KLABIN S.A.
CNPJ: 89.637.490/0001-45
NIRE: 35300188349
Publicly held company

MATERIAL FACT

Klabin S.A. ("Klabin" or "Company"), in compliance with the provisions of Article 157, paragraph 4, of Law No. 6,404/76 and CVM Rule No. 565/15, in continuity to the Notice to the Market released on April 8, 2020 and the Material Fact released on July 22, 2020, informs its shareholders and the market in general that, at a meeting held today, its Board of Directors approved, by a majority of votes, and with the abstention of members who have direct or indirect participation in Sogemar - Sociedade Geral de Marcas Ltda. ("Sogemar"), the convening of an Extraordinary General Meeting, to be held on October 30, 2020 ("EGM"), in order to resolve on the merger of Sogemar into Klabin ("Merger").

The general terms and conditions of the Merger, as described in details in Exhibit I of this Material Fact, are the result of negotiations between Klabin's management and Sogemar's representatives over the past few months, and were approved by a majority of the Company's independent directors that do not hold direct or indirect participation in Sogemar, at a meeting of the Board of Directors held on July 21, 2020.

The shareholders of Klabin that are, either directly or indirectly, quotaholders of Sogemar will abstain from voting and each preferred share issued by Klabin will have the right to one (1) vote in the resolutions at the EGM regarding the Merger, the implementation of which shall be, therefore, subject to the approval by a majority of votes of common and preferred shares held by shareholders of the Company attending the EGM who do not hold a direct or indirect interest in Sogemar.

Further details and information on the Merger are available in Exhibit I of this Material Fact, and the other documents related to the Merger will be timely disclosed alongside the Call Notice and the Management Proposal to the EGM.

São Paulo, September 15, 2020.

Marcos Paulo Conde Ivo
Chief Financial and Investor Relations Officer

Klabin

Exhibit I

Information on the Merger, pursuant to ICVM 565

1. Companies involved in the Merger and their activities

About the Company. Klabin S.A. is a publicly-held joint-stock corporation, with its principal place of business in the City of São Paulo, State of São Paulo, at Avenida Brigadeiro Faria Lima, 3600, 3rd, 4th and 5th floors, Itaim Bibi, enrolled with the CNPJ under No. 89.637.490/0001-45 ("Klabin" or "Company").

The Company and its subsidiaries operate in segments of the pulp and paper industry, which includes, among other things, the production and sale of wood, pulp, packaging paper, paper bags and corrugated boxes. The Company's activities are fully integrated, from forestry to the final product, and aim to serve both the domestic and foreign markets.

About Sogemar. Sogemar - Sociedade Geral de Marcas Ltda. is a limited liability company with its principal place of business in the City of São Paulo, State of São Paulo, at Rua Tabapuã, 1123, conjunto 225/226, Itaim Bibi, enrolled with the CNPJ under No. 02.721.797/0001-41 ("Sogemar").

Sogemar owns the trademarks "Klabin Boards", "Klabin Liquid Board", "Klabin X Rigid Board", "Klabin Rigid Board", "Klabin Carrier Board" and "Klabin Freeze Board" and, on the date of completion of the Merger, it will also own the trademark "Klabin" ("Trademarks"), currently owned by Klabin Irmãos & Cia. ("KIC"). Sogemar's main activity is to license the Trademarks to Klabin.

2. Description and purpose of the Merger

The transaction will consist of the merger of Sogemar into the Company, with the consequent extinction of the former, and the succession, on the part of Klabin, on a universal basis, pursuant to Articles 226 and 227 of Law No. 6,404/76.

As a result of the Merger, Klabin will become the owner of the Trademarks, with the consequent termination of the License Agreement currently in effect and of the payment of royalties by Klabin for the use of the Trademarks.

Additionally, as a condition to the Merger, the Company will be granted express authorization to use the patronymic "Klabin", including its use as a trademark and business name, the right to hold registration and to submit new registration requests for the trademark "Klabin", in the paper and cardboard class.

Currently, 73.24% of the quotas issued by Sogemar are held by Jacob Klabin Lafer Administração e Participações S.A., PRESH S.A., GL Holdings S.A., Glimdas Participações S.A., Daro Participações S.A., Dawojobe Participações S.A., Esli Participações S.A. and LKL Participações S.A. ("Holding Companies"), with the remaining quotas being held by Monteiro Aranha S.A. (15%), AJL Participações e Comércio Ltda. (4.65%), Roberto Luiz Leme Klabin (4.493%) and Edgar Gleich (2.631%).

Prior to the completion of the Merger, a corporate reorganization will be implemented ("Prior Reorganization"), which will comprise an increase of Sogemar's quota capital in the amount of ten thousand Reais (BRL 10,000.00), upon the issue of ten thousand (10,000) quotas, which will be subscribed and paid up in Brazilian currency by quotaholders Monteiro Aranha S.A., AJL Participações e Comércio Ltda., Roberto Luiz Leme Klabin and Edgar Gleich ratably to their interests, and the remainder of the quotas, in relation to which the Holding Companies will have assigned their rights of first refusal, will be subscribed and paid up by KIC through the transfer of the "Klabin" trademark to Sogemar's quota capital and the remainder in Brazilian currency, so that Sogemar will then become the owner of all of the Trademarks.

The shareholders of Klabin that are, either directly or indirectly, quotaholders of Sogemar, will abstain from voting and, additionally, each preferred share issued by Klabin will have the right to one (1) vote in the resolutions of the Extraordinary General Meeting ("EGM") regarding the Merger, the implementation of which will be, therefore, subject to approval by a majority of the votes of the common and preferred shares held by the shareholders of the Company attending the EGM who do not hold a direct or indirect interest in Sogemar.

3. Main benefits, costs and risks of the transaction

Benefits. In the opinion of the Company's management, the Trademarks, by virtue of their great prestige and recognition in the market, offer the products sold by Klabin a true quality certificate, differentiating them from those of their competitors and promoting their sale.

In view of this, the Merger represents an opportunity to create value for and boost the growth of the Company, especially considering the terms and conditions now agreed upon, which allow Klabin to become the owner of the Trademarks and ensure its right to their exclusive use in a permanent manner. In line with this, the Merger will allow Klabin to terminate the License Agreement currently in effect, and the financial flow arising therefrom, without any financial disbursement, thus avoiding any increase in the Company’s leverage ratio, which is especially important in the context of the current expansion experienced by Klabin.

In addition, management understands that the Merger represents an important step in the improvement of Klabin's corporate governance, reflecting the most appropriate and equitable solution for termination of a material related party transaction of the Company, through the termination of the License Agreement and the adoption of a final solution for the legal status of the Trademarks, in line with the understanding expressed by the Working Group on the subject.

Costs. The costs and expenses that may be incurred for the completion of the Merger are estimated at six million and one hundred thousand Reais (BRL 6,100,000.00), being approximately six million Reais (BRL 6,000,000.00) for costs related to the hiring of legal, accounting and financial advisors and one hundred thousand Reais (BRL 100,000.00) for costs with publications and others.

Risk factors. The management of the Company does not foresee any relevant risks in the Merger, since the Company currently uses the Trademarks of which it will become the owner; therefore, if the Merger is implemented, there will be no change in the conduct of the Company’s business or presentation of its products.

Additionally, the Sogemar’s quotaholders Jacob Klabin Lafer Administração e Participações S.A., PRESH S.A., GL Holdings S.A., Glimdas Participações S.A., Daro Participações S.A., Dawojobe Participações S.A., Esli Participações S.A. and LKL Participações S.A., Monteiro Aranha S.A., AJL Participações e Comércio Ltda., Roberto Luiz Leme Klabin and Edgar Gleich shall undertake to indemnify Klabin for losses that (i) may be effectively incurred and disbursed by Klabin; and (ii) arise from contingent liabilities (materialized or not) of Sogemar, the trigger events of which have occurred before the implementation date of the Merger (including), even though their effects may materialize only in the future.

4. Substitution ratio

The Merger shall comprise a substitution ratio of six hundred and forty three, eight thousand eight hundred forty-two ten-thousandths (643.8842) new common shares issued by Klabin for each one (1) of Sogemar’s quotas, resulting in the total issuance, by Klabin, of ninety-two million, nine hundred and two thousand, one hundred and eighty-eight (92,902,188) new common shares, all of which are registered and without par value (“New Shares”), which shall be attributed to Sogemar’s quotaholders, as a substitution for Sogemar’s quotas to be extinguished. Klabin's common shares to be issued as a result of the Merger shall have the same rights and benefits attributed to Klabin’s common shares outstanding at the time, with Sogemar’s quotaholders fully taking part in all of its benefits, including dividends and interest on capital that may be declared by Klabin.

5. Criterion for fixing the substitution ratio

The terms and conditions of the Merger are the result of negotiations between Klabin's management and Sogemar's representatives, based on the recommendation from the Working Group. Accordingly, to determine the substitution ratio for the Merger, the following were considered, on the one hand, (a) the average of the closing quotes of Klabin’s Units (KLBN11) over sixty (60) days prior to June 25, 2020, which encompasses forty-two (42) auctions between April 27 and June 25, 2020 (including), corresponding to nineteen Reais and seventy-four cents (BRL 19.74), divided by five (5) (the number of Klabin’s shares per Unit), resulting in a value assigned to the common shares issued by Klabin of BRL 3.94842856, and (b) the amount of three hundred and sixty-six million, eight hundred and seventeen thousand, six hundred and fifty-one Reais and ninety-seven cents (BRL 366,817,651.97) assigned to Sogemar, which represents a discount of around sixty-five percent (65%) of the present value of the payment flow of royalties, as calculated in the appraisal report drafted by Deloitte Touche Tohmatsu Consultores Ltda. upon request from the Management of the Company.

6. Submission of the Merger for approval by Brazilian or foreign authorities

The Merger does not require approval by Brazilian or foreign authorities.

7. Substitution ratio calculated in accordance with Article 264 of Law No. 6,404/76

In compliance with Article 264 of Law No. 6,404/76, the Company hired Apsis Consultoria Empresarial Ltda. (“Apsis”) to prepare the appraisal report on the net worth of Sogemar and Klabin, based on the discounted cash flow method, on the same base date of June 30, 2020, which resulted, exclusively for information purposes, in a substitution ratio of nine hundred and seventy-seven, three thousand six hundred and ninety-six ten-thousandths (977.3696) common shares issued by Klabin for each (1) quota issued by Sogemar.

8. Right of Withdrawal and Refund Amount

The Merger shall not grant the right of withdrawal to shareholders of Klabin, the surviving company, as the right of withdrawal is legally limited to the quotaholders or shareholders of the merged company. There shall be no right of withdrawal for quotaholders of Sogemar, the merged company, given all of such quotaholders will undertake to vote favorably to the Merger, so that none of Sogemar's quotaholders shall have a dissenting say on such resolution.

9. Additional Information

The appraisal reports referred to herein, as well as the other documents related to the Merger will be timely disclosed alongside the Call Notice and the Management Proposal to the EGM.