SOGEMAR INCORPORATION

ROYALTIES

Sep 15th - 2020

120 anos

Klabin

Introduction

Presentation objective

1

This presentation aims to provide a summary of the studies, reports, documentation and recommendation of the Working Group of the Board of Directors formed by independent members, thus assisting the analysis of the Management Proposal to be deliberated in the Extraordinary General Meeting of October 30th for the incorporation of the brand "Klabin" and other six brands[1] owned by Sogemar - Sociedade Geral de Marcas Ltda., under the terms of the respective licensing agreement currently in force.

2

The reading of this presentation does not exclude the need to read in their entirety the materials made available by the Company on its Investor Relations website and the Brazilian Securities and Exchange Commission (CVM), both on the Internet.

3

The information provided in this presentation is part of the materials made available by the Company on its Investor Relations website and the Brazilian Securities and Exchange Commission.

[1] KLABIN, KLABIN BOARDS, KLABIN CARRIER BOARD, KLABIN FREEZE BOARD, KLABIN LIQUID BOARD, KLABIN RIGID BOARD and KLABIN X RIGID BOARD

Operation Summary

Klabin's proposal to be deliberated in EGM by non-partners of Sogemar

Klabin

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SOGEMAR

Incorporation

Klabin's proposal to incorporate Sogemar, which will be the exclusive owner of all brands until the incorporation date.

Sogemar Value

As recommended by the Working Group, the value attributed to Sogemar is R$ 367 million (previous proposal of R$ 344 million, updated by the accumulated CDI from Mar/19 to Jun/20). It represents a 65% discount on the value of the royalty contract calculated by Deloitte using an external cash flow methodology.

Klabin Value

As recommended by the Working Group, the value attributed to Klabin's shares is approx. R$ 3.95, reflecting the average price of the Unit in the 60 days prior to the proposal's elaboration (June 25th, 2020). Only ON shares will be issued and will be subject to a 5-year lock-up.

EGM

Virtual meeting called for 10/30/20 in which shareholders with direct or indirect participation in Sogemar do not vote. Preferred shares will be entitled to vote. Voting shareholders will be able to cast their votes through the Remote Voting Bulletin.

Result

If the proposal is approved, Sogemar members will receive approx. 93 million Klabin common shares, which will become the holder of the trademarks and patronymic “Klabin”, extinguishing the licensing agreement and paying royalties.

Value Creation under Different Perspectives

Current proposal provides value creation under different brand evaluation perspectives

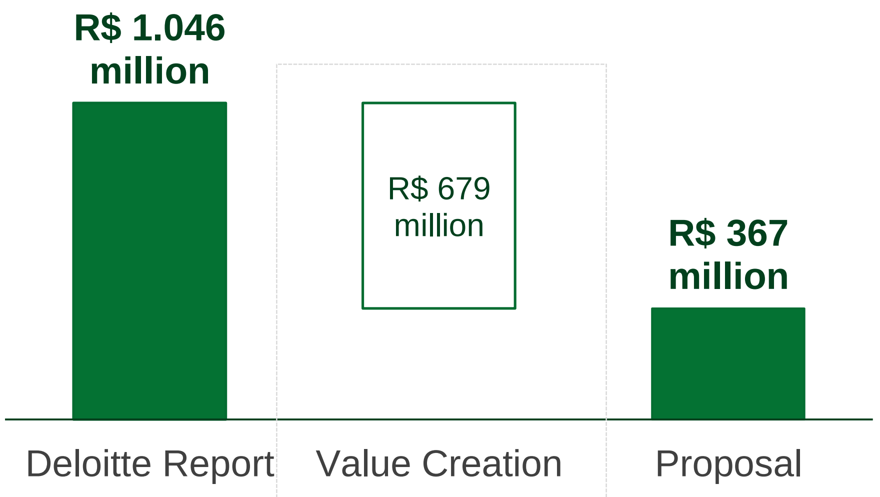
Klabin

Discounted Cash Flow of the Royaties contract - Deloitte

R$ **1.046** billion

Value

The Deloitte Report identified a value of **R$ 1.0 billion** for the royalties contract.
Methodology based on discounted cash flow from estimated future Royalty payments

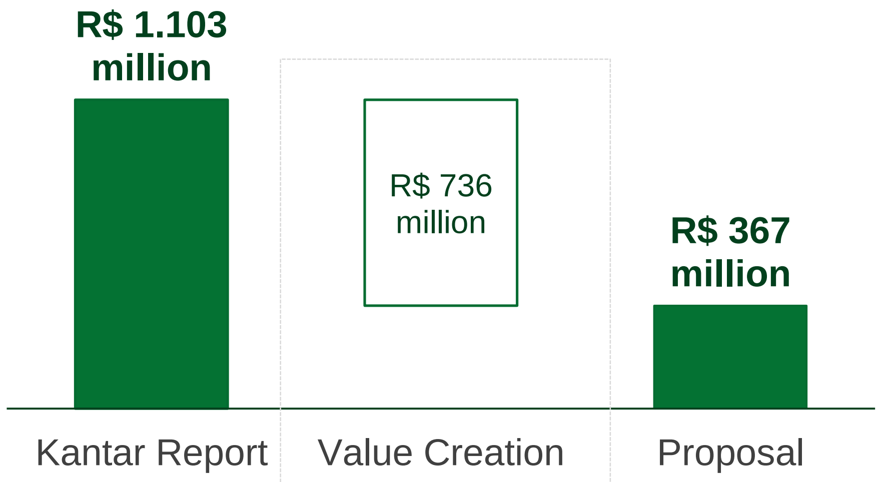


Intrinsic Brand Value - Kantar

R$ **1.103** billion

Value

Kantar report identified a value of **R$ 1.1 billion** for Klabin brand.
Methodology based on economic profit, applying contribution variables and brand strength



Capital Dilution

Lower capital dilution when compared to the 2019 proposal

Klabin

Management Proposal 2019

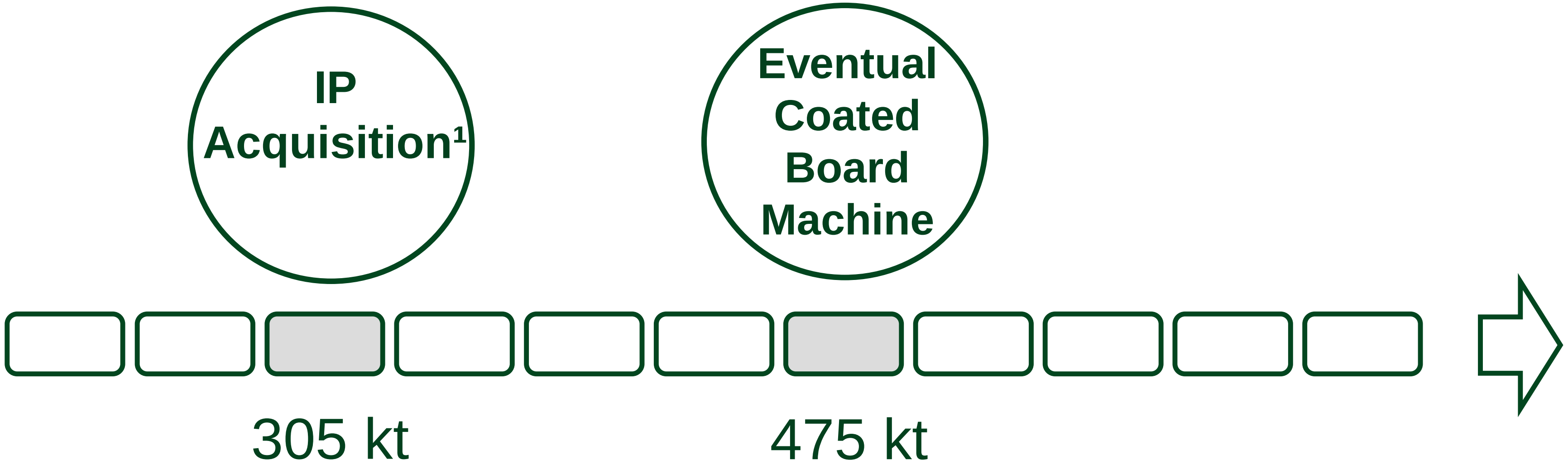
(million shares)	ON	PN	Total
Total Shares	1.985	3.425	5.410
Treasury	28	112	140
Shares outstanding	**1.957**	**3.314**	**5.270**
Proposal	**101**	**-**	**101**
Shares *outstanding*	**2.058**	**3.314**	**5.371**
Dilution	**4,9%**	**-**	**1,9%**

Management Proposal 2020

(million shares)	ON	PN	Total
Total Shares	2.012	3.536	5.548
Treasury	27	106	133
Shares *outstanding*	**1.986**	**3.430**	**5.416**
Proposal	**93**	**-**	**93**
Shares *outstanding*	**2.079**	**3.430**	**5.509**
Dilution	**4,5%**	**-**	**1,7%**

Growth with Greater Return

Extinction of royalty payments increases return on expansion projects

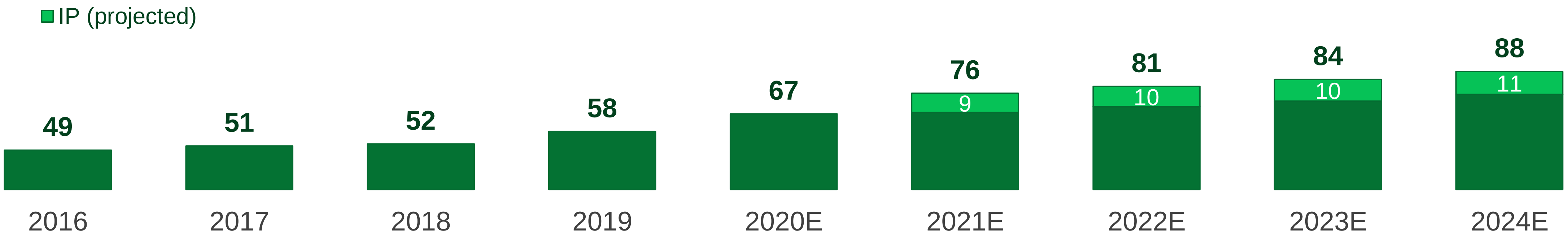


Future

Klabin's Strategic Plan idealizes growth in paper and packaging. The non incidence of royalties on Coated Boards and Corrugated Boxes generates **higher return and value creation**

Historical and projected payment flow[2] - does not consider the second machine of the Puma Project 2 to be a coated board machine

(R$ million)



[1] According to the Notice to the Market published on March 29th, 2020

[2] Based on the Company's pluriannual budget projections

Incorporation of Sogemar and Klabin brands

Value generation, transparency in the process and improvement of Corporate Governance

VALUE GENERATION	Value of the operation of **R$ 367 million** represents a **discount** of more than **65%** in comparison to the average value of the valuations by the methodologies of discounted cash flow[1] and of intrinsic value of the brand[2]
HIGHER RETURN	**Higher return** on future capacity expansion projects in Coated Boards and Corrugated Boxes, since there will be **no incidence of royalties**
CORPORATE GOVERNANCE	Important step in the **improvement of corporate governance practices**, with the conclusion of a relevant **transaction between related parties**
NO CASH DISBURSEMENT	Proposal format, with payment through the issuance of shares, **will not impact the Company's leverage.** Five-year lock-up also prevents overhang in share price
TRANSPARENCY	Terms and conditions in line with the recommendation issued by the Working Group consisting only of Klabin's independent members, who do not have direct or indirect participation in Sogemar. **Independent evaluations and publicity** of information for the due appreciation of all Klabin minority shareholders

[1] Based on Apsis and Deloitte reports with DCF methodology
[2] Based on Kantar's report of assessment of intrinsic value of the brand

ROYALTIES

HISTORICAL BACKGROUND AND ADDITIONAL INFORMATION

120 anos

Klabin

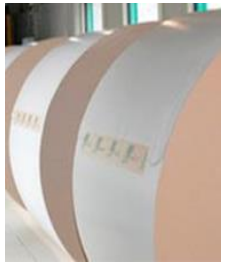
How does the current royalty payment work?

General Structure of the Trademark License Agreement

KLABIN has a trademark licensing agreement with Sociedade Geral de Marcas ("Sogemar") and Klabin Irmãos & Cia. ("KIC")

- Sogemar, KIC and Klabin S.A. are companies under common control
- Both companies signed a License Agreement for Brand Use
- Payment of royalties of **1.3657%** over net sales of Coated Boards and Corrugated Boxes

Coated Boards



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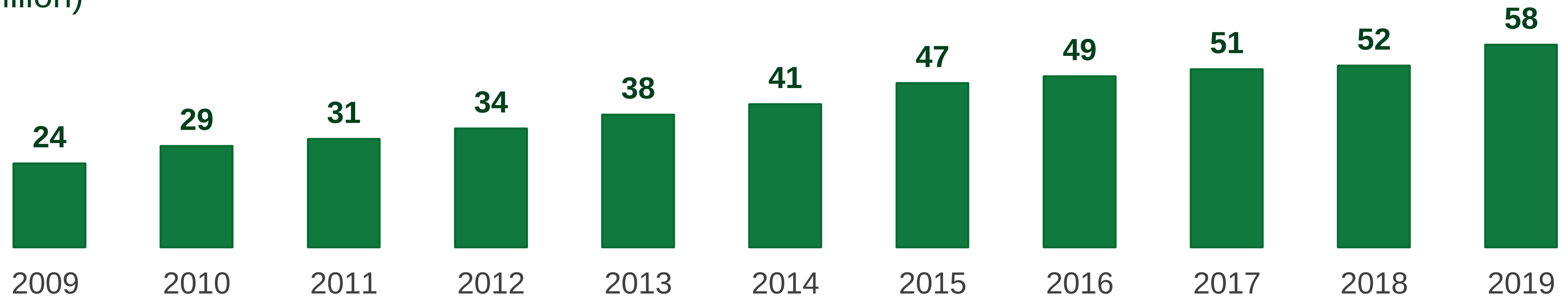
Corrugated Boxes

1.3657%

Payment Flow[1]
(R$ million)



[1] Information on payment flow is public and is contained in the Company's financial statements, as well as in items 7.5, 9.1 and 16.2 of the Reference Form

Recent Record and Constitution of the Working Group

Recent history and curriculum of the independent members who joined the Working Group

Klabin

2019 (April) — **Election of the Board of Directors, with new independent members**

Jun-19 — **Constitution of the Working Group Formed only by independent members** of the Board of Directors who do not **have direct or indirect participation in Sogemar**

Dec-19 — **Recommendation of the Working Group to the Board of Directors**

Apr-20 — **Publication of Documents and** deliberation on the **Resumption of Negotiations**

Jul-20 — **Approval of the terms of the negotiation between** Klabin's Executives and Sogemar by the **Company's Independent and non-conflicted board members**

2020 (Sep, 15th) — **Call for EGM to deliberate on the incorporation of Sogemar and extinction of the payment of royalties**

Amaury Guilherme Bier

Managing Partner of Gávea Investimentos Ltda., member of the Investment Committee of Gávea Investimentos long-term funds (GIFs), the Risk Committee and the Executive Committee. He was executive director of the World Bank, IFC and MIGA and executive secretary of the Ministry of Finance. He was Secretary of Economic Policy of the Ministry of Finance and Chief Economist of the Ministry of Planning and Budget. In the private sector, he was chief economist of Citibank Brazil and partner of the consulting firm Kandir & Associados. […]

Mauro Gentile Rodrigues da Cunha

Graduated in Economics from Pontifícia Universidade Católica do Rio de Janeiro and MBA from the University of Chicago, he was President of AMEC - Association of Investors in the Capital Market - from 2012 to 2019. In his professional career he worked as a manager at Opus Investimentos, was Chairman of the Board of Directors of IBGC - Brazilian Institute of Corporate Governance, besides having worked in several investment banks and consulting firms. [...]

Francisco Amaury Olsen

Former CEO of Tigre S.A.; Member of the Board of Duratex S.A. and member of the Committee of People, Governance and Appointment, Committee of Sustainability and of the Committee for Evaluation of Transactions with Related Parties; Vice Chairman of the Board of Martins Comércio e Serviço de Distribuição S.A., Chairman of the Audit, Risk and Finance Committee, and, Member of the Integration Committee. [...]

Pedro Oliva Marcilio de Sousa

He is founder and director of CRD Asset Management Ltd., was director of the Securities and Exchange Commission, vice president of the investment banking division of Goldman Sachs and was managing director of Banco Standard. He served as Director of BR Partners Group, was a member of the Audit Committee of B3 S.A. and member of the Audit Committee of Companhia Brasileira de Distribuição. Since June 2017, he has been a director of Braskem S.A. [...]

José Luis de Salles Freire

Founding partner of TozziniFreire Advogados. Chairman of the Board of Directors of the Center for Studies of Law Firms (CESA), Vice-President of the Executive Board of the Institute for International and Comparative Law of the Center for American and International Law, member of the Corporate & International Trade and Banking & Finance Committees of the Pacific Rim Advisory Council (PRAC), member of the International Bar Association (IBA), member of the Inter-Pacific Bar Association (IPBA), member of the New York State Bar Association (NYSBA). [...]

Vivian do Valle Sousa Leão Mikui

Bachelor of Law by Faculdades Metropolitanas Unidas - FMU (1988) and Bachelor of Business Administration by Instituto Presbiteriano Mackenzie (1998). Partner of the law firm Leão e Tohmé Advogados Associados Ltda, for 15 years. Member of the Fiscal Council of Klabin S.A. since March/2005. [...]

Evaluation Process and Documents

Members of the Independent Working Group carried out an in-depth analysis of the topic

Klabin

Working Group

The Working Group met **9 times** to evaluate the theme

Document Analysis

The Company provided full and unrestricted access to internal and external resources to assist in the assessment of the issue

Result

Recommendation of the WG to the Board of Directors

Main Evaluated Documents and Recommendation

1 Royalties Contracts

- ✓ Brand Licensing Agreement - 1995
- ✓ Brand Licensing Agreement - 2000
- ✓ Amendment to Brand Licensing Agreement - 2002

2 Appraisal Reports

- ✓ **Kantar Report**, containing:
  - ✓ Klabin Brand Value
- ✓ **Apsis Report 2019**, containing:
  - ✓ Transaction Structure
- ✓ **Deloitte Report 2019**, containing:
  - ✓ Royalties DCF

3 Technical Opinions

- ✓ **Intellectual property and trademark aspects**
  - ✓ José Roberto Gusmão
  - ✓ Karin Grau Kuntz
- ✓ **Corporate Aspects**
  - ✓ José Tavares Guerreiro
- ✓ **Kantar Evaluation**
  - ✓ Rodrigo Amantea

4 Recommendation

- ✓ Majority Recommendation of the Working Group members
- ✓ Recommendation of the member Mauro Cunha

[1] All documentation is public on Klabin's CVM and Investor Relations websites, as well as on a specific landing page on the topic that can be accessed through the link royalties.klabin.com.br

Opinions

Expert/Legal Opinions on the matter of Intellectual Property and Trademark Aspects

✓ José Roberto Gusmão

São Paulo, June, 2019 | Consultant, Specialist and Lawyer
Professor at PUC-SP and former president of INPI
Graduated by CEIPI - Centre d'Études Internationales de la Propriété Industrielle, PhD in Law from the University of Strasbourg

Summary of the Opinion:

• Patronymic Klabin belongs to the Klabin's famliy members, partners of KIC

• Trademark assignment agreement is valid, since the ownership of the brands belongs to KIC and SOGEMAR

✓ Karin Grau Kuntz

Puchheim, June, 2019 | Consultant, Specialist and Lawyer
Academic coordinator and researcher in Germany of INPI
Master in Law - Ludwig Maximilian Universität, PhD. in Law - Ludwig Maximilian Universität

Summary of the Opinion:

• By the registration of the trademark the owner is guaranteed a right called property which consists in the prerogative of exclusion of third party competitors and potential competitors, throughout the national territory, from the use of his trademark, within the limits of his specialty.

• The registrations of trademarks belonging to the Company do not have the ability to confer on Klabin S.A. a positive right of use of the KLABIN trademark, since it is owned by Klabin Irmão e Cia. On the contrary, they only grant it a right of exclusion of third parties and potential competitors, throughout the national territory, from the use of their trademarks, within the limits of their specialty.

• The right to use the KLABIN trademark in the Paper and Coated Board segment, by Klabin S.A., is exclusively based on the trademark license agreement signed between Klabin Irmãos and Cia and Klabin S.A.

• An eventual termination of the trademark license agreement by Klabin S.A. would imply the loss of authorization to use all trademarks registered by it, in class 16, containing the element KLABIN. In the event that Klabin S.A., despite the termination of the license agreement, persists with the use of the marks in question, it will ultimately be in violation of Klabin Irmãos e Cia.

Opinions

Expert/Legal Opinions on the corporate aspects and validation of the methodology adopted in the assessment of Kantar

✓ José Alexandre Tavares Guerreiro

São Paulo, September, 2019 | Consultant, Specialist and Lawyer
Professor of Commercial Law at the University of São Paulo Law School
Graduated in Law from Universidade de São Paulo (1967), Master in Commercial Law from Universidade de São Paulo (1983) and PhD. in Commercial Law from Universidade de São Paulo (1989)

Summary of the Opinion:

• If Klabin opts for the termination, KIC and SOGEMAR are not obliged to accept a transition period. Additionally, they may assign the use of the trademark to third parties. In this case, the controllers would not be abusively exercising the power of control since “The fact that a controlling shareholder is obliged to respect and loyally respect the rights and interests of the controlling company (art. 116 of the LSA) does not prevent the controlling shareholder from exercising active contractual positions (pretensions , formative rights) vis-à-vis the controlled company ”.

• The authority to decide on the eventual termination of the Trademark License Agreement lies with the Company's management. An eventual EGM sued by shareholders has no competence to deliberate about this agreement.

• The Board of Directors may or may not follow the recommendation of the Working Group.

• In case the initiative to unduly mobilize an EGM generates damages to the Company, the shareholders responsible for the abusive call request may respond civilly. The shareholders that abusively exercise their voting power may also be held liable for damages caused to the Company, even if the casted vote did not prevail.

• Investments in the brand made by the Company are incurred and non-refundable. The Company does not hold a right to reimbursement of costs incurred in the use of the Klabin trademark, or derived trademarks.

• The Company's interest in disclosing information to a specific shareholder, in this case, may be evidenced if knowledge of the conditions of the contract is a necessary condition for the approval of a contract that benefits the company.

✓ Rodrigo Amantea de Andrade Pinto

São Paulo, September, 2019 | Consultant, Specialist and Lawyer
Insper Teacher and Academic Coordinator of Executive Education
Master's and Doctorate in Business Administration from FGV-EAESP
Innovation, Organizational and Brand Design Researcher

Summary of the Opinion :

• Adequacy of the methodology used to market standards and research standards.

• Adequacy of the data collection process and robustness of the sample

• The cost analysis of new brand creation does not seem to be complete enough

Majority Recommendation[1]

The majority of the Working Group members recommended the resumption of negotiations on the basis of the previous proposal from February 2019

"In summary, the recommendation of the members of WG Royalties, signatories of this Recommendation, is to resume negotiations between the Company and the controlling shareholders for the acquisition of the Klabin brand, taking as a parameter the bases negotiated in 2019, which seem reasonable and balanced for the conclusion of the deal". (WG Recommendation, pg. 17)

[1] Dissenting recommendation by Director Mauro Cunha is available in the full documentation published by the Company

Disclaimer

This material is a presentation and contains general information about Klabin S.A. prepared on the date of this presentation. This information is summarized and is not intended to be complete, and should be read in conjunction with all other documents released by Klabin S.A. for the Extraordinary General Meeting to be held on October 30, 2020. No statement or guarantee, whether expressed or implied, is performed in relation to the accuracy, impartiality or comprehensiveness of the information contained herein.

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