

CIA. HERING

Brazilian Corporate Taxpayer ID [CNPJ] 78.876.950/0001-71

Company ID [NIRE] 42300020401

*Publicly Traded Company***MATERIAL FACT****Business Combination of Cia. Hering and Grupo de Moda Soma S.A.**

Cia. Hering ("Hering" or "Company" B3: HGTX3) in compliance with the provisions of Brazilian Securities Commission ("CVM") Resolution No. 44, of August 23, 2021, and in addition to the notice of material fact disclosed on August 11, 2021, in this act, it communicates to its shareholders and the market in general what follows, in relation to the business combination operation between the Company and Grupo de Moda Soma SA ("SOMA") and its subsidiaries and, together with Hering, ("Companies"), pursuant to the notice of material fact disclosed on April 26, 2021 ("Transaction") and pursuant to the Association Agreement and Other Covenants entered into between the Companies on the same date and amended on July 2, 2021 ("Association Agreement").

The terms that are not defined in this notice of material fact shall have the meaning assigned to them in the Protocol and Justification of the Merger of Cia Hering Shares by Cidade Maravilhosa Indústria e Comércio de Roupas S.A. ("Cidade Maravilhosa"), followed by the Merger of Cidade Maravilhosa Indústria e Comércio de Roupas S.A Shares by GMSH Participações S/A, followed by the Merger of GMSH Participações S/A by Grupo de Moda Soma SA ("Protocol and Justification"), entered into between the Companies, Cidade Maravilhosa and NewCo on August 11, 2021.

1. Cutoff Date

The process of replacing the Company's common shares with preferred and redeemable shares of Cidade Maravilhosa is planned to take place on September 17, 2021 ("Cutoff Date"), taking into account the realization, on September 14, 2021, of the extraordinary general meetings of Cidade Maravilhosa and of the Companies that will deliberate on the Transaction and the consequent approval of the Transaction at said meetings.

Therefore, for the purposes of the Transaction, shareholders of Hering ("Hering Shareholders") will be those who hold shares issued by Hering at the close of trading on September 17, 2021, who will receive, at the end of the Transaction, for each common share issued by Hering owned by it, the Final Value of the Cash Portion and the Final Quantity of SOMA Shares.

The replacement of shares issued by Hering will take place on September 20, 2021, after which the shares issued by Hering will no longer be traded and Hering Shareholders will only

trade shares issued by SOMA under the ticker SOMA3 credited to them under the Transaction.

2. Tax Treatment

Resident Investors

The potential gains earned by Hering Shareholders who are resident in Brazil, including individuals and legal entities, investment funds and other entities, as a result of the Transaction, may be subject to income tax and other taxes, in accordance with the rules laws and regulations applicable to each category of investor, and these investors must consult their advisors on the applicable taxation and be responsible for any payment of taxes.

Non-Resident Investors

As for Hering Shareholders not residing in Brazil, due to the tax liability of Cidade Maravilhosa, the Withholding Income Tax ("IRRF") will be withheld on capital gain and income, which will be deducted from the Final Value of the Installment in Cash, in accordance with the legal and regulatory rules applicable to each investor, as described in item 2.2 below. The capital gain will correspond to the positive difference between (i) the issue value of common and preferred shares of Cidade Maravilhosa delivered to each non-resident Hering Shareholder, pursuant to the Protocol and Justification; and (ii) the acquisition cost of the Hering shares delivered by it.

With respect to the CDI (Interbank Deposit Certificate) addition to the Final Value of the Cash Installment, it will be taxable as financial income, without considering any investment cost value.

Capitalization of Profit Reserves

The extraordinary general meeting to be held on September 14, 2021 contemplates the capitalization of profit reserves. The tax legislation in force allows, in various situations, that the capitalized amounts, duly proportioned per share, make up the shareholder's acquisition cost for purposes of calculating income tax on capital gains. Hering Shareholders should consult their advisors on the application of this legal permit when calculating the acquisition cost of their shares.

2.1. **Cost of Acquisition of Shares and Tax Residence**

In order to allow for the correct calculation of the eventual amount to be taxed in the Transaction, Hering Shareholders not residing in Brazil must electronically complete and deliver to Hering, directly or through their custody agents, by **September 15, 2021**, the model spreadsheet in Annex I to this notice of material fact, containing information on the cost of acquisition of the shares they own, as well as their tax residence.

Considering that the Transaction will be consummated on September 17, 2021, based on Hering's shareholding position at the end of the Court Date trading session, Hering Shareholders not resident in Brazil who are holders of shares issued by Hering on the Date of Court, directly or through their custody agents, who have traded in shares owned by them after sending the spreadsheet or after the deadline provided for in the paragraph above, must complete and deliver it electronically to Hering, **by 6:00 pm on the 17th of September 2021**, the model spreadsheet in **Annex I**, containing information on the cost of acquisition of the shares they own, as well as their tax residence, both on the Cutoff Date.

The Companies also require that Hering Shareholders not residing in Brazil, directly or through their custody agents, when sending the spreadsheet in the Annex, expressly declare that the information presented reflects the data contained in the proper documentation and records presented by the Shareholders Hering non-residents in Brazil represented by them, providing pertinent documentation that proves the cost of the actions provided.

The Companies will use the information provided to them by non-resident investors or their custody agents to calculate the capital gain, and such Hering shareholders are responsible for the veracity and completeness of such information.

The model spreadsheet in Annex I to this notice of material fact must be sent by email to the following address: "ri@ciahering.com.br", to Hering, with a copy to SOMA at "ri@somagrupo.com.br".

2.2. Rates

For Hering Shareholders who do not reside in Brazil, the following rates will be applied to the calculated capital gain:

- 25% (twenty-five percent), in the event of a shareholder who is resident in a country or dependency with favored taxation, pursuant to the legislation and regulations of the Federal Revenue Service of Brazil in force; or
- the following rates, provided for in article 21 of Law 8,981/1995, with wording given by Law 13,259/2016:
 - a. 15% (fifteen percent) on the portion of earnings that does not exceed R\$ 5,000,000.00 (five million reais);
 - b. 17.5% (seventeen wholes and five tenths of a percent) on the portion of earnings that exceeds R\$5,000,000.00 (five million reais) and does not exceed R\$10,000,000.00 (ten million reais);

- c. 20% (twenty percent) on the portion of earnings that exceeds R\$10,000,000.00 (ten million reais) and does not exceed R\$30,000,000.00 (thirty million reais); and
- d. 22.5% (twenty-two wholes and five tenths of a percent) on the portion of earnings that exceeds R\$30,000,000.00 (thirty million reais).

With regard to income, the withholding of IRRF will be applied at the rate of 22.5% (twenty-two whole and five tenths percent), considering the nature of the financial income and the short term of payment applicable.

2.3. General Information

Under the terms determined by the legislation and regulations of the Brazilian Federal Revenue Office, Cidade Maravilhosa: (i) will consider the acquisition cost equal to zero for Hering Shareholders not residing in Brazil who do not submit the value of the acquisition cost of the shares of issuance by Hering within the terms indicated in item 2.1 above; and (ii) will apply the 25% rate on the earnings of Hering Shareholders who do not reside in Brazil who, within the same period, fail to inform their country or dependence of residence or tax domicile.

Cidade Maravilhosa and the Companies will not be liable, under any circumstances, to Hering Shareholders not residing in Brazil on the Cutoff Date, for any subsequent adjustment and/or refund of the amount paid in excess.

3. Rectification

The Company also rectifies the following information contained in the notice of material fact published on August 11, 2021:

3.1. Without prejudice to the Exchange Ratio agreed, which was included in the notice of material fact disclosed on April 26, 2021 and in the Association Agreement, which was never modified, the intermediate replacement ratio provided for in the NewCo merger stage by SOMA, which was included in the notice of material fact disclosed on August 11, 2021 as being 1.84603229202754, should be read as 0.5417023333333333, maintaining, however, the receipt, at the end, by the Hering Shareholders, of 1,625,107 shares issued by SOMA for each share issued by Hering owned by it.

3.2. Without prejudice to the value of the Cash Portion agreed and which was contained in the notice of material fact disclosed on April 26, 2021 and in the Association Agreement, which has never been modified, the redemption value to be paid for each share Redeemable preferred preference issued by Cidade Maravilhosa, which was included in the notice of material fact disclosed on August 11 as being R\$ 9.630957, should be read as R\$

7.98947044946042, thus resulting in receipt, at the end, by the Hering Shareholders, in the amount of R\$9.630957 for each share issued by Hering owned by them.

The Company also informs that it will be available on Hering's Investor Relations website (<https://ri.ciahering.com.br>) and on the websites of the Brazilian Securities Commission (<https://www.gov.br/cvm/>) and B3 SA - Brasil, Bolsa, Balcão (<http://www.b3.com.br>) new version of the Management Proposal to reflect, in the documents (including the Protocol and Justification, the adjustments provided in item 3 above.

The Company will keep its shareholders and the market informed of the relevant progress of the matters discussed herein, including under the terms of CVM Resolution No. 44/2021.

Annex II to this notice of material fact contains the full notice of material fact published on August 11, 2021 with the necessary additions and corrections contained in the items above.

Blumenau, September 02, 2021.

Rafael Bossolani
Chief Financial and Investor Relations Officer

ANNEX I

Name	CPF/CNPJ	COUNTRY OF TAX RESIDENCE	COMPLIANCE WITH THE TERMS OF RESOLUTION CMN 4.373/14?	NUMBER OF SHARES	PURCHASE COST
			[Yes/No]		

ANNEX II

CIA. HERING

Brazilian Corporate Taxpayer ID [CNPJ] 78.876.950/0001-71

Company ID [NIRE] 42300020401

Publicly Traded Company

NOTICE OF MATERIAL FACT

Business Combination of Cia. Hering and Grupo de Moda Soma S.A.

Cia. Hering (“Hering” or “Company” B3: HGTX3) in compliance with the provisions of Brazilian Securities Commission (“CVM”) Instructions 358/2002 and 565/2015, as amended, and additionally: (i) with the Notice of Material Fact disclosed jointly with Grupo de Moda Soma S. A (“Soma,” and together with Hering, “Companies”) on April 26, 2021, in which the business combination between the Companies was disclosed, formalized through the signing, on the same date, of the Association Agreement and Other Covenants (“Association Agreement”) and the Voting Commitment and Other Covenants (“Voting Commitment”); (ii) with the Notice of Material Fact disclosed on July 5, 2021, in which was disclosed the signing, by the Companies, of addenda to the Association Agreement and to the Voting Commitment, aiming at formalizing the new structure for the combination of their businesses (“Transaction”), hereby informs the shareholders and the market in general that, on this date, it approved, at a meeting of the Board of Directors, the signing of the *Protocol and Justification of the Merger of shares issued by Cia. Hering into Cidade Maravilhosa Indústria e Comércio de Roupas S.A.*, followed by the merger of the shares issued by *Cidade Maravilhosa Indústria e Comércio de Roupas S.A. into GMSH Participações S/A*, followed by the merger of *GMSH Participações S/A into Grupo de Moda Soma S.A.* (“Protocol and Justification”), through which the terms and conditions for the Transaction were established, as well as the Management Proposal to the Extraordinary General Meeting that will approve the Transaction.

The terms and conditions of the Transaction, described below, are contained in the Protocol and Justification, submitted together with the valuation reports and other pertinent documents to the Board of Directors of Hering, and signed by the managements of the Companies, and will be submitted for deliberation by the extraordinary general meetings of both Companies.

Terms not defined in this Notice of Material Fact will have the meaning given to them in the Association Agreement.

Main Terms of the Transaction

The main terms of the Transaction, which comprises the Merger of Hering Shares are described below:

1 IDENTIFICATION AND ACTIVITIES CONDUCTED BY THE COMPANIES INVOLVED IN THE MERGER

CIA HERING, a publicly traded company, with its head office in the city of Blumenau, state of Santa Catarina, at Rua Hermann Hering 1790, with Brazilian corporate taxpayer ID number [CNPJ/ME] 78.876.950/0001-71, herein represented in accordance with its corporate bylaws (“Hering”).

GRUPO DE MODA SOMA S.A., a publicly traded company with authorized capital, with its head office in the city of Rio de Janeiro, state of Rio de Janeiro, Avenida Pasteur 154, Botafogo, ZIP Code 22290-240, with Brazilian corporate taxpayer ID number [CNPJ/ME] 10.285.590/0001-08, herein represented in accordance with its corporate bylaws (“Soma”).

CIDADE MARAVILHOSA INDÚSTRIA E COMÉRCIO DE ROUPAS S.A., a closely held share corporation, with its head office in the city of Rio de Janeiro, state of Rio de Janeiro, at Rua General Bruce 551, part, São Cristóvão, ZIP Code 20921-030, with Brazilian corporate taxpayer ID number [CNPJ/ME] 09.611.669/0001-94, herein represented in accordance with its corporate bylaws (“Cidade Maravilhosa”).

GMSH PARTICIPAÇÕES S/A, a closely held share corporation, in the city of Rio de Janeiro, state of Rio de Janeiro, Avenida Pasteur 154, part, Botafogo, ZIP Code 22290-240, with Brazilian corporate taxpayer ID number [CNPJ/ME] 42.542.199/0001-20, herein represented in accordance with its corporate bylaws (“NewCo”).

2 DESCRIPTION AND PURPOSE OF THE TRANSACTION

The Transaction will consist of the following steps, all interdependent and interlinked, the consummation of which will be subject to the applicable corporate approvals and verification of the fulfillment (or waiver, as the case may be) of the Conditions Precedent, and all the steps must be coordinated so as to occur on the same date:

(a) Incorporation of all shares issued by Hering into Cidade Maravilhosa, at their economic value, resulting in the issue, by Cidade Maravilhosa, on behalf of Hering shareholders, owners of the merged shares (“Hering Shareholders”), of redeemable common and preferred shares issued by Cidade Maravilhosa, and for each common share issued by Hering, 3 common shares and 1.20545623904904 redeemable preferred shares issued by Cidade Maravilhosa will be delivered (considering the adjustments mentioned in the Protocol and Justification) (“Incorporation of Shares” of Hering”). After the Transaction is completed, Hering will preserve its own legal personality and equity, with no legal succession;

(b) on the same date, as a subsequent and interdependent act of the Merger of Hering Shares, redemption of all preferred shares issued by Cidade Maravilhosa, with the payment, for each 1 preferred share issued by Cidade Maravilhosa redeemed, in the amount of R\$7.98947044946042, thus resulting in the receipt, at the end, by the Hering Shareholders, of the Final Value of the Portion in Cash (as defined below) (“Redemption of Shares”). Once redeemed, the preferred shares issued by Cidade Maravilhosa will be canceled against the capital reserve. For clarification purposes, Cidade Maravilhosa will pay, in the share redemption, the amount of R\$7.98947044946042, proportional to the whole and fractional part of the redeemable preferred shares issued by Cidade Maravilhosa established in the exchange ratio of the Merger of Hering Shares;

(c) on the same date, as a subsequent and interdependent act of Share Redemption, the merger of all shares issued by Cidade Maravilhosa into NewCo, at their book value (already considering the effects of the Hering Share Merger and the Share Redemption), resulting in the issue, by NewCo, in favor of the shareholders of Cidade Maravilhosa, including the Shareholders of Hering who became owners of shares issued by Cidade Maravilhosa as a result of the Merger of Shares of Hering, of common shares issued by NewCo. , for each common share issued by Cidade Maravilhosa, 1 (one) common share issued by NewCo will be delivered (considering the adjustments mentioned in the Protocol and Justification and disregarding the shares issued by Cidade Maravilhosa held by NewCo prior to this stage) (“Merger of Cidade Maravilhosa Shares”). After the completion of the Merger of Cidade Maravilhosa Shares, Cidade Maravilhosa will preserve its legal personality and equity, with no legal succession; and

(d) on the same date, as a subsequent and interdependent act of the Merger of Cidade Maravilhosa Shares, the merger of NewCo by SOMA, at the book equity value of NewCo (already considering the effects of the Merger of Hering Shares, the Redemption of Shares and the Merger of Cidade Maravilhosa Shares), with the consequent extinction of NewCo and succession, by SOMA, of all its assets, rights and obligations, with the consequent migration of NewCo shareholders, including Hering Shareholders who became owners of the shares issued by NewCo as a result of the Merger of Cidade Maravilhosa Shares, to SOMA's shareholding structure, resulting in the issuance, by SOMA, in favor of NewCo shareholders, of common shares issued by SOMA, and for each common share issued of NewCo, 0.5417023333333333 common share issued by SOMA will be delivered, totaling the Final Number of SOMA Shares (as defined below) (“Merger”).

Although the steps occur subsequently to one another, they are all part of a single legal transaction, and it is a premise that none of the steps will be effective, individually, without the others also being effective and implemented in their entirety, or in other words, all the steps of the Transaction must be approved at all general meetings of the Companies.

As provided in Association Agreement, the Parties’ obligation to proceed to the Closing of the Transaction is conditioned upon the satisfaction of certain Conditions Precedent.

3 MAIN BENEFITS, COSTS AND RISKS OF THE TRANSACTION

The aim of the Operation is to create a solid company, holder of first-rate assets, strategically located, capable of efficiently supplying its customers with its products.

The integration of the Companies' activities will allow the capture of synergy gains derived from the reduction of operational, logistical and administrative costs and risks, with significant efficiency gains for the Companies.

The main risk factors are: (i) start of the process without an integration thesis, (ii) failure to capture the expected value, (iii) loss of key people, (iv) processes and systems preventing/hindering integration, and (v) failures in the integration management process.

There are no relevant costs involved in the Transaction. The Company estimates that the total costs and expenses, including the fees of legal advisors, appraisers and auditors, related to the Transaction, amount to approximately R\$28 million.

4 CALCULATION AND ADJUSTMENTS OF THE SUBSTITUTION RATIO OF HERING-CIDADE MARAVILHOSA AND OF THE FINAL QUANTITY OF SOMA SHARES FOR A NEWCO COMMON SHARE

The Transaction will result (a) in the ownership, by Cidade Maravilhosa, of all shares issued by Hering; and (b) assuming that the total share capital of Hering is represented, on the Completion Date of the Transaction, by 158,224,925 (one hundred and fifty-eight million, two hundred and twenty-four thousand, nine hundred and twenty-five) common shares, ex-treasury, and the total share capital of SOMA is represented, on the Completion Date of the Transaction, by 527,614,940 (five hundred and twenty-seven million, six hundred and fourteen thousand, nine hundred and forty) common shares, ex-treasury, and subject to the adjustments mentioned below, upon receipt, by the shareholders of Hering, for each common share issued by Hering that they own on that date, of:

- (i) An installment in Brazilian currency of BRL 9.630957 ("Cash Portion"), adjusted as provided for in the Protocol and Justification (after the adjustments, the "Final Amount of the Cash Portion"), to be paid in cash, in a single installment, within ten (10) business days of the Transaction Completion Date, with that amount being adjusted by the CDI rate, from the date on which the general meetings of the Companies that approve the Transaction steps are held, until the effective payment ("Financial Settlement Date"); and
- (ii) 1.625107 common shares issued by SOMA ("Exchange Ratio"), adjusted in the manner provided for in the Protocol and Justification (after adjustments, the "Final Amount of SOMA Shares per NewCo Common Share"), with the shares to be issued by SOMA as a result of the Transaction having the same rights as the other common shares currently issued by SOMA.

The Exchange Ratio will be adjusted by the amount of (a) any dividends, interest on shareholder equity and other income declared and/or paid by Soma and/or Hering from the date of the signing of the Association Agreement until and including the date of the closing of the Transaction (“Closing”); (b) any payments and/or receipts related to long-term incentive programs of Hering and/or Soma, including stock options or restricted stock, resulting from the Closing of the Transaction; (c) any payments of bonuses, commissions, incentives or any kind of extraordinary compensation exceeding the total amount of twenty million reais (BRL 20,000,000.00); and (d) any costs incurred by Hering for the engagement of financial advisors, for the valuation or in any manner, in the context of any Concurrent Transactions (as defined in Section 7.1(ii) of the Association Agreement), that exceed five million reais (BRL 5,000,000.00).

Any change in the total outstanding shares issued by Soma and the total shares convertible under the Hering Plans will impact, equally and in the same proportion, the Final Amount of the Cash Portion and the Exchange Ratio, increasing or decreasing the total amount, per Hering share, to be delivered in consideration for the Share Redemption and in the Merger. Any repurchase or issuance of new shares by Soma, whether in the context of merger and acquisition (M&A) transactions, capital increases, public offerings or private offerings, will not result in any adjustment to the Exchange Ratio. Similarly, incentive or stock programs for its executives or the exercise of stock options, so long as they are carried out in the normal course of business, will not result in adjustments to the Exchange Ratio.

There are currently, in relation to Hering, 2,442,864 options outstanding under stock option plans and 566,271 restricted shares to be granted that will be accelerated at the Closing. At Closing, 2,477,169 shares are expected to be issued, of which 1,910,898 are in relation to the acceleration of outstanding options and 566,271 are in relation to the acceleration of restricted shares, leaving 531,966 Hering options that are not expected to be issued, with no obligation remaining under any of the plans, which will be fully cancelled by the Closing. Additionally, Hering managers who remain with Hering or Soma after the Closing will be eligible for any incentive or stock programs intended for Soma executives, under the terms and conditions of those programs.

The Cash Portion will be subject to adjustment at the CDI rate from the date on which the general meetings of the Companies approving the steps of the Transaction are held until the Financial Settlement Date.

Merger of Hering Shares

It is proposed that, as a result of the Merger of Hering Shares, new common shares and new redeemable preferred shares issued by Cidade Maravilhosa (considering the adjustments mentioned in the Protocol and Justification), all nominative, be issued in favor of Hering Shareholders and without par value, replacing the common shares issued by

Hering owned by it, in the proportion of 3 (three) common shares and 1.2054562390490 redeemable preferred share issued by Cidade Maravilhosa for each common share issued by Hering (considering the adjustments mentioned in the Protocol and Justification). For clarification purposes, Cidade Maravilhosa will make the payment proportional to the whole and fractional part received by each Hering shareholder who owns the merged shares, through the Redemption of Shares, as defined below.

The new common shares issued by Cidade Maravilhosa will be entitled to the same rights and advantages granted to the currently existing common shares issued by Cidade Maravilhosa. The new preferred shares issued by Cidade Maravilhosa will not have voting rights, will have priority in the reimbursement of capital in the event of liquidation, without premium, and will be automatically redeemed at Closing, therefore without the need for a special meeting, and must be paid, for each 1 preferred share issued by Cidade Maravilhosa redeemed, the amount of R\$7.98947044946042, resulting, therefore, in the receipt, at the end, by Hering Shareholders, of the Final Value of the Portion in Cash.

Merger of Cidade Maravilhosa Shares

Immediately thereafter, it is proposed that, as a result of the Merger of the Cidade Maravilhosa Shares, new common shares issued by NewCo, all nominative and with no par value, be issued, in favor of the former shareholders of Hering (at that time already shareholders of Cidade Maravilhosa), in substitution of the common shares issued by Cidade Maravilhosa that they own. The new shares issued by NewCo will be entitled to the same rights and advantages attributed to NewCo's currently existing common shares.

Since, on the date of the extraordinary general meeting of Cidade Maravilhosa resolving on the Merger of Cidade Maravilhosa Shares, NewCo will be the sole shareholder of Cidade Maravilhosa, there is no question of dissenting shareholders or the right to withdraw as a result of the Merger of Cidade Maravilhosa Shares.

Merger of NewCo

Additionally, it is proposed that, as a result of the Merger of NewCo, new common shares be issued by Soma, all nominative and with no par value, in favor of the former shareholders of Hering (at that time already shareholders of NewCo), in substitution of the common shares issued by NewCo that they own. It will then be issued for each common share issued by NewCo, the Final Amount of SOMA Shares per Common Share of NewCo. It will then be issued, by Soma, in favor of NewCo shareholders, common shares issued by Soma, for each common share issued by NewCo, 0. common share issued by SOMA, totaling the Final Amount of SOMA Shares (according to defined below).

Any fractional shares issued by SOMA resulting from the Merger of NewCo will be grouped into whole numbers and then sold on the spot market managed by B3 after the

consummation of the Transaction, pursuant to a notice to shareholders to be opportunely released. The amounts earned from that sale will be made available net of fees to the former shareholders of Hering holding the respective fractions, in proportion to their interest in each share sold.

The new shares issued by SOMA will be entitled to the same rights and advantages attributed to the currently existing common shares issued by SOMA and will participate in the results of the fiscal year in progress from the date of their issuance.

Since on the date of the extraordinary general meeting of NewCo that resolves on the Merger of NewCo SOMA will be the sole shareholder of NewCo, there is no question of dissenting shareholders or rights of withdrawal as a result of the Merger of NewCo.

The valuation reports referred to below, prepared according to the Brazilian Share Corporations Law, within the context of the Transaction, will have as base date May 31, 2021 ("Base Date of the Reports").

SOMA's management, on behalf of SOMA, Cidade Maravilhosa and NewCo, hired APSIS CONSULTORIA EMPRESARIAL LTDA, with its head office in the city of Rio de Janeiro, state of Rio de Janeiro, at Rua do Passeio 62, 6th floor, Centro, in the city of Rio de Janeiro, state of Rio de Janeiro, with Brazilian corporate taxpayer ID number [CNPJ/ME] 27.281.922/0001-70 ("Apsis") to (a) perform the valuation and determine the economic value of the shares issued by Hering to be merged into Cidade Maravilhosa, in the scope of the Merger of Hering's Shares ("Valuation Report of Hering Shares"); (b) to perform the valuation and determine the book value of the shares issued by Cidade Maravilhosa to be merged into NewCo, within the scope of the Merger of Cidade Maravilhosa Shares, already taking into account the effects of the Merger of Hering Shares and of the Share Redemption ("Valuation Report of Cidade Maravilhosa Shares"); and (c) perform the valuation and determine the book value of NewCo's equity to be transferred to SOMA in connection with the NewCo Merger, already taking into account the effects of the Merger of Hering's Shares, the Share Redemption and the Merger of Cidade Maravilhosa Shares ("NewCo Valuation Report"). The Valuation Report for the Hering Shares, the Valuation Report for the Cidade Maravilhosa Shares and the NewCo Valuation Report constitute Appendixes to the Protocol and Justification, according to the Brazilian Corporations Law.

The Merger of Hering's Shares will result in an increase in the equity of Cidade Maravilhosa in an amount supported by the Valuation Report of Hering Shares, part of which will, as determined by the general meeting, be allocated to the formation of a capital reserve and the balance will be allocated to its share capital.

The Merger of Cidade Maravilhosa Shares will result, in turn, in an increase in NewCo's shareholder equity in an amount equivalent to the portion of the shareholder equity of Cidade Maravilhosa corresponding to the investment of Hering's shareholders in Cidade Maravilhosa, after the Share Redemption, which will be allocated to the share capital of

NewCo. The shares issued by Cidade Maravilhosa owned by NewCo at the time of the Merger of the Shares of Cidade Maravilhosa will be extinguished.

The Merger of NewCo will result, in turn, in an increase in SOMA's equity in an amount equivalent to the portion of NewCo's equity corresponding to the Hering Shareholders' investment in NewCo, which will be allocated to Soma's share capital. The shares issued by NewCo and owned by SOMA at the time of the Merger of NewCo will be extinguished. The equity variations calculated as of the Base Date and until the date on which the Merger of NewCo is consummated will be appropriated by Soma.

Pursuant to article 227(1), of the Brazilian Share Corporations Law, Apsis' appointment will be submitted for ratification (a) by the general meeting of Cidade Maravilhosa that resolves on the Merger of Hering Shares; (b) by the general meeting of NewCo that resolves on the Merger of Cidade Maravilhosa Shares; and (c) by the general meeting of SOMA that resolves on the Merger of NewCo Shares.

Apsis declared that (a) there is no current or potential conflict or communion of interests with the Companies' shareholders, or, moreover, with respect to the Merger of Hering Shares, Merger of Cidade Maravilhosa Shares or the Merger of NewCo, as applicable; and (b) the Companies' shareholders or management have not directed, limited, hindered or done any acts that have or could have compromised access to or use or knowledge of information, assets, documents or work methodologies relevant to the quality of its conclusions. Apsis was selected for the job considering the broad and well-known experience it has as a specialized firm in the preparation of reports and valuations of this nature.

SOMA, Cidade Maravilhosa and NewCo, as the case may be, will bear all costs related to the engagement of Apsis for the preparation of the Valuation Report of Hering Shares, the Valuation Report of Cidade Maravilhosa Shares and the NewCo Valuation Report, as the case may be.

The managements of SOMA and Hering, individually, have retained the advice of investment banks with international reputations to assist their respective boards of directors in the process of making informed decisions with respect to the financial parameters of the Transaction. These financial institutions have not indicated any impediments or conflicts for such advice.

The managements of SOMA, Cidade Maravilhosa, NewCo and Hering have also prepared pro forma financial information for Soma and Cidade Maravilhosa, as if they already existed, with reference to the base date of March 31, 2021, prepared in accordance with the Brazilian Share Corporations Law and with the rules of the Brazilian Securities Commission and submitted to reasonable assurance by an independent auditor registered with the Brazilian Securities Commission.

5 CORPORATE APPROVALS

The effectiveness of the Merger of Hering Shares, the Share Redemption, the Merger of Cidade Maravilhosa Shares and the Merger of NewCo will depend on the performance of the following acts, all interdependent and with their effects subject to the fulfillment of the Conditions Precedent, which must be coordinated in order to occur on the same date:

- a. Holding the extraordinary general meeting of Hering to resolve on the following matters, considering the order of events indicated in them, with their effectiveness conditioned to the satisfaction (or waiver, as the case may be) of the Conditions Precedent, without prejudice to other matters necessary to formalize the provisions of the Protocol and Justification: (i) approve the waiver of a tender offer for the acquisition of shares issued by Hering provided for in Articles 36 and 37 of Hering's bylaws in connection with the Transaction; (ii) approve the Protocol and Justification; (iii) approve the Transaction; and (iv) authorize the subscription, by its managers, of the new shares to be issued by Cidade Maravilhosa; and (v) to approve the capitalization of Retained Earnings Reserves, Legal Reserves and Investment Subsidies, in the total amount of R\$1,176,428,121.84 (one billion, one hundred and seventy-six million, four hundred and twenty-eight thousand, one hundred percent and twenty-one reais and eighty-four cents), increasing Hering's capital stock to R\$1,557,593,938.61 (one billion, five hundred and fifty-seven million, five hundred and ninety-three thousand, nine hundred and thirty-eight reais and sixty-one cents), without changing the number of shares that comprise it ("Hering's EGM");
- b. Holding the extraordinary general meeting of Cidade Maravilhosa to resolve on the following matters, considering the order of events indicated in them, with their effectiveness conditioned to the satisfaction (or waiver, as the case may be) of the Conditions Precedent, without prejudice to other matters necessary to formalize the provisions of the Protocol and Justification: (i) approve the Protocol and Justification; (ii) ratify the appointment of the person responsible for the valuation report of the shares issued by Hering; (iii) approve the valuation report of the shares issued by Hering; (iv) approve the creation of a new class of redeemable preferred shares, pursuant to the Association Agreement; (v) approve the Merger of Hering Shares; (vi) approve the capital increase to be subscribed for and paid in by Hering's managers, with the consequent amendment of its corporate bylaws; (viii) approve the Share Redemption, with the consequent amendment of its corporate bylaws; (ix) approve the Merger of Cidade Maravilhosa Shares; and (x) authorize the subscription, by its managers, of the new shares to be issued by NewCo ("Cidade Maravilhosa EGM");
- c. Holding the extraordinary general meeting of NewCo to resolve on the following matters, considering the order of events indicated in them, with their effectiveness

- conditioned to the satisfaction (or waiver, as the case may be) of the Conditions Precedent, without prejudice to other matters necessary to formalize the provisions of the Protocol and Justification: (i) approve the Protocol and Justification; (ii) ratify the appointment of the person responsible for the valuation report of the shares issued by Cidade Maravilhosa; (iii) approve the Valuation Report of Cidade Maravilhosa Shares; (iv) approve the Merger of Cidade Maravilhosa Shares; (v) approve the increase of the share capital to be subscribed for and paid in by the managers of Cidade Maravilhosa, with the consequent amendment of its bylaws; (vi) approve the Merger; and (vii) authorize the subscription, by its managers, of the new shares to be issued by SOMA ("NewCo EGM"); and
- d. Holding the extraordinary general meeting of Soma to resolve on the following matters, considering the order of events indicated in them, with their effectiveness conditioned on the satisfaction (or waiver, as the case may be) of the Conditions Precedent, without prejudice to other matters necessary to formalize the provisions of the Protocol and Justification: (i) approve the Protocol and Justification; (ii) ratify the appointment of the person responsible for the NewCo valuation report; (iii) approve the NewCo valuation report; (iv) approve the Transaction; and (v) approve the capital increase to be subscribed and paid in by NewCo's managers, with the consequent amendment to its bylaws, also reflecting the capital increase arising from the public offering of primary distribution of shares issued by SOMA, approved at the board of directors meeting held on July 20, 2021; (vi) change in the composition of SOMA's Board of Directors to 9 (nine) members; and (vii) resolve on the election of 2 (two) members to SOMA's Board of Directors ("SOMA's EGM").

6 SUBMISSION OF THE TRANSACTION TO BRAZILIAN OR FOREIGN AUTHORITIES

On June 2, 2021, the Companies submitted the Transaction to CADE. As communicated to the market by Hering and by SOMA on July 1, 2021, the market in general was informed that the Transaction had been approved by CADE in an order of the General Superintendence. On July 19, 2021, CADE issued the final and unappealable transit certificate of the proceeding, certifying its completion and filing, with a view to the approval without restrictions mentioned above.

7 CALCULATION OF THE SUBSTITUTION RATIO UNDER THE TERMS OF ARTICLE 264 OF THE BRAZILIAN SHARE CORPORATIONS LAW:

Considering that the substitution ratios used in the Transaction were freely negotiated between the managements of Soma and Hering, who are parties who are completely independent of one another, the presentation of the share substitution ratio based on the equity of the shares issued by the companies involved, valued according to the same criteria and on the same date, pursuant to article 264 of the Brazilian Share Corporations Law, will

not be applicable, both in relation to the Merger of Cidade Maravilhosa Shares and the Merger of NewCo.

8 RIGHT OF WITHDRAWAL AND REIMBURSEMENT AMOUNT

The Company informs that the approval of the Transaction by Hering's EGM does not guarantee the right of withdrawal to its dissenting shareholders from said resolution.

9 CUTOFF DATE

The process of replacing Hering's common shares by redeemable common and preferred shares of Cidade Maravilhosa is planned to take place on September 17, 2021 ("Cutoff Date"), taking into account the realization, on September 14, 2021, of the extraordinary general meetings of Cidade Maravilhosa and of the Companies that will deliberate on the Transaction and the consequent approval of the Transaction at said meetings.

Therefore, for the purposes of the Transaction, shareholders of Hering ("Hering Shareholders") will be those who hold shares issued by Hering at the close of trading on September 17, 2021, who will receive, at the end of the Transaction, for each common share issued by Hering owned by it, the Final Value of the Cash Portion and the Final Quantity of SOMA Shares.

The replacement of shares issued by Hering will take place on September 20, 2021, after which the shares issued by Hering will no longer be traded and Hering Shareholders will only trade shares issued by SOMA under the ticker SOMA3 credited to them under the Transaction.

10 TAX TREATMENT

Resident Investors

The potential gains earned by Hering Shareholders who are resident in Brazil, including individuals and legal entities, investment funds and other entities, as a result of the Transaction, may be subject to income tax and other taxes, in accordance with the rules laws and regulations applicable to each category of investor, and these investors must consult their advisors on the applicable taxation and be responsible for any payment of taxes.

Non-Resident Investors

As for Hering Shareholders not residing in Brazil, due to the tax liability of Cidade Maravilhosa, the Withholding Income Tax ("IRRF") will be withheld on capital gain and

income, which will be deducted from the Final Value of the Installment in Cash, in accordance with the legal and regulatory rules applicable to each investor, as described in item 2.2 below. The capital gain will correspond to the positive difference between (i) the issue value of common and preferred shares of Cidade Maravilhosa delivered to each non-resident Hering Shareholder, pursuant to the Protocol and Justification; and (ii) the acquisition cost of the Hering shares delivered by it.

With respect to the CDI (Interbank Deposit Certificate) addition to the Final Value of the Cash Installment, it will be taxable as financial income, without considering any investment cost value.

Capitalization of Profit Reserves

The extraordinary general meeting to be held on September 14, 2021 contemplates the capitalization of profit reserves. The tax legislation in force allows, in various situations, that the capitalized amounts, duly proportioned per share, make up the shareholder's acquisition cost for purposes of calculating income tax on capital gains. Hering Shareholders should consult their advisors on the application of this legal permit when calculating the acquisition cost of their shares.

Cost of Acquisition of Shares and Tax Residence

In order to allow for the correct calculation of the eventual amount to be taxed in the Transaction, Hering Shareholders not residing in Brazil must electronically complete and deliver to Hering, directly or through their custody agents, by **September 15, 2021**, the model spreadsheet in **Annex A** to this notice of material fact, containing information on the cost of acquisition of the shares they own, as well as on their tax residence.

Considering that the Transaction will be consummated on September 17, 2021, based on Hering's shareholding position at the end of the Court Date trading session, Hering Shareholders not resident in Brazil who are holders of shares issued by Hering on the Date of Court, directly or through their custody agents, who have traded in shares owned by them after sending the spreadsheet or after the deadline provided for in the paragraph above, must complete and deliver it electronically to Hering, by **6:00 pm on September 17, 2021**, the model spreadsheet in **Annex A**, containing information on the cost of acquisition of the shares they own, as well as their tax residence, both on the Cutoff Date.

The Companies also require that Hering Shareholders not residing in Brazil, directly or through their custody agents, when sending the spreadsheet in the Annex, expressly declare that the information presented reflects the data contained in the proper documentation and records presented by the Shareholders Hering non-residents in Brazil represented by them, providing pertinent documentation that proves the cost of the actions provided.

The Companies will use the information provided to them by non-resident investors or their custody agents to calculate the capital gain, and such Hering shareholders are responsible for the veracity and completeness of such information.

The model spreadsheet in Annex I to this notice of material fact must be sent by email to the following address: “ri@ciahering.com.br”, to Hering, with a copy to SOMA at “ri@somagrupo.com.br”.

Rates

For Hering Shareholders who do not reside in Brazil, the following rates will be applied to the calculated capital gain:

- 25% (twenty-five percent), in the event of a shareholder who is resident in a country or dependency with favored taxation, pursuant to the legislation and regulations of the Federal Revenue Service of Brazil in force; or
- the following rates, provided for in article 21 of Law 8,981/1995, with wording given by Law 13,259/2016:
 - a. 15% (fifteen percent) on the portion of earnings that does not exceed R\$ 5,000,000.00 (five million reais);
 - b. 17.5% (seventeen wholes and five tenths of a percent) on the portion of earnings that exceeds R\$5,000,000.00 (five million reais) and does not exceed R\$10,000,000.00 (ten million reais);
 - c. 20% (twenty percent) on the portion of earnings that exceeds R\$10,000,000.00 (ten million reais) and does not exceed R\$30,000,000.00 (thirty million reais); and
 - d. 22.5% (twenty-two wholes and five tenths of a percent) on the portion of earnings that exceeds R\$30,000,000.00 (thirty million reais).

With regard to income, the withholding of IRRF will be applied at the rate of 22.5% (twenty-two whole and five tenths percent), considering the nature of the financial income and the short term of payment applicable.

General Information

Under the terms determined by the legislation and regulations of the Brazilian Federal Revenue Office, Cidade Maravilhosa: (i) will consider the acquisition cost equal to zero for Hering Shareholders not residing in Brazil who do not submit the value of the acquisition cost of the shares of issuance by Hering within the terms indicated in item 2.1 above; and

(ii) will apply the 25% rate on the earnings of Hering Shareholders who do not reside in Brazil who, within the same period, fail to inform their country or dependence of residence or tax domicile.

Cidade Maravilhosa and the Companies will not be liable, under any circumstances, to Hering Shareholders not residing in Brazil on the Cutoff Date, for any subsequent adjustment and/or refund of the amount paid in excess.

11 OTHER RELEVANT INFORMATION:

The applicable documentation will be available to the shareholders of the Companies at their respective corporate head offices from the date of the calling of the extraordinary general meetings of the Companies, and/or, as the case may be, on the Investor Relations website of SOMA (<https://www.somagrupo.com.br/investidores/>) and of Hering (<https://ri.ciahering.com.br>) and on the websites of the Brazilian Securities Commission (<https://www.gov.br/cvm/>) and of B3 S.A. - Brasil, Bolsa, Balcão (<http://www.b3.com.br>).

Hering and SOMA have identified a material error in Clause 1.1. of the Amendment to the Association Agreement and Other Covenants, signed on July 5, 2021, so that the adjusted and current version of the document is available in SOMA's Investor Relations Website (<https://www.somagrupo.com.br/investidores/>) and Hering's (<https://ri.ciahering.com.br>)

12 CALLING OF EXTRAORDINARY GENERAL MEETING

Hering and Soma will call, for September 14, 2021, at 10:00 a.m. and 04:00 p.m., respectively, their respective extraordinary general meetings, in order to approve the corporate acts related to the Transaction. In addition to approval by the shareholders of the Companies, the Transaction is further conditioned on the satisfaction of the Conditions Precedent as provided for in the Association Agreement.

The Company will keep its shareholders and the market informed regarding the material progress of the matters dealt with here, including under the terms of CVM Instruction 565/2015, as amended.

Blumenau, September 02, 2021.

Rafael Bossolani
Chief Financial and Investor Relations Officer

ANNEX A

Name	CPF/CNPJ	COUNTRY OF TAX RESIDENCE	COMPLIANCE WITH THE TERMS OF RESOLUTION CMN 4.373/14?	NUMBER OF SHARES	PURCHASE COST
			[Yes/No]		