



Institutional Presentation

4Q19

Statements regarding the Company's future business perspectives and projections of operational and financial results are merely estimates and projections, and as such they are subject to different risks and uncertainties, including, but not limited to, market conditions, domestic and foreign performance in general and in the Company's line of business.

These risks and uncertainties cannot be controlled or sufficiently predicted by the Company management and may significantly affect its perspectives, estimates, and projections. Statements on future perspectives, estimates, and projections do not represent and should not be construed as a guarantee of performance. The operational information contained herein, as well as information not directly derived from the financial statements, have not been subject to a special review by the Company's independent auditors and may involve premises and estimates adopted by the management.

section 01

| COMPANY OVERVIEW

1 Platform of brands of reference

**AREZZO
&CO**

Arezzo&Co is the leading Company in the footwear, handbags and accessories industry through its platform of Top of Mind brands

**AREZZO
&CO**



AREZZO SCHUTZ ANACAPRI

ALEXANDRE
BIRMAN

FIEVER

ALME

VANS
"OFF THE WALL"

Arezzo&Co is the reference in the Brazilian retail sector and has a unique positioning combining growth with high cash generation

Leading company in the footwear and accessories industry with presence in all Brazilian states

Controlling shareholders are reference in the sector

Development of collections with efficient supply chain

Asset light: high operational efficiency

Strong cash generation and high growth

14.5 million pairs of shoes ⁽¹⁾

1.8 million handbags ⁽¹⁾

More than 3,000 points of sale

~25% market share on AB classes ⁽²⁾

More than 47 years of experience in the sector

Wide recognition

~11,500 models created per year

Average lead time of 40 days

15 to 18 launches per year

90,3% outsourced production

ROIC of 28.3% in 4Q19 ⁽³⁾

2,465 employees

Net revenues CAGR: 10.6% (2015 - 2019)

Net Profit CAGR: 8.6% (2015 – 2019)

Increased operating leverage

1. As of 2019

2. Refers to the Brazilian women footwear, handbags, men's and women's sneakers market (source: Company estimates). As of 2019.

3. Results excluding the adoption of IFRS 16 / CPC 06 (R2)

Successful track record of entrepreneurship

The right changes at the right time accelerated the Company's development

FOUNDATION AND STRUCTURING

70's

Founded in 1972
Focused on brand and product



Opening of the first shoe factory

First store

Launch of the first design with national success



INDUSTRIAL ERA

80's

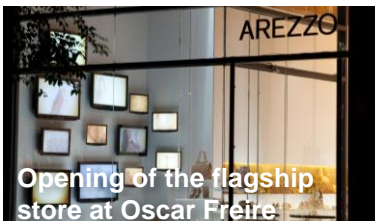
Consolidation of industrial business model located in Minas Gerais
1.5 mm pairs per year and 2,000 employees



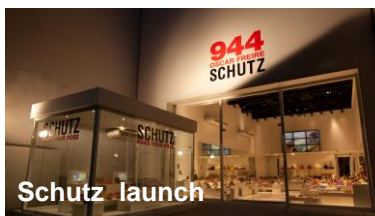
RETAIL ERA

90's

Focus on retail
R&D and production outsourcing on Vale dos Sinos - RS
Franchises expansion



Opening of the flagship store at Oscar Freire



Commercial operations centralized in São Paulo
Fast Fashion concept

CORPORATE ERA

00's

Specific brands for each segment
Expansion of distribution channels
Efficient supply chain

Launch of new brands

ALEXANDRE
BIRMAN ANACAPRI

Merger

AREZZO + SCHUTZ

Strategic Partnership
(November 2007)

TARPON
INVESTIMENTOS

Initial Public Offering (IPO)
February 2011

INDUSTRY REFERENCE

2011 - 2019

CONSOLIDATE LEADERSHIP POSITION

International expansion
9 owned stores in us

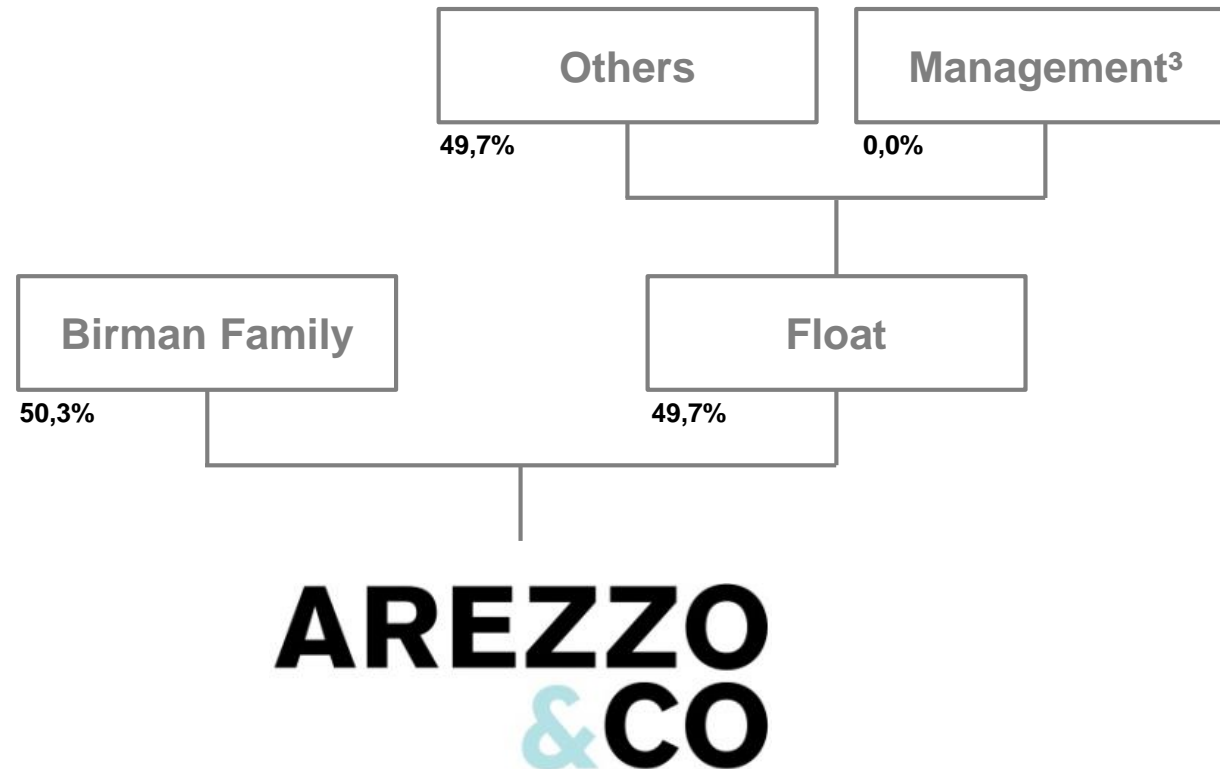


Launch of new brands

FIEVER ALME

The exclusive distributor in Brazil

VANS
"OFF THE WALL"

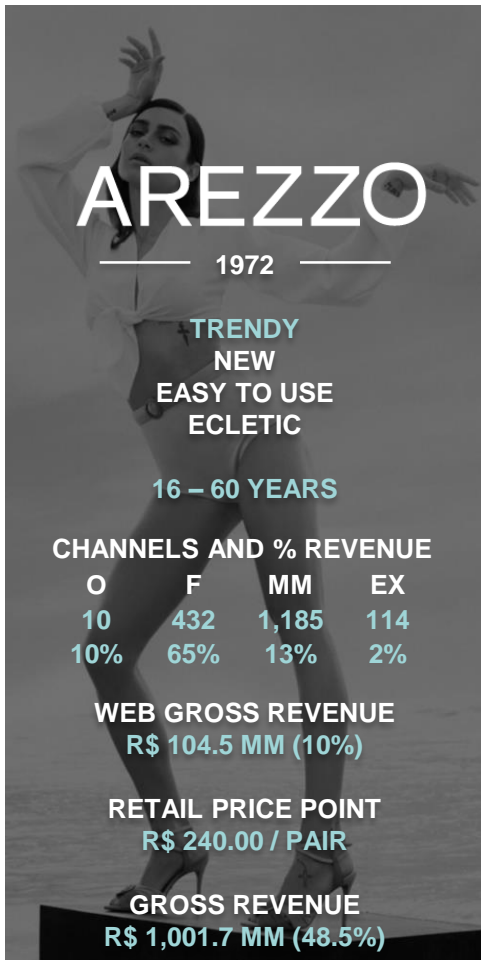


1. Arezzo&Co capital stock is composed of 90.954.280 common shares, all nominative, book-entry shares with no par value
2. Shareholder structure as of June 26, 2020
3. Includes LTI plan

1 Strong platform of brands

**AREZZO
&CO**

Strong platform of brands, aimed at specific target markets, enables the Company to capture growth from different income segments



AREZZO
— 1972 —

**TRENDY
NEW
EASY TO USE
ECLECTIC**

16 – 60 YEARS

CHANNELS AND % REVENUE

O	F	MM	EX
10	432	1,185	114
10%	65%	13%	2%

WEB GROSS REVENUE
R\$ 104.5 MM (10%)

RETAIL PRICE POINT
R\$ 240.00 / PAIR

GROSS REVENUE
R\$ 1,001.7 MM (48.5%)



SCHUTZ
— 1995 —

**FASHION
UP TO DATE
BOLD
PROVOCATIVE**

18 – 40 YEARS

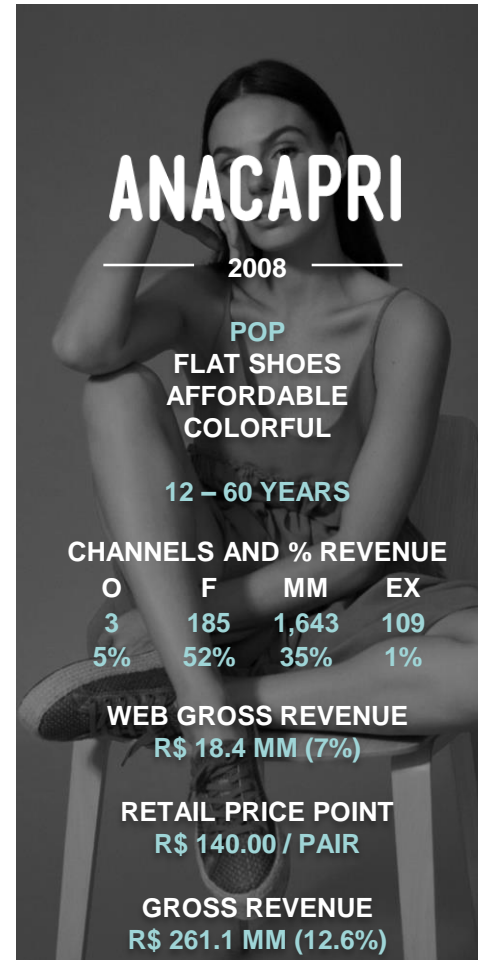
CHANNELS AND % REVENUE

O	F	MM	EX	US
17	72	1,062	130	6
17%	18%	26%	4%	23%

WEB GROSS REVENUE
R\$ 79.9 MM (12%)

RETAIL PRICE POINT
R\$ 380.00 / PAIR

GROSS REVENUE
R\$ 646.3 MM (31.4%)



ANACAPRI
— 2008 —

**POP
FLAT SHOES
AFFORDABLE
COLORFUL**

12 – 60 YEARS

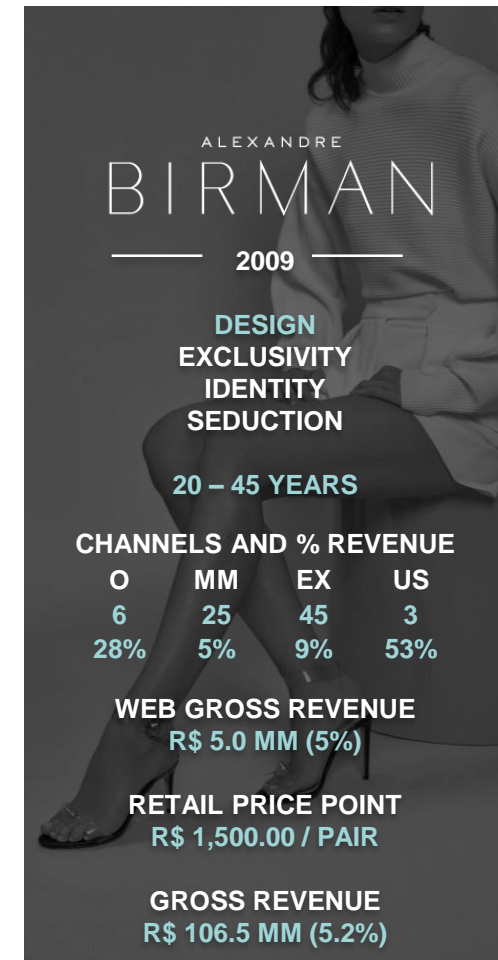
CHANNELS AND % REVENUE

O	F	MM	EX
3	185	1,643	109
5%	52%	35%	1%

WEB GROSS REVENUE
R\$ 18.4 MM (7%)

RETAIL PRICE POINT
R\$ 140.00 / PAIR

GROSS REVENUE
R\$ 261.1 MM (12.6%)



**ALEXANDRE
BIRMAN**
— 2009 —

**DESIGN
EXCLUSIVITY
IDENTITY
SEDUCTION**

20 – 45 YEARS

CHANNELS AND % REVENUE

O	MM	EX	US
6	25	45	3
28%	5%	9%	53%

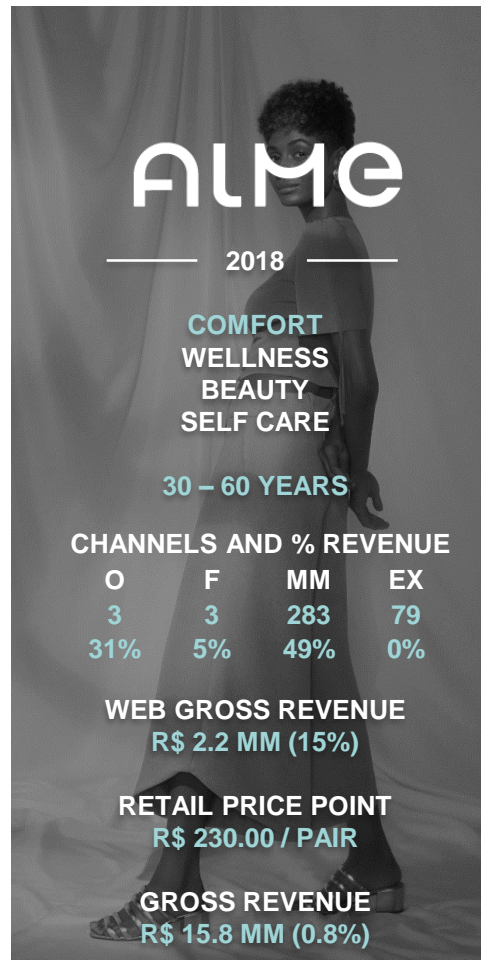
WEB GROSS REVENUE
R\$ 5.0 MM (5%)

RETAIL PRICE POINT
R\$ 1,500.00 / PAIR

GROSS REVENUE
R\$ 106.5 MM (5.2%)

1. Points of sales (LTM); O = Owned Stores; F = Franchised Stores; MB = Multi-brand Stores; EX = Exports; US = US Operation (Owned Stores in US)
2. % of each brand gross revenues (LTM) does not include other revenues (not generated by any of the 6 brands).
3. Gross revenues LTM, including external market; does not include other revenues (not generated by any of the 6 brands).
4. % of Company's total gross revenues of LTM.

Strong platform of brands, aimed at specific target markets, enables the Company to capture growth from different income segments



Notes:

1. Points of sales (LTM); O = Owned Stores; F = Franchised Stores; MB = Multi-brand Stores; EX = Exports; US = US Operation (Owned Stores in US)
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1 Multiple distribution channels

Flexible platform through different distribution channels with specific strategies, maximizing the Company's profitability

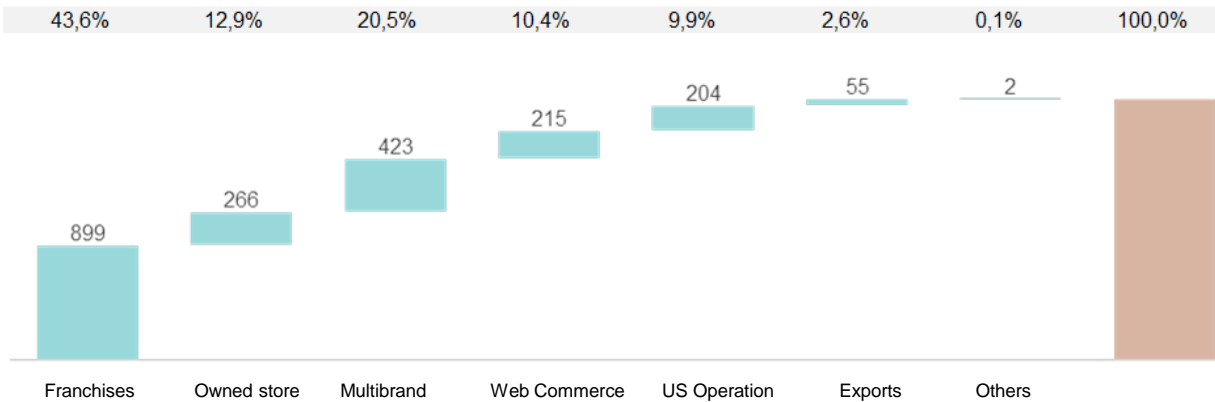
**699 franchises
in more than
250 cities in
Brazil**

**44 owned
stores in
Brazil**

**2.646 multibrand¹
clients in more
than 2.590 cities**

**Broad
distribution
network
throughout
Brazil**

Gross Revenue Breakdown by Channel² – (R\$ mm)



Notas:

1. Without store overlap between brands
2. LTM
3. Domestic Market – multibrand without overlap.

	Franchises	Owned Stores	Multibrand
AREZZO	432	10	1.185
SCHUTZ	72	17	1.602
ANACAPRI	185	3	1.643
ALEXANDRE BIRMAN	-	6	25
FIEVER	1	5	442
ALME	1	3	283

section 02

| BUSINESS MODEL

Customer focus: we are at the forefront of
Brazilian women fashion and design

1

ABILITY TO
INNOVATE

R&D

2

SOLID MARKETING
AND
COMMUNICATION
PROGRAM

Communication &
Marketing

3

EFFICIENT
SUPPLY CHAIN

Sourcing & Logistics

4

NATIONWIDE
DISTRIBUTION
STRATEGY

Multi-channel

5

SEASONED
MANAGEMENT
TEAM WITH
PERFORMANCE
BASED INCENTIVES

Management

BRANDS OF REFERENCE

2

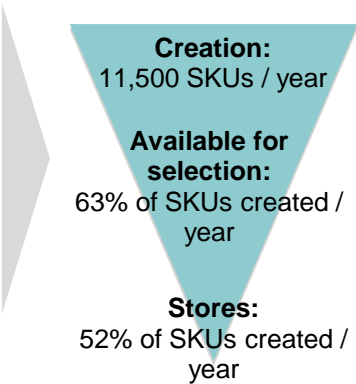
Ability to Innovate

We develop 15 to 18 collections per year

I. Research



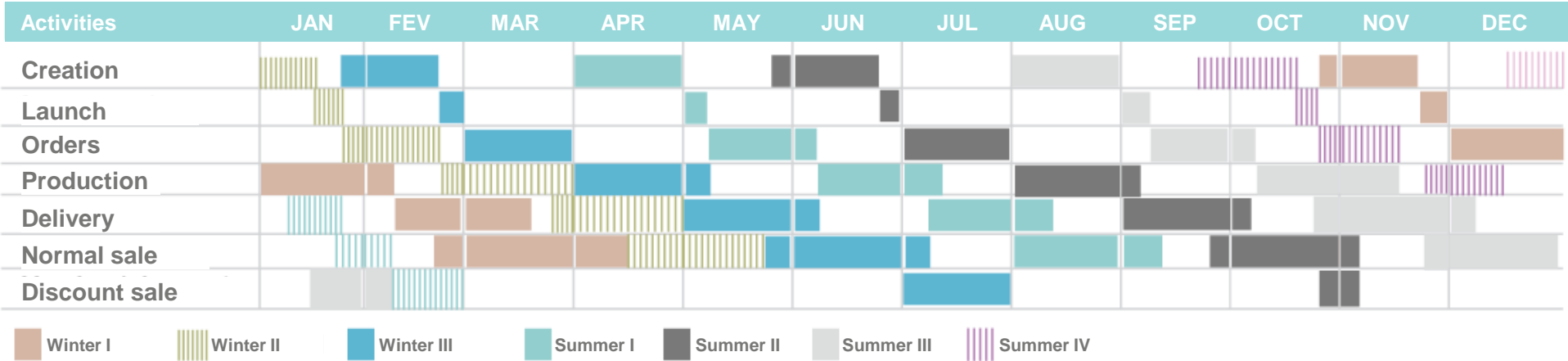
II. Development



III. Sourcing



IV. Store Delivery



Arezzo&Co delivers on average 5 new models at the stores per day, allowing for consistent desire-driven purchases

2 Broad Media Plan

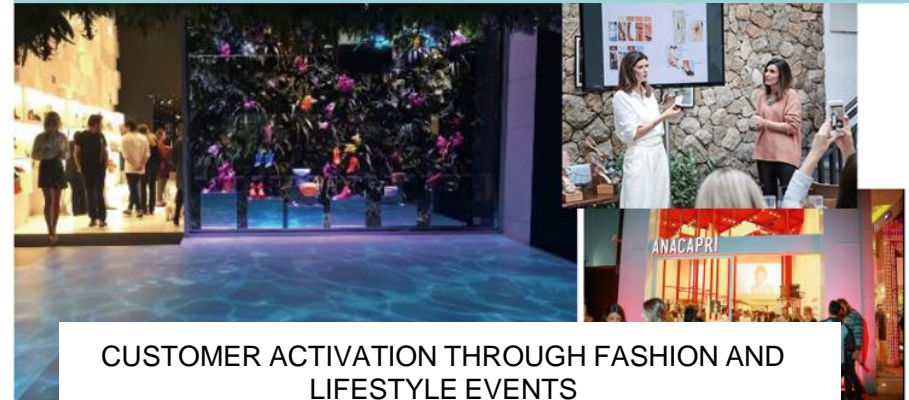
Each brand has an integrated and expressive communication strategy, from the creation of campaigns to the point of sale

STRONG PRESENCE IN SOCIAL, DIGITAL AND PRINT MEDIA



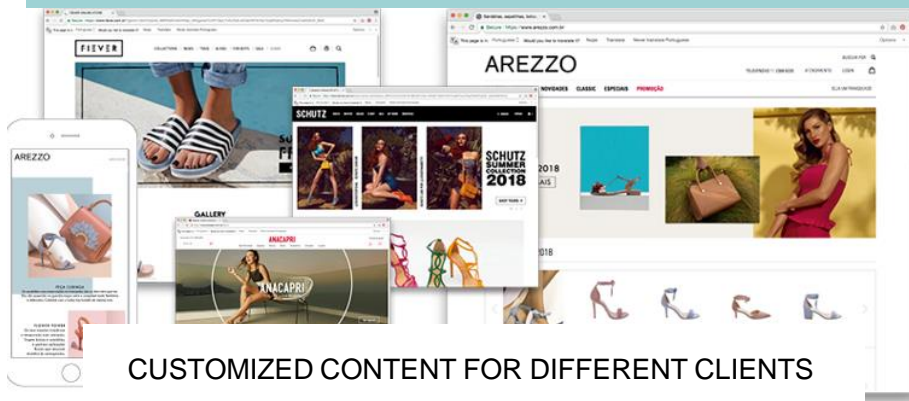
OVER 12 MILLION FOLLOWERS
OVER 4 MILLION MONTHLY WEBSITE ACCESS

LIVE MARKETING AND EXPERIENCE AT POINT OF SALE



CUSTOMER ACTIVATION THROUGH FASHION AND
LIFESTYLE EVENTS

DIGITAL COMMUNICATION



CUSTOMIZED CONTENT FOR DIFFERENT CLIENTS

PUBLIC RELATIONS



INTERNATIONAL CELEBRITIES ENDORSEMENT AND
STRONG PRESENCE IN THE PRESS

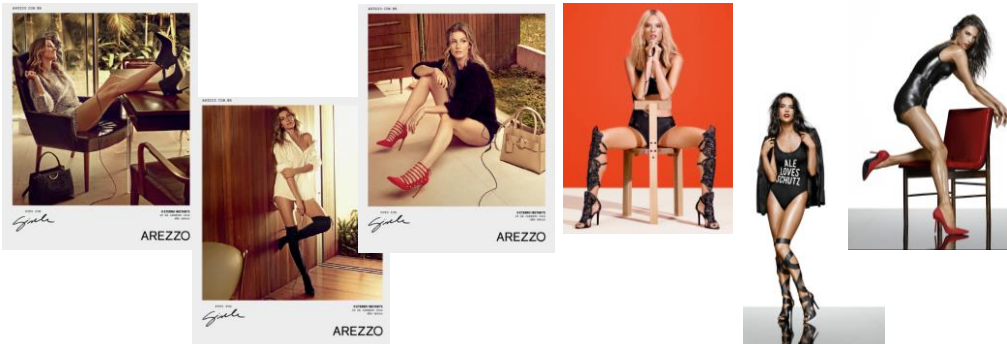
2

Communication & Marketing Program reflected in every aspect of the stores

AREZZO & CO

Stores are constantly changed to incorporate the concept of each new collection, resulting in a higher level of desire-driven purchases

POS materials (catalogs, packaging, and others)



Store layout & visual merchandising



Flagship stores



All visual communication at stores is monitored and updated simultaneously throughout Brazil for each new collection

2

Store atmosphere: differentiated concepts for each brand

AREZZO & CO

AREZZO



Shelves, Niches and Suspended shelves

- Increased number of displayed items
- Products highlighted in the center of the stores
- Favorable lighting project
- Distribution of the furniture provides more comfort to the customers

SCHUTZ



New Store Concept

- New store concept being tested in flagship stores
- New digital experience: mobile check-out, RFID mirror and touch-screen TV
- Expected roll out for 2018/19

ANACAPRI



Wall display

- Display of a large variety of products
- Inventory at the sales area: lower necessity of additional space for storage

ALEXANDRE BIRMAN



Each theme is disposed in different niches

- Atmosphere of a jewelry store
- Private shop experience
- Focus on exclusivity, design and high quality materials

FIEVER



Experimental and creative

- Experimental and creative space
- Interaction with the customer
- Collaborative experience

ALME



Wellness and style

- Focus on wellness (comfort and style)
- Timeless concept

2 Flexible Production Process

Production speed, flexibility and scalability to ensure Arezzo&Co's expected growth based on asset light model

Sourcing Model

Owned factory with capacity to produce 1,1mm pairs annually and a strong relationship with Vale dos Sinos production cluster as the main outsourcing region

Certification and auditing of suppliers

In-house certification and auditing ensure quality and punctuality (ISO 9001 certification in 2008)

New Distribution Center – Espirito Santo State



Gains of scale

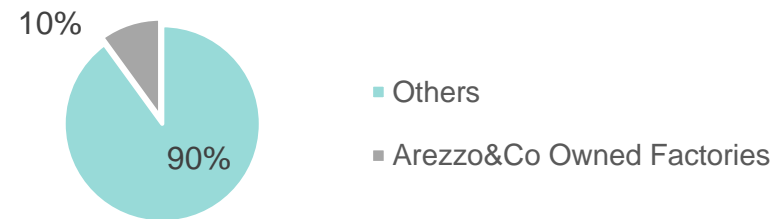
Arezzo's scale and structure gives flexibility to source a large number of SKU's from various factories on a short time frame at competitive prices



Joint purchases

Coordination of material purchase jointly with shoe, handbag and accessories' suppliers

Sourcing model – 90% of production outsourced¹



Consolidation and improvement of distribution in national scale

- 1 Reception: 100,000 units/day
- 2 Storage: 100,000 units/day
- 3 Picking: 150,000 units/day
- 4 Distribution: 200,000 units/day

2

Operation composed by flagship stores in key Brazilian locations

Owned stores are key to develop retail know-how and increase brands' visibility

Flagship Stores

Greater brand awareness coupled with operational efficiencies

- Owned stores are larger and more productive than average and are located in key cities of Brazil (mainly SP and RJ)
- The direct customer interaction enables the development of retail capabilities, which are also reflected at franchised stores



Arezzo – Iguatemi / SP



Anacapri – Oscar Freire/ SP



Fever – Oscar Freire/ SP

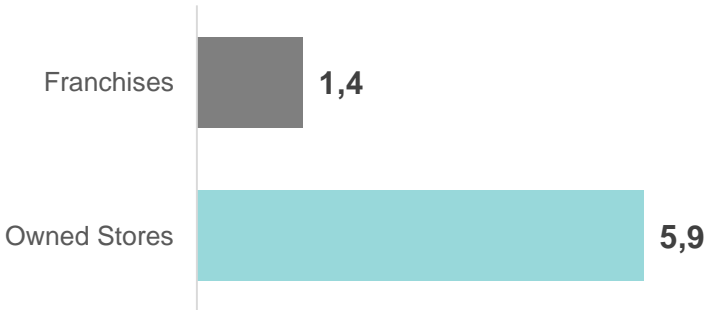


Schutz – Iguatemi/ SP



Alme – Oscar Freire/ SP

Average Annual Sales per Store LTM (R\$ MM)

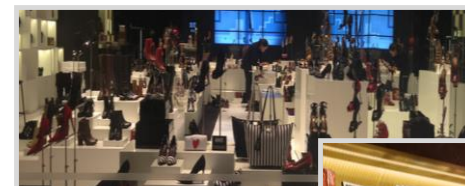


Strong focus on performance in both owned and franchised stores

Structure applied to retail in order to achieve better sales and margin results as well as to integrate and connect all monobrand stores' back office

Strong focus on franchise and owned store performance

- All sales team (4,000+ people) get connected through national internet broadcast for three sales conventions per year, creating an aligned sales pitch and a great sense of motivation before each season
- Large service program to assist franchisees on sales and profitability goals
- Recurring training programs in products, fashion trends, sales techniques, store management, IT, among others
- Strong visual merchandising, trade marketing and ambiance investments and training



2 Efficient management of the franchise network

Model allows fast expansion with low invested capital

Successful Partnership: “Win – Win”

- Intense retail training
- Ongoing support: average of 6 stores/ consultant and average of 22 visits per store/ year
- Strong relationship with and ongoing support to franchisee
- IT integration with our franchises amounts to 100%
- As mono-brand stores, franchises reinforce branding in each city they are located

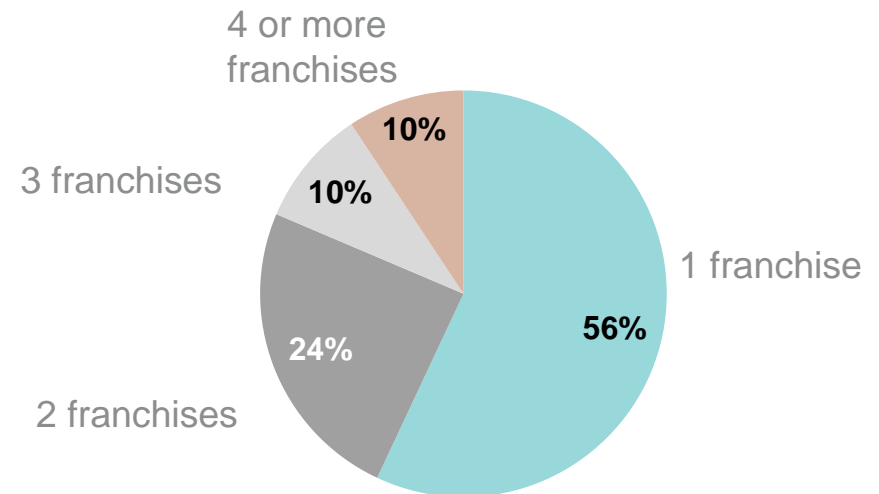
Seal of Excellence from ABF (Brazilian Association of Franchising)

96% satisfaction of franchisees¹

5-year contract and average payback of 36-48 months²

Franchise Concentration per Operator

(# of franchises by # of franchisees)



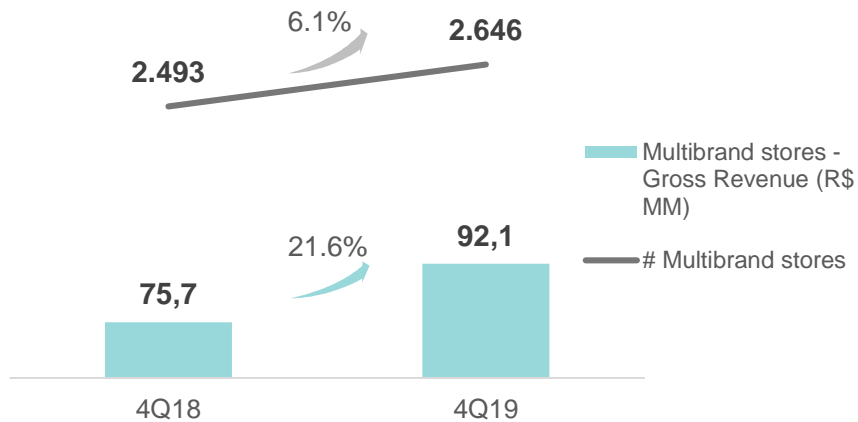
Notes:

1. 96% of the current franchisees indicated they would be interested in opening a franchise if they did not already have one
2. For a regular Arezzo brand store, with expected annual sales of R\$ 2,2 million, the average investment is approximately R\$ 670 thousand, including store capex, franchise fee, WC and initial inventory)

2 Multibrand stores as tool for increased capilarity

Multibrand stores widen the distribution network and the brands' visibility, resulting in a stronger retail footprint

Multibrand stores' gross revenue¹



Multi-brand stores

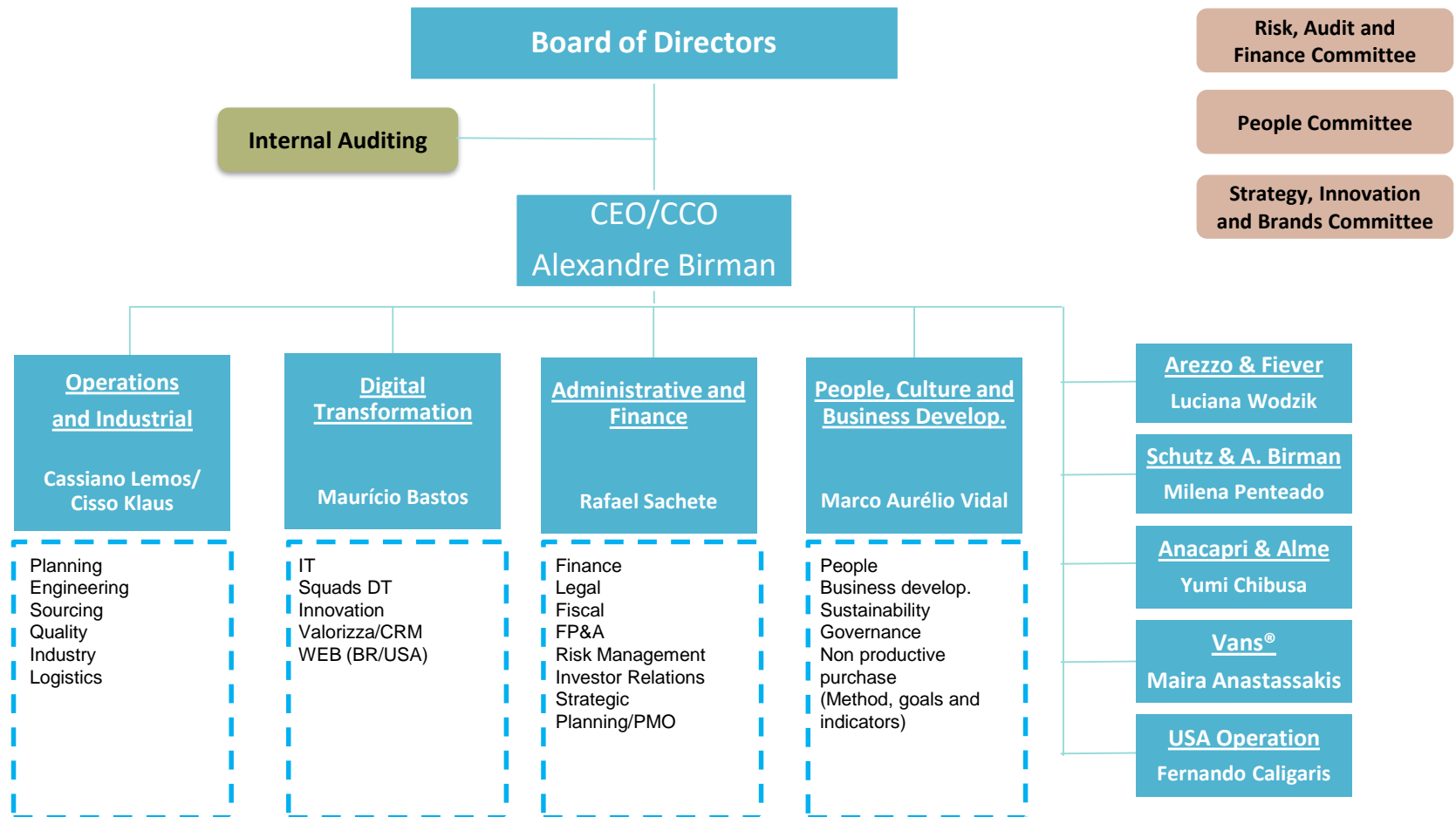


Notes:

1. Domestic market only

Improved distribution and brand visibility

- Greater brand distribution network
- Presence in over 2,590 cities
- Fast expansion at low investment and risk
- Main focus: increase share of wallet, through the sale of more brands at the same POS and also handbags as part of the mix
- Important sales channel for smaller cities and the Brazilian countryside
- Sales team optimization: internal team and commissioned sales representatives



2 Corporate governance

The Board is comprised of 7 members, of which 5 are independent, and has a very large engagement on the strategic planning of Arezzo&Co

Board of Directors

Alessandro Carlucci <i>Chairman of the Board</i>	Natura's CEO for over a decade and former Board Member of Lojas Renner, Redecard, Alcoa Latam and Itau-Unibanco	Alexandre Birman <i>Member</i>	Current CEO of Arezzo&Co and part of the controlling group. Founder of Schutz brand, with over 18 year of experience on the footwear industry.
José Bolonha <i>Vice Chairman of the Board</i>	Founder and CEO of "Ethos Desenvolvimento Humano e Organizacional"; Board member of the Inter-American Economic and Social Council (UN, WHO)	Juliana Rozenbaum <i>Independent Member</i>	Over 13 years of experience as sell side equity research analyst, focused on retail and consumer sector
Luiza Trajano <i>Independent member</i>	Chairman of the Board of Magazine Luiza and LuizaCred and former member of Sadia S.A. Board.	Luiz Fernando Giorgi <i>Independent Member</i>	28 years of experience in Management and Leadership. Current member of people committees for Santander, Sul América and Grupo Martins
Guilherme A. Ferreira <i>Independent Member</i>	CEO of Bahema Participações, current board member of Petrobras, Valid, Sul América, Gafisa and T4F		

Committees

Risk, Audit and Finance Committee

Guilherme A. Ferreira (*Coordinator*)

Members:

Alessandro Carlucci, Guilherme A. Ferreira and Edward Ruiz

Strategy, Innovation and Brands Committee

Juliana Rozenbaum (*Coordinator*)

Members:

Alexandre Birman, Luiza Trajano, Juliana Rozenbaum, and Silvio Meira

People Committee






José Bolonha (*Coordinator*)

Members:

Luiz Fernando Giorgi, José Bolonha and Cláudia Falcão

2 Multibrand and multichannel strategy

Organic growth leveraged by multi-brand, multichannel strategy in footwear and handbags

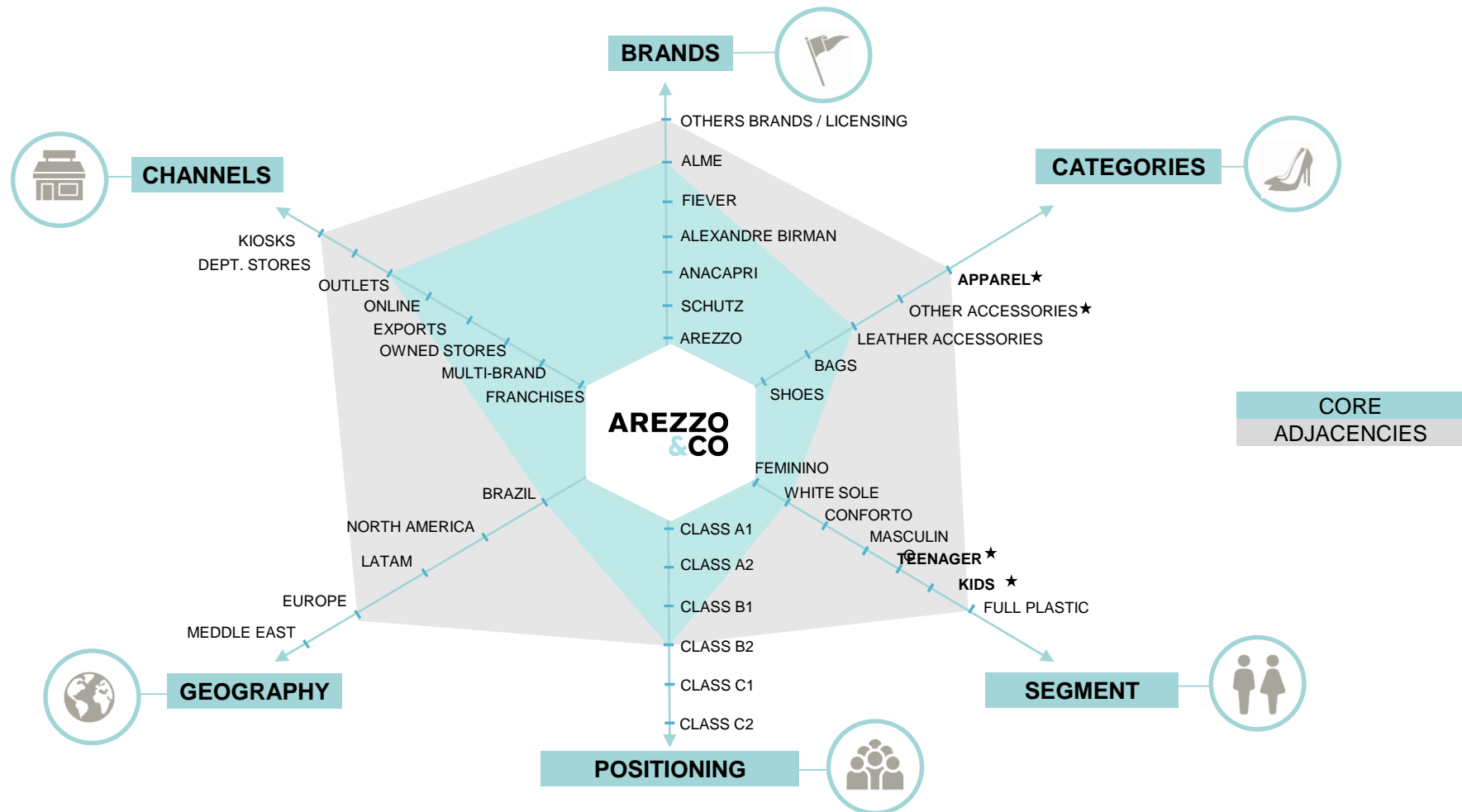
	AREZZO	SCHUTZ	ANACAPRI	ALEXANDRE BIRMAN	FEVER	ALME	GROSS REVENUE LTM ^{1,2}
 FRANCHISES	FOCUS ON SSS FOCUS ON BAGS SERVICES SEGMENTATION	NEW CATEGORIES FOCUS ON SSS LIFE STYLE	NATIONAL ROLL-OUT ON-GOING INVEST. EM MKT	LAUNCH OF FRANCHISES	FIRST FRANCHISE OPENED IN 2019	FIRST FRANCHISE OPENED IN 2019	43.6% R\$ 899.4 MM
 MULTIBRAND	CROSS-SELL OF BAGS ACTIVATION POS MKT	INCREASE IN SHARE OF WALLET CUSTOMERS ATTRACTION CROSS- SELL OF BAGS	RECENT RECOGNITION OF THE BRAND IN THE CHANNEL INCREASE PENETRATION	SOLD AT SELECTED POINTS AND IN LINE WITH THE BRANDING	EXPANSION IN NEW POINTS OF SALE	EXPANSION IN NEW POINTS OF SALE	20.5% R\$ 423.0 MM
 OWNED STORES	FOCUS ON SSS	GROWTH WITH FOCUS ON SSS REFRESH FLAGSHIP	FINALIZE TRANSFER OF PILOT STORES RETAINING A MAXIMUM OF 2 FLAGSHIPS	FOCUS ON SSS	OPENING OF FLAGSHIP STORES	OPENING OF FLAGSHIP STORES	12.9% R\$ 266.3 MM
 WEB COMMERCE	CHANNEL BOOST, EX.: APP PILOT STORE SHIPPING	FASHION INFO SHOP NEW APP	BOOST DIGITAL PRESENCE INCREASE TRAFFIC AND CONVERSION	LAUNCH IN 2017 IN BRAZIL AND 2018 USA AND EUROPE	TOOL FOR ENHANCING BRAND AWARENESS AND PENETRATION	TOOL FOR ENHANCING BRAND AWARENESS AND PENETRATION	10.4% R\$ 214.6 MM
 FOREIGN	FOCUS ON KEY ACCOUNTS	USA PROJECT MULTIBRAND STORES	NOT A CURRENT FOCUS	US OPERATION AND SHOWROOM IN EUROPE	NOT A CURRENT FOCUS	NOT A CURRENT FOCUS	12.5% R\$ 259.0 MM
SHARE OF EACH BRAND (LTM)²	48.5% R\$ 1,001.7 MM	31.4% R\$ 646.2 MM	12.6% R\$ 261.1 MM	5.2% R\$ 106.5 MM	1,5% R\$ 31.0 MM	0.8% R\$ 15.8 MM	100% R\$ 2.0 BI

Notes:

1. % of each brand gross revenues (LTM) does not include other revenues (not generated by any of the 6 brands).
 2. Gross revenues LTM from the 6 brands; includes foreign market; does not include other (not generated by any of the 6 brands)
- LTM Base

2 Strategy

Business model allows multiple growth options



2 Key messages

Arezzo&Co keeps developing its business model in a sustainable way

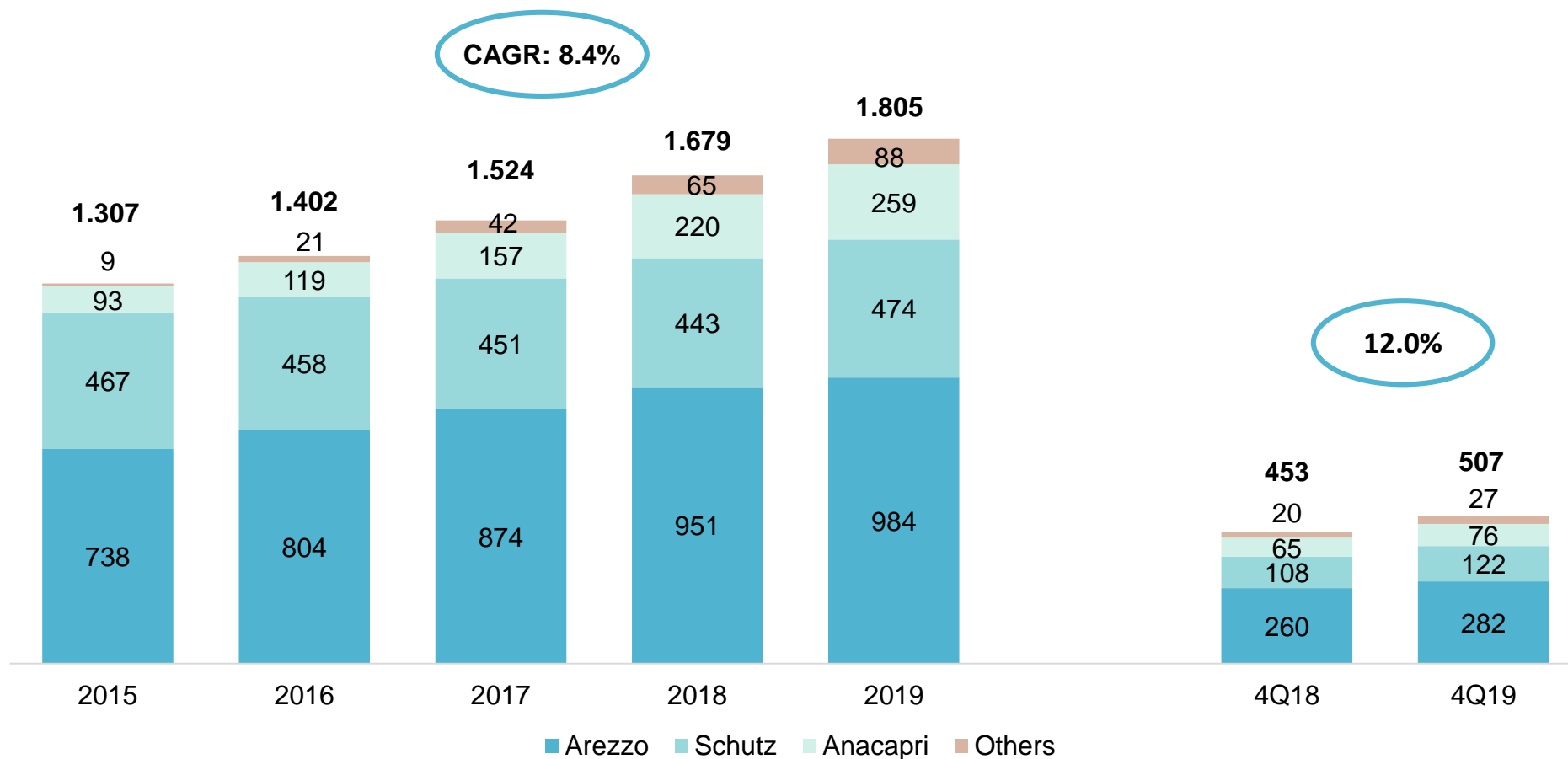
- 1 Consolidated business model with multiple growth opportunities**
 - Sustainable growth and improvement in the profitability of existing brands.
 - Launch of a new brand Alme and encouraging results in Fiever brand
- 2 Staff management an ongoing development**
 - Shareholders value creation sustained by leadership and training of talents
 - Strengthening of Company's culture
- 3 Ownership of the value chain, greater competitive advantage**
 - More agile and collaborative model
 - Sell-out oriented to boost results in the value chain
- 4 Company's resilient financial growth**
 - Consistent dividend payout combined with a strong cash flow
 - Expenses optimization in line with growing revenues
- 5 Multi-channel management know-how, excellent platform to lift brands**
 - Digital transformation and Omni channel growth as key priorities
 - Strong knowledge in franchises' management coupled with efficiency opportunities
 - Multibrand channel boosting the growth of new brands

section

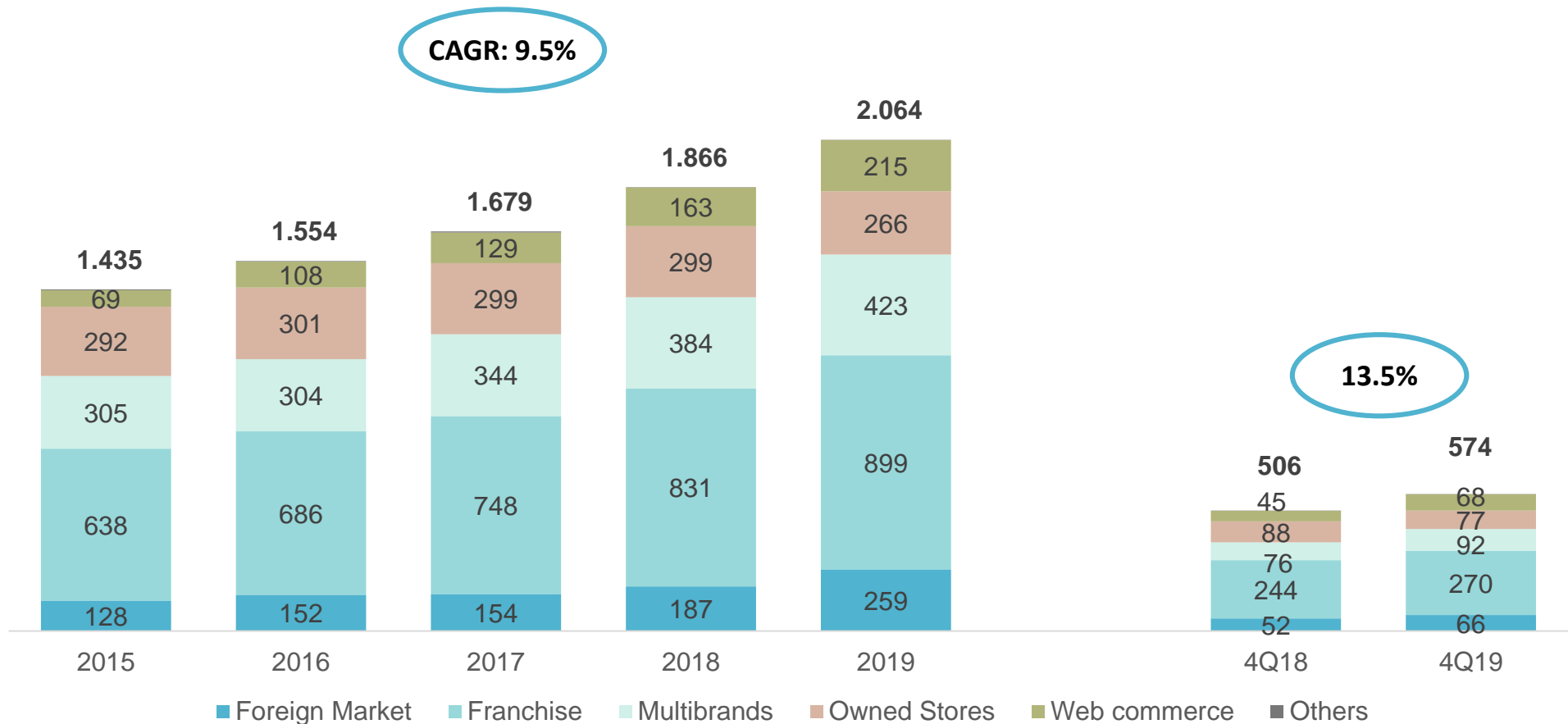
03

| FINANCIAL HIGHLIGHTS

Gross Revenue Breakdown by Brand – Domestic Market (R\$ million)



Gross Revenue Breakdown by Channel – Domestic and External Market (R\$ million)



3

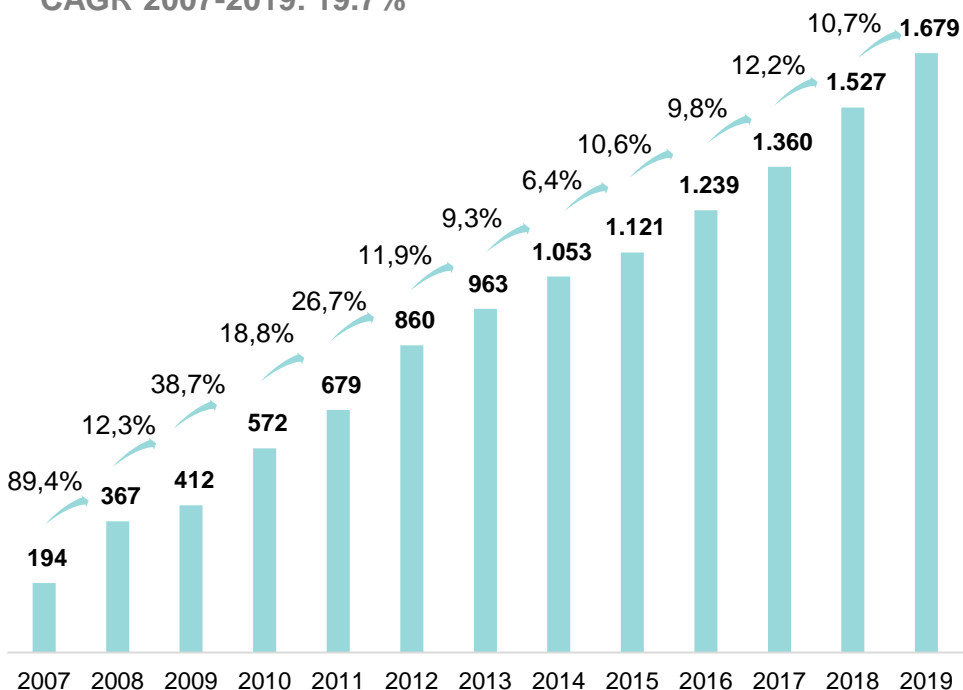
Operational and financial highlights

Key highlights

Sales area increased 5.5% in the last twelve months.

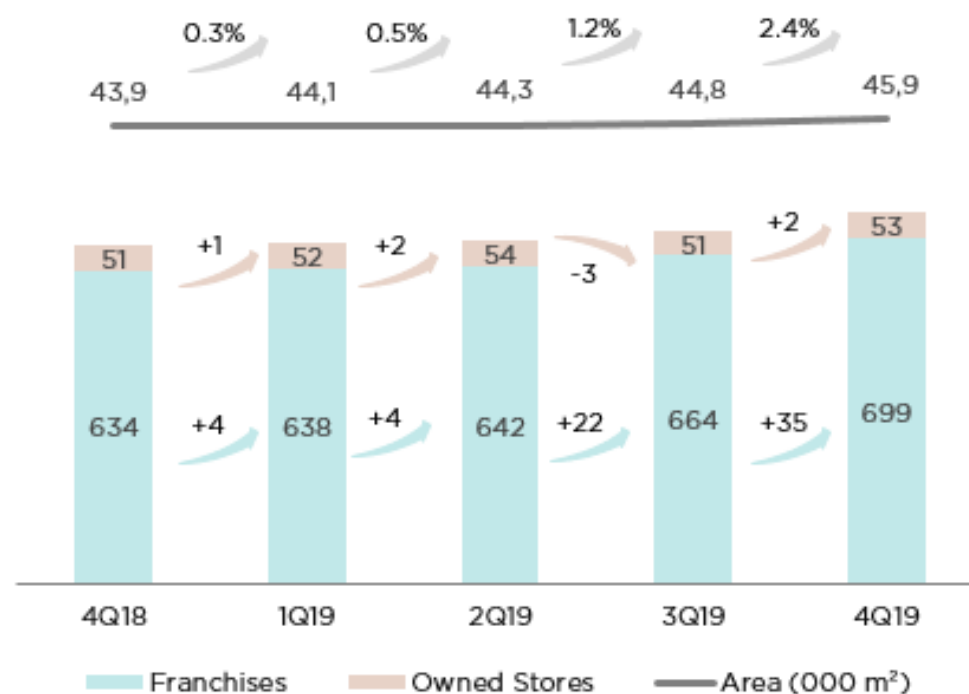
Net Revenues (R\$ MM)

CAGR 2007-2019: 19.7%

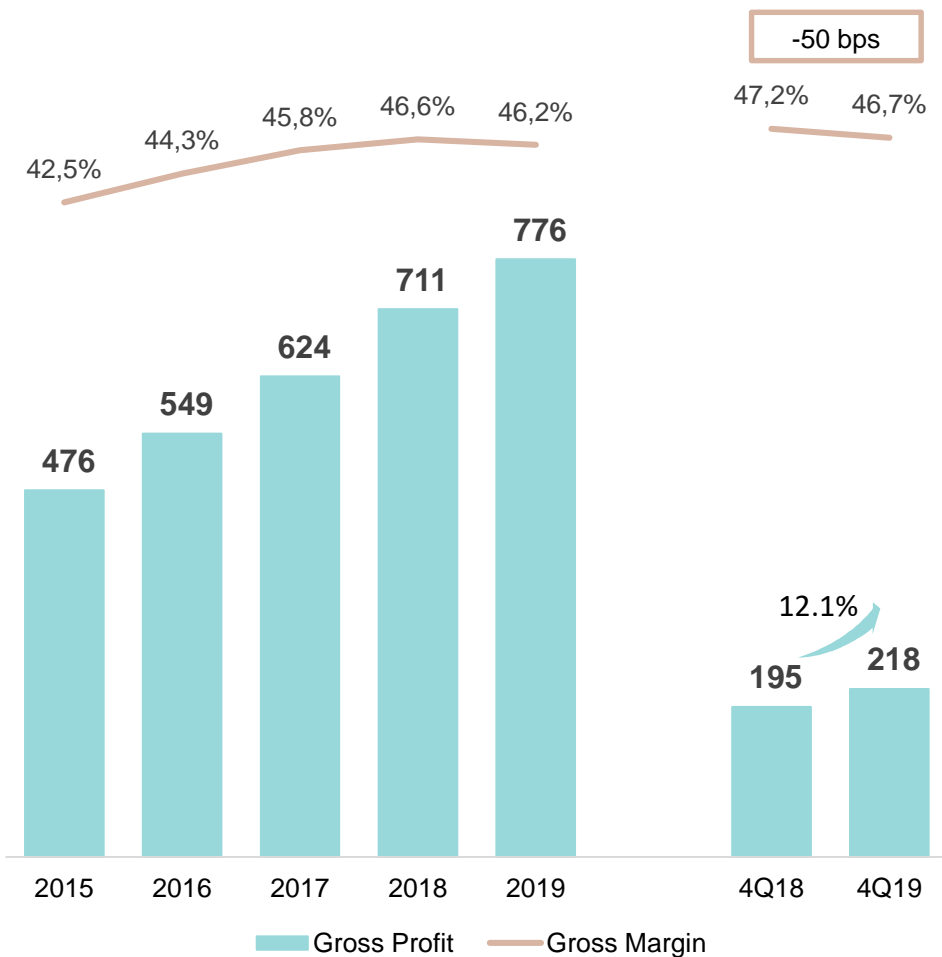


Number of Stores (R\$ MM) and Total Area (m²- '000)

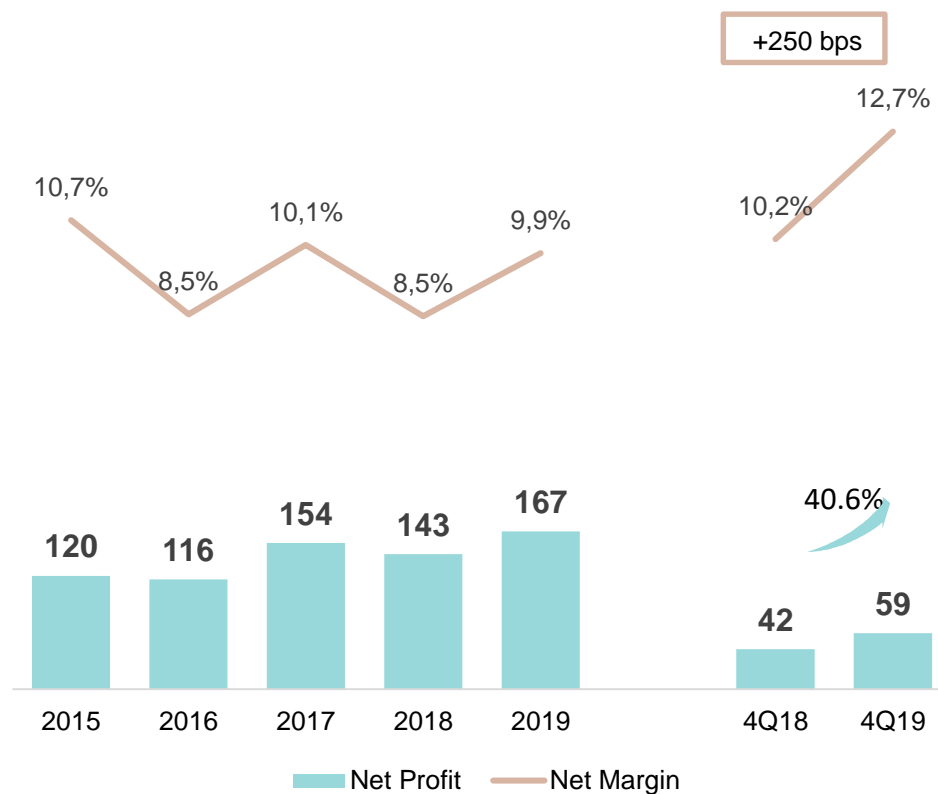
Area CAGR 2014-2018: 7.3%



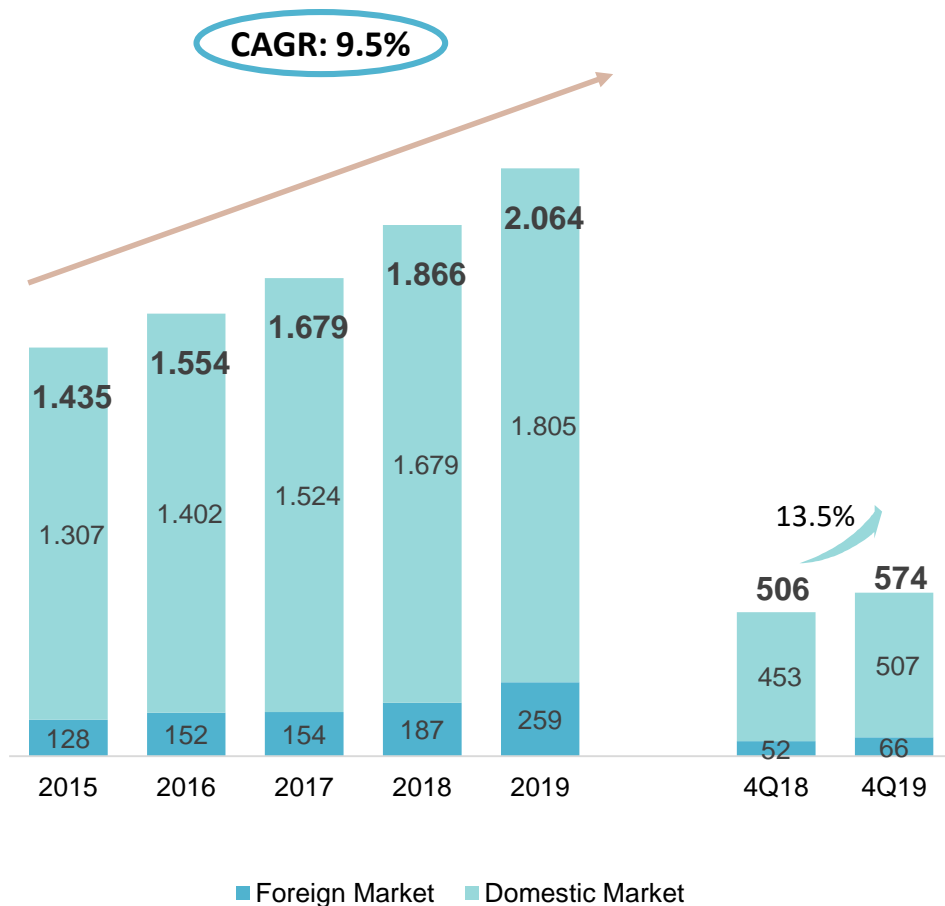
Gross Profit Evolution (R\$ MM) and Gross Margin (%)



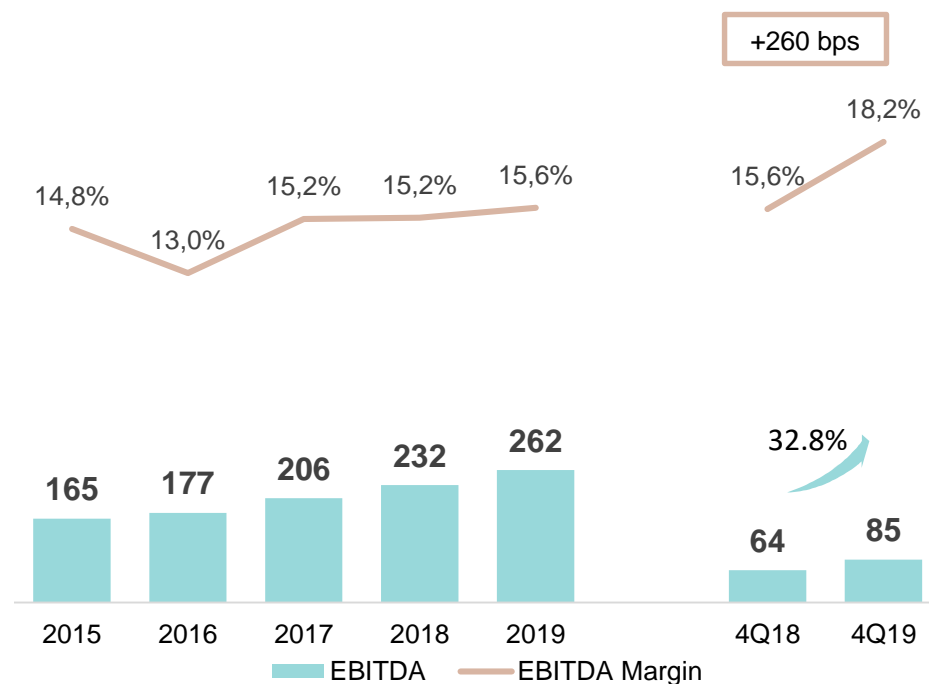
Net Profit Evolution (R\$ MM) and Net Margin (%)



Gross Revenue (R\$ MM)



EBITDA Evolution (R\$ MM) and EBITDA Margin (%)



3

Operational and financial highlights

**AREZZO
&CO**

Arezzo&Co has a solid balance sheet with a healthy net cash position, coupled with a strong ability to generate operating cash flow and dividend payments

Operating cash flow yield¹**4.7%**

Arezzo&Co generated R\$204.9 MM in operating cash flow in the last twelve months, translating into cash flow yield of 4.7%.

Dividend Payout (YTD)**65.4%**

Consistent dividend payments, with a payout of more than 65.4% of net profit available LTM.²

**Working Capital
(% of Net Revenue)****27.4%**

Working capital in line with 4Q18.

Capex / Depreciation LTM**-0.8x**

Change in the capex level from 2015, in line or below annual depreciation.

Net Cash / EBITDA**0.3x**

The Company has a strong balance sheet and a Net Cash/EBITDA ratio of 0.3x in December/19.

1) Operating cash flow yield = LTM Operating cash flow / Firm value. Considered Firm Value of R\$ 4,342.1 MM (as the average from 01/02/2019 to 12/28/2019).

2) Available Net Income = Net income (-) Constitution of legal reserve (-) Constitution of fiscal incentive reserve

3

Operational and financial highlights

**AREZZO
&CO**

Cash Conversion Cycle (R\$ thousand)

Cash Conversion Cycle	4Q19		4Q18		Change (in days)
	#days	(R\$'000)	#days	(R\$'000)	
	108	457.944	110	396.806	-2
Inventory ¹	73	179.499	67	150.861	5
Accounts Receivable ²	90	413.412	92	394.770	-2
(-) Accounts Payable ¹	55	134.967	49	148.825	5

¹ Days of COGS

² Days of Net Revenues

Capex (R\$ thousand)

Summary of Investments	4Q19	4Q18	Δ 19 x 18 (%)
Total CAPEX	22,042	12,648	74.3%
Stores - expansion and refurbishing	215	1,433	(85.0%)
Corporate	19,698	4,133	376.6%
Other	2,129	7,082	(69.9%)

Operational Indicators

Operating Indicators	4Q19	4Q18	Δ (%) 19 x 18
# of pairs sold ('000)	4,352	3,980	9.3%
# of handbags sold ('000)	509	509	0.0%
# of employees	2,465	2,437	1.1%
# of stores*	752	685	67
<i>Owned Stores</i>	53	51	2
<i>Franchises</i>	699	634	65
Outsourcing (as % of total production)	91.0%	92.1%	-1.1 p.p
SSS ² Sell-in (franchises)	2.8%	9.2%	-6.4 p.p
SSS ² Sell-out (owned stores + franchises + web)	5.7%	3.6%	0.2 p.p

* Include international stores

Cash Flow From Operating Activities (R\$ thousand)

Operating Cash Flow	4Q19	4Q18
Profits before income tax and social contribution	58,655	42,243
Income tax and social contribution	12,738	5,549
Depreciation and amortization	20,271	13,002
Others	(9,806)	(8,916)
Decrease (increase) in assets / liabilities	(14,165)	(2,104)
Trade accounts receivables	3,938	2,248
Inventories	(585)	(4,921)
Suppliers	(13,216)	(17,424)
Change in other noncurrent and current assets and liabilities	(4,302)	17,993
Payment of income tax and social contribution	(6,241)	(14,750)
Net cash flow generated by operational activities	61,452	35,024

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Operational and financial highlights

Indebtedness (R\$ thousand)

Total indebtedness of R\$ 180.7 million in 4Q19 against R\$ 111.4 million in 4Q18.

Net cash of 0.3x versus 0.5x EBITDA in 4Q18.

Cash position and Indebtedness	4Q19	3Q19	4Q18
Cash	277.683	275.344	235.801
Total debt	180.784	189.092	111.418
Short-term	158.222	183.678	43.978
% Total debt	87,5%	97,1%	39,5%
Long-term	22.562	5.414	67.440
% Total debt	12,5%	2,9%	60,5%
Net cash	96.899	86.252	124.383

Appendix

A Key financial indicators

Key financial indicators	4Q19	4Q18	Δ (%) 19 x 18	4Q19 Pro forma ⁴	Δ (%) 19 x 18
Gross Revenues	573,729	505,511	13.5%	573,729	13.5%
Net Revenues	467,652	412,211	13.4%	467,652	13.4%
COGS	(249,435)	(217,487)	14.7%	(249,428)	14.7%
Depreciation and amortization (cost)	(664)	(412)	n/a	(469)	n/a
Gross Profit	218,217	194,724	12.1%	218,224	12.1%
<i>Gross margin</i>	46.7%	47.2%	(0.5 p.p)	46.7%	(0.5 p.p)
SG&A	(142,180)	(143,607)	(1.0%)	(142,587)	(0.7%)
<i>% of net revenues</i>	(30.4%)	(34.8%)	4.4 p.p	(30.5%)	4.3 p.p
Selling expenses	(108,582)	(97,168)	11.7%	(115,433)	18.8%
Owned stores and web commerce	(33,064)	(36,261)	(8.8%)	(35,167)	(3.0%)
Selling, logistics and supply	(75,518)	(60,907)	24.0%	(80,266)	31.8%
General and administrative expenses	(50,678)	(38,038)	33.2%	(52,321)	37.5%
Other operating revenues (expenses)	34,208	4,187	n/a	34,208	n/a
Depreciation and amortization (expenses)	(17,128)	(12,588)	36.1%	(9,041)	(28.2%)
EBITDA	93,829	64,117	46.3%	85,146	32.8%
<i>EBITDA Margin</i>	20.1%	15.6%	4.5 p.p	18.2%	2.6 p.p
Net Income	58,655	42,243	38.9%	59,388	40.6%
<i>Net Margin</i>	12.5%	10.2%	2.3 p.p	12.7%	2.5 p.p
Working capital¹ - as % of revenues	25.0%	27.0%	(2.0 p.p)	27.4%	0.4 p.p
Invested capital² - as % of revenues	42.7%	36.8%	5.9 p.p	37.8%	1.0 p.p
Net cash/EBITDA LTM	0.3x	0.5x	-	0.4x	-
Cash	277,683	235,801	17.8%	277,683	17.8%
Total debt	180,784	111,418	62.3%	180,784	62.3%
Net cash ³	96,899	124,383	(22.1%)	96,899	(22.1%)

(1) Working Capital: current assets minus cash, cash equivalents and financial investments less from current liabilities minus loans and financing and dividends payable.

(2) Invested Capital: working capital plus fixed assets and other long term assets less income tax and deferred social contributions.

(3) Net debt is equal to total interest bearing debt position at the end of a period less cash, cash equivalents and short-term financial investments.

(4) Excluding the impacts of IFRS 16 / CPC 06 (R2)

(5) Includes revenue from the conversion of 4 owned stores and extemporaneous tax credits. It is worth mention that personnel expenses related to own store transfers were allocated in the selling expenses (R\$ 1.2 million).

A Store History

Store Information	4Q18	1Q19	2Q19	3Q19	4Q19
Sales area^{1,3} - Total (m²)	43,965	44,086	44,322	44,835	45,925
Sales area - franchises (m ²)	37,691	37,704	37,768	38,739	39,752
Sales area - owned stores ² (m ²)	6,274	6,382	6,553	6,096	6,173
Total number of domestic stores	673	677	681	700	737
# of franchises	628	632	636	658	693
Arezzo	405	405	406	419	432
Schutz	73	74	73	73	72
Anacapri	150	153	157	165	185
Fiever	—	—	—	—	1
Alme	—	—	—	1	3
# of owned stores	45	45	45	42	44
Arezzo	14	14	14	10	10
Schutz	17	17	17	17	17
Alexandre Birman	4	4	4	4	6
Anacapri	3	3	3	3	3
Fiever	5	5	5	5	5
Alme	2	2	2	3	3
Total number of international stores	12	13	15	15	15
# of franchises	6	6	6	6	6
# of owned stores ⁴	6	7	9	9	9

(1) Includes areas in square meters of the stores overseas

(2) Includes seven outlet type stores with a total area of 2,217 m²

(3) Includes areas in square meters of expanded stores

(4) Includes Alexandre Birman and Schutz stores, 2 in New York, 2 in Miami, 1 in Los Angeles, 1 in Las Vegas, 1 in New Jersey, 1 in San Francisco, and 1 in Dallas.

A Balance Sheet - IFRS

Assets	4Q19	3Q19	4Q18
Current assets	980,665	949,191	842,001
Cash and Banks	13,808	7,657	8,501
Financial Investments	263,875	267,687	227,300
Trade accounts receivables	413,412	415,431	382,728
Inventory	179,499	180,736	150,861
Taxes recoverable	90,332	56,891	49,370
Other credits	19,739	20,789	23,241
Non-current assets	432,584	442,450	203,031
Long-term receivables	50,438	59,248	49,338
Trade accounts receivables	10,402	10,829	10,720
Deferred income and social contribution	15,682	22,099	17,491
Other credits	24,354	26,320	21,127
Investments property	3,017	3,017	3,324
Property, plant and equipment	304,082	317,786	83,201
Intangible assets	75,047	62,399	67,168
Total assets	1,413,249	1,391,641	1,045,032

Liabilities	4Q19	3Q19	4Q18
Current liabilities	464,659	482,982	255,889
Loans and financing	158,222	183,678	43,978
Lease	40,145	39,617	0
Suppliers	134,967	148,756	110,121
Other liabilities	131,325	110,931	101,790
Non-current liabilities	202,519	198,004	77,801
Loans and financing	22,562	5,414	67,440
Related parties	1,502	1,551	1,443
Other liabilities	9,542	9,858	8,918
Lease	168,913	181,181	0
Shareholder's Equity	746,071	710,655	711,342
Capital	352,715	352,715	341,073
Capital reserve	50,538	49,810	46,725
Profit reserves	94,276	90,033	165,033
Tax incentive reserve	213,880	136,443	136,443
Other comprehensive income	6,820	5,788	4,342
Accumulated Profit	27,842	75,866	17,726
Total liabilities and shareholders' equity	1,413,249	1,391,641	1,045,032

A Income Statement - IFRS

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Income Statement - IFRS	4Q19	4Q18	Var. %	4Q19 Pro forma	Var. %
Net operating revenue	467,652	412,211	13.4%	467,652	13.4%
Cost of goods sold	(249,435)	(217,487)	14.7%	(249,428)	14.7%
Gross profit	218,217	194,724	12.1%	218,224	12.1%
Operating income (expenses):	(142,180)	(143,607)	-1.0%	(142,588)	-0.7%
Selling	(121,208)	(106,655)	13.6%	(121,737)	14.1%
Administrative and general expenses	(55,179)	(41,140)	34.1%	(55,059)	33.8%
Other operating income, net	34,207	4,188	716.8%	34,208	716.8%
Income before financial result	76,037	51,117	48.8%	75,636	48.0%
Financial income	(4,644)	(3,325)	39.7%	(3,510)	5.6%
Income before income taxes	71,393	47,792	49.4%	72,126	50.9%
Income tax and social contribution	(12,738)	(5,549)	129.6%	(12,738)	129.6%
Current	(6,321)	2,913	-317.0%	(6,321)	-317.0%
Deferred	(6,417)	(8,462)	-24.2%	(6,417)	-24.2%
Net income for period	58,655	42,243	38.9%	59,388	40.6%

A Cash Flow Statement - IFRS

Cash Flow	4Q19	4Q18
Operating activities		
Income before income tax and social contribution	58,655	42,243
Adjustments to reconcile net income with cash from operational activities	23,203	9,635
Depreciation and amortization	20,271	13,002
Income from financial investments	(2,929)	(3,950)
Payments of Interest on loans	(3,068)	(1,865)
Interest and exchange rate	(5,945)	(1,820)
Income tax and social contribution	12,738	5,549
Other	2,136	(1,281)
Decrease (increase) in assets		
Trade accounts receivables	3,938	2,248
Inventory	(585)	(4,921)
Recoverable taxes	(34,941)	(3,225)
Change in other current assets	3,625	6,023
Judicial deposits	1,914	1,873
(Decrease) increase in liabilities		
Suppliers	(13,216)	(17,424)
Labor liabilities	10,744	(6,197)
Fiscal and social liabilities	8,665	18,006
Variation in other liabilities	5,691	1,513
Payment of income tax and social contribution	(6,241)	(14,750)
Lease	-	-
Net cash flow from operating activities	61,452	35,024

A Cash Flow Statement - IFRS

Cash Flow	4Q19	4Q18
Investing activities		
Sale of fixed and intangible assets	(784)	5,753
Acquisition of fixed and intangible assets	(22,041)	(12,648)
Financial Investments	(316,915)	(279,712)
Redemption of financial investments	322,672	335,400
Net cash used in investing activities	(17,068)	48,793
Financing activities with third parties		
Increase in loans	48,008	15,652
Payments of loans	(47,302)	(69,123)
Instalment Lease	(11,438)	-
Net cash used in financing activities with third parties	(10,732)	(53,471)
Financing activities with shareholders		
Interest on equity	(2,351)	-
Profit distribution	(25,000)	(24,998)
Receivables (payables) w ith shareholders	(50)	(48)
Issuing of shares	-	-
Repurchase of shares	-	-
Net cash used in financing activities	(27,401)	(25,046)
Increase (decrease) in cash and cash equivalents	6,251	5,300
Cash and cash equivalents		
Foreign exchange effect on cash and cash equivalents	(100)	(189)
Cash and cash equivalents - Initial balance	7,657	3,390
Cash and cash equivalents - Closing balance	13,808	8,501
Increase (decrease) in cash and cash equivalents	6,251	5,300

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