



PUMA II PROJECT

UPDATE

May 5, 2021



→ **Disclaimer**



The statements contained in this presentation are forward-looking projections. Such statements are exposed to known and unknown risks and uncertainties that may cause these expectations not to materialize or to differ materially from those anticipated.

These risks include, among others, alterations in the future demand for the Company's products, changes in the factors that impact the domestic and international prices of products, changes in cost structures, changes in the seasonality of markets, changes in the prices charged by competitors, exchange variations, changes in the political-economic scenario in Brazil, in emerging and international markets.

Klabin cannot give any certainty as to the fulfillment of the expectations presented.



→ PUMA II Project

1st phase of the project near to be completed and 2nd phase with higher value creation

1st Machine (PM 27)



Startup planned for
JULY/21

OVERCOMING the
pandemic challenges
and in a very
POSITIVE market
scenario

2nd Machine (PM 28)



Production change
from kraftliner to
COATED BOARD

with **HIGHER**
shareholder value
generation

1st Machine



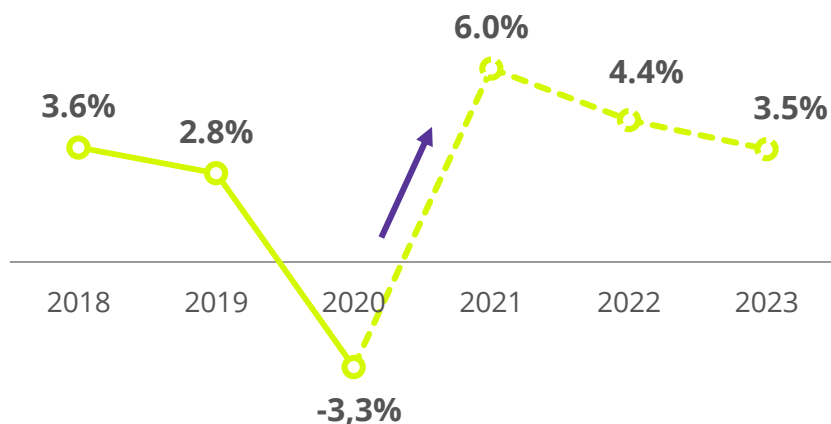
→ Kraftliner Market



Startup of the new machine in ideal market conditions

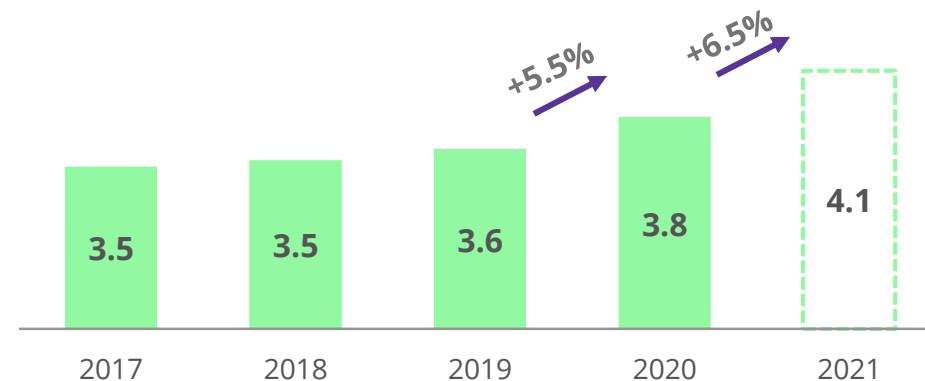
Expectation of a strong recovery in the global economic

Global GDP Growth

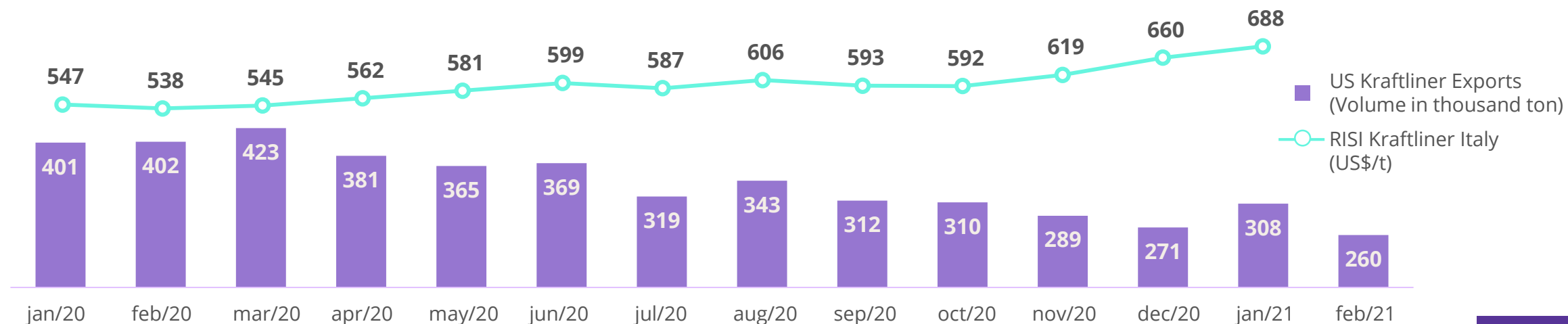


Heated demand for corrugated boxes

Brazil expedition - Volume (million ton)



Decrease in the US kraftliner exports driving the price increase



→ 1st Machine

Hot market and most of the production allocated in contracts



PM 27

✱ **STARTUP**
(July/21)

Production
Ramp-up :

2021

160
k ton

2022

365
k ton

2023

425
k ton

2024
onward

450
k ton

Capacity: **450** thousand ton/year¹

Fibers: **100%** Short Fiber

**~60% of production
sold through contracts**

Type: Eukaliner® + Eukaliner® White (20% of the capacity)

Low/Medium Grammage (90 to 200 g/m²)

→ Eukaliner® Differentials

Innovative product tested and approved by customers worldwide



First kraftliner made from 100% eucalyptus fiber



>10% of grammage reduction



Better printability



Eukaliner®
awarded in Packaging Innovation by the PPI Awards, Fastmarkets RISI



More sustainable

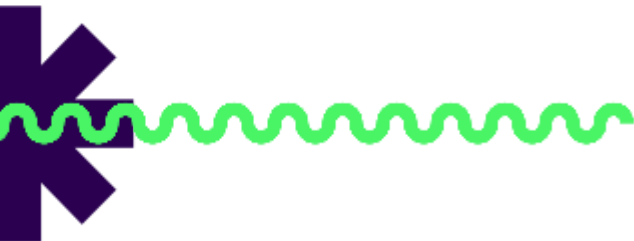


Stronger structure



Higher performance and energy and vapor savings

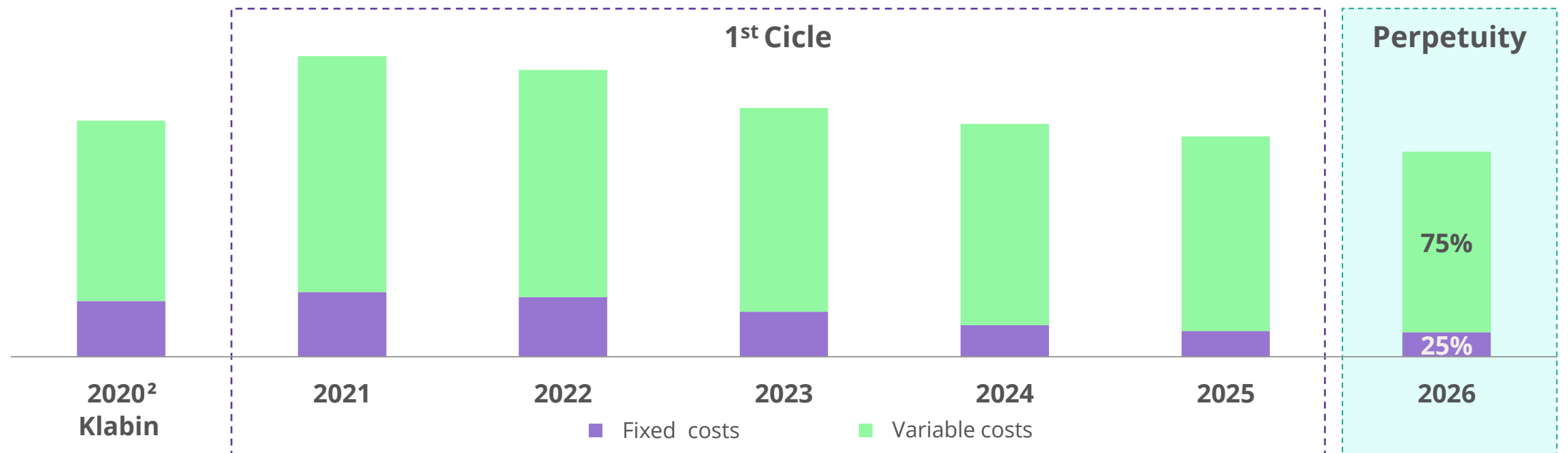
Tested and Approved
for customers worldwide - structure, performance and grammage reduction



→ Eukaliner® Cash Cost (R\$/ton)¹



Lower production cost compared to Klabin's current assets



- Fixed costs dilution following the production ramp-up – accelerated with the startup of the 2nd machine in 2023
- Variable cost from 2021 to 2025 on average 20% higher than 2026 onwards cost. Fiber cost reduced as of 2026 by supply with own wood
- Eukaliner® White cost on average 10% higher than Eukaliner®

lower cash cost compared to Klabin's current cost



1 - Cost in real terms without SG&A; 2 - The maintenance stoppage of the Monte Alegre unit in 2020 was reduced due to the pandemic. For better comparability of the numbers the cost was adjusted considering a normalized maintenance stop

2nd Machine

From Kraftliner to Coated board



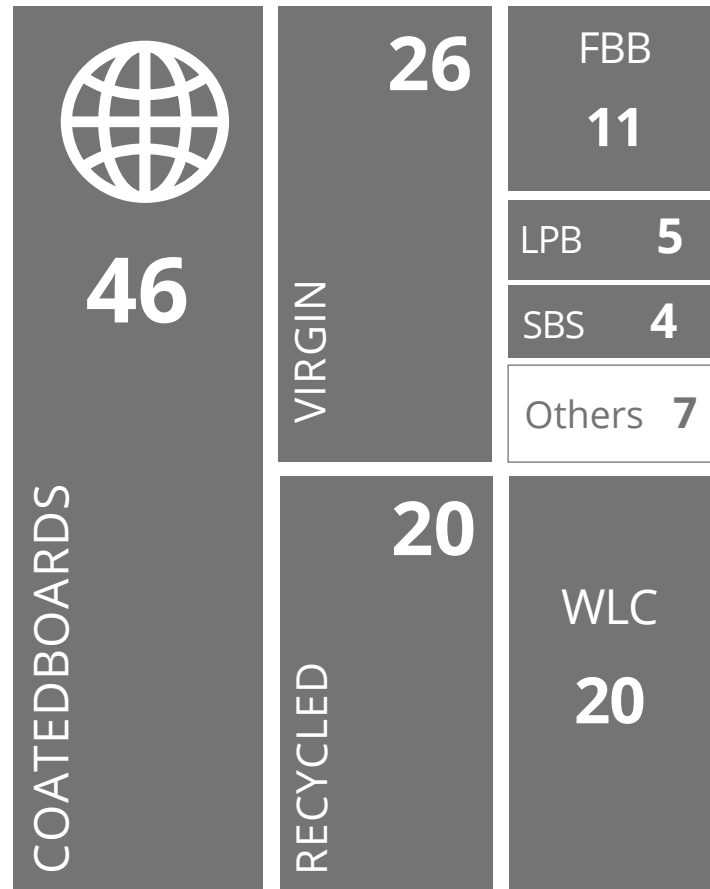
→ Coated board Market Worldwide

Strong growth expected in the main markets served by MP 28



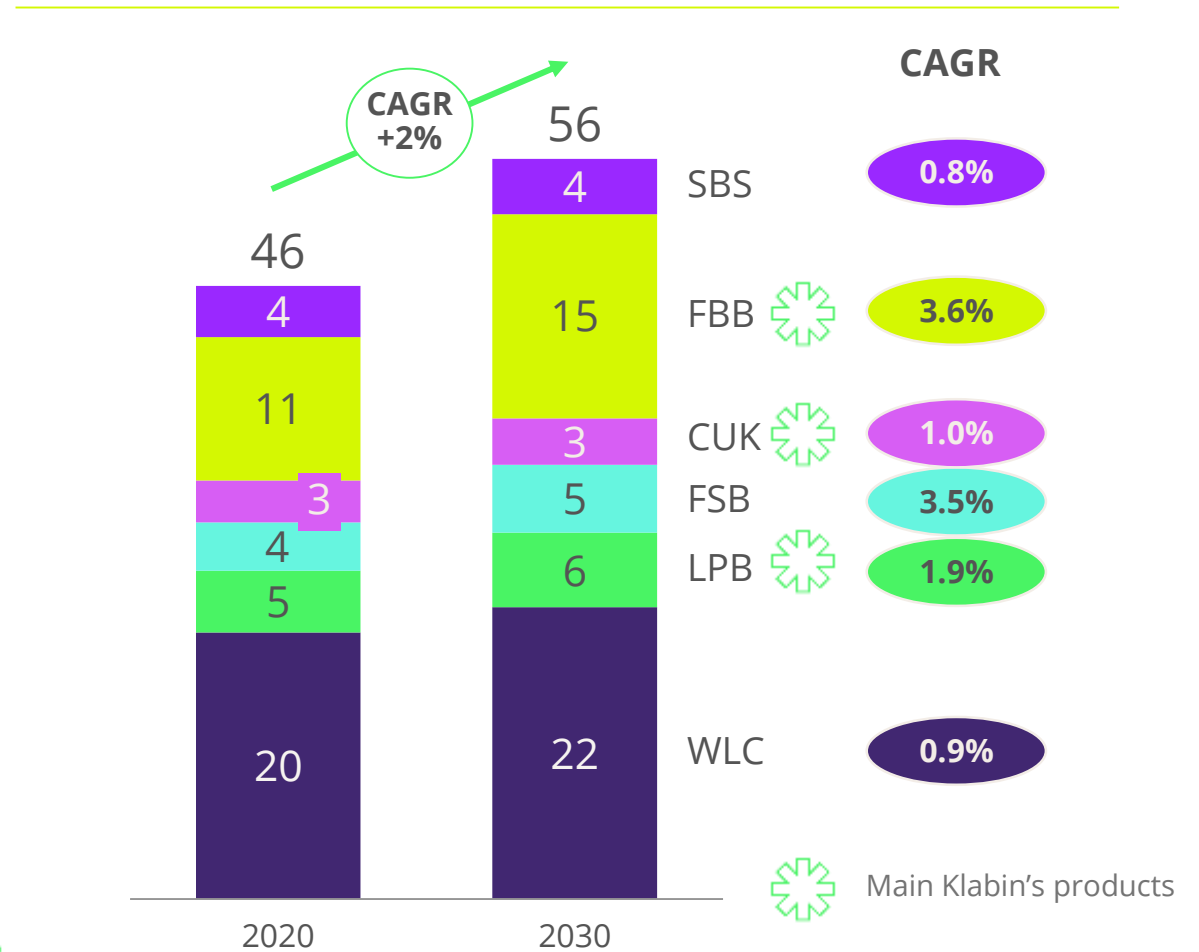
Fiber and Paper Breakdown

Millions Ton (2020)



Growth Projection

Million Ton



Source: ÄFRY e Jay Partners; SBS: Solid Bleached Sulphate; FBB: Folding Box Board; CUK: Coated Unbleached Kraft; FSB: Food Service Board; LPB: Liquid Packaging Board; WLC: White-Lined Chipboard

→ Coated board Market Growth Drivers

Several drivers support the strong growth expected for the coated board demand



Income increase



Urbanization, speed and praticity

Trend of increased consumption through delivery and to go food



Substitution of single-use plastic

Coated board as the main beneficiary of the movement to replace the use of plastic



Renewable and premium packaging

Growing concern with the consumption of sustainable products



Packaging as a marketing tool

First contact point between the client and the brand



Legislation

Recycled paper banned for use in food boxes

Coated board market requires more technology, processes and technical approval



LPB (Liquid Packaging Board): used in liquid packaging



FBB (Folding Boxboard): used in food packaging

→ High-quality virgin fiber coated board gaining market share

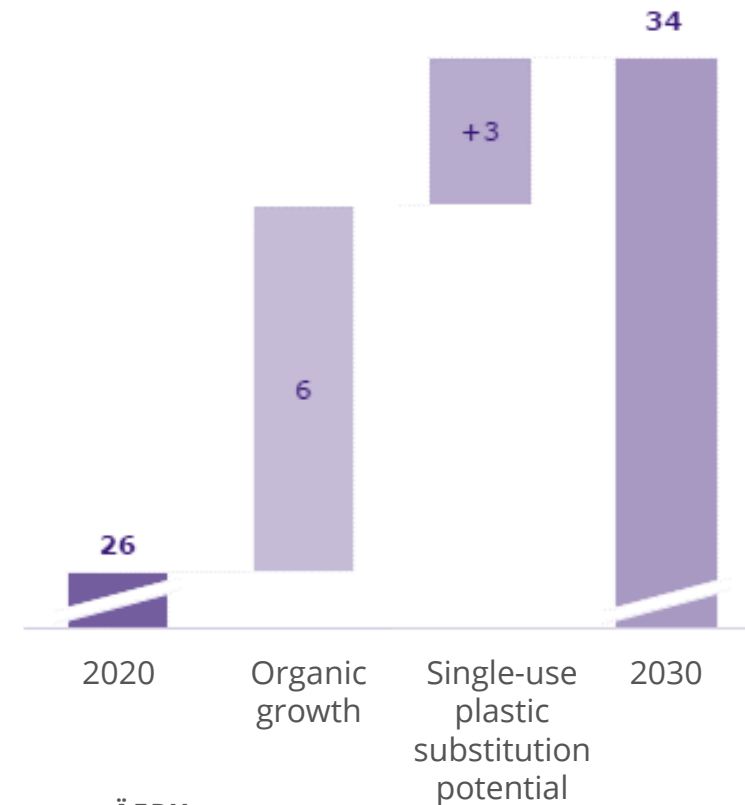
High potential for single-use plastic substitution

Several single-use plastic alternative ads



Single-use plastic substitution potential for global coated board demand

Only virgin fibers (Million ton)



Source: ÄFRY

→ 2nd Machine

Flexibility to produce Coated board and/or Kraftliner with higher value creation



PM 28

Capacity: **460** thousand ton/year¹

Type: Coated board (LPB²/Folding/Carrierboard) and/or Kraftliner

Possibility to produce white coated board without considerable modifications in the unit

Medium/High Grammage (150 to 350 g/m²)

*** STARTUP**
(2nd quarter of 2023)

2023

2024

2025

2026
onward

Production Ramp-up: 50%³
(% over capacity)

75%

95%

100%

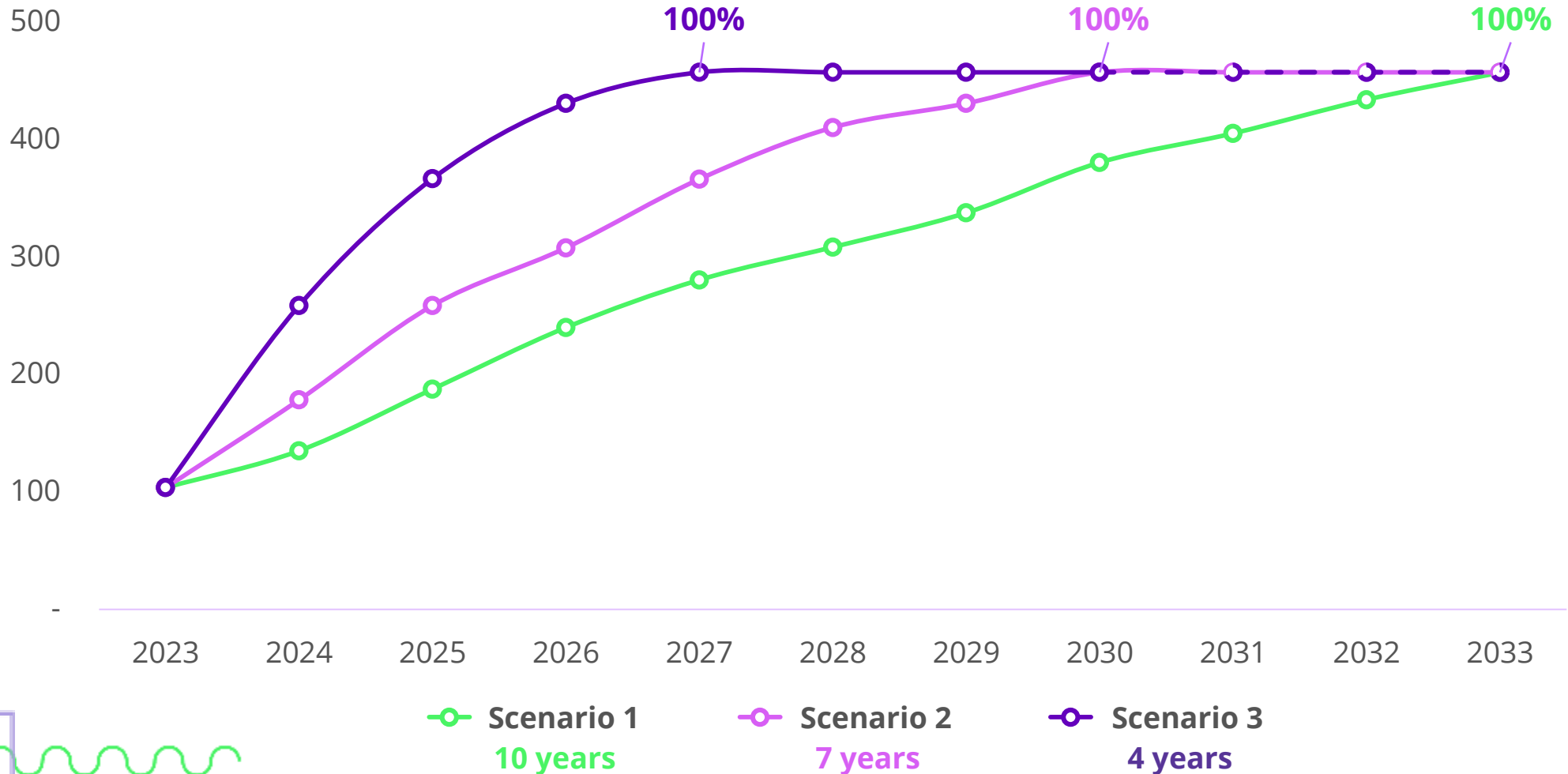


1 - Production capacity does not consider creep capacity; 2 - LPB: Liquid Packaging Board; 3 - Production of 50% of capacity is associated with the partial year of production given start-up in the second quarter of 2023

→ Incremental Coated Board Production Scenarios

Coated board flexibility production ramp-up depending on market conditions

Annual production (thousand ton)



(Term to reach total coated board production capacity)

→ Coated board Cash Cost

High competitiveness and production cost efficiency



Global Cash Cost Curve Coated board

MP 28: estimated cash cost

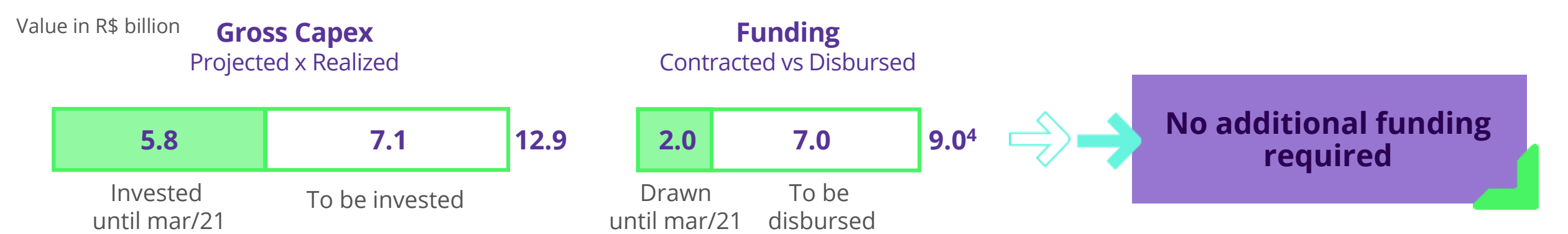
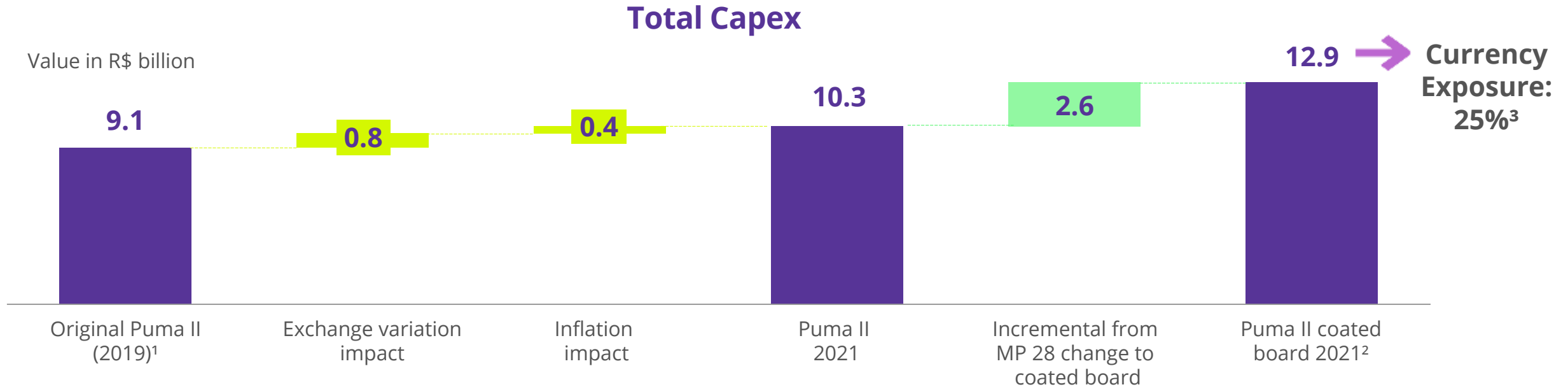


PUMA II Project



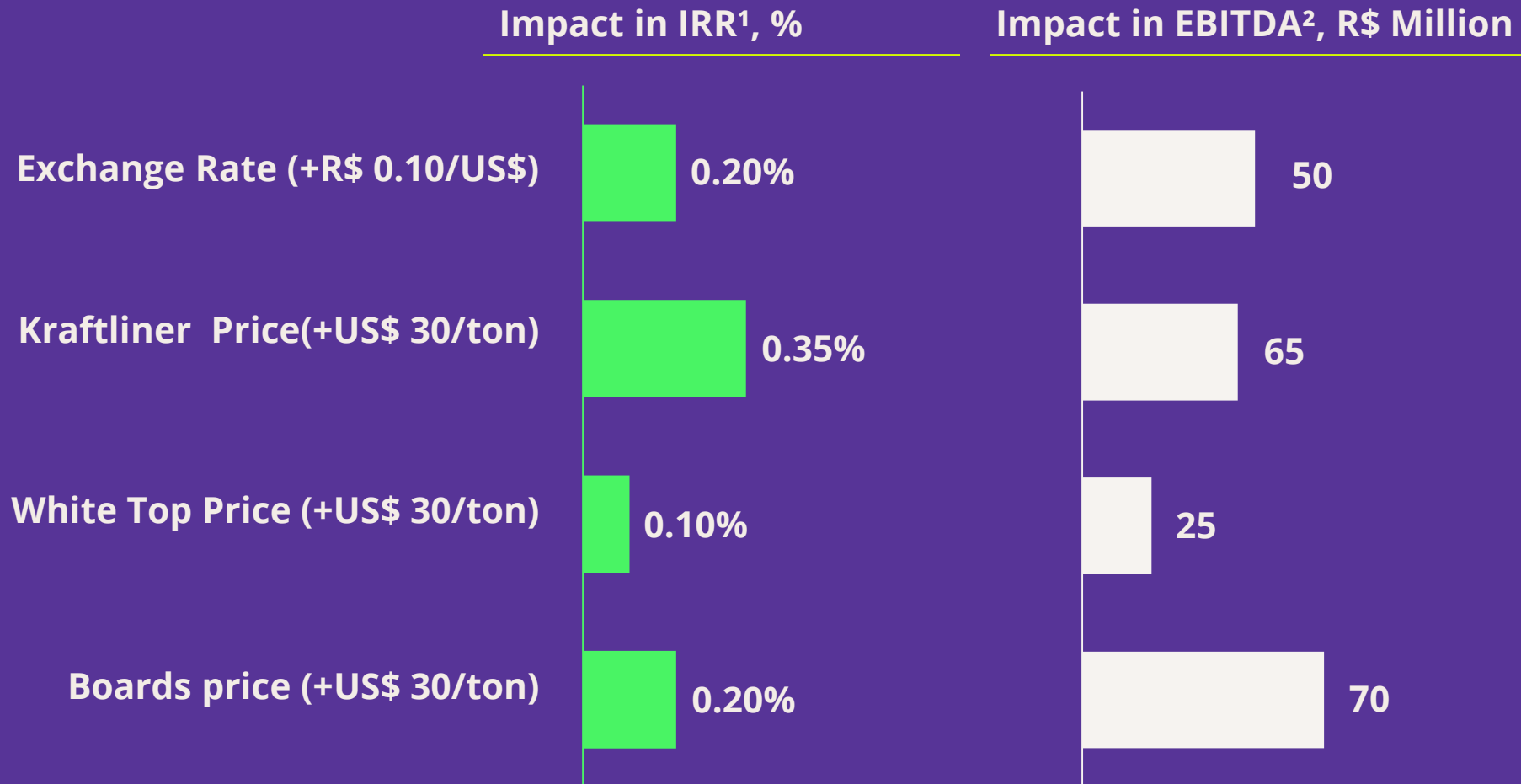
→ Investments & Resource Sources

Current cash position and cash generation from current business will be the main sources of funds



1 - Original Capex in real terms base 2019 at RS\$/US\$ 3.66 readjusted to 2021 basis at RS\$/US\$ 4.90; 2 - Of this amount around R\$ 1.2 billion refers to tax credits; 3 - Referring to the complete project; 4 - Financing from BNDES (R\$ 3.0 bn), FINNVERA (R\$ 1.3 bn) and IDB INVEST/IFC/JICA (R\$ 4.2 bn) considering the US\$/R\$ rate at the end of the period.

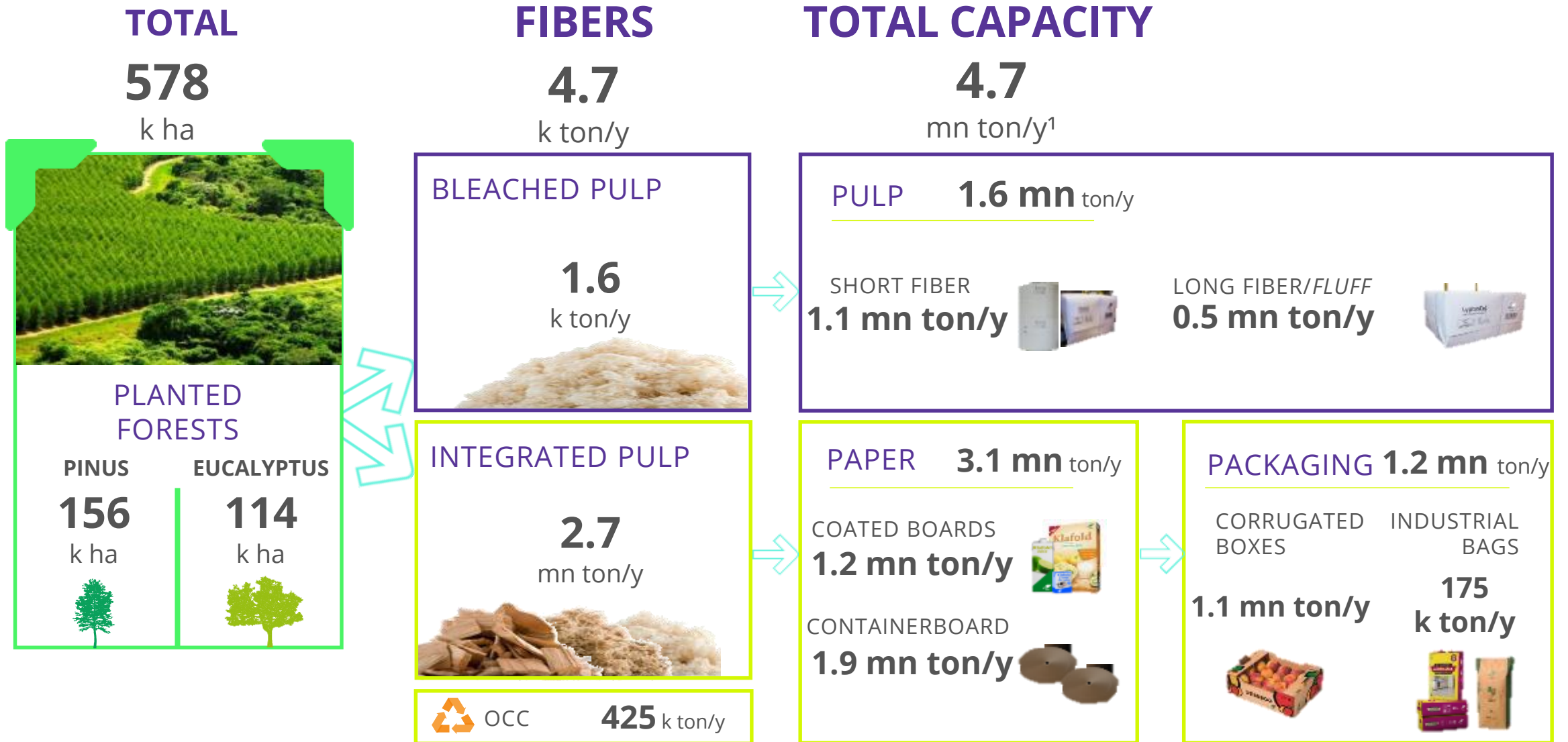
→ Sensitivity Analysis (PM 27 + PM 28)



1 - IRR refers to the whole project; 2 - Considering total capacity of the two machines without creep capacity, 1st machine producing 80% kraftliner and 20% White Top Liner and the 2nd machine with 100% of the coated board production volume and exchange rate of R\$ 4.93/US\$

→ Klabin after Puma II

Growth with the maintenance of the integrated, diversified and flexible business model



1 - The total capacity of 4.7 million tons per year considers 1.6 million tons of pulp and 3.1 million ton of paper, with all paper production sold to the market. With an integrated model, Klabin uses part of this paper for conversion into packaging

→ Puma II Project

Project reinforces the Company's unique attributes

Value Creation

2nd Machine with coated board production ensures **growth** with greater **value creation** to shareholders

Innovation

Advances in **biobarriers** application for new uses of coated board and **Eukaliner®**, the world's first kraftliner produced with 100% eucalyptus fiber

Sustainability

Less land needed, **substitute products for single-use plastic**, reduced water consumption and energy from **renewable** sources

Resilience

Diversified product portfolio and integration ensures **flexibility** and less volatility of results



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