



KLABIN S.A.

CNPJ/MF nº 89.637.490/0001-45

NIRE 35300188349

Publicly Held Company

MATERIAL FACT

Puma II Project Update

KLABIN S.A. ("Klabin" or "Company"), in accordance with article 157, paragraph 4 of Law 6404/76, as amended, and CVM Instruction 358/02, announces to its shareholders and the market in general that its Board of Directors approved on this date the updated framework for the second stage of the **Puma II Project** ("Puma II" or "Project"), for the installation of a coated board machine.

The Puma II Project, approved on April 16, 2019 (to access the Material Fact, please [click here](#)), consists in the expansion of capacity in packaging paper through the construction of two paper machines, with integrated pulp production, at the Puma industrial site in the municipality of Ortigueira/PR.

The first stage consists in the construction of a main fiber line for the production of unbleached pulp integrated with a kraftliner and white kraftliner (white top liner) machine with an annual capacity of 450 thousand tons, which will be marketed under the Eukaliner® brand, the world's first kraftliner paper produced from 100% eucalyptus fibers. The startup of this stage is planned for the second half of July 2021.

The second stage, which originally consisted in the construction of a kraftliner paper machine, after the revision of the marketing, engineering, and economic feasibility studies, will now comprise the installation of a coated board machine integrated to a complementary fiber line, with annual capacity of 460 thousand tons. The construction of the second stage will have immediate start and is scheduled to start-up in the second quarter of 2023.

The change of the second stage to enable the production of coated board took into consideration, among several aspects, (i) the expected growth for the coated board market, a sustainable product, driven by the potential to replace single-use plastic; (ii) the product mix diversification of the Company; (iii) the historical stability of coated

board prices; and (iv) the consolidation of Klabin as a global producer of LPB (Liquid Packaging Board) and CUK (cluster packaging for cans and bottles).

The scope change of the second stage will demand an additional gross investment of R\$ 2.6 billion. Thus, the total gross investment of the Puma II Project, updated to reflect the exchange rate variation and inflation, and including incremental investment to convert the machine of the second stage for the production of coated board totals R\$ 12.9 billion, of which R\$ 1.2 billion represent recoverable taxes. Of this amount, R\$ 5.8 billion have been already disbursed by the end March, 2021 and the remainder will be disbursed until 2023.

The Project's investments will be financed through the Company's cash position and cash generation from current operations, and may be complemented by the withdrawal of funds already contracted and not yet drawn, which total R\$ 7.0 billion of availability at the end of March 2021. Thus, there is no need to contract additional financing for the Project.

The installation of the paperboard machine, in addition to generating greater value to shareholders, reinforces the Company's business model – integrated, diversified and flexible.

Klabin once again affirms its position as a protagonist in the development of a sustainable economy, through the transformation of its planted forests into multiple-use, renewable, recyclable and biodegradable products.

For further details, please access the Puma II update presentation available on Klabin's investor relations website.

São Paulo, May 5, 2021

Marcos Paulo Conde Ivo

Chief Financial and Investor Relations Officer