



**EMPREENDIMENTOS PAGUE MENOS S.A.**

Authorized Publicly held Company

Corporate Taxpayer ID (CNPJ/ME) nº 06.626.253/0001-51

Corporate Registry ID (NIRE) 23300020073

**MATERIAL FACT AND NOTICE TO SHAREHOLDERS**

**INTEREST ON SHAREHOLDERS' EQUITY AND PRIVATE CAPITAL INCREASE**

**EMPREENDIMENTOS PAGUE MENOS S.A.** ("Company") (B3: PGMN3), in compliance with current regulations, informs its shareholders and the market in general that, at a meeting of the Board of Directors held today, (i) the distribution of Interest on Shareholders' Equity ("ISE") to the Company's shareholders and (ii) the increase of the Company's capital stock, by private subscription ("Capital Increase"), under the terms and conditions indicated below.

**I. INTEREST ON SHAREHOLDERS' EQUITY**

- (a) **Amount:** R\$82,000,000.00, corresponding to the gross amount of R\$0.1861258851 per common share (disregarding, to the purposes of this calculation, shares held in treasury), whose net value of R\$69,700,000, corresponding to the amount net of R\$0.1582070023 per share, will be imputed to the mandatory minimum dividend for the fiscal year that will end on December 31, 2022, pursuant to article 35 of the Company's bylaws.
- (b) **Income Tax:** The payment of this ISE is subject to the incidence of 15% withholding income tax, except for shareholders who are demonstrably exempt or immune.
- (c) **Date:** All shareholders holding common shares issued by the Company at the end of the trading session on the base date of January 27, 2023, will be entitled to ISE.
- (d) **Ex-ISE:** The Company's shares will be trade "ex-ISE" from January 30, 2022, onwards.
- (e) **Payment:** The ISE will be paid on March 13, 2023, without any monetary restatement or corresponding remuneration being due between the declaration date and the actual payment.

**II. PRIVATE CAPITAL INCREASE**

- (a) **Amount:** The Capital Increase will be carried out, within the authorized capital limit, in the amount of at least R\$52,480,000.00 (fifty-two million, four hundred and eighty thousand reais) and, at most, R\$82,000,000.00 (eighty-two million reais).
- (b) **Number and Type of Shares to be Issued:** A minimum of 14,275,126 shares and a maximum of 22,304,884 shares will be issued, all common, registered, book-entry and without par value. The shares to be issued will be fully entitled to all benefits, including dividends and ISE that may be declared by the Company after ratification of the Capital Increase.
- (c) **Issuance Price:** The issuance price will be R\$3.68 per share, based on the volume-weighted average price of shares in the last 20 trading sessions of B3 S.A. – Brasil, Bolsa, Balcão ("B3") carried out between November 16, 2022 (inclusive) and December 13, 2022 (inclusive), applying a 15% discount, with the objective of encouraging the adhesion of the shareholders of the Company to the Capital Increase.

- (d) **Use of Proceeds:** The purpose of the Capital Increase is to preserve the Company's capital structure and financial position, considering the concomitant distribution of interest on equity to shareholders.
- (e) **Cut-off Date and Subscription Right:** Each shareholder may subscribe for shares at the rate of 0.05062825 new share for 1 (one) share held at the close of trading on B3 on January 27, 2023 ("Cut-off Date"), ensuring the possibility of subscribing to remaining shares. The shares issued by the Company will be traded ex-subscription right from January 30, 2023.
- (f) **Shares Subscription Procedure:** The shares subscribed may be paid (i) in cash, in Brazilian currency, observing the rules and procedures of Itaú Corretora de Valores S.A., bookkeeping agent for shares issued by the Company ("Bookkeeper Agent"), and B3's Central Depository of Assets; or (ii) by using the credit (net of income tax, as the case may be) related to ISE declared at the Board of Directors' Meeting held on December 14, 2022, and shareholders who so wish to inform their option for using ISE in the respective subscription bulletin.
- (g) **Exercise Term of the Preemptive Right:** Holders of the Company's shares that appear in the shareholding position on the Cut-off Date may exercise the preemptive right to subscribe for new shares, in proportion to their interest in the Company's capital, from January 30, 2023, including, until February 28, 2023, inclusive.
- (h) **Treatment of Remaining Shares:** At the end of the subscription period and if there is any number of remaining shares, even if the minimum value of the Capital Increase has already been reached, the shareholders (or third parties who participated in the capital increase via assignment of preemptive rights) who have expressed interest in reserving remaining shares in the respective subscription bulletin will be entitled to participate in the apportionment of remaining shares. Information on the apportionment of remaining shares will be disclosed by the Company in due course. The procedures and specific deadlines for apportioning leftovers will be detailed in a notice to the market to be released by the Company in due course.
- (i) **Additional Information:** In accordance with the provisions of article 33, item XXXI, of CVM Resolution No. 80, of March 29, 2022 ("CVM Resolution 80"), detailed information about the capital increase is presented in the Annex to this Material Fact and Notice to the Shareholders. The Company will keep its shareholders and the market in general informed about the capital increase, pursuant to applicable regulations. Further information may be obtained from the Company's Investor Relations Department, by calling +55 (85) 3255-5544, or by e-mail: [ri@pmenos.com.br](mailto:ri@pmenos.com.br)

Fortaleza, Ceará, December 14, 2022

**Luiz Renato Novais**

Chief Financial and Investor Relations Officer

## **APPENDIX**

### **ANNEX E TO CVM RESOLUTION No. 80 OF MARCH 29, 2022, WITH THE AMENDMENTS INTRODUCED BY CVM RESOLUTION No. 168/22**

#### *Communication on capital increase deliberated by the Board of Directors*

- 1. The issuer shall disclose to the market the amount of the increase and the new share capital, as well as whether the increase will be made through: (i) conversion of debentures or other debt securities into shares; (ii) exercise of subscription rights or subscription warrants; (iii) capitalization of profits and reserves; or (iv) subscription of new shares.**

The Capital Increase will be carried out through the private subscription of new shares. The Company's capital stock will be increased by a minimum of R\$52,480,000.00 and a maximum of R\$82,000,000.00. After the Capital Increase, the Company's share capital, currently in the amount of R\$1,241,689,677.00, will increase to a minimum of R\$1,294,169,677.00, and a maximum of R\$1,323,689,677.00, divided into a minimum of 458,056,188 and a maximum of 466,085,946 common shares, all registered and without par value.

- 2. Explain, in detail, the reasons for the increase and its legal and economic consequences:**

The purpose of the Capital Increase is to preserve the Company's capital structure and financial position, considering the concomitant distribution of interest on equity to shareholders.

The Capital Increase may lead to the corporate dilution of the participation of the Company's current shareholders who choose not to exercise their preemptive right to subscribe for new shares. Shareholders may choose to sell their B3 rights instead of subscribing for new shares.

Management believes that the Capital Increase under the proposed terms and conditions, even if limited to the minimum amount, helps to preserve the capital structure and the Company's cash position, as it partially offsets the effect of the distribution of ISE.

- 3. Provide copy of the fiscal council's opinion**

Not applicable, as the Company does not currently have a fiscal council.

- 4. In the event of a capital increase by subscription of shares, the issuer must:**

#### **I – describe the use of proceeds:**

The funds obtained from this Capital Increase should help preserve the Company's capital structure and financial position.

#### **II – inform the number of shares of each type and class issued:**

A minimum of 14,275,126 shares and a maximum of 22,304,884 shares will be issued, all common, registered, book-entry and without par value.

#### **III – describe the rights, advantages and restrictions attributed to the shares to be issued:**

The shares to be issued within the scope of the Capital Increase will be fully entitled to all benefits, including dividends and ISE, that may be declared by the Company after ratification of the Capital Increase.

**IV – inform whether related parties, as defined by the accounting rules that deal with this matter, will subscribe shares in the capital increase, specifying the respective amounts, when these amounts are already known:**

The Company received indications from controlling shareholders and managers that they intend to subscribe to the Capital Increase, ensuring the achievement of the Minimum Number of Shares. There are no formal underwriting commitments.

**V – inform the issuance price of the new shares:**

The issuance price will be R\$3.68 per share.

**VI – inform the par value of the issued shares or, in the case of share without par value, the portion of the issuance price that will be allocated to the capital reserve:**

The issued shares have no par value, and no portion of the issue price will be allocated to the capital reserve.

**VII – provide management's opinion on the capital increase effects, especially in relation to the dilution caused by the increase:**

Management understands that the Capital Increase is justified as a way to preserve the Company's financial position, supporting the investment plan foreseen for its growth and value generation.

As the Capital Increase will take place through private subscription, respecting the preemptive right of the Company's current shareholders to participate in this increase in proportion to their holdings, the dilution will only occur if the shareholders fail to exercise the respective preemptive rights in the subscription of new shares. Considering the concomitant distribution of interest on equity, shareholders may use the proceeds credits to be received to avoid unwanted dilution.

**VIII – inform the criteria for the issuance price calculation and justify, in details, the economic aspects that determined its choice:**

The issue price of the shares was established based on the criteria of article 170, paragraph 1, item III, of Law 6,404/76, calculating the average quotation of the Company's shares, weighted by trading volume, in the last 20 trading sessions of B3, carried out between November 16, 2022, inclusive, and December 13, 2022, inclusive, applying a discount of 15% on the calculated amount.

The Company's management understands that the choice of criteria for listing shares on the stock exchange proves to be the most appropriate and objective for decision-making by the Company's shareholders due to economic and market conditions, reflected in said listing, as a result of the analysis and expectations of numerous investors and the market in general regarding the Company.

**IX – if the issuance price was set out with premium or discount in relation to the market value, identify the reason for the premium or discount and explain how it was determined:**

The discount in relation to the market value is intended to encourage shareholders to adhere to the Capital Increase, given the volatility characteristic of the securities market, aggravated by the current situation in the Brazilian capital market.

**X – provide a copy of all reports and studies that supported the determination of the issuance price:**

There was no issuance of a report to subsidize the establishment of the issuance price.

**XI – inform the closing price of each type and class of the issuer’s shares in the markets where they are traded, identifying:**

**a) minimum, average, and maximum closing price of each year, in the last three (3) years:**

R\$	2019	2020	2021	2022*
<b>Minimum</b>	N/A	7.94	7.89	3.77
<b>Simple average</b>	N/A	8.88	10.72	6.64
<b>Maximum</b>	N/A	10.40	13.65	11.00

*\* Until 12/13/2022*

**b) minimum, average, and maximum closing price of each quarter, in the last two (2) years:**

R\$	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22*
<b>Minimum</b>	9.20	7.94	8.81	9.06	11.41	7.89	8.06	4.35	4.07	3.77
<b>Simple average</b>	9.78	8.59	9.68	10.87	12.58	9.64	9.21	6.88	4.93	5.29
<b>Maximum</b>	10.40	9.60	10,74	12.79	13.65	12.82	11.00	9.98	5.90	6.37

*\* Until 12/13/2022*

**c) minimum, average, and maximum closing price of each month, in the last six (6) months:**

R\$	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22*
<b>Minimum</b>	4.07	4.51	4.92	5.71	4.29	3.77
<b>Simple average</b>	4.40	5.13	5.28	6.09	5.00	4.12
<b>Maximum</b>	4.90	5.48	5.90	6.37	6.30	4.40

*\* Until 12/13/2022*

**d) average closing price in the last ninety (90) days:**

R\$	Last 90 days
<b>Simple average</b>	5.25

**XII – inform the issuance prices of shares in capital increases made in the last three (3) years:**

Issuance Date	Total Amount	Amount of Shares	Price per Share
08/31/2020	R\$ 746,924,435.50	87,873,463	R\$ 8.50
09/30/2020	R\$ 112,038,661.50	13,181,019	R\$ 8.50

**XIII – present the potential dilution percentage resulting from the issuance:**

The dilution percentage for shareholders who do not subscribe to any share during the period for exercising the preemptive right of the Capital Increase will be at least 3.11645731%, and at most 4.78557310%, depending on the number of new shares to be effectively issued in the Capital Increase.

**XIV – inform the terms, conditions and form of subscription and payment of the issued shares:**

Holders of Company shares listed in the share position on January 27, 2023 ("Cut-off Date") may exercise the preemptive right to subscribe for new shares, in proportion to their interest in the Company's capital, as of January 30, 2023, inclusive, until February 28, 2023, inclusive.

The shares may be paid (i) in cash, in national currency, subject to the rules and procedures of Itaú Corretora de Valores S.A., bookkeeping agent for shares issued by the Company ("Bookkeeping Agent"), and of the Central Depositária de Ativos de B3 ("Central Depository of Assets"); or ii) by using the credit (net of income tax, as the case may be) related to JCP declared at the Board of Directors' Meeting held on December 14, 2022, and shareholders who so wish to inform their option for using ISE in the respective subscription bulletin.

**XV – inform whether the shareholders will have preemptive rights to subscribe the new shares issued and detail the terms and conditions to which this right is subject:**

Observing the procedures established by the Bookkeeper and the Central Depository of Assets, the Company's shareholders will be assured the preemptive right to subscribe for the newly issued shares.

Each shareholder may subscribe new shares issued within the scope of the Capital Increase, at the proportion of 0.05062825 new share for 1 (one) share held on the Cutoff Date, except for the possibility of subscribing for remaining shares.

**XVI – inform the management's proposal for the treatment of any remaining shares:**

At the end of the subscription period and if there is any number of remaining shares, even if the minimum amount of the Capital Increase has already been reached, the shareholders (or third parties who participated in the capital increase via assignment of preemptive rights) who have expressed interest in reserving remaining shares in the respective subscription bulletin will be entitled to participate in the apportionment of remaining shares.

The procedures and specific deadlines for apportioning remaining shares will be detailed in a notice to the market to be released by the Company in due course.

**XVII – describe, in detail, the procedures that will be adopted in the event of a partial ratification of the capital increase:**

The Company's Board of Directors may partially ratify the Capital Increase, provided that the subscribed amount reaches the minimum amount of R\$ 1,294,169,677.00, an amount that the Company's controlling shareholders have already committed to subscribe and pay.

In the event of partial ratification of the Capital Increase, no additional period will be granted for the reconsideration of the decision of its subscription by the shareholders. However, in view of the possibility of partial ratification of the Capital Increase and seeking to ensure that shareholders wishing to subscribe part of the Capital Increase may, at the time of exercising the subscription right, condition their investment decision to the final conditions of the Capital Increase of Capital, each shareholder may, upon subscription, condition the subscription of the Capital Increase to which he is responsible: (i) the subscription of the maximum amount of the capital increase; (ii)

the subscription of a certain minimum amount of capital increase, provided that such amount is equal to or greater than the minimum amount of BRL 1,294,169,677.00; (iii) to receive all subscribed shares; or (iv) to receive only shares in the minimum number necessary to maintain their respective interest in the Company's capital stock. The shareholder whose subscription condition set forth in the respective subscription bulletin is not implemented, will receive the amount paid in by him, without monetary correction, in whole or in part, according to the option indicated in the respective subscription bulletin.

Eventual fractions of shares arising from the exercise of the preemptive right, the exercise of the right to subscribe for the remaining shares or the apportionment of the shares will be disregarded.

Considering the achievement of the minimum amount of R\$1,294,169,677.00 and the will of the shareholders indicated in the subscription bulletins, the Company's Board of Directors will meet to calculate the amount of the Capital Increase to be ratified in whole or in part, proceeding with the corresponding homologation.

The shareholder whose subscription condition set forth in the respective subscription bulletin is not implemented, will receive the amount paid in by him, without monetary correction, in whole or in part, according to the option indicated in the respective subscription bulletin.

**XVIII – if the shares' issuance price can be, total or partially, paid up in assets: (a) present a complete description of the assets that will be accepted; (b) clarify the relationship between the assets and its corporate purpose; and (c) provide a copy of the appraisal report, if available.**

Not applicable, considering that the issue price of the shares cannot be realized in assets.