAGING	
PE	Goiana
SC	Lages
BUENOS AIRES	Pilar

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

The Company also has equity interests in other companies (Notes 3 and 12) with operating activities related to its business objectives, comprising one terminal in the port located in Paraná and several reforestation companies to supply the current plants and to carry out expansion projects.

To serve the domestic and foreign markets, these units produce three types of cellulose 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 bags. Additionally, in the forestry sector, the Company sells timber, a large part of which is used in internal consumption.

Through its focus on key markets, ensuring consistent growth in the pursuit of new technologies and innovation in the pulp and paper line and associated with high productivity in fibers, Klabin is able to maintain national leadership in the corrugated cardboard sector and serves various segments of the economy and of the market. The Company is recognized for the quality of its products and personalized service to customers, with an emphasis on civil construction, food, chemical products and agribusiness.

The Company manufactures Kraftliner paper for export to more than 60 countries as well as to supply the Company's corrugated cardboard packaging plants in an integrated manner, along with recycled paper.

1.1 Environmental, Social and Governance (ESG) Vision

The company carries out assessments of climate and water scarcity risks that may directly affect the productivity of the Company's biological assets and potentially the virgin fiber pulp and paper production capacity. In its Technological Center of Forestry Research, the company coordinates studies and continuous monitoring of its forests to understand the behavior of the development and adaption of its biological assets in the face of changes in temperature and water availability.

Historically the forest massifs that serve the Company's pulp and paper manufacturing units have been located in regions with a subtropical climate and low water deficiency throughout the year. The company carries out monitoring based on mathematical models and field experiments, seeking for regions that have shown to be more resilient to the climate impacts projected for the future.

1.2 Statement of compliance

The issue of these interim financial statements of the Company and its subsidiaries was authorized by the Finance Director on May 2, 2023.

Management has evaluated the Company's and its subsidiaries' ability to continue as a going concern, and believes that they have the necessary resources and ability to develop the business in the future on a continuing basis, and is not aware of any uncertainties that could cast significant doubt on their ability to continue as a going concern.

Management asserts that all information that is relevant to the interim financial statements, and only such information, is disclosed, and that it corresponds to the information used in managing the Company.

2. BASIS OF PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS

2.1 Basis of presentation of the interim financial statements

The Company's interim financial statements for the period ended March 31, 2023 comprise the individual and consolidated interim financial information, prepared based on all the relevant information of the Company, which corresponds to that used by management, in accordance with Accounting Pronouncements Committee (CPC) 21 (R1) – "Interim Financial Reporting" and International Accounting Standard (IAS) 34 – "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB).

At March 31, 2022, the Company presented the following line items, in accordance with their nature included within operating, financing and investing flows. During the quarter ended March 31, 2023, the Company carried out a detailed analysis of all items classified under this line item and, in accordance with the best disclosure practice, decided to split the information according to its origin and nature.

As a result of this analysis, the Company carried out the following segregations, allowing a better visualization, presentation and connection with the notes to the financial statements.

	Parent Company			Consolidated		
Statement of cash flows	**03/31/2022**	**reclassification**	**03/31/2022 (restated)**	**03/31/2022**	**reclassification**	**03/31/2022 (restated)**
Net cash provided by operating activities (i)	**317,374**	**(63,389)**	**253,985**	**710,838**	**(65,632)**	**645,206**
Cash provided by operations (i)	**720,941**	**46,304**	**767,245**	**(424,208)**	**1,253,668**	**829,460**
Deferred income tax and social contribution	415,648	1	415,649	413,333	8,477	421,810
Interest on leases	15,532	(1,871)	13,661	16,342	(2,311)	14,031
Foreign exchange variations on trade receivables and related parties	323,409	25,571	348,980	(827,996)	1,217,597	389,601
Other	(33,648)	22,603	(11,045)	(25,887)	29,905	4,018
Changes in operating assets and liabilities (i)	**(403,567)**	**(109,693)**	**(513,260)**	**1,135,046**	**(1,319,300)**	**(184,254)**
Trade receivables and related parties	14,223	(355,212)	(340,989)	1,264,388	(1,217,597)	46,791
Other assets	(301,217)	303,671	2,454	(159,703)	(23,905)	(183,608)
Trade payables	(135,397)	(116,038)	(251,435)	(25,586)	(116,037)	(141,623)
Other liabilities	18,824	57,886	76,710	55,947	38,239	94,186
Net cash provided by (used in) investing activities (i)	**(1,104,241)**	**49,057**	**(1,055,184)**	**(1,451,221)**	**51,300**	**(1,399,921)**
Increase in property plant and equipment, intangible assets and IFRS 16	(767,049)	707,801	(59,248)	(979,801)	993,407	13,606
Purchases of property, plant and equipment	-	(696,438)	(696,438)	-	(979,801)	(979,801)
Increase in planting and purchases of standing wood	(337,192)	340,555	3,363	(471,420)	509,114	37,694
Acquisition of planting and purchases of standing wood	-	(302,861)	(302,861)	-	(471,420)	(471,420)
Acquisition of investments and payment in subsidiaries	-	235,522	235,522	-	-	-
Advances on future capital increases	-	(235,522)	(235,522)	-	-	-
Net cash provided by (used in) financing activities (i)	**23,507**	**14,332**	**37,839**	**23,507**	**14,332**	**37,839**
Disposal of treasury shares	23,507	14,332	37,839	23,507	14,332	37,839
Impact of reclassifications		**-**			**-**	

(i) the reclassifications resulted in a change in the totals of groups.

All amounts in thousands of Reais unless otherwise stated

2.2 Summary of significant accounting policies

The accounting practices, consolidation bases and calculation methods adopted for the preparation of the interim financial information, as well as the main judgments adopted when making the estimates used in the application of the accounting practices, are the same as those adopted for the preparation of the individual and consolidated financial statements for the year ended December 31, 2022, including the adoption of new accounting pronouncements, when applicable.

Prospective data is not subject to audit review.

3. CONSOLIDATION OF FINANCIAL STATEMENTS

Subsidiaries are fully consolidated from the date of acquisition of control, and continue to be consolidated until the date on which such control ceases to exist, except for joint ventures, which are accounted for using the equity method, both in the individual interim financial statements and in the consolidated interim financial statements.

The subsidiaries' interim financial statements are prepared for the same reporting period as the parent company, using accounting practices that are consistent with the practices adopted by the parent company. The following criteria were adopted for consolidation purposes: (i) investments in subsidiaries and the Company's share of the profit (loss) of subsidiaries and joint ventures are eliminated; and (ii) profits from intercompany transactions and the related assets and liabilities are also eliminated.

The consolidated interim financial statements cover Klabin S.A. and its subsidiaries at March 31, 2023, December 31, 2022 and March 31, 2022, as follows:

	Country	Activity	Equity interest - % 03/31/2023	12/31/2022	03/31/2022
Subsidiaries					
Klabin da Amazônia - Soluções em Embalagens de Papel Ltda	Brazil	Manufacture and sale of products	100	100	100
Klabin Argentina S.A.	Argentina	Industrial sacks	100	100	100
Klabin Austria GmbH	Austria	Sale of products in the foreign market	100	100	100
Klabin do Paraná Produtos Florestais Ltda.	Brazil	Manufacture of herbal medicines	100	100	100
Klabin Finance S.A.	Luxembourg	Finance	100	100	100
Klabin Fitoprodutos Ltda.	Brazil	Manufacture of herbal medicines	100	100	100
Klabin Forest Products Company	United States	Sale of products in the foreign market	100	100	100
Klabin Paranaguá SPE S.A.	Brazil	Port services	100	100	100
IKAPÊ Empreendimentos Ltda.	Brazil	Hotels	100	100	100
Klabin Foryou Soluções em Papel S.A.	Brazil	Packaging customization services	100	100	100
Manacá Reflorestadora S.A.	Brazil	Reforestation	100	100	-
Cambará Reflorestadora S.A. (i)	Brazil	Reforestation	100	100	-
Jatobá Reflorestadora S.A. (i)	Brazil	Reforestation	100	100	-
Interest capitalized (Law 12,973/14)	Brazil	Reforestation	100	100	-
Kla Holding S.A.	Brazil	Investments in companies	51	51	51
Cerejeira Reflorestadora S.A.	Brazil	Reforestation	50	50	100
Guaricana Reflorestadora S.A.	Brazil	Reforestation	35	35	35
Sapopema Reflorestadora S.A.	Brazil	Reforestation	14	14	16
Aroeira Reflorestadora S.A. (i)	Brazil	Reforestation	11	12	18
Klabin Florestal Ltda.	Brazil	Forestry	-	-	100
Monterla Holdings S.A.	Brazil	Investments in companies	-	-	100
Silent Partnership Companies					
Harmonia	Brazil	Reforestation	80	80	76
Araucária	Brazil	Reforestation	71	72	67
Serrana	Brazil	Reforestation	77	71	63
Joint ventures (ii)					
Florestal Vale do Corisco S.A.	Brazil	Reforestation	51	51	51
Pinus Taeda Florestal S.A.	Brazil	Reforestation	26	26	26

(i) See information in Note 4.

(ii) Investments in unconsolidated joint ventures, according to the shareholder’s agreement.

All amounts in thousands of Reais unless otherwise stated

4. MAIN EVENTS OF THE PERIOD

4.1 Puma II Project

The construction of the second stage of the "Puma II" (Cardboard machine MP 28) project began in September 2021, 92% of the construction has already been concluded based on the measurements performed on April 23, 2023 and startup is slated for the second quarter of 2023.

With production capacity initially estimated at 460 thousand annual tons, on December 6, 2022, the Company announced to the market the approval by the Company's Board of Directors of an additional investment for production of white cardboard, which will allow flexibility in production of up to 105 thousand tons of white cardboard replacing brown cardboard beginning in September 2024. The total gross investment will be R$ 183,000. Of the R$ 77,000 expected in 2023, R$ 10,000 has been disbursed up to March 31, 2023 and the remainder will be disbursed in 2024, including approximately R$ 23,000 in credits of recoverable taxes.

With this project, the Company will enter the largest cardboard segment of the market, virgin fiber white cardboard, which represents an estimated addressable market of more than United States Dollars (USD) 20 billion, and with a high expected growth rate for the coming years.

The gross investment budgeted for the construction of the Puma II Project, including the incremental investment to convert the machine from the second phase of the project to cardboard production, is R$ 13,226,000 (subject to inflation and exchange rate fluctuations), of which R$ 11,619,647 has been disbursed up to March 31, 2023 (R$ 11,099,065 disbursed up to December 31, 2022). Approximately R$ 1,200,000 relates to taxes recoverable.

Investments in the PUMA II Project will be funded from the Company's availability and the future cash generated from its current business, which may be complemented by withdrawals from the contracted and unused financing facilities.

4.2 Investments in special projects and expansions

At March 31, 2023, investments in special projects and expansions totaled R$ 1,076,758 (R$ 904,197 at December 31, 2022), allocated mainly to projects for construction of the port terminal in the Paranaguá Port, the Horizonte Project and the Figueira Project.

4.2.1 Horizonte Project

As announced to the market on February 8, 2022, the Company's Board of Directors approved the expansion of the corrugated cardboard conversion unit located in Horizonte, Ceará.

The project, start-up of which occurred on March 6, 2023, has an incremental production capacity of 80,000 tons of corrugated cardboard per year, and mainly aims to serve the growing fruit market in the northeast region of Brazil. 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$ 63,947 has been disbursed up to March 31, 2023 (R$ 52,000 disbursed up to December 31, 2022).

4.2.2 Figueira Project

The total estimated investment in the Figueira Project is R$ 1,570,000, including around R$ 200,000 of taxes recoverable. The disbursement will occur between the years 2022 and 2024 and will be financed from the Company's cash position. Up to March 31, 2023, the amount of R$ 158,347 had been disbursed (up to December 31, 2022, the amount of R$ 104,464 had been disbursed). Project start-up is scheduled for the second quarter of 2024.

The Figueira Project is aligned with Klabin's growth plan and reinforces its commitment to the Brazilian market, especially in the corrugated cardboard packaging sector, its commitment to the creation of sustainable value for all stakeholders and the confidence in its integrated, diversified and flexible business model.

4.3 Special Purpose Entities (SPEs) – Forestry

The purpose of the Forestry SPEs is to expand the Company's forest mass in partnership with investors, aiming to supply current factories, as well as making expansion projects viable. The governance bodies of the SPEs are composed of members of the Company and respective investors called TIMO (Timber Investment Management Organization) and operationally they are managed by the Company's employees considering the strategy of each SPE and taking advantage of the economies of scale in joint operations.

4.3.1 Cambará Reflorestadora S.A.

On April 26, 2021, the Company established the SPE Cambará Reflorestadora S.A., whose main purpose is to explore forestry activities in the state of Paraná.

On January 10, 2023, an advance for future capital increase by Klabin S.A. R$ 50,00 was approved at an extraordinary meeting.

4.3.2 Jatobá Reflorestadora S.A.

On September 30, 2022, the Company established the SPE Cerejeira Reflorestadora S.A., whose main purpose it to explore the forestry activities in the State of Paraná - PR.

On January 27, 2023, an advance for future capital increase by Klabin S.A. of R$ 25,000 was approved at an extraordinary meeting.

4.3.3 Pinheiro Reflorestadora S.A.

On March 28, 2023, an advance for future capital increase by Klabin S.A. of R$ 10,000 was approved at an extraordinary meeting.

4.3.4 Guaricana Reflorestadora S.A.

At an extraordinary meeting of the board of directors held on January 31, 2023, the distribution of dividends referring to 2022 in the amount of R$ 13,664 was approved, of which R$ 9,445 paid to TIMO and R$ 4,220 to Klabin S.A.

These approved dividends will be deducted from the mandatory dividends declared by the General Meeting that will analyze the accounts for 2022.

4.3.5 Klabin Fitoprodutos Ltda.

On February 27, 2023, an advance for future capital increase by Klabin S.A. of R$ 2,216 was approved at an extraordinary meeting.

4.3.6 Aroeira Reflorestadora S.A.

At an extraordinary meeting of the Board of Directors held on February 22, 2023, the distribution of interim dividends of R$ 40,000, referring to the profit for 2022, was approved, of which R$ 29,266 was paid to TIMO and R$ 10,734 to Klabin S.A.

At an extraordinary meeting of the board of directors held on March 27, 2023, a capital increase in the amount of R$ 30,000 paid by the investor TIMO was approved, for 5,071,612 new registered preferred shares with no par value at the unit issue price of R$ 5.9152.

Accordingly, the Company's share capital increased from R$ 601,756 to R$ 631,756, divided into 139,502,766 common shares and 107,382,557 preferred shares.

4.4 2022 complementary dividends

At the Board of Directors' Meeting of February 7, 2023, the Company informed its shareholders of the approval of the payment of complementary dividends for the Company's capital shares, as detailed below:

Dividends

The distribution of R$ 345,000 corresponds to the common and preferred shares at R$ 0.06270412925/share and R$ 0.31352064625/unit.

Payment

The Company clarifies that, as approved on the same date: (i) the payment of the dividends declared, which will be included in the minimum mandatory dividends related to the year ended December 31, 2022, will be made on February 24, 2023; and (ii) the shares started to be traded ex-dividend as from February 14, 2023.

4.5 Special partnership companies ("Sociedades em Conta de Participação" - SCPs)

On February 28, 2023, as determined in the SPC contracts, dividends of R$ 489 were distributed to the Company (ostensible partner) and R$9,786 to investor partners.

4.6 1st issue of commercial notes

On January 31, 2023, the Company carried out the 1st 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 from the commercial notes were linked to the agribusiness receivables certificates of the 53rd issue, in a single series, of TRU Securitizadora S.A. The total initial amount of the commercial notes was reduced from R$ 300,000 to R$ 293,035, due to the cancellation of commercial notes. The maturity date of the commercial notes, counted from the issuance date, will occur on February 12, 2026.

The proceeds from the commercial notes must be used exclusively for the issuer's activities related to agribusiness, in the purchase of wood and forest management services and integrated logistics for transporting wood.

At March 30, 2023, the Company opted for the early redemption of all remaining commercial notes, in the amount of R$ 160,224. No premium payment will be due upon early redemption.

4.7 ECA Finnvera Phase I Disbursement

On January 31, 2023, the Company disbursed USD 4.3 million (R$ 22.167), which refers to the remaining balance of the total amount of the facility of USD 240 million (R$ 1.222.832).

4.8 IDB/IFC/JICA Disbursement

On March 15, 2023, the Company disbursed USD 240 million (R$ 1,271,544) from the total amount of the credit facility of USD 800 million (R$ 4,238,480).

5. CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
				(restated)
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Cash and bank deposits - local currency	871	862	4,217	3,175
Cash and bank deposits - foreign currency (i) (ii)	771,380	516,962	1,227,845	956,435
Financial investments - local currency	3,464,290	3,280,826	3,819,500	3,720,577
Financial investments - foreign currency (i)	-	-	159,150	3,758
Total cash and cash equivalents	**4,236,541**	**3,798,650**	**5,210,712**	**4,683,945**

(i) Mainly in USD.

(ii) Includes overnight operations

Financial investments in local currency relating to bank deposit certificates (CDBs) and other repurchase transactions are indexed to the Interbank Deposit Certificate – CDI rate, with an average annual yield of 14.05% at March 31, 2023 (13.81% at December 31, 2022). Financial investments in foreign currency relating to overnight operations had an average annual yield of 4.26% at March 31, 2023 (3.11% at December 31, 2022), with immediate liquidity as guaranteed by the financial institutions.

All amounts in thousands of Reais unless otherwise stated

6. MARKETABLE SECURITIES

Marketable securities are comprised of:

(i) National Treasury Bills (LFTs) and National Treasury Notes (NTN-Bs). LFT have yields indexed to the Special System for Settlement and Custody (SELIC) interest rate, with maturities in 2023, and NTN-Bs have yields indexed to the Amplified Consumer Price Index (IPCA) + 4.63% (average) p.a. and maturities from 2022 to 2040, with an amount corresponding to R$ 1,852,444 in the parent company and R$ 1,865,176 in the consolidated at March 31, 2023 (R$ 1,805,291 in the parent company and R$ 1,818,368 in the consolidated at December 31, 2022).

(ii) Bonds purchased through the wholly-owned subsidiary Klabin Finance, denominated in USD, with fixed returns from 3.52% to 4.02%, maturing in 2028 and 2038, and with an amount corresponding to R$ 12,733 at March 31, 2023 (R$ 13,077 at December 31, 2022).

At March 31, 2023, the marked-to-market balance of these securities was R$ 1,852,444 in the parent company and R$ 1,865,176 in the consolidated (R$ 1,805,291 and R$ 1,818,368, respectively, at December 31, 2022).

7. TRADE RECEIVABLES

	Parent Company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Trade receivables				
Local	1,972,877	2,099,052	2,006,927	2,125,632
Foreign	334,621	261,188	508,593	627,908
	2,307,498	**2,360,240**	**2,515,520**	**2,753,540**
Allowance for expected credit losses (ECLs)	(77,335)	(76,194)	(82,224)	(78,641)
Total trade receivables	**2,230,163**	**2,284,046**	**2,433,296**	**2,674,899**
Past due	**102,960**	**108,543**	**115,138**	**126,785**
Past due without ECL % (i)	1.11%	1.37%	1.31%	1.75%
Not yet due	2,204,538	2,251,697	2,400,382	2,626,755
1 to 10 days	1,008	4,325	1,078	4,339
11 to 30 days	16,509	17,883	20,691	28,867
31 to 60 days	5,945	4,546	8,589	8,635
61 to 90 days	1,837	5,592	2,419	6,279
Over 90 days	77,661	76,197	82,361	78,665
Total trade receivables	**2,307,498**	**2,360,240**	**2,515,520**	**2,753,540**

% of past due trade receivables without considering ECLs.

At March 31, 2023, the average collection period for trade receivables is approximately 83 days (82 days at December 31, 2022) for domestic market sales, and approximately 134 days (130 days at December 31, 2022) for foreign market sales, and interest is charged after the contractual maturity date.

7.1 Allowance for ECLs

The allowance for ECLs is considered by Management to be sufficient to cover any losses on the outstanding receivables.

The Company maintains an insurance policy for receivables in the domestic and foreign markets in the amounts of R$ 240,000 and R$ 160,000, respectively, for all business units, except for wood product customers of the Forestry unit and certain customers that do not meet specific risk requirements, such as going concern status and liquidity. The current policy expires in September 2023.

The changes to the allowance for ECLs were as follows:

All amounts in thousands of Reais unless otherwise stated

	Parent Company	Consolidated
At December 31, 2021	**(59,185)**	**(60,189)**
ECLs for the year	(37,488)	(40,822)
Reversals of ECLs	15,779	17,670
Definitive write-off	4,700	4,700
At December 31, 2022	**(76,194)**	**(78,641)**
ECLs for the period	(28,105)	(30,491)
Reversals of ECLs	23,967	23,908
Definitive write-off	2,997	3,000
At March 31, 2023	**(77,335)**	**(82,224)**

7.2 Receivables discounting operations

In the period ended March 31, 2023, receivables discounting transactions without right of return were carried out with specific customers of R$ 926,933 in the parent company and R$ 1,987,543 in the consolidated (R$ 3,598,850 in the parent company and R$ 7,068,371 in the consolidated at December 31, 2022), for which all the risks and benefits associated with the assets were transferred to the counterparty.

The financial cost of the receivables discount for the period ended March 31, 2023 was R$ 28,063 in the parent company and R$ 43,170 in the consolidated (R$ 18,819 in the parent company and R$ 23,156 in the consolidated at March 31, 2022).

All amounts in thousands of Reais unless otherwise stated

8. RELATED PARTIES

8.1 Balances and transactions with related parties

													Parent Company
										03/31/2023		03/31/2023	03/31/2022
	Klabin Argentina	Silent Partnership Companies	Klabin Austria	Klabin Forest Products Company	Pinheiro Reforestation	Aroeira Reforestation	Guaricana Reforestation	Sapopema Reforestation	Other	Total	Klabin Austria	Total	Total
Type of relationship	(i) Subsidiary	(ii) Subsidiary	(i) Subsidiary	(i) Subsidiary	(iv) Subsidiary	(ii) Subsidiary	(ii) Subsidiary	(ii) Subsidiary	(i) (ii) (iii) and (v) Subsidiaries		(v) Subsidiary		
Balances													
Current assets	158,311	34,877	31,307	37,984	-	(59)	63	2,058	16,787	**281,328**	-	**281,328**	**452,523**
Non-current assets	-	-	1	-	105,018	270	-	168	308,286	**413,743**	-	**413,743**	**430,538**
Current liabilities	-	5,320	-	-	-	9,846	-	-	4,041	**19,207**	55,657	**74,864**	**59,257**
Non-current liabilities	-	-	-	489	-	-	-	-	167	**656**	11,985,680	**11,986,336**	**11,177,418**
Transactions													
Sales revenue	20,243	26,794	1,136,328	23,405	-	-	-	-	23,238	**1,230,008**	-	**1,230,008**	**1,393,722**
Purchases	-	(23,663)	-	-	-	(46,175)	(34,952)	(6,495)	-	**(111,285)**	-	**(111,285)**	**(30,247)**
Finance result	(5,968)	-	(92,812)	1,024	-	-	-	-	16,520	**(81,236)**	-	**(81,236)**	**(212,073)**
Guarantee commission - expenses	-	-	-	-	-	-	-	-	-	**-**	-	**-**	**(62)**

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

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

(iii) Guaranteed commission paid semiannually to Klabin Irmãos Companhia (KIC), calculated based on the 7th issue debenture agreement.

(iv) Advances on future capital increases, substantially in subsidiaries Cambará, Jatobá, Manacá and Paranaguá.

(v) Financial operations between related parties (see Note 17).

All amounts in thousands of Reais unless otherwise stated

8.2 Management and Supervisory Board compensation and benefits

Management and Supervisory Board compensation is determined by the shareholders at the Annual General Meeting (AGM), in accordance with the Brazilian corporate legislation and the Company's bylaws. Accordingly, at the AGM held on April 5, 2023, the shareholders determined the overall amount of the annual compensation of the Management and Supervisory Board as being up to R$ 85,925 for 2023 (R$ 71,000 at December 31, 2022).

The table below shows the compensation of the Management and Supervisory Board:

						Parent Company and Consolidated	
Short term		**Long term**					
Board fees (i)		**Benefits** (ii)		**Bonus and share-based compensation** (i) (iii)		**Total compensation**	
1/1 to 03/31/2023	**1/1 to 03/31/2022**	**1/1 to 03/31/2023**	**1/1 to 03/31/2022**	**1/1 to 03/31/2023**	**1/1 to 03/31/2022**	**1/1 to 03/31/2023**	**1/1 to 03/31/2022**
			(restated)				(restated)
5,540	5,633	1,495	1,166	13,897	13,437	20,932	20,236

(i) Amount includes charges.

(ii) The benefits granted are those usually available in the market for senior management.

(iii) For statutory officers only.

9. INVENTORIES

	Parent Company		Consolidated	
	03/31/2023	**12/31/2022**	**03/31/2023**	**12/31/2022**
Finished products	750,917	666,901	916,070	823,998
Work in process	89,844	65,490	94,008	70,351
Timber and logs	355,656	328,463	355,656	328,463
Maintenance supplies	500,553	467,588	511,797	479,123
Raw materials	758,300	743,030	807,176	795,766
Estimated inventory losses	(99,868)	(74,138)	(101,458)	(75,157)
Other	19,386	19,183	20,670	19,461
Total inventories	**2,374,788**	**2,216,517**	**2,603,919**	**2,442,005**

Raw material inventories include paper rolls transferred from paper units to conversion units. Finished product inventories are mostly committed to approved sales orders.

The expenses incurred for the recognition of estimated inventory losses is recorded in the statement of income under "cost of products sold."

The increase in the inventories of raw materials, as well as wood and logs, is connected to the new Puma II paper production machine, as mentioned in Note 4.

All amounts in thousands of Reais unless otherwise stated

There are no finished products whose market value exceeds cost and the Company does not have any inventory pledged as collateral.

10. TAXES RECOVERABLE

	03/31/2023		12/31/2022	
	Current Assets	Non-current Assets	Current Assets	Non-current Assets
Value-added Tax on Sales and Services (ICMS)	184,099	157,908	255,225	201,981
Social Integration Program (PIS)/Social Contribution on Revenue (COFINS)	66,922	1,117	208,646	1,455
Income tax and social contribution (IR/CS) (ii)	-	165,439	55,500	161,076
Tax on Industrialized Products (IPI)	3,114	-	2,862	-
Special regime for the reintegration of tax amounts for exporting companies (Reintegra)	12,338	-	10,699	-
Other	2,604	5,261	2,383	5,260
Parent Company	**269,077**	**329,725**	**535,315**	**369,772**
Other (i) (ii)	24,018	-	(29,964)	-
Consolidated	**293,095**	**329,725**	**505,351**	**369,772**

(i) Balance includes the amount related to VAT calculated for companies abroad.

(ii) Income tax and social contribution balance offset against the liabilities in the consolidated.

PIS/COFINS, IPI and ICMS within current assets are expected to be offset in the next 12 months. Based on analyses and budget projections approved by Management, the Company does not foresee any risk of non-realization of these tax credits.

a) <u>ICMS</u>

Tax credits and contributions are levied on acquisitions of property, plant and equipment in accordance with the current legislation, in addition to a government ICMS subsidy granted by the Government of Paraná on behalf of the Puma I Project, which has been used to offset taxes payable of the same nature. The ICMS credits of the Puma I Project are indexed by the Conversion and Monetary Update Factor (FCA) of the State of Paraná, with an offset period up to 2033 provided for in the protocol granting the subsidy.

There is no risk that the establishments with accumulated ICMS credits will not use them.

b) <u>PIS/COFINS</u>

All amounts in thousands of Reais unless otherwise stated

The balances recognized in current assets relate to PIS and COFINS credits arising pursuant to Article 3 of Laws 10,637/02 and 10,833/03. The amount recorded in the non-current group refers to the recording of PIS and COFINS credits on buildings incorporated into property, plant and equipment, acquired or built for the purpose of production of goods for sale by the Company, within a period of 24 months, calculated 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 decided on the non-levying of corporate income tax (IRPJ) and social contribution on net profit (CSLL) on the amounts related to the SELIC rate, paid by the taxpayer as a refund for the overpayment of tax.

On October 16, 2019, the Company filed a writ of mandamus seeking the recognition of the non-levying of IRPJ and CSLL on amounts arising from monetary adjustment and default interest, including SELIC, in view of its nature as an indemnity, applied to the refunding of tax overpaid. The case was ruled in favor of the Company.

Given this scenario, as there is a probability of success for the Company in the STF decision, and based on the definitions of CPC 32/IAS 12 – "Income Taxes" and *Committee Interpretations of Accounting Pronouncements* ICPC 22/IFRIC 23 – "Uncertainty Over Income Tax Treatments", the Company recognized R$ 138,075 between 2021 and 2022, referring to the principal amount in Non-Current Assets and R$ 23,000 referring to the SELIC update until December 31, 2022. In the calendar year 2023, the SELIC complement of such tax overpaid was recognized, and the total updated balance is R$ 165,439. .

IRPJ and CSLL credits were recorded in the profit or loss for the period, in the "current income and social contribution taxes" line item, against noncurrent "taxes recoverable", and were thus recognized in the balance sheet due to the absence of a final and unappealable decision. The Company is awaiting the court's definition of the necessary elements in terms of the specific circumstances relevant to the specific case, which would provide certainty on the tax credits that could be used, in the absence of the binding effects of the STF decision. The credits will be offset after the final and unappealable decision and the subsequent approval of credits by the tax authority.

11. CURRENT AND DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

The Company, included in the Taxable Profit regime, opted for the annual calculation system for the calendar year 2023, and maintained the cash regime for the taxation of foreign exchange variations – that is, exchange rate effects are taxable as and when they are settled. This option is not valid for foreign subsidiaries that adopt the nominal rate as established in the jurisdictions where they are based.

Pursuant to ICPC 22/IFRIC 23 – “Uncertainty over Income Tax Treatment”, the Company maintains the procedure for evaluating the concept brought by the Interpretation in relation to possible differences of understanding with the tax authorities, not having identified items to be highlighted within its practices until the period ended March 31, 2023.

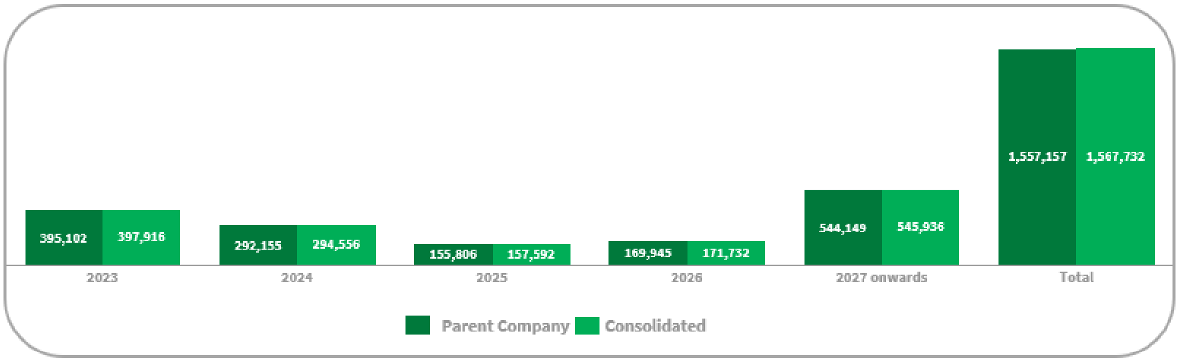
11.1. Nature and expected realization of deferred taxes

	Parent Company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Tax losses and negative bases	27,666	68,040	27,666	68,343
Provision for tax, social security and civil contingencies	5,475	6,415	5,475	6,415
Nondeductible provisions	146,424	211,561	147,060	212,544
Actuarial liability	121,414	121,123	122,165	121,864
Provision for labor contingencies	16,568	15,663	16,606	15,663
Foreign exchange variations	545,303	696,140	545,303	696,140
Gain or (loss) on financial instruments	112,281	216,408	112,281	216,408
Right-of-use assets (IFRS 16)	529,384	518,279	538,317	525,244
Other temporary differences	52,642	53,537	52,859	53,322
Deferred income tax and social contribution in non-current assets	**1,557,157**	**1,907,166**	**1,567,732**	**1,915,943**
Fair value of biological assets	(698,236)	(728,549)	(743,274)	(764,485)
Depreciation tax rate vs. useful life rate (Law 12,973/14)	(637,426)	(609,871)	(637,561)	(609,984)
Deemed cost of property, plant and equipment (land)	(545,378)	(545,378)	(545,378)	(545,378)
Interest capitalized (Law 12,973/14)	(602,272)	(529,803)	(602,272)	(529,803)
Asset revaluation reserve	(25,092)	(25,092)	(25,092)	(25,092)
Accelerated depreciation (Law 12,272/12)	(54,909)	(56,408)	(54,909)	(56,408)
Lease liabilities (IFRS 16)	(485,542)	(479,713)	(494,376)	(486,635)
Other temporary differences	(106,923)	(96,207)	(106,925)	(96,207)
Deferred income tax and social contribution in non-current liabilities	**(3,155,778)**	**(3,071,021)**	**(3,209,787)**	**(3,113,992)**
Net balance of income tax and social contribution	**(1,598,621)**	**(1,163,855)**	**(1,642,055)**	**(1,198,049)**

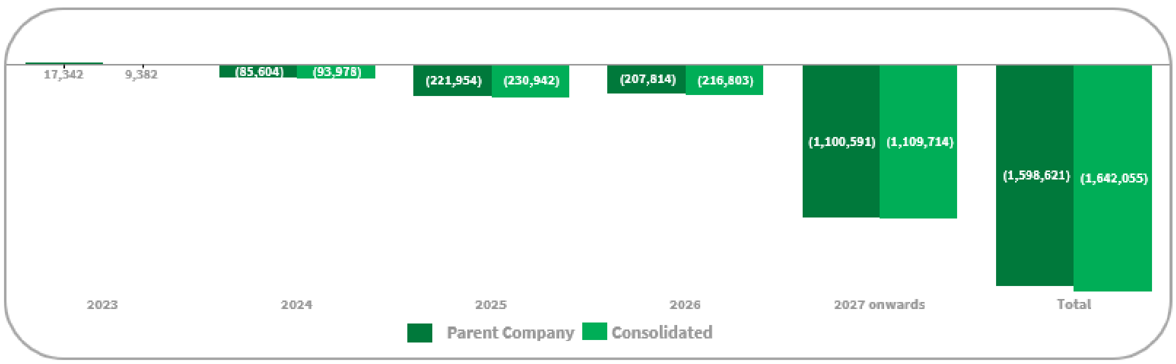
All deferred taxes on temporary differences are recognized, for all subsidiaries. Management, based on the approved budget, estimates that the tax credits arising from temporary differences and tax losses will be realized as follows:

All amounts in thousands of Reais unless otherwise stated

Deferred tax assets



Deferred tax liabilities



The projected realization of the balance considers the limitations on the utilization of tax losses amounting to 30% of the actual profit for the year. The projection may not materialize if the estimates used differ from those which actually occur, analyzed based on the projections of future results prepared and based on internal assumptions and future economic scenarios, evaluated as part of the budget process approved by the Company's Management.

11.2. Analysis of income tax and social contribution in the results

	Parent Company		Consolidated	
	1/1 to 03/31/2023	1/1 to 03/31/2022	1/1 to 03/31/2023	1/1 to 03/31/2022
Profit before income tax and social contribution	**1,548,504**	**1,520,220**	**1,679,660**	**1,424,133**
Nominal rate	34%	34%	34%	34%
Tax (expense) income at nominal rate	**(526,491)**	**(516,875)**	**(571,084)**	**(484,205)**
Permanent (additions) exclusions	(3,348)	(2,514)	(3,356)	(2,521)
Tax incentives (PAT/LE/Deductions donations)	8,334	10,794	10,321	12,434
Interest on capital	-	-	-	-
Share of profit (loss) of subsidiaries and joint ventures	128,122	(47,432)	128,122	23,421
Income tax and social contribution on SELIC (i)	1,483	11,603	1,483	11,603
Investment subsidies (i)	8,211	7,619	8,251	7,619
Income tax and social contribution from prior years	-	16,529	2	16,506
Differences in income tax and social contribution rates of subsidiaries	-	-	8,814	(118,296)
Provision for profits earned abroad	(987)	(2,045)	(987)	(2,045)
Other	806	1	810	(3)
Unrecognized deferred taxes from prior years	-	(13,625)	-	(13,791)
Portion exempt from the 10% surcharge	6	6	90	18
Income tax and social contribution	**(383,864)**	**(535,939)**	**(417,534)**	**(549,260)**
Current	(86,142)	(120,291)	(109,721)	(135,927)
Deferred	(297,722)	(415,648)	(307,813)	(413,333)
Effective rate	**24.79%**	**35.25%**	**24.86%**	**38.57%**

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

11.3. Analysis of income tax and social contribution in the statement of comprehensive income

		Parent Company and Consolidated	
	Note	1/1 to 3/31/2023	1/1 to 3/31/2022
Deferred income tax on cash flow hedge	28	(137,335)	(1,154,409)
Deferred income tax on actuarial liabilities		291	716
Deferred		**(137,044)**	**(1,153,693)**

All amounts in thousands of Reais unless otherwise stated

11.4. Tax lawsuits

At March 31, 2023, the Company was a defendant in proceedings related to IRPJ and CSLL deemed possible (see Note 19). Some of these proceedings (with material importance) are mentioned below:

(i) A tax collection claim filed by the Federal government for collection of IRPJ due to alleged improper deductions, as royalties, for the use of brands and goodwill on the acquisitions of the companies Klamasa and Igaras. The total amount of this lawsuit at March 31, 2023 is approximately R$ 1,394,000 (R$ 1,382,000 at December 31, 2022), of which R$ 915,000 relates to goodwill, R$ 83,000 to royalties, and R$ 347,000 to tax losses.

(ii) A tax collection claim filed by the Federal Government to collect differences in IRPJ and CSLL, for carrying out an indirect legal transaction involving the companies Norske Skog Pisa Ltda. and Lille Holdings S/A., with a fine increased from 75% to 150%. The total amount of this execution at March 31, 2023 was approximately R$ 98,026 (R$ 97,000 at December 31, 2022).

(iii) Administrative proceeding claiming for adjustments to the IRPJ and CSLL calculation bases for calendar year 2013, alleging that the Company would have made improper exclusions as a result of the change of the foreign exchange variation regime. The total amount of this lawsuit at March 31, 2023 is approximately R$ 264,000 (R$ 260,000 at December 31, 2022).

12. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES

	Klabin Finance S.A.	Klabin Austria GmbH	Aroeira Reflorest. S.A.	Sapopema Reflorest. S.A.	Cerejeira Reflorest. S.A.	Silent Partnership Compa	Other	Joint ventures Florestal Vale do Corisco S.A.	Joint ventures Pinus Taeda Florestal S.A.	Total
			(iv)					(i)	(i)	
At December 31, 2021	**19,380**	**685,867**	**111,652**	**118,750**	**33**	**404,014**	**363,518**	**158,952**	**102,193**	**1,964,359**
Acquisition and capital contribution (iv)	-	-	18,099	-	90,978	-	439,410	(10,200)	-	538,287
Dividends distributed	-	-	-	(7,784)	-	(1,712)	(21,009)	(11,369)	(8,925)	(50,799)
Share of profit (loss) of subsidiaries and joint ventures (ii)	(2,785)	154,745	(3,056)	12,600	(15,461)	172,640	118,441	11,478	32,089	480,691
Foreign exchange variations on investments abroad (iii)	-	-	-	-	-	-	(3,250)	-	-	(3,250)
Unrealized intercompany profit	-	21,958	1,467	(1,573)	-	3,086	(837)	-		24,101
At December 31, 2022	**16,595**	**862,570**	**128,162**	**121,993**	**75,550**	**578,028**	**896,274**	**148,861**	**125,357**	**2,953,390**
Dividends distributed	-	-	(10,734)	-	-	(489)	(4,220)	-	-	(15,443)
Share of profit (loss) of subsidiaries and joint ventures (ii)	(892)	63,475	12,257	(275)	2,458	50,395	246,383	3,255	160	377,216
Foreign exchange variations on investments abroad (iii)	-	-	-	-	-	-	(5,484)	-	-	(5,484)
Unrealized intercompany profit	-	9,663	347	(1,923)	-	(3,534)	(4,939)	-		(386)
At March 31, 2023	**15,703**	**935,708**	**130,032**	**119,795**	**78,008**	**624,400**	**1,128,014**	**152,116**	**125,517**	**3,309,293**

Summary of the financial information of subsidiaries at March 31, 2023

	Klabin Finance S.A.	Klabin Austria GmbH	Aroeira Reflorest. S.A.	Sapopema Reflorest. S.A.	Cerejeira Reflorest. S.A.	Silent Partnership Compa	Other	Florestal Vale do Corisco S.A.	Pinus Taeda Florestal S.A.
Total assets	15,703	13,302,073	1,296,313	858,251	155,372	872,327	2,291,161	402,378	498,168
Total liabilities	-	12,213,240	165,590	22,927	(643)	244,389	478,112	109,456	5,947
Equity	15,703	1,088,833	1,130,723	835,324	156,015	627,938	1,813,049	292,922	492,221
Net revenue	-	-	43,543	6,125	-	22,799	166,703	11,625	22,890
Profit (loss) for the period	(892)	63,473	77,070	(1,917)	4,915	21,918	275,187	6,383	627

(i) Because they are joint ventures (Note 3), Vale do Corisco and Pinus Taeda Florestal are not consolidated, and they are the only investments presented in the consolidated balance sheets as investments, with the recognition of the respective shares of the profits (losses) of subsidiaries and joint ventures.

(ii) Includes the effects of the variation and realization of the fair value of biological assets (Note 14) when the results of the subsidiary suffer such an impact, in addition to foreign exchange variations on investments abroad not characterized as business units.

(iii) Subsidiaries and associates with the characteristics of business units with foreign exchange variations allocated to other comprehensive income.

(iv) See Note 4.

All amounts in thousands of Reais unless otherwise stated

13. PROPERTY, PLANT AND EQUIPMENT

13.1. Composition of property, plant and equipment

	03/31/2023			12/31/2022		
Parent Company	**Cost**	**Accumulated depreciation**	**Net**	**Cost**	**Accumulated depreciation**	**Net**
Land	2,254,768	-	**2,254,768**	2,254,807	-	**2,254,807**
Buildings and construction	3,400,668	(996,618)	**2,404,050**	3,394,982	(963,548)	**2,431,434**
Machinery, equipment and facilities	20,150,607	(8,829,068)	**11,321,539**	20,056,604	(8,521,132)	**11,535,472**
Construction and installations in progres	7,031,179	-	**7,031,179**	6,265,428	-	**6,265,428**
Other (i)	673,917	(502,513)	**171,404**	658,831	(491,833)	**166,998**
Total	**33,511,139**	**(10,328,199)**	**23,182,940**	**32,630,652**	**(9,976,513)**	**22,654,139**
Consolidated						
Land	2,932,184	-	**2,932,184**	2,932,230	-	**2,932,230**
Buildings and construction	3,411,255	(998,488)	**2,412,767**	3,405,713	(965,403)	**2,440,310**
Machinery, equipment and facilities	20,185,489	(8,835,658)	**11,349,831**	20,093,391	(8,527,833)	**11,565,558**
Construction and installations in progres	7,871,994	-	**7,871,994**	7,048,245	-	**7,048,245**
Other (i)	680,823	(504,288)	**176,535**	667,205	(493,568)	**173,637**
Total	**35,081,745**	**(10,338,434)**	**24,743,311**	**34,146,784**	**(9,986,804)**	**24,159,980**

(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 for the Company's transactions is included in Note 17.

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**
At December 31, 2021	**2,164,045**	**2,535,138**	**11,672,527**	**2,360,463**	**140,991**	**18,873,164**
Purchases (i) and (ii)	8,660	-	-	4,563,591	-	4,572,251
Disposals	-	(12,937)	(3,132)	-	(25)	(16,094)
Depreciation	-	(130,795)	(1,251,498)	-	(53,742)	(1,436,035)
Internal transfers	82,102	32,141	1,126,452	(1,344,331)	103,636	-
Interest capitalized (iii)	-	-	-	685,622	-	685,622
Other (iv)	-	7,887	(8,877)	83	(23,862)	(24,769)
At December 31, 2022	**2,254,807**	**2,431,434**	**11,535,472**	**6,265,428**	**166,998**	**22,654,139**
Purchases (i) and (ii)	-	-	-	706,561	-	706,561
Disposals	-	(77)	(476)	-	(9)	(562)
Depreciation	-	(33,107)	(327,175)	-	(12,835)	(373,117)
Internal transfers	-	3,949	114,412	(145,924)	27,563	-
Interest capitalized (iii)	-	-	-	230,251	-	230,251
Other (iv)	(39)	1,851	(694)	(25,137)	(10,313)	(34,332)
At March 31, 2023	**2,254,768**	**2,404,050**	**11,321,539**	**7,031,179**	**171,404**	**23,182,940**

(i) Net of taxes recoverable (Note 10).

(ii) See information in Note 4.

(iii) Capitalized interest related to ongoing projects (Note 4).

(iv) Includes subsidies and transfers to other balance sheet groups.

All amounts in thousands of Reais unless otherwise stated

Consolidated

	Land	Buildings and construction	Machinery, equipment and facilities	Construction and installations in progress	Other	Total
At December 31, 2021	**2,503,224**	**2,569,172**	**11,670,318**	**2,648,029**	**158,275**	**19,549,018**
Purchases (i) and (ii)	164,887	-	-	5,403,327	-	5,568,214
Disposals	-	(12,937)	(3,132)	-	(25)	(16,094)
Depreciation	-	(131,047)	(1,253,472)	-	(54,659)	(1,439,178)
Internal transfers	272,827	32,141	1,137,626	(1,553,228)	110,634	-
Interest capitalized (iii)	-	-	-	685,622	-	685,622
Other (iv)	(8,708)	(17,019)	14,218	(135,505)	(40,588)	(187,602)
At December 31, 2022	**2,932,230**	**2,440,310**	**11,565,558**	**7,048,245**	**173,637**	**24,159,980**
Purchases (i) and (ii)	-	-	-	870,176	-	870,176
Disposals	-	(77)	(476)	-	(9)	(562)
Depreciation	-	(34,025)	(327,698)	-	(13,187)	(374,910)
Internal transfers	2	124,052	114,938	(272,755)	33,765	2
Interest capitalized (iii)	-	-	-	230,251	-	230,251
Other (iv)	(48)	(117,493)	(2,491)	(3,923)	(17,671)	(141,626)
At March 31, 2023	**2,932,184**	**2,412,767**	**11,349,831**	**7,871,994**	**176,535**	**24,743,311**

(i) Net of taxes recoverable (Note 10).
(ii) See information in Note 4.
(iii) Capitalized interest related to ongoing projects (Note 4).
(iv) Includes subsidies and transfers to other balance sheet groups.

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

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

The Company capitalizes borrowing costs directly attributable to the construction of the Puma II Project, Figueira Project and Horizonte Project as part of the cost of the asset, pursuant to CPC 20/IAS 23 – “Borrowing costs”.

The Company began capitalizing borrowing costs as part of the cost of the qualifying asset on the construction start date, as per Note 4.

At March 31, 2023, the amount of interest capitalized during the period is R$ 230,251 with an average rate of 5.88% (R$ 685,622 with an average rate of 5.90% at December 31, 2022), as per Note 17.

13.4. Construction and installations in progress

At March 31, 2023, as described in Note 4, the balance of works and facilities in progress mainly relates to industrial development projects, such as the construction of a paper mill for complementary fiber production, integrated with a cardboard mill, located at Klabin’s industrial unit in the municipality of Ortigueira (PR), corresponding to stage two of the Puma II Project. It also includes the Figueira Project, a new unit for the conversion of corrugated cardboard with a capacity of 240 thousand tons/year, located in the municipality of Piracicaba (SP).

All amounts in thousands of Reais unless otherwise stated

14. BIOLOGICAL ASSETS

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

At March 31, 2023, the Company and its subsidiaries had 315,000 hectares (310,000 hectares at December 31, 2022) of planted forests, not considering permanent preservation and legal reserve areas under the Company's protection and which also serve to comply with Brazilian environmental legislation.

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

	Parent Company		Consolidated	
	03/31/2023	**12/31/2022**	**03/31/2023**	**12/31/2022**
Cost of development of biological assets	3,799,115	3,529,475	5,235,097	4,800,573
Fair value adjustment of biological assets	2,052,276	2,141,594	3,514,569	3,308,386
	5,851,391	**5,671,069**	**8,749,666**	**8,108,959**

For the three-month period ended March 31, 2023 and for the year ended December 31, 2022, no need for impairment provision was identified.

14.1. Assumptions regarding the recognition of the fair value of biological assets

The fair value measurement of biological assets considers certain 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. When calculating this fair value, the Company adopts the following assumptions:

(i) Eucalyptus forests are recorded at historical cost through the third year of planting and pine forests through the fifth year of planting, based on analyses carried out by the Company indicating that during this period the historical costs of biological assets will approximate their fair values, in addition to the fact that it is only possible to carry out inventory to assess the growth and expected production of the forest after this period;

(ii) After the third and fifth years of the planting of eucalyptus and pine forests, respectively, the forests are measured at fair value, which reflects 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;

All amounts in thousands of Reais unless otherwise stated

(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 there are situations that require such a review;

(v) The projected productivity volumes of forests are determined based on the forest type, genetic material, handling system, productive potential, rotation, region and age. Together, these characteristics make up an index called the average annual growth (AAG) index, which is expressed in cubic meters per hectare/year, and which is utilized as a basis for projecting a forest's productivity. The Company's harvest plan timescale varies mainly from six to seven 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 specialist firms. The prices obtained are subject to the deduction of the cost of capital relating to land, since this asset contributes to the planting of forests, and any other costs necessary to prepare the assets for sale or for consumption;

(vii) Planting expenses relate to the costs of developing the biological assets;

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

(ix) The Company reviews the fair value of its biological assets on a quarterly basis, since it understands that this period is sufficiently short to prevent any significant misstatement of the fair value of the biological assets recorded in its financial statements.

14.2. Reconciliation and movements in fair value

			Parent Company
	Pine	**Eucalyptus**	**Total**
At December 31, 2021	**2,338,758**	**1,433,433**	**3,772,191**
Planting and purchases of standing wood (i)	1,521,286	520,385	2,041,671
Depletion	**(999,028)**	**(505,113)**	**(1,504,141)**
Historical cost	(454,954)	(207,823)	(662,777)
Fair value adjustment	(544,074)	(297,290)	(841,364)
Change in fair value due to	**1,021,703**	**357,744**	**1,379,447**
Price	774,163	322,341	1,096,504
Growth (ii)	247,540	35,403	282,943
Contribution to subsidiary	(18,099)	-	(18,099)
At December 31, 2022	**3,864,620**	**1,806,449**	**5,671,069**
Planting and purchases of standing wood (i)	258,727	226,231	484,958
Depletion	**(214,752)**	**(124,779)**	**(339,531)**
Historical cost	(128,298)	(87,022)	(215,320)
Fair value adjustment	(86,454)	(37,757)	(124,211)
Change in fair value due to	**(65,582)**	**100,477**	**34,895**
Price	414,795	158,571	573,366
Growth (ii)	(480,378)	(58,093)	(538,471)
At March 31, 2023	**3,843,013**	**2,008,378**	**5,851,391**

(i) Net of taxes recoverable (Note 10).

(ii) In addition to the effects of forest growth due to its upcoming harvest, this amount refers to adjustments arising from assumptions that affect the fair value of biological assets, such as a review of the harvest plan, productivity table, changes in the discount rate, changes in administrative costs, and others.

			Consolidated
	Pine	**Eucalyptus**	**Total**
At December 31, 2021	**3,626,850**	**1,901,200**	**5,528,050**
Planting and purchases of standing wood (i)	2,011,799	528,774	2,540,573
Depletion	**(1,330,123)**	**(512,628)**	**(1,842,751)**
Historical cost	(568,779)	(197,308)	(766,087)
Fair value adjustment	(761,345)	(315,319)	(1,076,664)
Change in fair value due to	**1,597,294**	**285,793**	**1,883,087**
Price	1,286,418	342,267	1,628,685
Growth (ii)	310,876	(56,474)	254,402
At December 31, 2022	**5,905,819**	**2,203,140**	**8,108,959**
Planting and purchases of standing wood (i)	410,029	263,342	673,371
Depletion	**(277,683)**	**(138,440)**	**(416,123)**
Historical cost	(151,872)	(86,977)	(238,849)
Fair value adjustment	(125,811)	(51,463)	(177,274)
Change in fair value due to	**276,036**	**107,423**	**383,459**
Price	662,978	199,389	862,367
Growth (ii)	(386,942)	(91,966)	(478,908)
At March 31, 2023	**6,314,201**	**2,435,465**	**8,749,666**

(i) Net of taxes recoverable (Note 10).

(ii) In addition to the effects of forest growth due to its upcoming harvest, this amount refers to adjustments arising from assumptions that affect the fair value of biological assets, such as a review of the harvest plan, productivity table, changes in the discount rate, changes in administrative costs, and others.

All amounts in thousands of Reais unless otherwise stated

The depletion of biological assets for the three-month period ended March 31, 2023 and for the year ended December 31, 2022 was substantially appropriated to production costs, after an allocation to inventory through forest harvesting and 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 sensitivity to the prices used in the evaluation, and the discount rate used to obtain the discounted cash flow. Prices refer to the prices obtained in the regions in which the Company is located. The discount rate corresponds to the average cost of capital, taking into consideration the basic interest rate (SELIC) and the inflation rate.

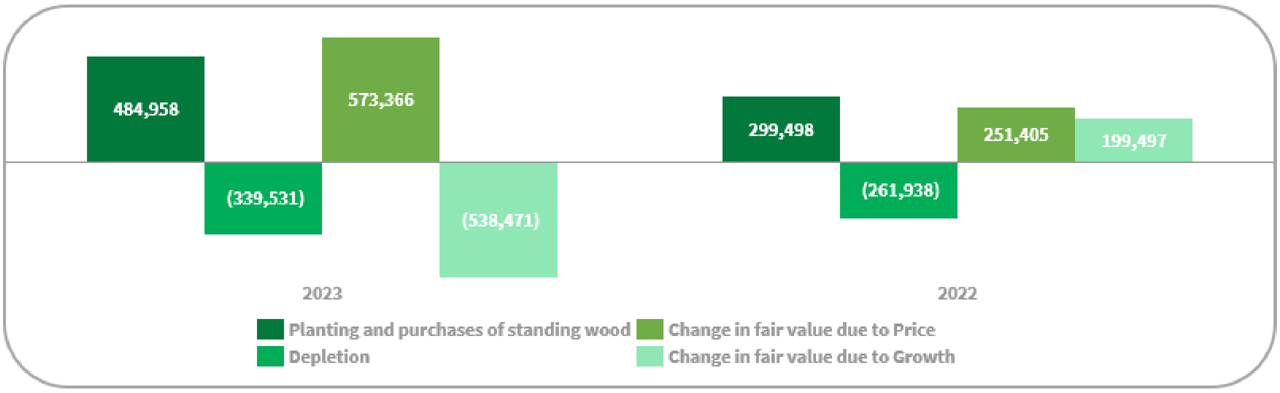
The weighted average price used for the appraisal of the biological assets at March 31, 2023 was R$ 138/m3 (R$ 125/m3 at December 31, 2022).

The effect of a significant 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 March 31, 2023, the Company used a weighted average cost of capital of 6.67% in local currency for the parent company and 8.26% for the subsidiaries (6.67% for the parent company and 8.26% for the subsidiaries at December 31, 2022).

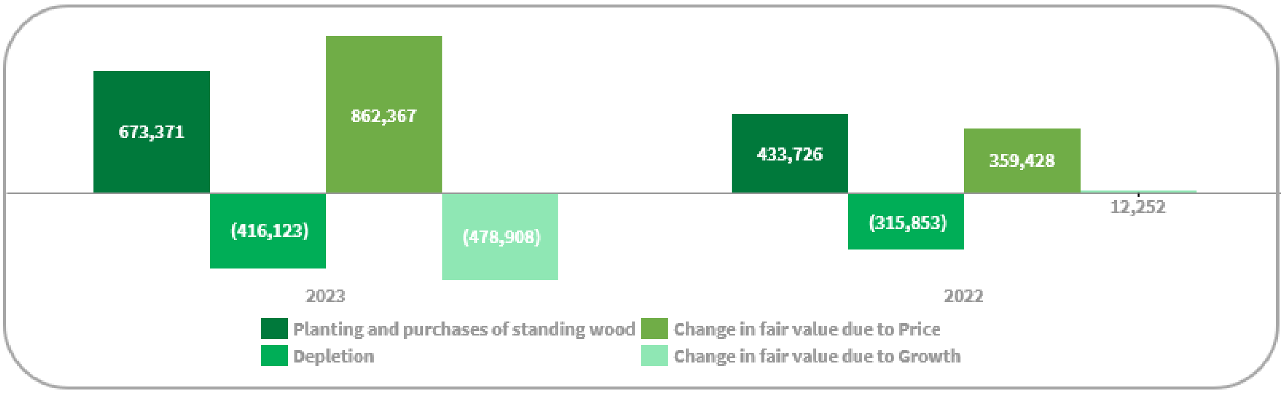
The variation of all events related to the biological asset was proportionally greater due to the forestry expansion project.

The main assumptions, discount rate and average gross selling price of pine and eucalyptus stand out as being the ones with the greatest influence, generating increases or reductions that result in significant gains or losses in the measurement of the fair value.

Parent Company



Consolidated



The change in the fair value of biological assets was justified by the variation in the aforementioned indicators, which combined resulted in a positive average variation of 4% in the parent company and 6% in the consolidated, recognized under line item "Change in the fair value of biological assets" in the statement of income.

15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

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

At March 31, 2023, the Company had 545 lease contracts in the parent company and 596 in the consolidated (520 in the parent company and 555 in the consolidated at December 31, 2022). The breakdown of and changes to right-of-use assets and lease liabilities are as follows:

				Parent Company
Right-of-use assets	**12/31/2022**	**Amortization (ii)**	**Additions/Write-offs**	**03/31/2023**
Land	842,516	(6,702)	83,902	919,716
Buildings	37,344	(3,352)	-	33,992
Machinery and equipment	609,747	(49,205)	19	560,561
Total assets	**1,489,607**	**(59,259)**	**83,921**	**1,514,269**

Lease liabilities	Current liabilities	Non-current liabilities	Total liabilities
12/31/2022	**255,638**	**1,268,711**	**1,524,349**
Installment (ii)	(90,245)	-	(90,245)
Interest (ii)	23,114	-	23,114
Additions/Write-offs	3,352	(20,393)	(17,041)
Transfer from non-current to current (i)	58,417	58,417	116,834
03/31/2023	**250,276**	**1,306,735**	**1,557,011**

(i) Transfers from non-current to current
(ii) The amortization of right-of-use assets, interest and installments is booked against the result for the year.

All amounts in thousands of Reais unless otherwise stated

Right-of-use assets	12/31/2022	Amortization (ii)	Additions/Write-offs	Consolidated 03/31/2023
Land	943,154	(8,617)	175,990	1,110,527
Buildings	37,635	(3,352)	-	34,283
Machinery and equipment	629,815	(50,138)	19	579,696
Total assets	**1,610,604**	**(62,107)**	**176,009**	**1,724,506**

Lease liabilities	Current liabilities	Non-current liabilities	Total liabilities
12/31/2022	**262,923**	**1,381,965**	**1,644,888**
Installment (ii)	(95,692)	-	(95,692)
Interest (ii)	26,485	-	26,485
Additions/Write-offs	4,344	188,092	192,436
Transfer from non-current to current (i)	59,881	(59,881)	-
03/31/2023	**257,941**	**1,510,176**	**1,768,117**

(i) Transfers from non-current to current
(ii) The amortization of right-of-use assets, interest and installments is booked against the result for the year.

Right-of-use assets	12/31/2021	Amortization (ii)	Additions/Write-offs	Parent Company 12/31/2022
Land	593,969	(47,138)	295,685	842,516
Buildings	45,599	(12,869)	4,614	37,344
Machinery and equipment	381,680	(149,563)	377,630	609,747
Total assets	**1,021,248**	**(209,570)**	**677,929**	**1,489,607**

Lease liabilities	Current liabilities	Non-current liabilities	Total liabilities
12/31/2021	**182,714**	**867,689**	**1,050,403**
Installment (ii)	(326,632)	-	(326,632)
Interest (ii)	72,280	-	72,280
Additions/Write-offs	131,452	596,846	728,298
Transfer from non-current to current (i)	195,824	(195,824)	-
12/31/2022	**255,638**	**1,268,711**	**1,524,349**

(i) Transfers from non-current to current
(ii) The amortization of right-of-use assets, interest and installments is booked against the result for the year.

Right-of-use assets	12/31/2021	Amortization (ii)	Additions/Write-offs	Consolidated 12/31/2022
Land	630,488	(50,938)	363,604	943,154
Buildings	45,890	(12,869)	4,614	37,635
Machinery and equipment	381,721	(150,643)	398,737	629,815
Total assets	**1,058,099**	**(214,450)**	**766,955**	**1,610,604**

Lease liabilities	Current liabilities	Non-current liabilities	Total liabilities
12/31/2021	**185,667**	**901,034**	**1,086,701**
Installment (ii)	(337,211)	-	(337,211)
Interest (ii)	77,414	-	77,414
Additions/Write-offs	138,232	679,752	817,984
Transfer from non-current to current (i)	198,821	(198,821)	-
12/31/2022	**262,923**	**1,381,965**	**1,644,888**

(i) Transfers from non-current to current
(ii) The amortization of right-of-use assets, interest and installments is booked against the result for the year.

All amounts in thousands of Reais unless otherwise stated

In the period ended March 31, 2023, the Company recognized an expense of R$ 3,080 (R$ 7,085 at March 31, 2022) related to short-term leases (contracts of less than 12 months) or operations involving low-value assets.

15.2. Maturity schedule of the leases

	Parent Company				Consolidated			
	03/31/2023				03/31/2023			
	Land	Buildings	Machinery and equipment	Total	Land	Buildings	Machinery and equipment	Total
2023	84,910	10,059	172,849	267,818	101,472	10,059	176,286	287,817
2024	106,018	10,787	186,353	303,158	127,735	10,787	190,873	329,395
2025	103,143	10,588	149,049	262,780	124,860	10,588	153,569	289,017
2026	101,358	5,510	87,695	194,563	123,075	5,510	92,215	220,800
2027 - 2031	483,712	-	43,736	527,448	590,416	-	50,728	641,144
2032 - 2036	426,410	-	-	426,410	532,820	-	-	532,820
2037 - 2041	202,498	-	-	202,498	283,778	-	-	283,778
2042 - 2062	200,208	-	-	200,208	369,693	-	-	369,693
	1,708,257	**36,944**	**639,682**	**2,384,883**	**2,253,849**	**36,944**	**663,671**	**2,954,464**
Embedded interest	(761,714)	(1,838)	(64,320)	(827,872)	(1,115,916)	(1,838)	(68,593)	(1,186,347)
Lease liabilities	**946,543**	**35,106**	**575,362**	**1,557,011**	**1,137,933**	**35,106**	**595,078**	**1,768,117**

15.3. Potential rights to PIS/COFINS recoverable

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

	Parent Company and Consolidated	
Cash flow	Nominal	Adjusted to present value
Lease consideration	700,615	630,184
PIS/COFINS (9.25%)	64,807	58,292

15.4. Projected flow with inflation for compliance with CPC 06 (R2) /IFRS 16 – "Leases"

Pursuant to Circular letter/CVM/SNC/SEP/No. 02/2019, the Company chose as an accounting policy the requirements of CPC06 (R2)/IFRS16 – "Leases" for the measurement and re-measurement of its rights-of-use, using the discounted cash flow model without considering inflation. Management assessed the use of nominal cash flow, and found that it did not show material distortions compared to the information disclosed.

To ensure the faithful representation of information for the purposes of compliance with CPC06 (R2)/IFRS16 – "Leases" and the CVM's technical guidelines, the Company states the balances of its assets and liabilities, excluding inflation, as stated (real flow x real rate), and the estimated inflated interest in comparative years (nominal flow x nominal rate).

Other assumptions, such as the maturity schedule of the liabilities and the interest rates used in calculations are shown in other items within the same Note. Inflation indices can be derived from the market, so that users of the financial statements can determine the nominal flows.

All amounts in thousands of Reais unless otherwise stated

	Parent Company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Actual flow				
Right-of-use assets	1,514,269	1,489,607	1,724,506	1,610,604
Lease liabilities	2,384,883	2,265,437	2,954,464	2,518,008
Embedded interest	(827,872)	(741,088)	(1,186,347)	(873,120)
	1,557,011	**1,524,349**	**1,768,117**	**1,644,888**
Flow with inflation effects				
Right-of-use assets	1,470,490	1,445,830	1,659,183	1,558,056
Lease liabilities	2,384,883	2,265,437	2,954,464	2,518,008
Embedded interest	(886,799)	(784,280)	(1,268,820)	(925,244)
	1,498,084	**1,481,157**	**1,685,644**	**1,592,764**

16. TRADE PAYABLES

		Parent Company		Consolidated
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Current				
Local currency	1,757,746	1,971,273	1,842,419	2,099,459
Foreign currency	189,793	251,076	262,302	284,241
Forfaiting	408,695	531,646	408,695	531,646
Forfaiting forestry operations	228,911	22,556	228,911	22,556
(-) Adjustment to present value - forfaiting forestry operations	(22,490)	(1,226)	(22,490)	(1,226)
Total trade payables current	**2,562,655**	**2,775,325**	**2,719,837**	**2,936,676**
Non-current				
Local currency	92,320	131,695	92,320	131,695
Forfaiting forestry operations	531,157	535,581	531,157	535,581
(-) Adjustment to present value - forfaiting forestry operations	(151,285)	(121,540)	(151,285)	(121,540)
Total trade payables non-current	**472,192**	**545,736**	**472,192**	**545,736**
Total trade payables	**3,034,847**	**3,321,061**	**3,192,029**	**3,482,412**

The Company generally operates with an average payment term of approximately 65 days with its operational suppliers (63 days at December 31, 2022). 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. Trade payables (Forfaiting)

The suppliers balance associated with reverse forfait operations at March 31, 2023 was R$ 994,988 (R$ 967,017 at December 31, 2022) at the Parent Company and in consolidated terms. The Company has forfaiting arrangement with financial institutions to manage its commitments with strategic suppliers. In this operation, suppliers transfer the right to receive the amounts to the financial institution and, in exchange, receive these amounts in advance from the financial institution, which, in turn, becomes the creditor of the operation.

All amounts in thousands of Reais unless otherwise stated

In the period ended March 31, 2023, the adjustment to present value of the forfaiting was R$ 13,739 in the parent company and consolidated. This operation is recognized in financial result.

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

Trade payables (Forfaiting): 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 supplier and financial institution are usually carried out bilaterally, with the supplier being the decision maker. They do not present changes in the purchase conditions (payment terms and negotiated prices), remaining under conditions usually practiced in the market.

Forfaiting forestry operation: This includes operations for the acquisition of standing wood (forests) which, due to their long operational cycle, require structuring with specific financial institutions that will exclusively serve suppliers who choose to discount receivables. Due to the long-term nature of the balance payable, the amounts involved in the transaction are adjusted to present the value on 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 – Forfaiting Forestry Operation account and the net value of the transaction has its contra entry in the biological assets account. The trade payables account is measured at amortized cost, with interest on the contract being recognized as a finance cost over the payment period. At March 31, 2023, the weighted average term of forfaiting forestry operations is 1.9 years with a weighted average annual cost of CDI + 14.20%.

17. BORROWINGS

17.1. Breakdown of borrowings

	Annual interest rate - %			03/31/2023
		Current	Non-current	Total
In local currency				
BNDES - Project Puma II	TLP + 3.58%	195,298	2,969,739	3,165,037
BNDES - Other	TLP	20,548	130,973	151,521
Export credit notes (in R$)	102% of CDI	7,697	350,000	357,697
CRA	97.5% to 102% of CDI	847,973	550,000	1,397,973
Other	0.76% to 8.5%	529	1,056	1,585
Borrowing cost		(26,829)	(181,899)	(208,728)
		1,045,216	**3,819,870**	**4,865,086**
In foreign currency (i)				
Export prepayments (EPP) (ii)	USD + 5.40%	12,002	635,050	647,052
Export credit notes (ii)	4.70%	64,327	1,125,491	1,189,818
EPP with subsidiaries	USD + 5.20% to 8.29%	55,657	11,985,680	12,041,337
Term Loan (BID Invest and IFC) (ii)	Libor + 1.60% or SOFR + 2.02%	15,591	1,959,003	1,974,594
Finnvera (ii)	USD + Libor + 0.60% to 0.95% or USD + 3.38%	312,417	1,256,178	1,568,595
CRA linked to debentures	USD + 2.45% to 5.20%	463,848	4,266,312	4,730,160
ECA (ii)	EUR + 0.45%	8,845	104,294	113,138
Borrowing cost		(39,864)	(249,397)	(289,260)
		892,824	**21,082,610**	**21,975,434**
Financial instruments				
Gain (loss) on derivative instruments (swap) (ii)	2.45% to 5.20%	-	(60,844)	(60,844)
		-	**(60,844)**	**(60,844)**
Total Parent Company		**1,938,040**	**24,841,636**	**26,779,676**
Subsidiaries				
In foreign currency (i)				
Bonds (Notes) (ii)	3.20% to 7.00%	262,265	11,807,332	12,069,597
Borrowing cost		(11,688)	(69,967)	(81,655)
		250,577	**11,737,365**	**11,987,941**
Elimination of prepayments in subsidiaries		**(55,657)**	**(11,985,680)**	**(12,041,337)**
Total Consolidated		**2,132,959**	**24,593,321**	**26,726,280**

(i) In USD.

(ii) Transaction designated as subject to hedge accounting (see Note 28).

All amounts in thousands of Reais unless otherwise stated

	Annual interest rate - %			12/31/2022
		Current	Non-current	Total
In local currency				
BNDES - Project Puma II	TLP + 3.58%	191,445	2,963,090	3,154,535
BNDES - Other	TLP	20,495	135,572	156,067
Export credit notes (in R$)	102% of CDI	19,540	350,000	369,540
CRA linked to debentures	97.5% to 102% of CDI	825,794	550,000	1,375,794
Other	0.76% to 8.5%	582	1,817	2,399
Borrowing cost		(25,356)	(184,061)	(209,417)
		1,032,500	**3,816,418**	**4,848,918**
In foreign currency (i)				
EPP (ii)	USD + 5.40%	3,522	652,213	655,735
Export credit notes (ii)	4.70%	21,710	1,125,491	1,147,201
EPP with subsidiaries	USD + 5.20% to 8.29%	284,632	12,309,598	12,594,230
Term Loan (BID Invest and IFC) (ii)	Libor + 1.60% or SOFR + 2.02%	5,495	759,697	765,192
Finnvera (ii)	USD + Libor + 0.60% to 0.95% or USD + 3.38%	336,470	1,446,214	1,782,684
CRA linked to debentures	USD + 2.45% to 5.20%	359,114	4,266,312	4,625,426
ECA (ii)	EUR + 0.45%	6,560	91,179	97,739
Borrowing cost		(39,384)	(255,805)	(295,189)
		978,119	**20,394,899**	**21,373,018**
Financial instruments				
Gain (loss) on derivative instruments (swap) (ii)	2.45% to 5.20%	-	226,067	226,067
		-		
Total Parent Company		**2,010,619**	**24,437,384**	**26,448,003**
Subsidiaries				
In foreign currency (i)				
Bonds (Notes) (ii)	3.20% to 7.00%	196,306	12,186,351	12,382,657
Borrowing cost		(12,004)	(74,859)	(86,863)
		184,302	**12,111,492**	**12,295,794**
Elimination of prepayments in subsidiaries		**(284,632)**	**(12,309,598)**	**(12,594,230)**
Total Consolidated		**1,910,289**	**24,239,278**	**26,149,567**

(i) In USD.

(ii) Transaction designated as subject to hedge accounting (see Note 28).

17.2. General context on borrowings

On July 27, 2017, the Financial Conduct Authority (FCA) announced the discontinuation of the use of the London interbank offered rate (Libor). This change became applicable at the end of 2021 for new contracts, for existing contracts, the change will be applied in June 2023. Most likely, the trading rate of the contract indexes will be replaced by the secured overnight financing rate (SOFR), which is currently the rate most used by banks in the market. Given the data available at the moment, no significant impacts on the Company's financial results are expected.

All amounts in thousands of Reais unless otherwise stated

17.3. Nature of main borrowings

a) Agribusiness Receivables Certificates (CRAs)

The Company issued simple debentures as underlying assets for the issue of CRAs, as follows:

Type	Issued	Amount raised (BRL)	Term	Maturity	Issuer	Periodicity (Interest)	Interest	Status
CRA II	December 1, 2017	600,000	6 years	December 1, 2023	Eco Securitizadora	Semiannual	97.5% of CDI	In progress
CRA III	September 1, 2018	350,000	6 years	September 1, 2024	True Securitizadora	Semiannual	102% of CDI	In progress
CRA IV	April 1, 2019	200,000 800,000	7 years 10 years	April 1, 2026 April 1, 2029	VERT Securitizadora	Semiannual Semiannual	98% of CDI IPCA + 4.5081% p.a.	In progress
CRA V	July 1, 2019	966,000	10 years	July 1, 2029	VERT Securitizadora	Semiannual	IPCA + 3.5% p.a.	In progress
CRA VI	July 1, 2022	2,500,000	12 years	May 1, 1934	VERT Securitizadora	Semiannual	IPCA + 6.7694% p.a.	In progress

b) Finnvera (Finnish export credit agency)

As part of efforts to obtain funds necessary for the execution of the Puma Project, the Company entered into a loan agreement for the financing of the assets acquired from the Puma Project. USD 67 million was capitalized for the Puma II Project in 2020 and USD 165 million in March 2022 with an interest rate of Libor 6M + 0.60% p.a. maturing in 2031. On January 31, the Company disbursed the remaining balance of the credit facility in the total amount of USD 4 million.

c) Term loans (BID Invest and IFC)

As part of the funding for the Puma II Project, the Company contracted financing composed of A-Loans and Co-Loans from IDB Invest, IFC and JICA, and B-Loans from commercial banks. As announced to the market on September 30, 2022, an amendment to the financing contract was signed, extending the average maturity from 3.1 years to 6.9 years but maintaining the original cost of the financing.

On March 15, 2023, the Company disbursed USD 240 million from the credit facility in the total amount of USD 800 million.

The disbursed amount of this financing contract is currently USD 400 million divided into three tranches, the first of USD 175 million with interest at SOFR + 1.88% p.a., maturing in 2029, the second of USD 189 million with interest at SOFR + 2.18% p.a. and maturity in 2032, and the third of USD 36 million with interest at SOFR + 1.83% p.a., maturing in 2032.

All amounts in thousands of Reais unless otherwise stated

d) Derivatives (swaps)

Gains and losses on derivative instruments are marked to market, corresponding to their fair value. At March 31, 2023, the balance of financial instruments marked to market corresponded to a gain (loss) of R$ 60,844 (R$ 226,067 at December 31, 2021), and the amounts recorded in the statement of income for the period then ended, under line item “finance result”, correspond to revenue of R$ 193,915 in the parent company and R$ 295,677 in the consolidated (expense of R$ 71,632 in the parent company and R$ 134,171 in the consolidated for the period ended December 31, 2021).

e) Revolving credit facility (RCF)

On October 7, 2021, the Company took out an RFC characterized as Sustainability-Linked amounting to USD 500 million and 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., while if it is drawn down, the rate will range from Libor +1.20% p.a. to Libor +1.25% p.a.

The cost of this RFC is linked to the annual performance of the environmental indicator on the increased reuse of solid industrial waste. The sustainability indicator used for this transaction is one of the Company’s Sustainable Development Goals (KODS) to be achieved by 2030.

f) Export credit agency (ECA)

On December 30, 2021, the Company retained an ECA line of credit of USD 447 million and a drawdown period until February 2024, at a floating rate of Libor plus 0.40% 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. Up to March 31, 2023, there had been no drawdown on this line of credit.

g) Bonds (notes)

The Company, through its wholly-owned subsidiaries Klabin Finance S.A. (Luxembourg) and Klabin Austria GmbH (Austria), has issued debt securities (Notes) of the Senior Unsecured Notes 144A/Reg S type in the international market, which are listed on the Luxembourg Stock Exchange (Euro MTF) and on the Singapore Stock Exchange (SGX).

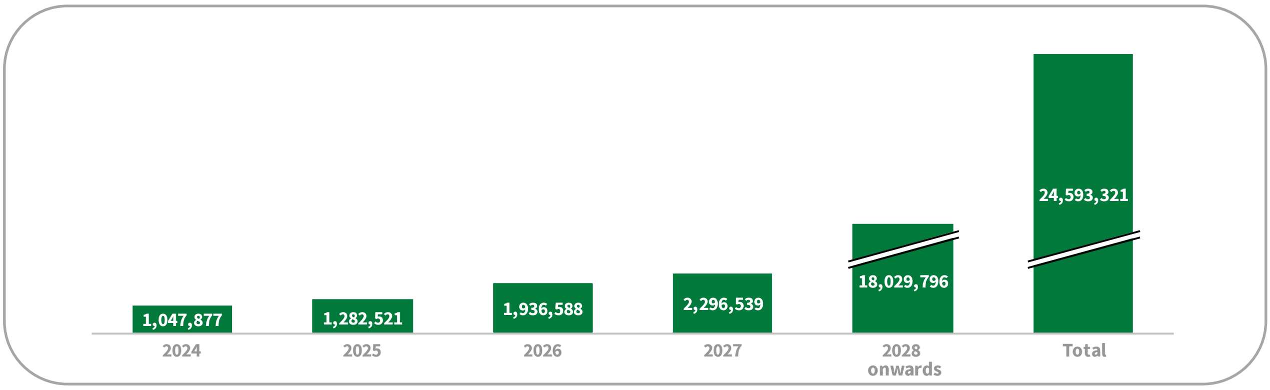
At March 31, 2023, the Bonds in circulation were as follows:

Type	Fundraising	raised (USD thousand)	Term	Maturity	Coupon	Amortization	Repurchase Date	Repurchase (USD thousand)
Bonds	July 1, 2014	500,000	10 years	2024	5.25%	Semiannual	April 1, 2019 January 1, 2021 March 1, 2022	228,500 98,000 36,000 (i)
Green Bonds	September 1, 2017	500,000	10 years	2027	4.88%	Semiannual	July 12, 1905 March 1, 2022	10,000 235,000 (i)
Green Bonds	March 1, 2019	500,000	10 years	2029	5.75%	Annual	2020	18,500
Green Bonds	March 1, 2019	500,000	30 years	2049	7%	Annual		
Bonds	July 1, 2019	250,000	10 years	2029	5.75%	Annual		
Green Bonds	January 1, 2020	200,000	29 years	2049	7%	Annual		
Sustainability Linked Bonds (SLB)	January 1, 2021	500,000	10 years	2031	3.20%	Annual		

(i) On March 21, 2022, early partial repurchases of USD 36 million and USD 235 million were carried out. These repurchases are in line with the Company's debt management strategy.

17.4. Schedule of non-current maturities

The maturity dates of the Company's borrowing at March 31, 2023, classified within non-current liabilities in the consolidated balance sheet, are as follows:



All amounts in thousands of Reais unless otherwise stated

17.5. Summary of changes in borrowing

	Parent Company	Consolidated
At December 31, 2021	**27,894,927**	**27,588,916**
Fundraising	5,423,974	5,429,328
Gain on financial instruments	(1,461,983)	(1,461,983)
Accrued interest	3,212,136	1,740,345
Exchange and monetary variations	(2,397,731)	(1,186,104)
Amortization	(4,511,100)	(4,526,909)
Interest payment	(1,712,220)	(1,434,026)
At December 31, 2022	**26,448,003**	**26,149,567**
Fundraising	1,576,465	1,576,465
Gain on financial instruments	(286,912)	(286,912)
Accrued interest	632,437	561,463
Exchange and monetary variations	(158,472)	(453,443)
Amortization	(488,027)	(543,738)
Interest payment	(943,818)	(277,122)
At March 31, 2023	**26,779,676**	**26,726,280**

17.6. Guarantees

BNDES financing is guaranteed by land, buildings, improvements, machinery, equipment and facilities at the Ortigueira – PR plant, which are the subjects of the respective financing.

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

The 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 do not have collateral.

17.7. Restrictive covenants

The Company and its subsidiaries had no borrowings or financing contracts in place featuring covenants establishing obligations to maintain certain financial ratios linked to the results, liquidity and leverage in connection with the contracted operations. Breaches of these covenants would lead to the debt becoming immediately due and payable.

All amounts in thousands of Reais unless otherwise stated

18. DEBENTURES

18.1. Breakdown

	Parent Company and Consolidated					
			03/31/2023			12/31/2022
	7th Issue	12th Issue	Total	7th Issue	12th Issue	Total
Principal	-	-	-	-	-	-
Interest	495	5,253	5,748	495	42,196	42,691
Current liabilities	**495**	**5,253**	**5,748**	**495**	**42,196**	**42,691**
Principal	-	1,000,000	1,000,000	-	1,000,000	1,000,000
Gain (loss) on derivative instruments (swap)	-	329,012	329,012	-	348,354	348,354
Non-current liabilities	**-**	**1,329,012**	**1,329,012**	**-**	**1,348,354**	**1,348,354**
Total liability from debentures	**495**	**1,334,265**	**1,334,760**	**495**	**1,390,550**	**1,391,045**

18.2. Changes

	Parent Company and Consolidated
At December 31, 2021	**1,749,503**
Gain on financial instruments	(346,846)
Accrued interest and monetary variation	140,500
Amortization (7th issue)	(31,104)
Interest paid (7th issue)	(2,107)
Interest paid (12th issue)	(118,901)
At December 31, 2022	**1,391,045**
Gain on financial instruments	(19,342)
Accrued interest and monetary variation	38,534
Interest paid (12th issue)	(75,477)
At March 31, 2023	**1,334,760**

All amounts in thousands of Reais unless otherwise stated

19. PROVISION FOR TAX, SOCIAL SECURITY, LABOR AND CIVIL RISKS

19.1. Provisioned risks

Based on the individual analysis of the lawsuits filed against the Company and its subsidiaries, and the opinion of legal counsel, provisions were recorded in non-current liabilities for losses considered probable, as follows:

				03/31/2023
Parent Company	**Provisioned amount**	**Judicial deposits restricted (i)**	**Liabilities, Net**	**Judicial deposits unrestricted**
Tax				
PIS/COFINS	-	-	-	34,171
ICMS/IPI	-	-	-	51,953
Income tax and social contribution (IR/CS)	(23)	-	(23)	696
IPTU	(6,533)	-	(6,533)	-
Other	-	-	-	18,006
	(6,556)	**-**	**(6,556)**	**104,826**
Labor	(48,730)	14,013	(34,717)	-
Civil	(4,144)	61	(4,083)	-
	(59,430)	**14,074**	**(45,356)**	**104,826**
Subsidiaries				
Other risks	(211)	-	-	-
Consolidated	**(59,641)**	**14,074**	**(45,356)**	**104,826**

(i) Balance corresponding to the amount of judicial deposits in non-current assets

				12/31/2022
Parent Company	**Provisioned amount**	**Judicial deposits restricted (i)**	**Liabilities, Net**	**Judicial deposits unrestricted**
Tax				
PIS/COFINS	-	-	-	33,726
ICMS/IPI	-	-	-	51,071
Income tax and social contribution (IR/CS)	(23)	-	(23)	1,599
IPTU	(8,405)	-	(8,405)	-
Other	-	-	-	17,013
	(8,428)	**-**	**(8,428)**	**103,409**
Labor	(46,066)	14,021	(32,045)	-
Civil	(4,733)	749	(3,984)	-
	(59,227)	**14,770**	**(44,457)**	**103,409**
Subsidiaries				
Other risks	(123)			-
Consolidated	**(59,350)**	**14,770**	**(44,457)**	**103,409**

(i) Balance corresponding to the amount of judicial deposits in non-current assets

All amounts in thousands of Reais unless otherwise stated

19.2. Changes in the provision amounts

				Consolidated
	Tax	Labor	Civil	Net exposure
At December 31, 2021	**-**	**(24,616)**	**(5,147)**	**(29,763)**
Increases/new lawsuits	(8,877)	(19,991)	(4,268)	**(33,136)**
Write-offs and reversals	449	13,179	10,351	**23,979**
Changes in deposits	-	(617)	(4,920)	**(5,537)**
At December 31, 2022	**(8,428)**	**(32,045)**	**(3,984)**	**(44,457)**
Increases/new lawsuits	(3,406)	(4,314)	(129)	**(7,849)**
Write-offs and reversals	5,278	1,649	718	**7,645**
Changes in deposits	-	(7)	(688)	**(695)**
At March 31, 2023	**(6,556)**	**(34,717)**	**(4,083)**	**(45,356)**

19.3. Tax, social security, labor and civil contingencies classified as a possible loss - not accounted for

At March 31, 2023, the Company and its subsidiaries were parties to other tax, labor and civil proceedings involving risks of loss for the Company assessed as possible, totaling approximately:

	03/31/2023		12/31/2022	
Possible	**Parent Company**	**Consolidated**	**Parent Company**	**Consolidated**
Tax	5,364,203	5,364,203	5,667,022	5,667,022
Labor	264,281	265,913	255,192	256,788
Civil	85,884	85,884	83,292	83,292
Total	**5,714,368**	**5,716,000**	**6,005,506**	**6,007,102**

Based on individual analyses of the corresponding legal and administrative proceedings, and supported by the opinion of its legal advisors, Management understands that since these losses are deemed possible they are not subject to provision.

At March 31, 2023, the Company was a defendant in several proceedings, such as:

a) Tax lawsuits

(i) Tax collection claim filed by the Municipality of Lages/SC regarding the collection of ISS on the manufacture of packaging with custom printed graphics from January 2001 to December 2004 and January to April 2011. The total amount of this execution at March 31, 2023 was approximately R$ 2,387,790 (R$ 2,259,402 at December 31, 2022).

(ii) Plea for reversal filed by the Federal Government against Klabin S.A. and Aracruz Celulose S.A., to reverse the judgment handed down in the civil case ruling out the application of the Selic rate, as well as the rates provided for in CIEX Resolution No. 2/79 in relation to the IPI premium credit. The total amount of this action at March 31, 2023 was approximately R$ 112,257 (R$ 111,000 at December 31, 2022).

All amounts in thousands of Reais unless otherwise stated

(iii) Administrative proceedings regarding the collection of a contribution of 2.6% on gross revenue from the sale of the production of agro-industrial activities. The total amount involved at March 31, 2023 was approximately R$ 393,473 (R$ 390,000 at December 31, 2022).

(iv) Disallowing of the offsetting in view of the disagreement regarding the FINSOCIAL credit correction criterion in 2017. The total amount involved at March 31, 2023 was approximately R$ 131,374 (R$ 131,000 at December 31, 2022).

(vi) Disallowing of the offsetting of COFINS credits arising from underpayments related to the expansion of the calculation base referred to in Law 9,718/98. The total amount involved at March 31, 2023 was approximately R$ 72,000 (R$ 71,000 at December 31, 2022).

b) Civil and environmental lawsuits

Class Action 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 burned mineral coal deposited in the riverbed. The case is currently in the sentence execution phase. Only after the completion of this phase can the amount of consideration be stipulated.

c) Labor claims

The main claims concern overtime, pain and suffering, health exposure and risk exposure premiums, as well as indemnities and subsidiary liability of third parties. No individual lawsuit is of a significant enough amount to have an adverse and considerable impact on the Company's results.

d) Lawsuits filed by the Company

At March 31, 2023, the Company was a plaintiff in civil and tax lawsuits for which no amounts were recognized in its financial statements. The assets are recognized only after a final and unappealable court decision is rendered and in which the gain is certain.

20. EQUITY

20.1. Share capital

Klabin S.A.'s subscribed and paid-up capital is R$ 4,475,625 at March 31, 2023 (R$ 4,475,625 at December 31, 2022), comprising 5,617,892,756 shares (5,617,892,756 at December 31, 2022), without par value, held as follows:

Shareholders (i)	03/31/2023 Common shares	Preferred shares	12/31/2022 Common shares	Preferred shares
Klabin Irmãos S.A.	945,359,142	-	945,359,142	-
Niblak Participações S.A.	142,023,010	-	142,023,010	-
Monteiro Aranha S.A.	68,085,893	230,760,007	68,085,893	230,760,007
The Bank of New York Department (ii)	62,719,212	250,876,848	62,684,236	250,736,944
BlackRock	48,452,150	193,808,600	52,326,432	209,305,728
Treasury shares	23,208,243	92,832,972	23,172,552	92,690,208
Other (iii)	791,880,945	2,767,885,734	788,077,330	2,752,671,274
Total shares	**2,081,728,595**	**3,536,164,161**	**2,081,728,595**	**3,536,164,161**

(i) The position may differ from the bookkeeping bank's base for transaction logging registration issues.
(ii) Foreign shareholders.
(iii) Shareholders holding less than 5% of the shares.

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).

20.2. Carrying value adjustments

The "carrying value adjustments" group, created by Law No. 11,638/07 as part of the equity accounts, contains valuation adjustments arising from increases and decreases in assets and liabilities, where applicable.

The balance recognized by the Company refers to: (i) the adoption of the deemed cost of PP&E for forest land, which the Company opted for upon the initial adoption of the new accounting standards converging with IFRS on January 1, 2009; (ii) exchange rate changes associated with foreign subsidiaries with a functional currency other than that of the Company; (iii) balances associated with the share awards plan granted to executives (Note 24); (iv) cash flow hedge accounting (Note 28); and (v) actuarial liability variations.

	Parent Company and Consolidated	
	03/31/2023	**12/31/2022**
Deemed cost of property, plant and equipment (land) (i)	1,058,680	1,058,680
Foreign currency translation adjustments	(79,164)	(73,680)
Stock option plan	1,835	14,145
Cash flow hedge reserve (i)	466,101	199,511
Actuarial liability (i)	(114,896)	(114,332)
Total carrying value adjustments	**1,332,556**	**1,084,324**

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

20.3. Treasury Shares

At March 31, 2023, the Company held 116,041,215 of its own shares in treasury, corresponding to 23,208,243 units (115,862,760 shares, corresponding to 23,172,552 units at December 31, 2022). At March 31, 2023, the trading price on B3, the São Paulo Stock Exchange, was R$18.09 per unit (B3 ticker KLBN11).

All amounts in thousands of Reais unless otherwise stated

In accordance with the stock option plan described in Note 24, access to which is granted as a form of long-term compensation to the Company's officers, on February 28, 2023 6,400,825 treasury shares were sold for R$ 15,674, corresponding to 1,280,165 units. The right to use 6,400,825 shares, corresponding to 1,280,165 units, was also granted. The amount was derecognized from the treasury shares account at a historical cost of R$ 8,580.

20.4. Dividends/interest on capital

Dividends and interest on capital represent a portion of the profits earned by the Company, which are distributed to the shareholders as remuneration of the capital invested during the fiscal year. All shareholders are entitled to dividends and interest on capital, proportional to their shareholding, as guaranteed by the Brazilian corporation law and the Company's Bylaws. The Bylaws also authorize Management to approve interim distributions during the year in advance, "ad referendum" to the Annual General Meeting convened to review the fiscal year's accounts.

Interest on capital, for the purposes of compliance with the tax rules, is booked against the "finance costs" line item. For the purposes of preparing the said financial statements, interest on capital reverts from income to the retained earnings account, making up the balance of the minimum mandatory dividend, as instructed by the CVM.

The basis for calculating the mandatory dividend defined in the Company's Bylaws is adjusted by the setup, realization and reversal, during the respective fiscal year, of the " biological assets reserves", giving the Company's shareholders the right to receive a minimum mandatory dividend of 25% of each year's adjusted net income. In addition, the Company is entitled to distribute dividends and interest on capital from the "revenue reserves" balances held in Equity.

20.5. Non-controlling interests

At March 31, 2023, the non-controlling shareholders' share of the consolidated equity is R$ 2,094,432 (R$ 2,008,782 at December 31, 2022). This corresponds to the 65.26%, 85.61%, 88.74% and 49.99% of the capital held by the shareholders of the subsidiaries Guaricana Reflorestadora S.A., Sapopema Reflorestadora S.A., Aroeira Reflorestadora S.A. and Cerejeira Reflorestadora S.A., respectively and proportionally. These companies are 100% consolidated into the Company's financial statements, and these shareholders' interests are shown separately, since they are characterized as equity instruments because of these entities' corporate structures.

				03/31/2023
Interest	**Guaricana Reflorestadora S.A.**	**Sapopema Reflorestadora S.A.**	**Aroeira Reflorestadora S.A.**	**Cerejeira Reflorestadora S.A.**
Non-controlling shareholders	65.26%	85.61%	88.74%	49.99999%
Klabin S.A	34.74%	14.39%	11.26%	50.00001%
Total	**100%**	**100%**	**100%**	**100%**

				12/31/2022
Interest	**Guaricana Reflorestadora S.A.**	**Sapopema Reflorestadora S.A.**	**Aroeira Reflorestadora S.A.**	**Cerejeira Reflorestadora S.A.**
Non-controlling shareholders	65.26%	85.61%	88.18%	49.99999%
Klabin S.A	34.74%	14.39%	11.82%	50.00001%
Total	**100%**	**100%**	**100%**	**100%**

21. NET SALES REVENUE

The Company's net revenue breakdown is as follows:

	Parent Company		**Consolidated**	
				(restated)
	1/1 to 3/31/2023	**1/1 to 3/31/2022**	**1/1 to 3/31/2023**	**1/1 to 3/31/2022**
Gross sales revenue	5,367,878	5,133,523	5,555,054	5,044,635
Discounts and rebates	(10,899)	(18,819)	(33,964)	(23,156)
Cash flow hedge	3,116	8,945	3,116	8,945
Taxes on sales	(683,799)	(603,770)	(693,445)	(608,294)
Net sales revenue	**4,676,296**	**4,519,879**	**4,830,761**	**4,422,130**
Domestic market	2,924,126	2,568,243	2,972,591	2,607,704
Foreign market	1,752,170	1,951,636	1,858,169	1,814,426
Net sales revenue	**4,676,296**	**4,519,879**	**4,830,761**	**4,422,130**

All amounts in thousands of Reais unless otherwise stated

22. COSTS, EXPENSES AND OTHER INCOME BY NATURE

	Parent Company		Consolidated	
	1/1 to 03/31/2023	1/1 to 03/31/2022	1/1 to 03/31/2023	1/1 to 03/31/2022
Cost of products sold				
Variable costs (i)	(1,350,974)	(1,339,626)	(1,374,637)	(1,351,971)
Personnel	(584,277)	(562,889)	(596,201)	(568,575)
Depreciation and amortization	(289,370)	(307,902)	(281,899)	(296,420)
Depletion	(339,531)	(261,938)	(416,123)	(315,853)
Other (ii)	(296,646)	(268,428)	(190,424)	(184,275)
	(2,860,798)	**(2,740,782)**	**(2,859,284)**	**(2,717,093)**
Selling expenses				
Freight	(308,456)	(260,411)	(331,304)	(276,810)
Commission	(5,922)	(16,221)	(17,179)	(26,805)
Personnel	(38,663)	(29,932)	(39,452)	(32,185)
Depreciation and amortization	(877)	(869)	(877)	(887)
Port and storage expenses	(16,465)	(20,973)	(21,664)	(28,041)
Other (ii)	(30,220)	(1,108)	(32,361)	(1,822)
	(400,603)	**(329,514)**	**(442,837)**	**(366,550)**
General and administrative expenses				
Personnel	(121,858)	(122,154)	(124,345)	(122,277)
Services contracted	(76,302)	(79,027)	(77,859)	(79,106)
Depreciation and amortization	(11,665)	(11,959)	(11,903)	(11,971)
Maintenance	(4,419)	(5,217)	(4,509)	(5,222)
Other (ii)	(23,372)	(11,023)	(27,623)	(17,977)
	(237,616)	**(229,380)**	**(246,239)**	**(236,552)**
Other income (expenses), net				
Revenue from sales of property, plant and equipment	1,707	27,738	1,707	27,738
Cost of sales and write-offs of property, plant and equipmen	(1,755)	(4,432)	(1,755)	(4,432)
Other (ii)	(48,422)	(37,292)	(47,832)	(15,775)
	(48,470)	**(13,986)**	**(47,880)**	**7,531**
Total	**(3,547,487)**	**(3,313,662)**	**(3,596,240)**	**(3,312,664)**

(i) Raw material and consumables.

(ii) Amounts including maintenance, insurance, materials for use and consumption, indemnities, travel and lodging, fairs and events, and other amounts individually lower than R$ 20,000.

All amounts in thousands of Reais unless otherwise stated

23. FINANCE RESULT

	Parent Company		Consolidated	
	1/1 to 03/31/2023	1/1 to 03/31/2022	1/1 to 03/31/2023	1/1 to 03/31/2022
Finance income				
Income from financial investments	185,794	176,691	156,151	171,578
Social Integration Program (PIS)/Social Contribution on Revenue (COFINS) on finance income	(8,468)	(9,416)	(8,622)	(9,525)
Monetary adjustment	1,274	24,263	6,990	26,518
Other	6,085	16,752	87,490	24,036
	184,685	**208,290**	**242,009**	**212,607**
Finance expenses				
Interest and monetary adjustment on borrowing	(671,896)	(456,475)	(604,239)	(432,563)
Interest capitalized on property, plant and equipment (i)	229,827	129,353	229,827	129,353
Derivative financial instruments (SWAP) (ii)	193,915	71,632	294,677	71,632
Guarantees on borrowing	-	(62)	-	(62)
Remuneration of investors - SCPs	-	-	(7,838)	(8,469)
Commission	(21,102)	(15,093)	(19,859)	(64,836)
Other	35,314	(20,333)	(116,458)	(23,328)
	(233,942)	**(290,978)**	**(223,890)**	**(328,273)**
Foreign exchange variations				
Foreign exchange variation - assets	(71,175)	(348,980)	(91,687)	(287,853)
Foreign exchange variation - liabilities (ii)	128,402	434,274	131,833	326,244
	57,227	**85,294**	**40,146**	**38,391**
Finance result	**7,970**	**2,606**	**58,265**	**(77,275)**

(i) See information in Note 13.
(ii) Considers the effects of adopting hedge accounting, as described in Note 28.

24. STOCK OPTION PLAN

24.1 ILP Matching

On February 28, 2023, a new stock option plan “Plan 2022” was approved, with vesting ending in February 2026.

The clauses governing the consummation of the transfer of the granted shares establish the beneficiary's continuing employment at the Company and the non-disposal of the shares acquired upon joining the Plan. The shares awarded can also 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 shall be conveyed to the estate.

The shares awarded and the expenses proportional to the granting period, recognized in the statement of income, shall accumulate in equity in the “carrying value adjustments” group, until the end of the award period, either through the expiration of the three-year term, or under any other clause of the Plan that terminates the award.

The table below presents information on the plans:

All amounts in thousands of Reais unless otherwise stated

Statutory and non-statutory officers

	2018 Plan (i)	2019 Plan	2020 Plan	2021 Plan	2022 Plan	Total
Start of the plan	February 28, 2019	February 28, 2020	February 26, 2021	February 28, 2022	February 28, 2023	
Final grant date	February 28, 2022	February 28, 2023	February 26, 2024	February 28, 2025	February 28, 2026	
Treasury shares acquired by beneficiaries	1,146,395	1,140,020	1,169,700	1,355,905	2,561,920	6,851,205
Purchase value per share (R$)	3.61	3.87	5.41	4.64	3.80	
Treasury shares awarded as usufruct	1,146,395	1,140,020	1,169,700	1,355,905	2,561,920	6,851,205
Value of the right to use per share (R$)	3.61	3.87	5.41	4.64	3.80	
Accumulated plan expenses - from the beginning	4,136	4,487	4,394	2,272	270	22,879
Plan expenses - 1/1 to 3/31/2023	-	249	527	524	270	1,570
Plan expenses - 1/1 to 3/31/2022	230	374	527	175	-	1,306

(i) Terminated plans

Managers

	2018 Plan (i)	2019 Plan	2020 Plan	2021 Plan	2022 Plan	Total
Start of the plan	February 28, 2019	February 28, 2020	February 26, 2021	February 28, 2022	February 28, 2023	
Final grant date	February 28, 2022	February 28, 2023	February 26, 2024	February 28, 2025	February 28, 2026	
Treasury shares acquired by beneficiaries	1,809,185	1,848,470	1,834,990	2,399,645	2,399,240	9,508,875
Purchase value per share (R$)	3.61	3.87	5.41	4.64	3.80	
Treasury shares awarded as usufruct	1,809,185	1,848,470	1,834,990	2,399,645	2,399,240	9,508,875
Value of the right to use per share (R$)	3.61	3.87	5.41	4.64	3.80	
Accumulated plan expenses - from the beginning	6,427	6,286	6,499	3,817	253	28,897
Plan expenses - 1/1 to 3/31/2023	-	217	727	791	253	1,988
Plan expenses - 1/1 to 3/31/2022	234	420	736	309		1,699

(i) Terminated plans

Other employees

	2018 Plan (i)	2019 Plan	2020 Plan	2021 Plan	2022 Plan	Total
Start of the plan	February 28, 2019	February 28, 2020	February 26, 2021	February 28, 2022	February 28, 2023	
Final grant date	February 28, 2022	February 28, 2023	February 26, 2024	February 28, 2025	February 28, 2026	
Treasury shares acquired by beneficiaries	548,300	527,285	497,385	1,343,955	1,439,665	2,916,925
Purchase value per share (R$)	3.61	3.87	5.41	4.64	3.80	
Treasury shares awarded as usufruct	548,300	527,285	497,385	1,343,955	1,439,665	2,916,925
Value of the right to use per share (R$)	3.61	3.87	5.41	4.64	3.80	
Accumulated plan expenses - from the beginning	1,696	2,099	1,682	2,120	151	7,748
Plan expenses - 1/1 to 3/31/2023	-	105	173	453	151	882
Plan expenses - 1/1 to 3/31/2022	88	160	200	173	-	621

(i) Terminated plans

25. EARNINGS PER SHARE

The basic earnings per share are calculated by dividing the profit for the year attributable to the holders of the Company's common shares (ON) and preferred shares (PN) by the weighted average number of shares available during the year. The Company does not have any instruments that could have a dilutive effect, since shareholders' benefits are transferred to the professional who holds the right to participate in the program from the moment the units are granted.

As mentioned in Note 20, the changes in the balance of treasury shares affect the weighted average number of preferred shares held in treasury recorded in the calculation for the period ended March 31, 2023. The weighted average used in the calculation of the earnings per share was determined as follows:

All amounts in thousands of Reais unless otherwise stated

Weighted average number of treasury shares at March 31, 2023 (i)			
Month		**Treasury Shares**	**Ratio**
Jan	+	115,996,320	x 1/03
Feb	+	103,194,670	x 1/03
Mar (i)	+	103,233,155	x 1/03
3 months 2023	**=**	**107,474,715**	**x 1/03**

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

The tables below reconcile the profit for the periods ended March 31, 2023 and 2022 with the amounts used to calculate the basic and diluted earnings per share:

	Parent Company and Consolidated 1/1 to 3/31/2023		
	Common shares (ON)	**Preferred shares (PN)**	**Total**
Denominator			
Total weighted average number of shares	2,081,729	3,536,164	5,617,893
Weighted average number of treasury shares	(21,495)	(85,980)	(107,475)
Weighted average number of outstanding shares	**2,060,234**	**3,450,184**	**5,510,418**
% of shares in relation to the total	**37.39%**	**62.61%**	**100.0%**
Numerator			
Profit attributable to each class of shares	**435,435**	**729,205**	**1,164,640**
Weighted average number of outstanding shares	**2,060,234**	**3,450,184**	**5,510,418**
Basic and diluted earnings per share	**0.2114**	**0.2114**	

	Parent Company and Consolidated 1/1 to 3/31/2022		
	Common shares (ON)	**Preferred shares (PN)**	**Total**
Denominator			
Total weighted average number of shares	2,081,729	3,536,164	5,617,893
Weighted average number of treasury shares	(23,800)	(95,201)	(119,002)
Weighted average number of outstanding shares	**2,057,928**	**3,440,963**	**5,498,891**
% of shares in relation to the total	**37.42%**	**62.58%**	**100.00%**
Numerator			
Profit attributable to each class of shares	**368,361**	**615,920**	**984,281**
Weighted average number of outstanding shares	**2,057,928**	**3,440,963**	**5,498,891**
Basic and diluted earnings per share	**0.1790**	**0.1790**	

All amounts in thousands of Reais unless otherwise stated

26. OPERATING SEGMENTS

26.1 Criteria for the identification of operating segments

The Company's operating structure is divided into segments based on how management manages the business, in accordance with CPC 22/IFRS 8. The operating segments defined by Management are:

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 bags 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 about operating segments

	Forestry	Paper	Conversion	Pulp	Corporate eliminations	Total Consolidated
						1/1 to 03/31/2023
Net revenue:						
Domestic market	90,331	795,555	1,423,241	664,551	(1,087)	**2,972,591**
Foreign market	-	608,265	153,943	1,096,266	(304)	**1,858,170**
Revenue from sales to third parties	**90,331**	**1,403,820**	**1,577,184**	**1,760,817**	**(1,391)**	**4,830,761**
Revenue between segments	883,594	811,386	13,368	39,792	(1,748,140)	**-**
Total net sales	**973,925**	**2,215,206**	**1,590,552**	**1,800,609**	**(1,749,531)**	**4,830,761**
Change in the fair value of biological assets	383,459	-	-	-	-	**383,459**
Cost of products sold	(1,071,467)	(1,415,449)	(1,339,154)	(755,435)	1,722,221	**(2,859,284)**
Gross profit	**285,917**	**799,757**	**251,398**	**1,045,174**	**(27,310)**	**2,354,936**
Operating expenses (income) (i)	230,642	(249,938)	(190,223)	(241,496)	(282,526)	**(733,541)**
Operating profit before finance result	**516,559**	**549,819**	**61,175**	**803,678**	**(309,836)**	**1,621,395**
Sales of products (metric tons)						
Domestic market	-	141,170	227,979	132,771	558	**502,478**
Foreign market	-	122,326	16,368	240,301	-	**378,995**
Inter-segmental	-	262,803	1,547	7,493	(271,843)	**-**
	-	**526,299**	**245,894**	**380,565**	**(271,285)**	**881,473**
Sales of timber (in metric tons)						
Domestic market	120,063	-	-	-	-	**120,063**
Inter-segmental	3,839,190	-	-	-	(3,839,190)	**-**
	3,959,253	**-**	**-**	**-**	**(3,839,190)**	**120,063**
Investments during the period	316,676	616,629	164,717	27,686	32,615	**1,158,323**
Depreciation, depletion and amortization	(365,740)	(153,072)	(41,975)	(140,293)	(9,722)	**(710,802)**
Total assets - 03/31/2023	16,519,504	4,654,337	18,244,092	3,641,122	6,322,479	**49,381,534**
Total liabilities - 03/31/2023	4,631,827	1,117,430	1,168,463	842,958	28,858,064	**36,618,742**
Equity - 03/31/2023	9,793,245	3,536,907	17,075,629	2,798,164	(22,535,585)	**10,668,360**
Non-controlling interests	2,094,432	-	-	-	-	**2,094,432**

(i) The line of operating income (expenses) also includes the share of profit (loss) of joint ventures.

	Forestry	Paper	Conversion	Pulp	Corporate eliminations	Total Consolidated
						1/1 to 03/31/2022
Net revenue:						
Domestic market	71,432	697,486	1,321,456	519,521	(2,191)	**2,607,704**
Foreign market	-	835,465	126,940	843,076	8,945	**1,814,426**
Revenue from sales to third parties	**71,432**	**1,532,951**	**1,448,396**	**1,362,597**	**6,754**	**4,422,130**
Revenue between segments	588,095	872,020	21,841	35,196	(1,517,152)	**-**
Total net sales	**659,527**	**2,404,971**	**1,470,237**	**1,397,793**	**(1,510,398)**	**4,422,130**
Change in the fair value of biological assets	371,680	-	-	-	-	**371,680**
Cost of products sold	(822,120)	(1,342,387)	(1,275,326)	(657,607)	1,380,347	**(2,717,093)**
Gross profit	**209,087**	**1,062,584**	**194,911**	**740,186**	**(130,051)**	**2,076,717**
Operating expenses (income) (i)	(92,104)	(244,897)	(166,809)	(210,281)	138,782	**(575,309)**
Operating profit before finance result	**116,983**	**817,687**	**28,102**	**529,905**	**8,731**	**1,501,408**
Sales of products (metric tons)						
Domestic market	-	144,982	233,133	119,400	187	**497,702**
Foreign market	-	172,205	15,982	214,411	-	**402,598**
Inter-segmental	-	246,144	1,346	8,699	(256,189)	**-**
	-	**563,331**	**250,461**	**342,510**	**(256,002)**	**900,300**
Sales of timber (in metric tons)						
Domestic market	264,083	-	-	-	-	**264,083**
Inter-segmental	3,585,542	-	-	-	(3,585,542)	**-**
	3,849,625	**-**	**-**	**-**	**(3,585,542)**	**264,083**
Investments during the period	174,847	682,393	65,919	40,250	487,812	**1,451,221**
Depreciation, depletion and amortization	(300,420)	(149,642)	(32,252)	(136,816)	(6,001)	**(625,131)**
Total assets - 3/31/2022	11,365,241	4,843,726	3,027,203	15,159,592	5,803,759	**40,199,521**
Total liabilities - 3/31/2022	3,480,001	1,115,253	814,369	1,293,660	23,636,868	**30,340,151**
Equity - 3/31/2022	6,641,439	3,728,473	2,212,834	13,865,932	(17,833,109)	**8,615,569**
Non-controlling interests	1,243,801	-	-	-	-	**1,243,801**

(i) The line of operating income (expenses) also includes the share of profit (loss) of joint ventures.

All amounts in thousands of Reais unless otherwise stated

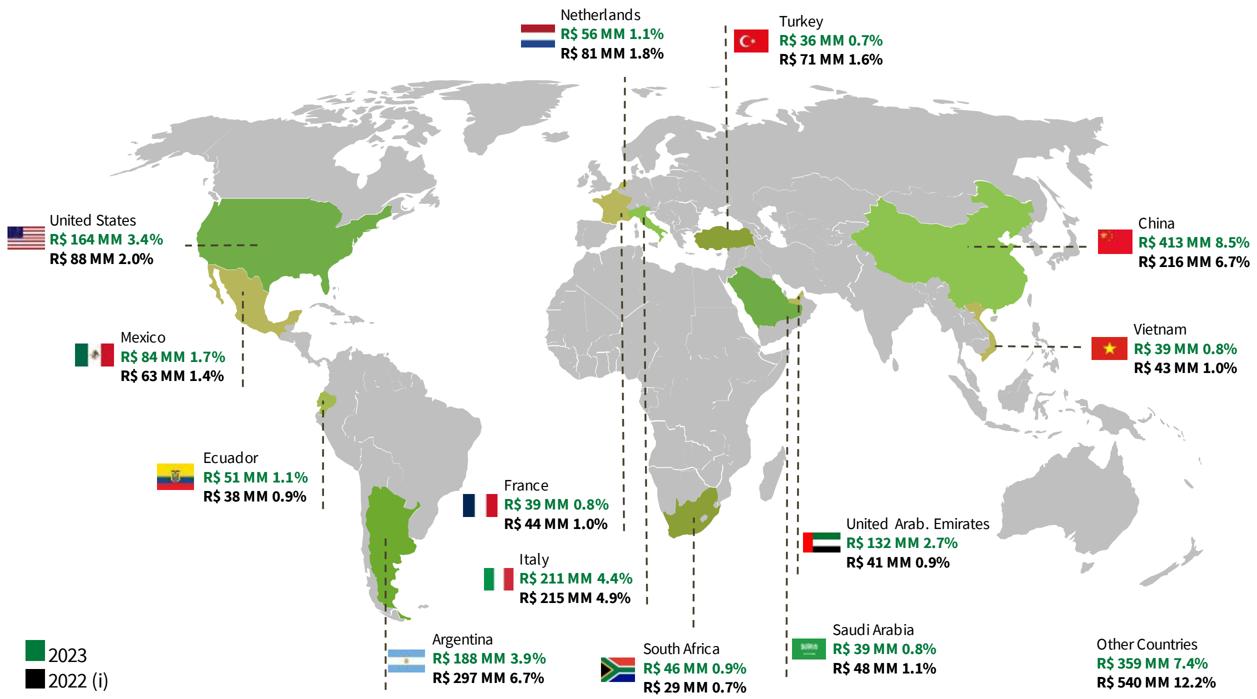
The balance in the Corporate/eliminations column concerns the corporate unit's expenses not apportioned among the segments, and eliminations refer to adjustments of operations between the segments.

Information about the finance result and income tax was not disclosed in the segment reporting because management does not consider such data on a segmented basis, but rather on a consolidated basis.

26.3 Information on net sales revenue

The map below shows the distribution of net revenue from the foreign market for the periods ended March 31, 2023 and 2022:

Consolidated net revenue



(i) The countries presented in 2022 were re-presented for better comparability with the year 2023.

In the period ended March 31, 2023, a single customer from the paper segment accounted for approximately 8.01% (R$ 374,595) of the Company's net revenue (R$ 366,000 at March 31, 2022, 8.1% of net sales revenue). The remaining customer base is diluted, as none of the other customers individually represents a material share (above 10%) of the Company’s net sales revenue.

During the period ended March 31, 2023, no customer accounted for more than 10% of the Company's net sales revenue.

27. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

27.1 Risk management

The Company and its subsidiaries enter into transactions involving financial instruments, all of which are recorded in the balance sheet accounts, in order to meet their operational needs and reduce their exposure to financial risks. These transactions mainly relate to credit risk and the 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 two types of risk: interest rate and foreign exchange. The financial instruments affected by market risk are financial investments, trade receivables, trade payables, borrowing and marketable securities.

a) Foreign exchange rate risk

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

		Consolidated
	31/03/2023	**31/12/2022**
Bank deposits and financial investments	1,386,995	960,193
Trade receivables (net of allowance for ECLs)	478,428	591,357
Other assets and liabilities	1,348,000	1,277,000
Borrowing and debentures (i)	(23,195,460)	(22,691,199)
Net exposure	**(19,982,037)**	**(19,862,649)**

(i) Protected by the hedge program (Note 28).

At March 31, 2023, the balances of this net exposure by year of maturity were as follows:

Year	**2023**	**2024**	**2025**	**2026**	**2027**	**2028 onwards**	**Total**
Amount	2,513,292	(939,964)	(425,059)	(1,714,825)	(2,542,076)	(16,873,405)	**(19,982,037)**

At March 31, 2023, the Company did not have derivatives contracted to hedge against foreign exchange exposure on its cash flow. To protect against this net liability exposure, the Company has highly probable sales forecasts with forecast annual cash flow from US Dollars-denominated revenue of approximately

All amounts in thousands of Reais unless otherwise stated

USD 1 billion. Its receipt, if confirmed, exceeds or approximates the flow of the payments of the related liabilities, offsetting the cash effect of any future exchange rate exposure.

In addition, the Company only has in place derivative instruments (Notes 17 and 18) for exchange rate-interest rate swaps, converting the issue of a certain export credit note and local currency debentures into US Dollars. These are not linked transactions, and they are executed exclusively to convert domestic currency-denominated borrowing into foreign currency-denominated operations.

b) Interest rate risk

The composition of the Company's interest rate risk by type of asset and liability instrument is as follows:

	Consolidated	
	31/03/2023	**31/12/2022**
Financial investments - CDI	3,819,500	3,720,577
Financial investments - Selic	71,549	69,269
Financial investments - IPCA	1,780,895	1,736,022
Asset exposure	**5,671,944**	**5,525,868**
Financing - CDI	(1,755,670)	(1,745,334)
Financing - TJLP	(3,318,144)	(3,313,001)
Financing - Libor	(5,380,059)	(4,350,812)
Debentures - IPCA	(1,334,760)	(1,391,045)
Liability exposure	**(11,788,633)**	**(10,800,192)**

27.1.2 Risk relating to the application of funds

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

	Consolidated	
	03/31/2023	**12/31/2022**
National rating AAA (bra)	1,798,434	3,859,311
National rating AA+ (bra)	5,277,454	2,643,002
Total	**7,075,888**	**6,502,313**

27.1.3 Credit risk

At March 31, 2023, the maximum exposure to credit risk was the carrying amount of the trade receivables shown in Note 7. Note 26 provides information on customer concentration risk.

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27.1.4 Liquidity risk

The table below shows the maturity of the financial liabilities contracted by the Company and reported in the consolidated balance sheet: the amounts include principal and future interest on transactions, calculated using the rates and indices prevailing at March 31, 2023:

	2023	2024	2025	2026	2027 onwards	Total
Trade payables	(2,719,837)	(472,192)	-	-	-	**(3,192,029)**
Lease liabilities	(287,817)	(329,395)	(289,017)	(220,800)	(1,827,435)	**(2,954,464)**
Borrowing and debentures	(907,157)	(1,154,982)	(1,341,883)	(2,137,609)	(21,838,155)	**(27,379,786)**
Total	**(3,914,811)**	**(1,956,569)**	**(1,630,900)**	**(2,358,409)**	**(23,665,590)**	**(33,526,279)**

27.2 Capital management

The Company's capital structure is monitored based on its net indebtedness, made up of the balance of borrowing (Note 17) and debentures (Note 18), less cash, cash equivalents and marketable securities (Notes 5 and 6), and based on the net debt ratio, derived from the net debt-to-equity ratio (Note 20), including the balance of all capital issued and all reserves established.

	Consolidated	
	03/31/2023	**12/31/2022**
Cash and cash equivalents and marketable securities	7,075,888	6,502,313
Borrowing and debentures	(28,061,040)	(27,540,612)
Net indebtedness	**(20,985,152)**	**(21,038,299)**
Equity	10,668,360	9,559,484
Net indebtedness ratio	**(1.97)**	**(2.20)**

27.3 Financial instruments by category

The Company has the following categories of financial instruments:

All amounts in thousands of Reais unless otherwise stated

	Consolidated	
	31/03/2023	**31/12/2022**
Cash and cash equivalents	5,210,712	4,683,945
Trade receivables (net of allowance for ECLs)	2,433,296	2,674,899
Other assets	825,371	617,708
Marketable securities	1,865,176	1,818,368
Assets - at amortized cost	**10,334,555**	**9,794,920**
Borrowing and debentures	28,061,040	27,540,612
Trade payables	2,197,041	2,515,395
Forfaiting forestry operations	994,988	967,017
Other payables	950,065	988,266
Liabilities at amortized cost	**32,203,134**	**32,011,290**

a) Amortized cost

The financial instruments included in this group refer to balances arising from usual transactions, such as trade receivables, trade payables, borrowing and debentures, financial investments, marketable securities and cash and cash equivalents. All these 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.

27.4 Sensitivity analysis

The Company presents below its sensitivity analysis of the foreign exchange and interest rate risks to which it is exposed, considering any effects that could impact on the future results based on the exposure at March 31, 2023. The sensitivity analysis does not consider the impacts of foreign exchange variations on the Company's cash flow.

a) Foreign exchange exposure

The Company has assets and liabilities indexed to a foreign currency in the balance sheet as at March 31, 2023 and, for sensitivity analysis purposes, it adopted for Scenario I the future market rate in effect in the period. For Scenarios II and III this rate was adjusted by 25% and 50%, respectively.

Accordingly, the table below shows a simulation of the effects of the foreign exchange rate variations on the balance sheet, other comprehensive income, and finance result if all other variables remain constant, considering the balances at March 31, 2023:

All amounts in thousands of Reais unless otherwise stated

	At 3/31/2023	Scenario I		Scenario II		Scenario III	
	USD thousand	Rate (A)	R$ gain (loss)	Rate (B) = A+25%	R$ gain (loss)	Rate (C) = A+50%	R$ gain (loss)
Active							
Cash and cash equivalents	273,009	4.91	(46,603)	6.14	289,280	7.36	622,351
Trade receivables (net of allowance for expected credit losse:	100,109	4.91	(17,089)	6.14	106,075	7.36	228,208
Other assets and liabilities	265,333	4.91	(45,292)	6.14	281,147	7.36	604,854
Borrowing and debentures	(4,565,676)	4.91	779,361	6.14	(4,837,790)	7.36	(10,407,915)
Net effect on balance sheet			**670,377**		**(4,161,288)**		**(8,952,502)**
Effect on other comprehensive income			**914,788**		**(5,678,437)**		**(12,216,463)**
Net effect on finance result			**(244,411)**		**1,517,149**		**3,263,961**

b) Interest rate exposure

The Company has financial investments, borrowing and debentures pegged to the CDI, TJLP, IPCA, SELIC and Libor floating interest rates. For sensitivity analysis purposes, the Company adopts the rates effective on dates close to the dates of its financial statements, obtained from the website of the Central Bank of Brazil, using the same rates for the SELIC, Libor, IPCA and CDI for scenario I, because of the similarity of these rates. The rates are then adjusted by 25% and 50% for Scenarios II and III, respectively.

As such, with all other variables remaining 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 March 31, 2023:

		At 3/31/2023	Scenario I		Scenario II		Scenario III	
		R$	Rate (A)	R$ gain (loss)	Rate (B) = A+25%	R$ gain (loss)	Rate (C) = A+50%	R$ gain (loss)
Financial investments								
CDBs	CDI	3,819,500	13.65%	521,362	17.06%	130,340	20.48%	260,681
LFTs	Selic	71,549	13.75%	9,838	17.19%	2,459	20.63%	4,919
NTN - B	IPCA	1,780,895	4.65%	82,812	5.81%	20,703	6.98%	41,406
Borrowing								
NCE (R$) and CRA	CDI	(1,755,670)	13.65%	(239,649)	17.06%	(59,912)	20.48%	(119,824)
BNDES	TLP	(3,318,144)	7.28%	(241,561)	9.10%	(60,390)	10.92%	(120,780)
Debentures	IPCA	(1,334,760)	4.65%	(62,066)	5.81%	(15,517)	6.98%	(31,033)
Exp. prepayments, term loan and Finnvera	Libor	(5,380,059)	5.34%	(287,403)	6.68%	(71,851)	8.01%	(143,701)
Net effect on finance result				**(216,667)**		**(54,168)**		**(108,332)**

28. CASH FLOW HEDGE ACCOUNTING

28.1 Breakdown of the cash flow hedge program

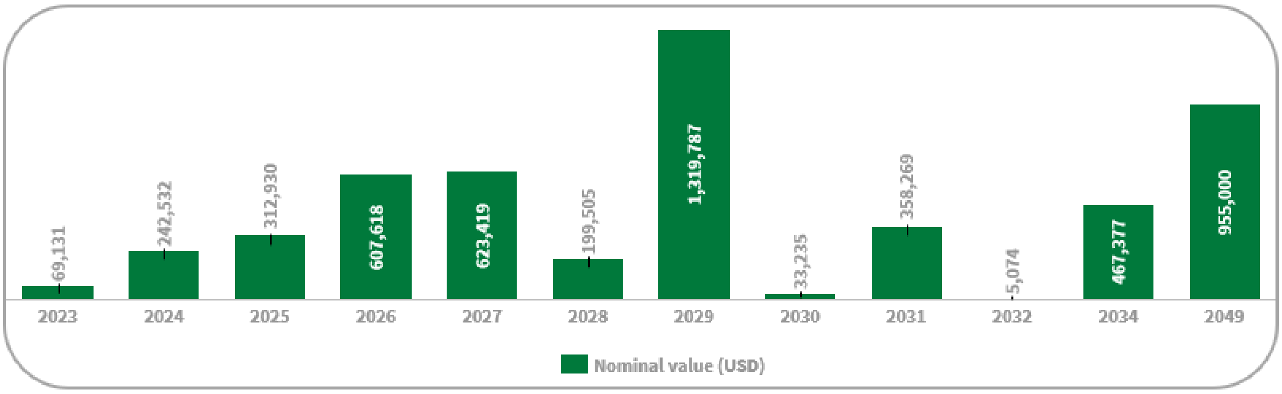
The hedging instruments comprise of 24 foreign currency-denominated borrowing agreements, including debentures, bonds, export credit notes, export prepayments (EPP), term loans (BID Invest and IFC), ECA and SWAP (debentures, NCE and CRA), the last payment of which is due in April 2049.

All amounts in thousands of Reais unless otherwise stated

Hedging instrument	Currency	Maturity until	Nominal value (USD)	Contract close rate	Exchange variation recognized in the hedge reserve	Hedge cost	Adjustment to revenue
							Parent Company and Consolidated
							03/31/2023
Bonds	USD	Apr-49	2,814,469	5.16 and 5.46	36,694	-	-
Debenture	USD	Mar-29	265,783	5.16	21,847	(76,310)	-
ECA	USD	Sep-31	327,577	5.08 and 5.16	24,294	-	(2,118)
Export credit notes	USD	Dec-26	766,643	5.16	(66,888)	(87,591)	-
Export prepayments	USD	Apr-29	125,000	5.16	10,275	-	-
Term loan	USD	Oct-32	165,907	5,16/5,21/5,25	12,824	-	-
CRA	USD	May-34	893,659	5,17/5,23/5,34	177,291	(119,064)	(998)
			5,359,038		**216,337**	**(282,965)**	**(3,116)**

Hedging instrument	Currency	Maturity until	Nominal value (USD)	Contract close rate	variation recognized in the hedge reserve	Hedge cost	Adjustment to revenue
							Parent Company and Consolidated
							31/12/2022
Bonds	USD	Apr-49	2,682,648	5.16 and 5.46	(237,682)	-	-
Debenture	USD	Mar-29	265,783	5.16	(14,645)	376,930	-
ECA	USD	Sep-31	295,544	5.16	(16,284)	-	(1,632)
Export credit notes	USD	Dec-26	766,643	5.16	(105,744)	223,075	-
Export prepayments	USD	Apr-29	125,000	5.16	(6,887)	-	-
Term loan	USD	Oct-32	164,600	5,16/5,21/5,25	(7,467)	-	-
CRA	USD	May-34	893,659	5,17/5,23/5,34	54,592	36,404	-
			5,193,877		**(334,117)**	**636,409**	**(1,632)**

The graph below shows the portion of highly probable future USD-denominated revenue which is defined as the hedged item.



28.2 Changes in the period

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

All amounts in thousands of Reais unless otherwise stated

	Parent Company and Consolidated
At December 31, 2021	**(759,367)**
Change in the fair value of the hedging instrument	1,454,478
Realization of hedge reserve to profit or loss	(1,632)
Income tax and social contribution (i)	(493,968)
At December 31, 2022	**199,511**
Change in the fair value of the hedging instrument	407,040
Realization of hedge reserve to profit or loss	(3,116)
Income tax and social contribution (i)	(137,334)
At March 31, 2023	**466,101**

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

In the period ended March 31, 2023, the borrowing related to the hedging instrument was subject to foreign exchange variations (fair value changes) of R$ 216,337 (R$ 334,117 at December 31, 2022) recognized in equity under "carrying value adjustments", for as long as the future U.S. Dollars-denominated revenue (hedged item) remains unrealized.

In the same period, the Company realized export revenue in the amount of USD 32 million (USD 22 million at March 31, 2022) under the hedge accounting program, for which borrowing designated as hedging instruments was settled concurrently, giving rise to income of R$ 3,116 from accumulated foreign exchange variations (income of R$ 9,000 at March 31, 2022), recognized in the statement of income for the period under “sales revenue”.

The effects of marking to market the fair values of hedge instruments and of settling the hedge objects by means of the realization of the hedge reserve in sales revenue resulted in a credit balance of R$ 403,924, recognized in the statement of comprehensive income for the period ended March 31, 2023, of which R$ 266,590 refers to the balance net of taxes (R$ 3,395,321 recognized in the statement of comprehensive income for the period ended March 31, 2022), of which R$ 2,240,912 net of taxes.

28.3 Hedge accounting effectiveness test

In the period ended March 31, 2023, the Company conducted effectiveness tests which demonstrated that the hedge accounting program is highly effective given the economic relationship arising from the analysis of the hedge ratio, the effects of the credit risk involved in the instrument and the hedged item, and the assessment of the critical terms.

All amounts in thousands of Reais unless otherwise stated

29. INSURANCE COVERAGE

To protect its operational risks, assets and liabilities, the Company maintains insurance coverage against various types of events that could impact on its equity and operations.

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

The Company also has other insurance policies, such as general liability insurance, D&O liability, national and international transport and forest insurance, cyber-related risk insurance, environmental pollution insurance, credit insurance for the domestic and international markets, crane insurance, drone insurance, and insurance against third party damage caused by vehicles.

At March 31, 2023, the following insurance policies were in place:

Insurance Type	Insured Assets	Maximum Indemnity Limit (R$ thousand) (i)	Currency	Effective Period
Operational Risks + Lost Profits	Plants and inventories	3,700,000	R$	October 5, 2023
Protection and Indemnity - P&I (marine risks)	Chartered vessel	350,000	USD	March 13, 2024
Domestic Market Credit	Domestic Customers Credit	240,000	R$	September 30, 2023
Foreign Market Credit	Foreign Customers Credit	160,000	USD	September 30, 2023
Directors and Officers (D&O)	Legal Guarantee for Directors	120,000	R$	July 2, 2023
Cyber	Cyberattacks	119,000	R$	June 11, 2023
General Liability (RCG)	Damage to Third Parties	75,000	R$	July 31, 2023
Environmental Liability	Environment Damage to Third Parties	50,000	R$	July 13, 2024
Named Risks	Office	41,745	R$	February 22, 2024
Forests (fire and weather events)	Forests	25,000	R$	December 26, 2023
Export Shipping	Merchandise	20,000	USD	April 30, 2025
Import Shipping	Merchandise	20,000	USD	April 30, 2025
Domestic Freight	Merchandise	15,000	R$	April 30, 2025
Miscellaneous Risks	Cranes	5,940	R$	April 29, 2024
Mandatory Civil Liability	Damages to Third Parties – Legal Requirement	4,210	R$	June 17, 2023
Elective Vehicle Liability Insurance (RCFV)	Vehicles	250	R$	October 30, 2023
Responsibilities of the Air Operator or Carrier “RETA”	Drones	94	R$	September 11, 2023

(i) Unaudited information.

30. SUPPLEMENTARY INFORMATION TO THE STATEMENT OF CASH FLOWS

In accordance with CPC 03 / IAS 7 – Statement of Cash Flows, some investing and financing activities do not have direct impact on the current cash flows, although they affect the Company’s capital and assets structure. The exclusion of transactions not involving cash and cash equivalents is consistent with the objective of such statement since these items do not involve cash flows in the current period.

	31/03/2023		31/03/2022	
Transactions not involving cash	**Parent Company**	**Consolidated**	**Parent Company**	**Consolidated**
Investing activities				
Purchase of property, plant and equipment in installments	(25,056)	39,308	(59,248)	13,606
Purchase of forests in installments	(150,922)	(308,243)	3,363	37,694
Total investing activities	**(175,978)**	**(268,935)**	**(55,885)**	**51,300**

All amounts in thousands of Reais unless otherwise stated

31. EVENTS AFTER THE REPORTING PERIOD

At the Board of Directors' Meeting of May 2, 2023, the Company informed its shareholders of the approval of the payment of interim dividends for the Company's capital shares, as detailed below:

Dividends
The distribution amounting to R$ 389,000 corresponds to the common and preferred shares at 0.07053934065/share and R$ 0.35269670325/unit.

Payment
The Company clarifies that, as decided on the same occasion, (i) The payment of declared dividends will be made on May 16, 2023 based on the shareholding position of May 5, 2023; and (ii) the shares will be traded ex-dividends as of May 8, 2023.

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 statement of financial position of Klabin S.A. ("Company") as at March 31, 2023 and the related condensed statements of income and comprehensive income for the three-month period then ended, and the condensed statements of changes in equity and cash flows for the three-month period then ended, as well as the accompanying consolidated condensed interim statement of financial position of Klabin S.A. and its subsidiaries ("Consolidated") as at March 31, 2023 and the related consolidated condensed statements of income and comprehensive income for the three-month period then ended, and the consolidated condensed statements of changes in equity and cash flows for the three-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.

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.

PricewaterhouseCoopers Auditores Independentes Ltda., Avenida Brigadeiro Faria Lima, 3732, Edifício B32, 16º
São Paulo, SP, Brasil, 04538-132
T: +55 (11) 4004-8000, www.pwc.com.br

Klabin S.A.

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 three-month period ended, 2023. These statements are the responsibility of the Company's management and are presented as supplementary information. 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, May 2, 2023

PricewaterhouseCoopers

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

DocuSigned by:
Renato Barbosa Postal
Assinado por: RENATO BARBOSA POSTAL:13794189841
CPF: 13794189841
Data/Hora da Assinatura: 03 May 2023 | 18:48 BRT
ICP Brasil
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Renato Barbosa Postal
Contador CRC 1SP187382/O-0

Officers' Statement on the Quarterly Information

We, as Officers of KLABIN S.A., a corporation headquartered in the city of São Paulo, State of São Paulo, at 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 March 31, 2023.

São Paulo, May 2, 2023

Cristiano Cardoso Teixeira	Chief Executive Officer
Marcos Paulo Conde Ivo	Chief Financial and Investor Relations Officer
Flávio Deganutti	Chief Paper Business 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

Officers' Statement on the Independent Auditor's Report

We, as Officers of KLABIN S.A., a corporation headquartered in the city of São Paulo, State of São Paulo, at 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 March 31, 2023.

São Paulo, May 2, 2023

Cristiano Cardoso Teixeira	Chief Executive Officer
Marcos Paulo Conde Ivo	Chief Financial and Investor Relations Officer
Flávio Deganutti	Chief Paper Business 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

BOARD OF DIRECTORS

Chairman
Amanda Klabin Tkacz

Board Members
Alberto Klabin
Wolff Klabin
Vera Lafer
Francisco Lafer Pati
Horacio Lafer Piva
Paulo Sérgio Coutinho Galvão Filho
Lilia Klabin Levine
Celso Lafer
Roberto Luiz Leme Klabin
Amaury Guilherme Bier
Marcelo Mesquita de Siqueira Filho
Mauro Gentile Rodrigues da Cunha
Isabella Saboya de Albuquerque

SUPERVISORY BOARD

Reinoldo Poernbacher
Pedro Guilherme Zan
Sergio Ladeira Furquim Werneck Filho
Louise Barsi
Célio de Melo Almada Neto

EXECUTIVE BOARD

Cristiano Cardoso Teixeira	Chief Executive Officer
Marcos Paulo Conde Ivo	Chief Financial and Investor Relations Officer
Flávio Deganutti	Chief Paper Business 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

Herbert Wang Ho
Chief Controlling Officer

Ana Paula Marzano Cerqueira
Accountant – CRC 1SP204118/O-1

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