



BANCO PAN S.A.

Publicly Held Company

Taxpayer's ID (CNPJ/ME): 59.285.411/0001-13

Corporate Company Registry (NIRE): 35.300.012.879

Av. Paulista, 1,374, 16th floor, São Paulo/SP

MATERIAL FACT

BANCO PAN S.A. (B3: BPAN4 – "Company"), pursuant to the Instruction nº 44 of the Brazilian Securities and Exchange Commission ("CVM"), of August 23, 2021, hereby informs its shareholders and the market in general that it has signed, on this date, an Association Agreement and Other Covenants ("Association Agreement") to incorporate Mosaico Tecnologia ao Consumidor S.A. ("Mosaico") (B3: MOSI3), a native digital company that brings together the brands Zoom, Buscapé, and Bondfaro and owns the largest content and origination platform for e-commerce in Brazil ("Transaction").

Once approved by the general shareholders meetings of PAN and Mosaico, the Transaction will be carried out through the incorporation by PAN of shares issued by Mosaico, with the issuance of 101,276,624 new preferred, registered, book-entry shares with no par value of PAN ("BPAN4 Shares") to be delivered to Mosaico's shareholders, in an exchange ratio of 0.8x (MOSI3/BPAN4). As a result, Mosaico's share capital will be fully held by PAN and Mosaico's current shareholders will hold 7.8% of PAN's share capital.

Also, in connection with the incorporation of Mosaico's shares, Mosaico's shareholders will receive 21,099,296 subscription bonus issued by PAN ("Subscription Bonus"), with each bonus entitled to 0.166667 BPAN4 Shares. The condition for the exercise of the Subscription Bonus is that, from this date and within 30 (thirty) months of the Transaction closing, the trading price of BPAN4 Shares has its value maintained above R\$24.00 (twenty-four reais) at the close of 3 (three) consecutive trading sessions of B3.

The exchange ratio was freely negotiated between Mosaico and PAN management as independent parties. Within the Transaction's scope, the founding shareholders of Mosaico and PAN controlling shareholder assumed the commitment to vote to comply with the Association Agreement.

Mosaico's founding shareholders will become non-statutory executives of PAN, one of whom will be a member of the board of directors and the other will be chairman of the e-commerce committee, with compatible remuneration with those of the other executives and administrators of PAN.

In addition, Mosaico's founding shareholders will be subject to (i) a lock-up of their shares that will terminate within a period of 18 to 30 months from the Transaction closing, and (ii) non-compete obligation, to which is not subject to any type of remuneration.

The Transaction closing is subject to compliance with the usual precedent market conditions, including the obtaining, by Mosaico and PAN, of the approvals of the respective General Shareholders Meetings, as well as the approvals of the Administrative Council for Economic Defense - CADE and the Central Bank of Brazil – BACEN.

The Transaction will give PAN shareholders the right to withdraw, which details, including the reimbursement amount, will be communicated to the market in due time.

As a result of the above, PAN creates the largest and most complete banking and consumer platform in Brazil. This technology-driven ecosystem enables a unique value proposition, involving the choice and acquisition of the best products, with cashback over the best price and with the best credit and payment conditions for the more than 12.4 million PAN clients (base June/21), and for the more than 22 million monthly unique users of Mosaico's platforms.

PAN will keep the market and its shareholders informed about the developments and updates of the Transaction.

São Paulo, October 3rd, 2021.

Mauro Dutra
Investor Relations Officer