



**International Conference Call
Klabin S/A (KLBN11)
1Q25 Earnings Results
May 8th, 2025**

Operator: Good morning and welcome to Klabin's conference call.

At this time, all participants are in a listen-only mode. Later, we will conduct a question-and-answer session, and instructions will be given at that time. We kindly ask that, for the benefit of time, each analyst asks a maximum of two questions. As a reminder, this conference call is being recorded, and the presentation will be in Portuguese with simultaneous translation into English.

All participants will be able to choose which language they wish to hear by clicking on the interpretation button and the language of the presentation by clicking on Portuguese presentation screen located above.

I'd like to make a brief announcement for those participants following us in English.

This conference is being conducted originally in Portuguese. To switch, please press the interpretation button on the platform and then select the English language. For English presentation, click on the top to view English presentation screen.

Any statements eventually made during this conference call in connection with Klabin's business outlook, projections, operating and financial targets, and potential growth should be understood as merely forecasts based on the Company's management expectations in relation to the future of Klabin.

Such expectations are highly dependent on market conditions, on Brazil's overall economic performance and on industry and international market behavior and are therefore subject to change.

With us here today are Mr. Cristiano Teixeira, CEO, Marcos Ivo, CFO and IRO, and the other Company's officers. Initially, Mr. Cristiano and Mr. Ivo will comment on the Company's performance during the 1Q of 2025. After that, the officers will be available to answer any questions that you may ask.

Now, I'll turn the floor over to Mr. Cristiano. Please go ahead.

Cristiano Teixeira:

Thank you. Welcome to our conference call discussing the 1Q of 2025.

Starting with comments about our operating performance, on slide three, we see total sales of 906,000 tons, 38% in pulp, 34% in papers, and 28% in packaging. These numbers, as I was talking in the past, recently, when this becomes a routine in terms of volume, it's going to be similar to a third for each category. You're going to see on the new slides that I brought that looking at Klabin annually, it has more of these feature of one third, one third, one third, and here seasonally, we have a period with a volume of packaging in the 1Q that tends to be below the average for the year when the peak is reached mostly in the second and 3Qs.

But going back to our performance, I'd like to point at the conversion level, the integration actually that we have with containerboard papers of 860. I always say that this number depends on the international price for papers. This is the way we found to demonstrate to you our flexibility, being able to operate both in our packaging department and industrial bags with a conversion and corrugated boxes and industrial bags in the sense of integrating more papers, depending on the cost and benefit of international markets, international prices.

Another interesting point is that in the segments that we call as market paper, the coated boards and Kraftliners, this trend of the volume of coated boards always with the impact of paper machine 28, the trend is for us to see a higher volume of coated board in the future, precisely with those contracts that as soon as they are implemented and the products are registered and approved and the machines ramp up curve, we always say that the Capex has been done and now we're in a process of increasing a bit of this volume with the ramp-up. And once it happens, until we reach the Company's normal levels, the trend is for the volume of coated boards to increase compared to the volume of Kraftliner, at least in this operational slide.

Now, talking about the result EBITDA here, what's interesting is that paper and packaging represent 63%, pulp 37%. Paper is very important, and in this slide, in this pie chart specifically, in the pulp results, I'd like to point to the performance of fluff that is already responding to a third of our pulp results. It represents 12% in volume of pulp, but 30% in our results considering that we have long fiber and can access markets with high added value – and I'll talk a little bit more about this in some of the other slides that I brought you that are new to some of you.

So moving on to slide number four, here we see the breakdown, and visually, we understand that we've been provoking a change in the way we communicate with you, but always doing this very cautiously, first talking a little bit more about operating performance. The slide three replaced that opening speech and we brought it in a more visual way so that it is easy for you to deal with these numbers. But when we look at slide four, an evolution of this new way of communicating with you, again, and always referring to how we do it cautiously so that we can have better and better communication, but on slide four, we remind you of the products that we operate in each segment, so bringing here our partner brands, where we're very honored and proud to disclose.

So on short fiber, we usually have our main clients, but we may also bring the focus in the product diversification and we're going to evolve this presentation to also show you innovations. But looking at the logos of the short fiber products, the brands that we supply, and just for curiosity, for example, on Kleenex tissues, in addition to short fiber in the product, there's also the presence of coated boards that's also made by Klabin in this reference.

And Fluff, the main reference, is the major brand, especially long fiber products. The diversity of this product is incredible, considering how easy it is to operate with a product with higher added value in the Fluff segment. So here we make this reference to the high performance of our fibers, and we're going to bring you market share information always interacting very transparently.

50% of the fluff market share in Brazil – we'll always provide the market share of the Brazilian market here –, long-term partnerships with strategic partners, we're always seeking and working on long-term contracts. What makes us stand out is the fact that long fiber can be a one-stop shop for hygiene products where we are able to provide long fiber and short fiber in our products. The presence in premium segments, again, pointing at the long fiber side, noting that strategically last year we concluded the acquisition of a plot for long fiber here in Brazil that increased our productivity in our product portfolio and approved already, as I mentioned, in the main global brands.

Now moving to slide five, I show you some reference of our coated boards on the top. We always mention the wide portfolio that we could have. Coated boards are a very diverse product in terms of products on shelves. These are some of the main ones here and obviously our containerboard as well, which is a very dynamic product in the market. We supply manufacturers of corrugated boxes in Brazil and in the world, but not only that, Kraftliner today has other uses as well, and Klabin has been present in more than 50 years in various markets in Brazil and the world, providing raw material to converters around the world.

This is a reference to our position and always in premium markets, our market share in the local coated board market is 40%, our market share is close to 60% in Kraftliner. The fact that we also have virgin fiber with a share of long fiber allows us to participate in products such as products for beverage, beer, milk that have a huge differential due to the long fiber. We are strongly associated with the food and beverage industry with a portfolio that is always in constant growth and also in long-term partnerships.

Finally, in my first moment here with you on slide six, I also show you our packaging units, our packaging units with industrial bags and corrugated boxes. First, industrial bags with clients with whom we have great partnerships and the development of bags and a lot of development with our clients, important developments that as we bring you more information also in terms of innovation, this will be clearer.

And in corrugated boxes, this diversity that you see here in the sector that you all know, in part, playing the role of transporting products to supermarkets, but now more and more also with that brand component, Klabin is part of the solution of

bringing Kraftliner paper with a higher printing quality and the product being increasingly more present in shelves as well.

Here, the highlights, one of the biggest producers of industrial bags in the world. That's how we're referenced, our benchmark as a manufacturer was 50% of market share here in Brazil, 22% of market share for corrugated boxes, noting that in our other papers business unit, containerboard, we also sell to our competitors. We are positioned in exporting resilient sectors, always tied to food and beverage or civil construction. We have a very diverse client portfolio. The share of one client in our client is managed, and we always address that in a very organized way where one client cannot have a single very important effect at Klabin. So that's something that we have been following for many years. Recognized quality and service level, we have a lot of packaging systems and in the area of fruits, for example, and tobacco and others where we have equipment placed at our clients' factories providing the full service making the final package with equipment owned by Klabin.

And finally, a strong presence in e-commerce, especially the two main e-commerce players in Brazil. Klabin has a huge representativeness in corrugated boxes.

So now I'll turn the floor to Marcos Ivo, and I'll come back in a second for us to conclude this first step.

Marcos Ivo:

Thank you, Cristiano. Good morning, everyone. On page seven, on slide seven, I'll give you more details for the results of the quarter. The sales volume was of 906,000 tons in the period, a decrease by 2% compared to the 1Q24. This reduction is explained by lower production volume due to one-off events for maintenance already addressed and resolved. I highlight that the plants are operating as usual, including with all the CONTAINERBOARD machines in production, as highlighted in our earnings release.

Net revenue in the 1Q of the year reached R\$ 4.9 billion, up 10% from the same period last year. This increase was driven by higher prices for Kraftliner and packaging, and by the depreciation of the real against the dollar, emphasizing the benefits of Klabin's business model at the various stages of the market.

The adjusted EBITDA reached R\$ 1.9 billion in the 1Q of the year, up 13% as compared to the same period in 2024, with an EBITDA margin of 38%, an increase of 1 p.p. as compared to the 1Q24.

Let's move on to slide 8. Total cash cost per ton was of R\$ 3,335 in the quarter. The cash cost of the period was affected by lower production volume. We continue working, we are confident in the production ramp up for Puma 2 and in our initiatives toward cost optimization. We emphasize our commitment to the guidance for total cash cost per ton for 2025, according to the material fact announced on December 10th of last year.

Moving on to slide 9, Klabin ended the 1Q25 with net debt of R\$ 30.5 billion, a reduction of approximately R\$ 2.8 billion, as compared to the end of the 4Q24. This reduction is explained by the appreciation of the Real against the dollar, by receiving the first installment of the Plateau Project and a positive free cash flow in the 1Q.

The leverage measured by the net debt indicator over the adjusted EBITDA in dollars ended the quarter at 3.9 times, stable as compared to the 4Q24, and within the parameters established by the Company's financial indebtedness policy.

Let's move on to the next slide, slide 10. Klabin continues with strong liquidity, ending March at R\$ 9.3 billion in liquidity. The liquidity is comprised of R\$ 6.5 billion in cash and the remaining amount in undrawn revolving credit facility. We follow with a good debt profile, the average debt maturity at the end of the quarter was of 88 months, and the average cost of the debt in dollars of 5.7% per year.

Moving on to slide 11, Klabin delivered a sound positive free cash flow in the quarter at R\$ 409 million. This result shows the current situation of the Company, which is totally focused on the prediction ramp-up in Puma 2, in the discipline towards costs and Capex, and consequently generating free cash flow and deleveraging. In the last 12 months, the adjusted free cash flow totaled R\$ 3.6 billion, equivalent to a free cash flow yield of 14%.

Finally, slide 12, the shareholder remuneration in the last 12 months totaled R\$1,477 billion. This amount is equivalent to a dividend yield of 5.8%. I also highlight the approval on May 6th by the Board of Directors of dividends totaling R\$ 9 million that will be paid on May 22nd.

I give the floor back to Cristiano who will give further details on business trends.

Cristiano Teixeira:

Thank you. So now we move to our last slide on this first part, and then we'll move on to the Q&A.

I'd like to remind you again, this is a thermometer, a form that we intend to transmit here the best way possible and transparent with the market read and the performance that we expect from Klabin for the 2H25 compared to the 1Q25. So this first row where we have (what we call it) "market", it's a more neutral view from Klabin, simply looking at the market, understanding what the trends are and how we see the behavior.

This is not an explicit reference in terms of price or volume. It's a combination of both. It's simply the fact of how the market is being seen as the first row, the other two, sales volume and prices, then we do seek to provide a reference of Klabin's performance in the 2Q compared to the 1Q. So starting on the first row, how Klabin's sees the market and the short fiber, considering everything that we've been seeing, and especially bringing as the main reference in the sector China struggling to export

precisely as a result of the tariff policy implemented in these last 45-60 days should present some difficulty to export to the United States.

So how the Chinese market is going to behave if that's going to be consumed internally or exported to other markets around the world is the main question here. But right now we see a negative trend, the low part of neutrality as we see here compared to what we can see in this 1Q. So it's a trend of seeing a worsening in this market. That will obviously begin in China and whether or not this will contaminate other markets depends precisely on which way this tariff policy turns to. So there's little information, little visibility here for us to be able to discuss.

Now for fluff, the result is quite the opposite, but for the same reasons. Fluff, the main fluff exporter to the United States here, actually sorry, for China, is the United States and there will be difficulties due to the tariff policy. So, Klabin at this time and any other long fiber manufacturer in the world comes up as an alternative. So, there's a trend of improvement, especially in shipments to China. China is the main driver of the pulp market, without a doubt. As far as market consumption and the effects here are opposite.

Short fiber, since finished goods come out of China to the United States, we see a worse perspective than what we see today. But in terms of fluff, we see a better perspective, precisely because this product will have to go to China, and countries like Brazil will benefit from this.

Now on papers, specifically coated boards, we see it in neutrality. This is a market also analyzing this huge tariff policy effect. And in the short term, we don't see such an effect but probably if this continues, when we bring references in the 3Q, if the tariffs remain high, there will be an effect on coated boards, China itself will probably present coated boards with low added value. Due to worse technology, they're more commoditized and will be placed in other regions of the world to offset the lack of exports to the United States. And this effect carries more inertia than the short fiber pulp, but it's something we have to wait and see. Since Klabin is exposed to virgin fiber coated boards and making a reference of that higher added value, especially due to technology, in that case the effect may be positive for Klabin.

As for Kraftliner, here the main question is whether the United States is entering a recession or not. We see the shipment of corrugated boxes in the United States going down, and whether this will revert into Kraftliner exports, at least initially, this export volume hasn't happened as it used to happen normally. This used to be direct, there's a drop in corrugated boxes shipment in the United States. The Kraftliner price goes down around the world, but this is not as clear now. Especially considering production stoppages in containerboard in the United States. But definitely the American product will be placed in alternative markets to China, for example, continuing with the same comments that I was making, especially for pulp, of the products that the United States exports to China.

In packaging, also on this first row, for packaging, it's a very clear segment. The peak of consumption occurs in the transition from the 3Q to the 4Q, from between September and October, but it starts in the 2Q. The 1Q and the end of the 4Q are the lowest volumes. And the 2Q and 3Qs, especially the transition from the third to the fourth, is where we've reached peak consumption for the holidays at the end of the year in terms of corrugated boxes. So we see a better demand in the 2Q when compared to the first. And this is simply due to seasonality. Industrial bags, we see as neutral.

So I talked about this first row. I'll repeat myself and I apologize for repeating, but to make it clear, I was talking about the first row, market view, how we see the market, irrespective of Klabin. Now, well, I'll start talking about now, the second and third rows, I'm talking about Klabin's performance. So at Klabin, starting with short fiber pulp and sales volume, we tend to see a higher volume. So we get out of neutrality and start to see a volume increase compared to the 1Q. This is mainly due to shipment effects. The same reason for fluff, we tend to sell and ship more in the 2Q when compared to the first, simply because of operational aspects and our commitments with clients. The trend is to have a higher volume.

Coated boards is the same, Kraftliners the same. The only exception here that stays in neutrality, not a drop, but we see neutrality in the industrial bags compared to the 1Q. It's the only segment where we should sell the same, or similar shipment volume from the 1Q. So all other segments tend to see an increase in sales volume compared to do 1Q.

Now, on prices, aiming towards the end of my presentation, in the last roll of slide 13, we see neutrality at Klabin for short fiber. Noting that Klabin has a volume in which we can focus more on the domestic market and Europe with low exposure, in this case to China for short fiber. As for fluff, we see an improvement in terms of price at Klabin where the backorder or backlog will be of prices slightly worse, get out of Klabin and, we start getting into the better prices. So we see an improvement at Klabin.

Coated boards, the majority of our clients are in contracts. So we also see it remaining neutral. The prices are more stable in the Company in the long term. Kraftliner, based on that comment that I made of where we see the United States placing an additional, an excess of paper that they no longer export to China, and at Klabin, since we work with a low backorder, we should probably start feeling an effect in terms of price of those shipments that will have an effect on the average price per Klabin as well, at least at that moment.

Corrugated boxes, large contracts, some of them expiring the contract, there's a slight improvement in the 2H compared to the first, but these are already contracts already signed with our clients. And industrial bags, with the mix, we see it slightly below neutrality. Some downward trend compared to the 1Q, a lot more due to mixed rather than the drop on product price. Quite the opposite. We have been able to place it as the main benchmark, but on the other hand, that also includes industrial bags.

We've been able to add the inflation, include the inflation to our prices, specifically on corrugated boxes. For some years now, I would like you to please look into this, the price in US dollars of corrugated boxes in recent years, and the price makeup has been showing a very positive behavior, and this is in line.

If we were to analyze it strategically, this is in line with what we're being seen in consolidation of the sector, noting that we had consolidation of international paper and in the past by Klabin, in the recent past there's also consolidation of Westrock and Smurfit more recently. The market has been consolidating, and the dollar price of corrugated boxes have been more competitive in Brazil compared to other periods that we saw in the past. And the recomposition of price above the inflation has been seen.

So we've been able to gain market share and convert most of our papers, showing stability, just as in the coated boards, the price stability at Klabin.

So, with this, I conclude the fourth part, and we'll move on to the Q&A. Thank you very much.

Question and Answer Session

Operator: Ladies and gentlemen, we'll begin the questions and answers session. In order to ask a question, please click on *Raise Hand*. To withdraw your question from the queue, please click on *Lower Hand*.

Rafael Barcelos, Bradesco BBI: Good morning. Thank you for taking my questions. My first question is to Cristiano. I'd like to hear your view about the Company's operational moment. If you could talk a little bit more about the non-recurring maintenance stoppage at the pulp operation, especially how much you expect in terms of production for the year.

And still talking about operating performance, what's your assessment of the paper machine 28 and its performance? And here specifically, I'd like to understand about the production mix for PM 28, as you see it for the year, especially the volume of coated boards, how much we should expect, considering the market challenges that you addressed about the increase of Chinese exports and so on. So that's my first question.

My second question is more on corrugated boxes, aimed towards Douglas. It caught my attention that in the market thermometer in your presentation, you say the demand is neutral, but when we look at compared to the dashboard of last quarter, it seems that the demand expectation improved a little bit. So, Douglas, if you can tell us a little bit more about this environment of higher interest rates, whether or not it affects your order portfolio and how you feel the client sentiment and this reading that the perception has improved or not, if I'm right or if it's more a seasonable thing.

And finally, if it's possible, Cristiano was talking briefly now about this price recomposition, but there was also over past years a margin recomposition as well in the corrugated boxes industry. So if you can talk about the dynamic of the OCC, that would be good for us to understand profitability. Thank you.

Cristiano Teixeira: Thank you, Rafael. Douglas is on standby here, but I'll start answering your first question. So in operational terms, we have a good expectation for the year, despite issues that we had at the beginning of the year. So we see 200,000 tons of total production in Klabin in 2025 compared to 2024. So the perspective is positive, the outlook is positive.

The one-off issues occur, and this is not restricted to Klabin. You know the industry quite well. The complex sites, I'd like to remind you that we have a plant that's one of the most complex in the world in Ortigueira. It's a plant that has a reputation of being one of the most complex in the world, in all products that they operate, but it does bring difficulties in the beginning, especially when operating a machine as complex as PM28.

This is not structural, this is solved. Those were temporary issues and so much so that you saw on Marco's presentation when he talks about the pursuit of the cash cost guidance of the year remaining the same. We shall continue to pursue this and at the end of the year will deliver the reference of cash costs between R\$ 3.100-3.200, exceeding what we saw in the 1Q, especially in particular due to this operational issues that are sorted and solved throughout the year. So we'll have a good year in terms of operations with 200,000 tons at Klabin, more than what we saw in 2024.

Paper machine 28's performance is going well. The machine is a high-tech machine. For coated boards, it's the machine with the highest number of sensors, not only owned by Klabin, but it's a worldwide reference. It's a very modern machine prepared to make the highest technology product, as you know, in liquid packaging. That's the high-end in our industry. The machine continues along with the transition. We started with container boards in this machine and we're working on the transition for coated board, once it gets approved, there's no concern here, quite the opposite. Klabin is a robust Company, a Company that today, if we look at decades, is much more robust and diverse considering our product portfolio, white coated boards, brown coated boards, we're approved in the main brands of the world in all of our products. Klabin presents itself as a very robust Company in terms of operations, cash costs increasingly more competitive, and with an increasingly better vision is transmitted to you so that you can do your math.

And so, it's a positive operational moment for Klabin right now. I'll turn the floor to Douglas, and he will talk about corrugated boxes.

Douglas Dalmasi: Thank you, Cris. Rafael, good morning. I'll take a step back and talk a little bit about 2024 to put 2025 into context. So 2024, the market grew a lot in square meters, more than 5%, and we grew more than 6%. We gained market share at Klabin. So how do we see 2025? We're coming from a market with a high level of

consumption, the year began more stable with a slight drop in the first two months, but in March, we already saw growth in the market – and we're talking about Empapel –, was stable, closed the 1Q stable, which is a very good indication because last year there was a very high level of growth compared to 2023.

Klabin in this 1Q was able to, with the portfolio, to see an increase in market share. We grew more than the market. As the market remained stable, as I said, we grew 1.6. And how do we see price? Well, price, we've been able to include the inflation and recompose the margin as well, as has been happening in recent years. So the weakest quarter of the year, stable market, it's growing more, and we went through this weakest moment quite well.

The coming quarters, the coming months and the year, with Brazil with low unemployment rates, we don't anticipate any issues, any problems. Quite the opposite, the next quarters are stronger, and we see a very good year ahead of us. So with the continuity of passing through prices above inflation, and the market in coming quarters stronger than the 1Q, and Klabin gaining market share. So we see 2025 as a very good year for packaging.

Rafael Barcelos: Excellent. Thank you.

Tathiane Candini, JP Morgan: Good morning. Thank you for taking my questions. The first question is just a follow-up from the previous question when we talk about operational stability and pulp. Obviously, we understand those abilities are recurring, and they may occur at a given quarter, but they're a bit more expressive in the 1Q. If I'm not mistaken, there was a maintenance stoppage at the end of the year. It's about that machine. Is there any advance of this maintenance stoppage thinking about this higher stability in the 1Q or was it actually solved, and the schedules maintained?

And the second question is about leverage. We saw a significant reduction of the Company's leverage this quarter and I'd like to understand, I think it's something that we discussed extensively in our last conversation last quarter, but I'd like to understand whether there's any change in your positioning in terms of new investments or which parameters you're monitoring or if the view remains of thinking of more investment starting as of 2027. Thank you.

Cristiano Teixeira: Thank you, Tathiane. No, there's no reason to anticipate or advance any stoppage. Quite the opposite, the planning remains normal, the production curve is unfolding, and this is not restricted to Klabin. But there's nothing structural, no concerns, and there will be no change in our plan. There's no reason for that.

As for the Capex allocation or capital allocation view, new investments, nothing's going to change. We'll remain in this line of deleveraging, very confident with the free cash flow that we'll generate in the next 18, 24, 36 months. There will be robust cash generations at Klabin and free cash flow and deleverage will happen precisely due to that. So there's no change in the Company's view.

Tathiane Candini: Thank you.

Daniel Sasson, Itaú BBA: Thank you, everyone. Good morning. My first question is for Nicolini. He's quiet today. Nicolini, we've seen in recent weeks a very important movement among the producers of pulp, divulging drops in the prices, especially in the resale market for pulp below US\$500. If you could comment on the dynamics you've seen, and especially if you think that the lower volumes for the prices of pulp, the 550 for example mentioned by some producers or the 500 on resale, if that would be enough to stimulate this comeback of the demand, especially from China. I think that's an important point. Or if you think that the problem is larger due to the uncertainties of what will happen to the production levels in China due to trade war and not so much related to affordability. So I think that would be interesting.

And my second question, you have already talked about the paper machine 28 and the expectation of converting Kraftliner to coated boards. Cris, if you could just remind us what is missing to ratify with the main clients or with your main one. I think that the expectation was to have this already happened or we used a curve for the shift of coated boards that you gave in 2023-2024, there was a speeding up of the process, it might take more time.

I want to better understand today how confident you are in terms of this migration to be done as fast as possible for a high value-added product. Thank you everyone.

Cristiano Teixeira: Thank you Sasson. Nico is quiet because nobody had asked him any questions, but he's right beside me. He will answer. I'll come back for the second question.

Alexandre Nicolini: Good morning, Sasson. Thank you for your question. Like Cristiano said, it is a challenging moment. We have to be cautious due to China and all the circumstances of tariffs. However, the price adjustment made by a Latin American producer in April helped to have volumes for that month to flow better than what happened in March.

In terms of resale, I have already said that here, the volume in resale is very low. It could even be used as a benchmark, but it is a low volume as compared to the volume that comes from the market.

Talking about prices in the short term, we don't see an abrupt drop as we've seen, not below US\$500 for example, and for some reasons, one of which is what involves the long fiber price, and the price levels in China for long fiber price levels that don't bring margins for Nordic manufacturers or Canadian ones that should limit or set a basis for what has already been known, and we have seen this in recent years.

If the price of the long fiber drops more than what we expect, and we don't see this happening right now, it will cause like the closure of some capacity, we've seen a Nordic manufacturer announcing a downtime of five weeks for maintenance and to

remove market volume, especially because the current prices do not bring specific margin for this producer who has a new plant that is very competitive.

Another important point, in spite of the marginal cost of production in China being below US\$500 today, it is valid for producers with new machinery. Those with old machinery still have a margin manufacturing cost above US\$500. If the prices reach this level, producers will be integrated and will start consuming the market pulp and not their own pulp.

So this is a challenging scenario that we need to be more cautious, but we don't see a more abrupt drop than what we've seen.

Daniel Sasson: Thank you Nico. I'm sorry for the follow-up. A much more abrupt drop, do you mean the 550 price announced by the competitors in Latin America or 500 of the resale?

Alexandre Nicolini: 500 of the resale.

Daniel Sasson: Thank you, Nico.

Cristiano Teixeira: Sasson, as regards paper machine 28, I will answer in the following way: We are within our business plan that was presented to you of the ramp up and the ratification of the machine. What happened was that we had an expectation at some point of an improvement. Let me remind you, and this was not only Klabin's direction, I guess all markets, especially the American one had a change in expectations for the beer volume after the pandemic. So there was a higher expectation between the business plan and this expectation that we created. And we signaled that it could be an improvement.

What we are saying here is that we're going back to the business plan level. So the improvement between now and the business plan, we might not be able to deliver, but we will deliver the business plan for the machine ramp up. In terms of the ratification of the products, we have a number of products ratified in coated boards in paper machine 28, a lot of new things. We will bring for our next meeting and our next call, we will show you innovation, we have many innovations to be shown as of paper machine 28.

And yes, we do have products that are more difficult to ratify. This level of ratification difficulty and of demands from our clients is what makes Klabin a differentiated Company for over 40 years, working with liquid packaging, for example. This is what makes this product difficult for new manufacturers to enter the market. It is restricted to very few manufacturers in the world and Klabin is definitely one of the main ones.

The partnership with the clients continues to be very good with recent trips of the top management of Klabin and the top management of these companies and the ratification is going well, with a high level of demand and this is the differentiator of Klabin as compared to others in the near future.

Daniel Sasson: Perfect, Cris, thank you so much.

Caio Ribeiro, Bank of America: Good morning, everyone. Thank you for the opportunity. My first question is about the fluff market. I would like to further explore the tariff effects that were announced by China against the US, considering that a good part of the fluff capacity is in the US and China imports a considerable volume of fluff. And you mentioned that there is fluff from Latin America that is benefiting from that. Do you see any effect that could be reflected on growing premiums in the local price of fluff in Latin America as compared to short fiber? What would be the impact in decisions of product mix of fluff as compared to long fiber this year? That is the first question.

And the second one, exploring a little bit more the deleveraging and the capital allocation of the Company, I understand the focus today is the deleveraging, but also if you could give us more details in relation to the level of deleveraging you expect to reach before you consider a future expansion, what would be the timing for that, that you would reach this level? And is anything going to change for the products that you believe are more attractive in terms of their expansion vis-à-vis the tariff scenario that has changed many of the products that you have exposure? Thank you.

Cristiano Teixeira: Thank you, Caio. I'll start with Nico.

Alexandre Nicolini: Good morning, Caio. Thank you for your question. Like Cristiano mentioned in his presentation, 80% of the fluff production is in North America, so obviously there is an immediate impact in exports of those countries, both the US and Canada, to China, so that has leveraged the sales of fluff from other producers in Brazil and in other geographies, in Europe for example.

This movement is not restricted to China solely. The issues that involve tariffs for other geographies, like Europe, are not very clear. So many of these producers of sanitary pads are looking for alternatives not only focusing on Americans and this is reflected on price increases that started in the midst 2024 until this month of April and the trend is a positive one considering price increases.

This has not been reflected in our quarters yet due to the carryovers we've already mentioned previously, but it will be reflected not only as of the 2Q, but also the 3Q of this year. So the expectation continues to be good. It is a market that has proven to be very resilient in recent years. Considering the capacity, we are at the limit of our mix between fluff and long fiber in bales. The flexibility we have and we always emphasize is the fact that we can allocate volumes in the best way possible. Those volumes that are not contracted to make the operation increasingly more profitable.

Cristiano Teixeira: Thank you, Nico. Caio, in relation to the deleveraging, that is a fact. We have our indebtedness policy, Klabin has, and you will see greater consistency, both in giving guidance and in following them, and the policy, obviously, is the greatest reference of cycles that you can see in the future. It has just been

reviewed, and with that Klabin is stretching this time for us, ensuring greater governance in the Company.

In terms of the future, we continue with a deleveraging view in the horizon of 18 to 24 months and when we reach that at a safe level in complying with our policy, we obviously will bring investments for the Board of Directors. Reminding you that Klabin is competitive with all the products that it manufactures, but definitely maybe the greatest reference that we might bring, and that is aligned right now. It's not just timely, because we've been talking about that for some time. We firmly believe in long fiber, in acquiring assets of long fiber. Klabin ratifies what we've been talking about for a long time now. We are a different Company from any other Company in Latin America due to the capacity of manufacturing products of high complex portfolio, especially with a long fiber, and fluff together with LPB is maybe the other main references due to the fact that you can have long fiber, and more specifically, fluff is our vision of a future investment cycle in Klabin, and at the moment, obviously, calls greater attention for this product.

Klabin is a Company with great competitiveness in cash cost maybe, considering fluff the more competitive one with high value-added products and ratified with the main brands worldwide with a premium on short fiber that is a record and has stabilized at a higher level. Therefore yes, we believe in the premium of long fiber over short fiber. We believe in the development of pinus, especially in the region where we operate. Very little chance right now, I could say almost none, of developing pine outside our region and we have acquired a great area, a volume of area for pine and this reinforces the interest in investing in it in the future.

Therefore, view from 18 to 24 months to deleverage, always complying with our indebtedness policy and looking at our strategic view. Yes, we ready, and when time comes, we will bring proposals to the Board of Directors for investment in fluff and long fiber fluff exclusively in the south of Brazil.

Caio Ribeiro: Excellent. Thank you, Cristiano and Nico. Very clear.

Caio Greiner, UBS: Hello, good morning. Thank you. I have two questions. First, about the timber sales that you made. We noticed that it went up this quarter. So if you could talk a little bit more about the strategy. We understand that this is related to the acquisition of the excess assets of Caetê, but if you could talk a little bit more about what we can expect in coming quarters, if it's a reasonable level that will be maintained, and you can talk about the margin burn that you're having in the sales as well, that would be very helpful.

Second question about coated boards, and we can bring Soares to the discussion. I know Cristiano talked about at the beginning of the call about weak demand, but the release specifically also addressed the entry of imports of coated boards from China. So if you could talk a little bit more about this. What product lines are you seeing coming in? At what price range? If we understand the global dynamics, and we're seeing a little bit more exports and probably will see more exports from China, but

we also always heard that the Chinese products would not necessarily compete with Klabin's products.

I don't know if this perception was mistaken, so I'd like to hear a little bit more from you, and overall, whether you see this as a concern, when we start to hear about imports increasing coming from China, since we also see other industries, it kind of starts to shine a red light. So I'd like to understand or hear from you about this.

Cristiano Teixeira: Thank you, Caio. So we'll start with Marcos Ivo, and followed by Soares.

Marcos Ivo: Caio, so timber sales were always a part of Klabin's operations. Naturally, this volume goes up or down depending on the availability of timber that we have with that assortment, that piece of timber, that part of timber that Klabin doesn't use and sell to third parties. On your next question, you already included an important element of the answer. The forestry expansion process that Klabin had in Paraná and also Santa Catarina – in Paraná the highlight is the Arauco asset acquisition – naturally increased their self-sufficiency. And as a result, that increases the volume of timber that Klabin has at hand to sell to third parties.

So it's inherent, this timber sale is not linear because it depends on the forest that you're cutting, the farm that you're cutting may have more or less timber the diameter to be sold to third parties. We can have a good visibility of that for the year, naturally, because we have the forestry plan, that's always considering six to nine months ahead. So looking at the year 2025 on average, we should see the same volume of sales/revenue with timber sold to third parties throughout the quarters of this year as we had in the 1Q25.

Now, in terms of margin, we do not disclose the margin of this product, but clearly its EBITDA margin is higher than Klabin's average because of the nature of the product. And now I'll turn to Soares.

José Soares: Good morning, Caio. Thank you for your question. So talking about demand, the 1Q in seasonal terms tends to be weaker in coated boards, and this year we saw this process a little bit more clearly because in the 4Q we imagined that there was some advance of purchases because we have a price recomposition of different contracts in January. So it's natural that the clients in January, and in November and December, pull some orders ahead to try and minimize the price increase in the beginning of the year.

So it's a factor that contributed to this performance of coated boards in the 1Q, which is seasonally weaker. And the effect of beers, as Cristiano mentioned, were not as strong as expected. So basically, that was the demand effect.

And your question about China, again, we did see in January a high peak of import of Chinese coated boards. The average was 7,000 to 8,000 tons a month. In January, it got to as much as 16,000 tons. And that, I would say, was where the market was

already at a low seasonality. If you add these imports, that's the reflection that we see in a weaker quarter than expected.

In February, we started to see the Chinese imports going down. It went back to a level of 9,000 tons. I don't have the numbers for March yet, but we imagine there is not even a market for the volumes higher than 7 or 8,000 tons. Those 16,000 tons may be explained by maybe an advance of a tariff that would be implemented in the United States process with China. And obviously, the Chinese producers were probably getting ahead of that, increasing their supply around the world.

So we expect this on the 2Q. We already see in April and May a scenario closer to what we used to see. So that's a bit of the feeling for this moment.

Caio Greiner: Soares, if I may, a follow-up. These coated boards coming in, do they compete directly with Klabin's products? Are they coming in at a price level that is significantly below what you practice or is that relatively you remain competitive at the current price levels?

José Soares: So at a smaller range of the market, yes, but in most of the market, you have long fiber, the product that Cristiano mentioned, milk, beer, frozen products, laundry detergent, a series of products that without long fiber, it will be very hard to get the performance. So on those segments where the end user may have a quicker replacement, that's where those boards come in. Usually via distributor, those small and medium clients are accessing those products, obviously with difficulties to import and having building credits and the payments, there's also the distribution channel that also has their own margin.

So the entry price is around \$750. But obviously, when you get to the end price, the difference is not that big compared to the prices that are seen in the market today. And another important piece of information, Caio, that we did not mention in the previous questions is that PM28 is today close to 50% in coated boards. The machines mix today is already close to 50%. And obviously, we have added products to the machine that are not coated board but have similar or higher margins than coated boards in a more competitive market, if we were to seek a sale for the sake of the sale.

So that's a little bit of the message that we have about paper machine 28's mix as well.

Caio Greiner: Great. Thank you, Soares and Ivo.

Cristiano Teixeira: Thank you.

Operator: Ladies and gentlemen, we now conclude the questions and answers session. I would like to turn the floor to Cristiano Teixeira for his closing remarks.

Cristiano Teixeira: Thank you all very much. See you next call.

Operator: Klabin S/A conference call is concluded. We thank you all for attending.
Have a great day. Thank you.