

Material Fact - Board of Directors Approval for Investment in the Construction of Portobello America's Factory in the United States

Tijucas, SC, October, 7th, 2021 - PBG S.A. ("B3: PTBL3") ("Company"), pursuant the Brazilian Securities and Exchange Commission ("CVM") Resolution No. 44 of August 23rd, 2021, hereby informs its shareholders and the public in general that the Board of Directors of the Company, in a meeting held today, and also in line with the Notice to the Market released on July 12th, 2021, approved investment in the construction of Portobello America's factory in the United States. The facility will have approximately 895,000 square feet (equivalent to 83 thousand square meters) and will be located in the city of Baxter, TN.

Total investment is expected to be USD 160 million, out of which close to USD 80 million are related to the construction of the unity, in a Build-to-Suit transaction ("BtS"). After the conclusion of the construction, expected to be in the end of 2022, Portobello will execute a long-term lease (20 years) of the facility. The remaining USD 80 million refer mainly to the investment in machinery, and should be financed by suppliers, with a duration of 5 year. The Company estimates the facility will create about 220 local jobs and generate over USD 100 million in annual revenue.

The 92-acre (around 370 thousand square meters) project site is located on the south side of Interstate 40 within the city limits of Baxter, TN. The site was formerly known as the Tennessee Speedway Dirt Racetrack. It stays in Putnam County, considered a national hotbed for ceramic tile manufacturing due to the region's vast natural supplies of clay and feldspar.

Portobello America started operating in the United States in the 1990's as part of Portobello Group's internationalization strategy. It currently has two distribution centers in the U.S. market, strategically located in Florida and Tennessee, where the future industrial facility will be located, as well as Portobello America's U.S. headquarters.

As released in the Notice to the Market from July 12th, 2021, Avison Young's Capital Markets Group has been exclusively retained by Portobello America to arrange financing for the construction of the factory (phase 1). As soon as the BtS contract is signed, the Company will inform its shareholders and the public in general about which investor it has selected as its long term financial partner on Portobello America's industrial facility and headquarters.

Ronei Gomes

Chief Financial and Investor Relations Officer

PBG S.A.

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About Portobello America

Portobello America, a Portobello Group company, creates, produces and distributes complete and competitive coating solutions focused on the U.S. market. We believe that design can transform the way people feel by shaping the environments in which we live. This idea is the essence of Portobello America. Our business model is an integrated one. With expertise in retail and logistics, as well as being founded on design and innovation, our company is uniquely positioned to provide comprehensive support to our partners. To learn more, visit www.portobelloamerica.com.

About Portobello Group

Headquartered in Tijucas, Santa Catarina, Brazil, Portobello Group is the largest company in the coating segment in Brazil, with the most extensive retail network in the country. The trademark is a national leader and global player in the industry. The company is listed in the São Paulo Stock Exchange (B3), under the ticker PTBL3. The group has a multi-channel offering, with operations structured in four Business Units – Portobello, with distribution to Home centers, Projects and Exporting to more than 70 countries, Portobello Shop, its retail trademark with more than 130 stores throughout Brazil, Portobello America, pioneer in the group's internationalization, headquartered in the United States, and Pointer, trademark with democratic design established in Brazil's northeast. With a very sustainable production process, respecting the environment and the usage of natural resources, Portobello serves countries in five continents, connecting with clients and architecture professionals from all over the world. To learn more, visit www.portobello.com.br.