



**KLABIN S.A.**

CNPJ/MF: nº 89.637.490/0001-45

NIRE: 35300188349

Publicly Held Company

## **NOTICE TO THE MARKET**

**KLABIN SA ("Klabin" or "Company")**, in continuity with the Market Notice released on July 26<sup>th</sup>, 2019 and October 29<sup>th</sup>, 2019, hereby informs its shareholders and the market in general that it has concluded the necessary procedures for the capital increase ("Transaction") on its subsidiary **Sapopema Reflorestadora SA ("SPE")**.

The Transaction reflects the success of the partnership between Klabin and a Timber Investment Management Organization ("TIMO") in conducting the SPE, which up to date has acquired areas for forest expansion in the State of Paraná faster than the original schedule.

To achieve the SPE capital increase, Klabin will make an additional contribution of 3 thousand hectares of planted forests, equivalent to R\$ 81 million. The TIMO, in turn, will contribute an amount of R\$ 245 million in cash. The additional resources contributed by the TIMO are going to fund the acquisition of approximately 6 thousand usable hectares, as well as the necessary investments in the formation of forests and working capital.

The terms negotiated remain the same as agreed in the formation of the SPE, with equity interests without significant changes. The closing of the Transaction is subject to the compliance with the suspensive conditions that are common in operations of this nature, including the Administrative Council for Economic Defense (CADE).

The model adopted for expanding the forest base reinforces Klabin's commitment to creating value for its shareholders with a balanced capital structure.

São Paulo, April 8<sup>th</sup>, 2020.

Marcos Paulo Conde Ivo

Chief Financial and Investor Relations Officer