



**Grupo de Moda SOMA S.A.**

Avenida Pasteur, nº 154, Botafogo,

CEP 22290-240, Rio de Janeiro, RJ

CNPJ/ME nº 10.285.590/0001-08 – NIRE 33.3.0031538-1

Companhia Aberta de Capital Autorizado – Código CVM nº 2501-1

## **MATERIAL FACT**

Grupo de Moda SOMA S.A. ("SOMA" or "Company"), pursuant to article 157, paragraph 4, of Law no. 6,404/76 ("Brazilian Corporations Act") and article 2 of the Rule CVM no. 358/02, informs hereby to its shareholders and the market in general the following:

1. On this date, the Association Agreement and Other Covenants ("Association Agreement") was executed by the Company and Cia Hering, a corporation registered with CNPJ/ME under number 78.876.950/0001-71 ("Hering", and, together with the Company, the "Companies" ), with the intervention and consent of certain reference shareholders of the Companies, which deals with the combination of the Company's and Hering's businesses ("Transaction").

The main terms of the Transaction are described below:

### Transaction Structure:

2. In accordance with the provisions of the Association Agreement, the parties agreed that the integration of the activities of the Company and Hering will be implemented through:

- (i) merger of Hering's shares by a subsidiary wholly owned by the Company ("NewCo"), pursuant to art. 252 of the Brazilian Corporation Law, resulting in the issuance by NewCo, in favor of Hering's shareholders who own the merged shares, of common and preferred redeemable shares issued by NewCo, and for each common share issued by Hering, 1 common share will be delivered and 1 redeemable preferred share issued by NewCo ("Merger of Shares");
- (ii) on the same date, as a subsequent and interdependent act, redemption of all preferred shares issued by NewCo, with the payment, for each preferred share



issued by NewCo redeemed, of the amount indicated in item 4 below ("Redemption of Shares");

- (iii) on the same date, as a subsequent and interdependent act, incorporation of NewCo by the Company, pursuant to art. 227 of the Brazilian Corporations Act, making the Company a wholly owned subsidiary of Grupo Soma ("Merger").

3. Subject to the adjustments provided for in the Association Agreement, the implementation of the Transaction will result in the receipt, by Hering's shareholders, for each common share issued by hering that they own on the closing date of the Transaction, of:

- (i) A portion in local currency of R \$ 9.630957 to be paid in cash, in a single installment, within 10 (ten) business days after the closing of the Transaction; and
- (ii) 1.625107 common share issued by the Company.

#### Conditions Precedent to the Transaction

4. The closing of the Transaction is subject to compliance with the usual precedent conditions for this type of transaction, including, without limitation, (i) the approval of its consummation by the Administrative Council for Economic Defense - CADE in a definitive manner.

#### Exclusivity and Compensatory Fine

5. Under the terms of the Association Agreement, the Hering and certain reference shareholders of Hering assumed an exclusive commitment with the Company to consummate the Transaction. In addition, in the event of non-compliance with the exclusivity obligation and other obligations provided for in the Association Agreement, a fine in the amount of R \$ 250,000,000.00 (two hundred and fifty million reais) will be due

#### Other commitments

6. Within the scope of the Transaction, certain reference shareholders of the Company, on the one hand, and certain reference shareholders of Hering, on the other hand, entered into a Voting and Assumption of Obligations Commitment, which provides for a favorable vote in the meeting for the approval of the Transaction ("Voting Commitment").



#### Right of Withdrawal

7. The Company informs that the Transaction will give the dissenting shareholders of the Company the right to withdraw. Details on the exercise of the withdrawal right, including the reimbursement amount, will be communicated to the market in due course.

#### Access to Information and Documents

8. The Association Agreement, the Voting Commitment and its attachments will be available to the Company's shareholders, as of this date, at its registered office, on the Company's Investor Relations website (<https://www.somagrupo.com.br/investidores/>), as well as on the websites of the Brazilian Securities and Exchange Commission ([www.cvm.gov.br](http://www.cvm.gov.br)) and da ([www.b3.com.br](http://www.b3.com.br)).

9. Additional disclosures of information to the market will be made in due course under the terms of the current legislation, including those required by CVM Instruction No. 565, of June 15, 2015.

10. SOMA and Hering believe that the Transaction will be transformational in terms of consolidating a brand platform in fashion retail, expanding its total addressable market, connecting different audiences and opening a new space and avenue for growth given the highly complementary portfolio. The Transaction offers significant opportunities for generating value through the capture of Transactional synergies between the parties, especially with regard to the growth of revenue and gross margin, as well as through greater efficiency in expenses and investments.

11. The potential for value creation will be mutual between SOMA and Hering, with a great exchange of best practices, having as central pillars: (i) use and diffusion of a digital culture and implementation of Soma Labs digital products in all stages the Hering value chain; (ii) transfer of know-how between brands' R&D; (iii) strengthening the supply chain, with greater scalability and industrial training for vertical production of some product lines of the current brands of SOMA; (iv) franchise expertise being disseminated to some brands of SOMA; (v) potential gains in tax and Transactional efficiency between areas and (vi) execution of collaborations ("collabs") between the Group's brands, using the high volume of SOMA and Hering customers.

#### Advisors

12. G5 Partners and Banco Santander acted as financial advisors to the Company, and BR Partners acted as financial advisor to Hering. The law firms Mattos Filho, Veiga Filho, Marrey Jr. and Quiroga Advogados and Machado, Meyer, Sendacz e Opice Advogados are acting as legal advisors to the Company and Hering, respectively.



The Company will keep shareholders and the market in general informed about the relevant developments in the matters addressed here.

Rio de Janeiro, April 26, 2021.

**Gabriel Silva Lobo Leite**  
Chief Financial and Investors Relations Officer