



Klabin

KLABIN S.A.

CNPJ/MF nº 89.637.490/0001-45

NIRE 35300188349

Publicly Held Company

NOTICE TO THE MARKET

KLABIN S.A. ("Klabin" or "Company") hereby notifies its shareholders and the market in general that it has priced through its wholly-owned subsidiary Klabin Austria GmbH ("Klabin Austria"), the issuance of senior unsecured debt securities, regulated under New York State law, in the total amount of US\$ 500,000,000 (five hundred million dollars), with coupon and yield of 3.20% per year (three point two percent), with interest due semi-annually, maturing on January 6th, 2031 ("Notes 2031" or "Notes").

This issuance is characterized as Sustainability-Linked since it is associated with the performance of sustainability performance indicators (KPIs - Key Performance Indicators) defined for 2025, and aligned with the sustainable development goals set by the Company for 2030. Therefore, the notes related to this issuance are susceptible to coupon (interest) readjustments if the established sustainability goals are not achieved by the Company. The three KPIs covered by this issue are:

- 1) water consumption intensity equal to or less than 3.68 m³ per ton of production, equivalent to a reduction of 16.7% of the level seen in 2018;
- 2) at least 97.5% reuse/recycling of solid waste;
- 3) reintroduction to the ecosystem of at least two extinct or threatened species of native animals.

Securities of this nature are regulated by the Sustainability-Linked Bond Principles ("SLBP"), promulgated by the International Capital Markets Association. More information is detailed in the framework available on the Company's Investor Relations website, [by clicking here](#). As an independent appraiser, Klabin relied on Sustainalytics to issue the Second Party Opinion report.

The funds raised through the issue of Notes 2031 will be used for the early repurchase of Notes 2024 ("Tender Offer"), announced on January 4, 2021, through an offer to be made by its wholly-owned subsidiary Klabin Finance, located in Luxembourg. These Notes have a coupon of 5,250% p.y., principal outstanding amount of US\$ 271,462,000 (two hundred and seventy one million, four hundred and sixty two thousand dollars), and maturity in July 2024. The remaining amount will be used for the Company's other general purposes (General Corporate Purposes).



Klabin

The Notes will be distributed in transactions exempt from registration in the United States to qualified institutional investors as defined in Rule 144A of the Securities Act and to non-U.S. citizens or residents of the United States in accordance with Regulation S of the Securities Act. This notice does not constitute an offer of Notes for sale in the United States or in Brazil. The Notes may not be offered or sold in the United States or Brazil. Any public offering of Notes to be made in the United States will be made by means of a prospectus which may be obtained from the Company and which will contain detailed information about the Company and its management as well as its financial statements.

With this operation Klabin reinforces its leadership position and global reference in sustainability, combining optimization goals in the use of natural resources and ecosystem preservation with measurable parameters of its economic-financial indicators, and ratifies its commitment to the promotion of a sustainable economy and the generation of value to all its stakeholders.

São Paulo, January 6th, 2021

Marcos Paulo Conde Ivo
Chief Financial and Investor Relations Officer