HERING

EARNINGS RELEASE **1T25**

AZZAS 2154

Earnings Videoconference zoom

MAY 8, 2025
12 am (BRASILIA) / 11 am (US ET)

VIDEOCONFERENCE
IN PORTUGUESE
WITH SIMULTANEOUS
TRANSLATION
INTO ENGLISH
https://us06web.zoom.us/j/88111709240

SHARE PRICE AND MARKET CAP – AZZA3
MAY 7, 2025

PRICE PER SHARE: BRL 31.50
MARKET CAP: BRL 6.5 Bi

AREZZO FARM RIO HERING Reserva SCHUTZ
ALEXANDRE BIRMAN ANACAPRI ANIMALE ANIMALE ORO BRIZZA AREZZO CAROL BASSI CRIS BARROS
fábula foxton HERINGKIDS HERINGINTIMATES HERINGSPORTS INK MARIA FILÓ
nv OFFPREMIUM Oficina Reserva Go Reserva mini VANS "OFF THE WALL" Vicenza ZZ'MALL

AZZAS
2154

1Q25
EARNINGS RELEASE

FINANCIAL HIGHLIGHTS [1]

Gross Revenue
Continued

BRL 3.3 Bn

+16.1% v. 1Q24

EBITDA

BRL 427.7 Mn (post IFRS-16)

+23.3% v. 1Q24

BRL 359.0 Mn (pre IFRS-16)

+28.2% v. 1Q24

EBITDA margin

15.9% (post IFRS-16)

+120bps v. 1Q24

13.3% (pre IFRS-16)

+150 bps v. 1Q24

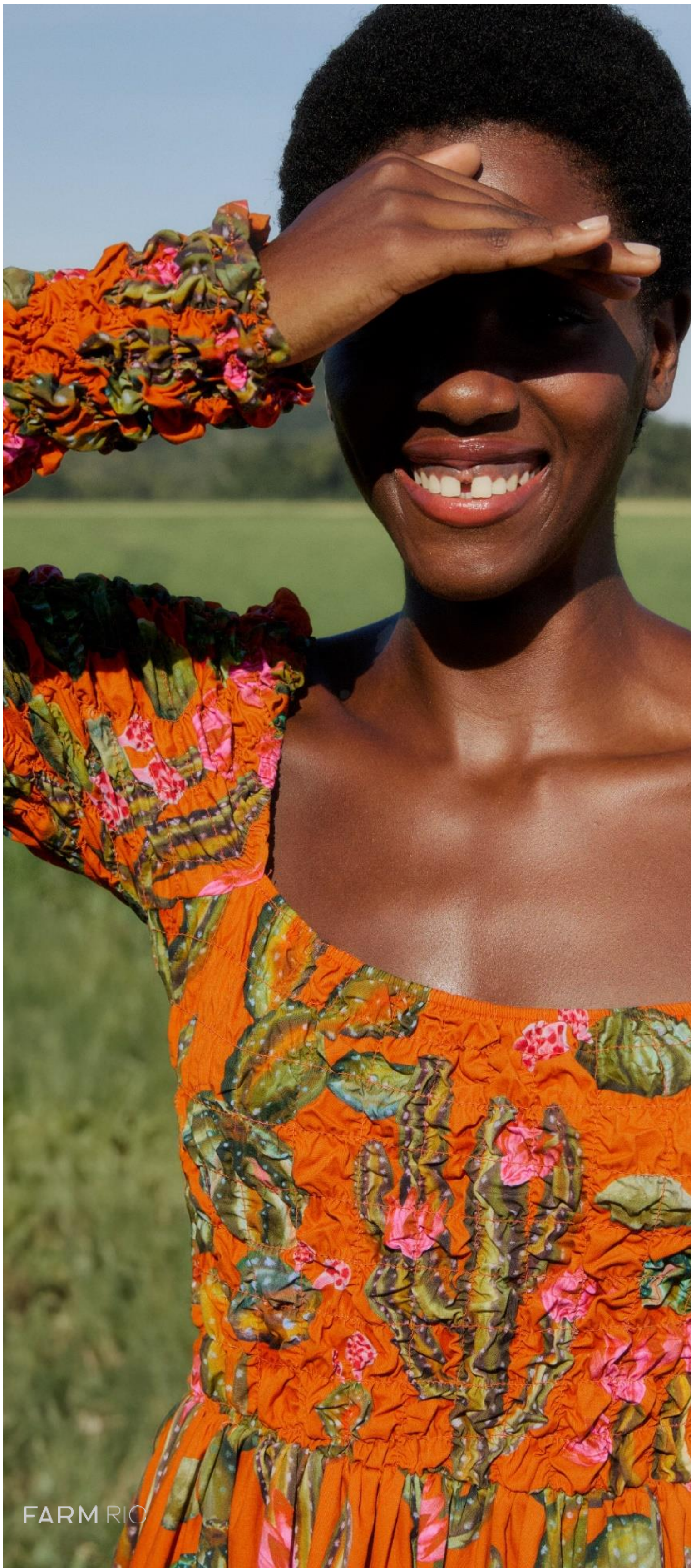
Net income

BRL 117.7 Mn

+15.6% v. 1Q24

BRL 181.6 Mn (ex. Law 14.789/23)

+20.3% v. 1Q24



(1) All indicators on this page refer to the view of: (i) recurring numbers, i.e., excluding one-off and extemporaneous impacts; (ii) pro forma, i.e., they simulate the combined Companies Arezzo&Co and Soma Group in the periods prior to the consolidation completion. See page 4 for more details.

Considerations on the 1Q25 Earnings Release

Pro forma results

As a result of the merger of SOMA Group into Arezzo&Co ("Business Combination"), Azzas 2154 (new name of Arezzo&Co.) began to consolidate the results the SOMA Group in 3Q24 as of August 2024. Since 4Q24, the financial statements have already reflected three months of consolidated operations. To assist the market in analyzing the results and facilitate their visualization and interpretation, in this report, we include the pro forma financial indicators for 1Q24, which are merely informative and not reviewed or audited.

The results spreadsheet available on the IR website at (https://ri.azzas2154.com.br/resultados-e-presentecoes/planilha-dinamica/) simulates the structure of
Azzas 2154 in business units and equalizes the accounting treatments between Arezzo&Co and SOMA Group, as if the Business Combination had occurred in 1Q22. Therefore, the numbers provided refer to the pro forma numbers of the two consolidated operations.

Portfolio Simplification

On December 9, 2024, the Company announced the completion of the review of its brand portfolio, which focused on: structural simplification, ROIC, and cash generation. As a result of this process, the brands Alme, Dzarm, Reversa, Simples, and TROC were discontinued. Baw was resold to the brand founders. As of 1Q25, we present in this report the gross revenue breakdown from the perspective of continued brands, those which remain in our portfolio. Revenue from discontinued brands is presented in a separate line.

Main Indicators

Consolidated financial indicators

Main Indicators

PERFORMANCE OF BUSINESS UNITS

Footwear and Accessories consolidates the brands: Arezzo, Schutz, Anacapri, Alexandre Birman, Vans and Vicenza.

Women's Apparel consolidates the brands: Farm, Farm Global, Animale, NV, Cris Barros, Maria Filó, Carol Bassi[(1)], Fábula, and Off Premium.

Men's Apparel consolidates the brands: Reserva, Oficina Reserva, Foxton[(1)], Reserva Mini, Reserva Go, and Reserva Ink.

Democratic Apparel consolidates Hering, Hering Kids, Hering Sports, Hering Shoes, and Hering Intimates.

Others consider values allocated to the industry.

Discontinued Brands consolidates the revenues of the following brands that are no longer part of the portfolio: Dzarm, Reserva Simples, Reversa, and Baw.

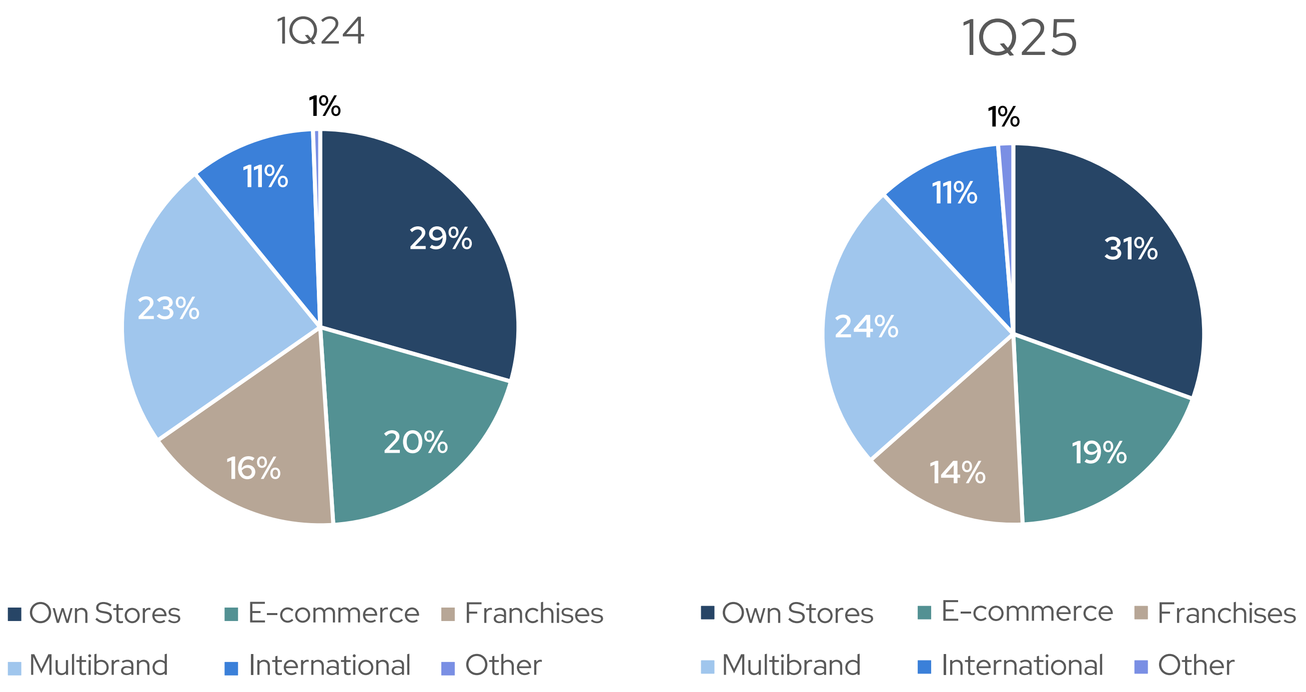
BRL Million	1Q24 (pro forma)	1Q25	1Q25 v. 1Q24
Gross revenue	**2,894.1**	**3,311.8**	**14.4%**
Continuous Brands	**2,807.8**	**3,260.2**	**16.1%**
Footwear and Accessories	990.9	1,038.2	4.8%
Women's Apparel	979.4	1,244.5	27.1%
Democratic Apparel	515.9	616.1	19.4%
Men's Apparel	320.4	360.6	12.6%
Others	1.2	0.8	-30.3%
Discontinued Brands	**86.3**	**51.6**	**-40.2%**

GROSS REVENUE BY **BUSINESS UNIT**

(1) The Foxton brand is now consolidated in the Men's Apparel BU (it was previously consolidated in the Women's Apparel BU), and Carol Bassi is now consolidated in the Women's Apparel BU (it was previously consolidated in the Footwear and Accessories BU). The revenues from these brands have been allocated historically to the current BUs.

Main Indicators

GROSS REVENUE BY CHANNEL



BRL Million	1Q24 (pro forma)	1Q25	1Q25 v. 1Q24
Gross revenue	**2,894.1**	**3,311.8**	**14.4%**
Continued Brands	**2,807.8**	**3,260.2**	**16.1%**
Sell-Out	**1,374.3**	**1,610.1**	**17.2%**
Own stores	826.1	998.5	20.9%
E-commerce	548.2	611.7	11.6%
Sell-In	**1,127.8**	**1,270.7**	**12.7%**
Franchises	459.6	466.1	1.4%
Multibrand	668.2	804.6	20.4%
International	**289.3**	**348.3**	**20.4%**
Others	**16.4**	**31.0**	**89.3%**
Discontinued Brands	**86.3**	**51.6**	**-40.2%**

(1) Includes secondary revenue from the sale of raw materials, balance allocated to the industry, and other non-relevant transactions.

Sales highlights in the digital environment in 1Q25

E-COMMERCE

Gross revenue of **R$ 611.7 million** (**+11.6%** vs. 1Q24).

19% share in the total gross revenue of continuing brands.

E-commerce revenue of the Democratic Apparel BU grew by **+41.4%** and accounted for 17.2% of the BU's revenue.

CRM

We achieved an **increase in average ticket and purchase frequency across all BUs.**

Average ticket highlights:
+7.2% in Mês's Apparel and
+6.7% in Democratic Apparel.

Purchase frequency highlights :
+4.4% in Democratic Apparel and
+3.7% in Women's Apparel.

150 Mn

ACCESS TO WEBSITES AND APPS

2.0 Mn

APP INSTALLATIONS

13.4 Mn

+5.3% vs. 1Q24

ACTIVE CUSTOMER BASE

(ACTIVE BASE: PURCHASES IN THE LAST 15 MONTHS)

Customer numbers are presented without excluding duplications between business units

Financial Indicators 1Q25

BRL Million	1Q25 Accounting	1Q24 recurring (pro forma)	1Q25 recurring	Δ (%) 1Q25 v. 1Q24 recurring
Gross Revenue	**3,311.8**	**2,894.1**	**3,311.8**	**14.4%**
Net Revenue	**2,696.5**	**2,367.1**	**2,696.5**	**13.9%**
CMV	**(1,219.7)**	**(1,077.6)**	**(1,219.7)**	**13.2%**
CMV (ex. D&A)	(1,209.2)	(1,068.0)	(1,209.2)	*13.2%*
CMV (ex. D&A ex. IFRS-16)	(1,210.5)	(1,069.3)	(1,210.5)	*13.2%*
Leasing (IFRS-16 impact)	1.3	1.3	1.3	*0.0%*
Depreciation and Amortization	(10.5)	(9.6)	(10.5)	*9.4%*
Gross Profit	**1,476.8**	**1,289.5**	**1,476.8**	**14.5%**
Gross Margin	*54.8%*	*54.5%*	*54.8%*	*0.3 pp*
Expenses	**(1,200.7)**	**(1,068.5)**	**(1,200.8)**	**12.4%**
Expenses (ex. D&A)	(1,048.6)	(952.1)	(1,059.6)	*11.3%*
(%) Net Revenue	*38.9%*	*40.2%*	*39.3%*	*-0.9 pp*
Fixed	(481.3)	(435.7)	(474.9)	9.0%
(%) Net Revenue	*17.8%*	*18.4%*	*17.6%*	*-0.8 pp*
Variable	(537.1)	(467.8)	(535.0)	14.4%
(%) Net Revenue	*19.9%*	*19.8%*	*19.8%*	*0.1 pp*
Occasional	(97.6)	(114.2)	(117.1)	2.5%
(%) Net Revenue	*3.6%*	*4.8%*	*4.3%*	*-0.5 pp*
Leases (IFRS-16 Impact)	67.4	65.6	67.4	2.7%
(%) Net Revenue	*-2.5%*	*-2.8%*	*-2.5%*	*0.3 pp*
Depreciation and Amortization	(152.1)	(116.4)	(141.2)	21.3%
EBITDA	**438.7**	**347.0**	**427.7**	**23.3%**
EBITDA margin	*16.3%*	*14.7%*	*15.9%*	*1.2 pp*
EBITDA (pre IFRS-16)	**370.0**	**280.1**	**359.0**	**28.2%**
EBITDA margin (pre IFRS-16)	*13.7%*	*11.8%*	*13.3%*	*1.5 pp*
EBIT	**276.1**	**221.0**	**276.0**	**24.8%**
Financial Result	(157.7)	(143.8)	(157.7)	9.7%
EBT	**118.4**	**77.2**	**118.3**	**53.2%**
IR and CSLL	(0.6)	24.6	(0.6)	-
Net profit	**117.8**	**101.8**	**117.7**	**15.6%**
Net Margin	*4.4%*	*4.3%*	*4.4%*	*0.1 pp*
Net Income (ex. Law 14.789/23)	**181.7**	**151.0**	**181.6**	**20.3%**
Net Margin (ex. Law 14.789/23)	*6.7%*	*6.4%*	*6.7%*	*0.4 pp*

Notes: (1) We present above the recurring results for 1Q25. The pro forma results for 1Q24 consider the combined figures of the companies (Arezzo&Co and SOMA Group). The recurring results are detailed on pages 27 and 30 of this report.

Footwear and Accessories

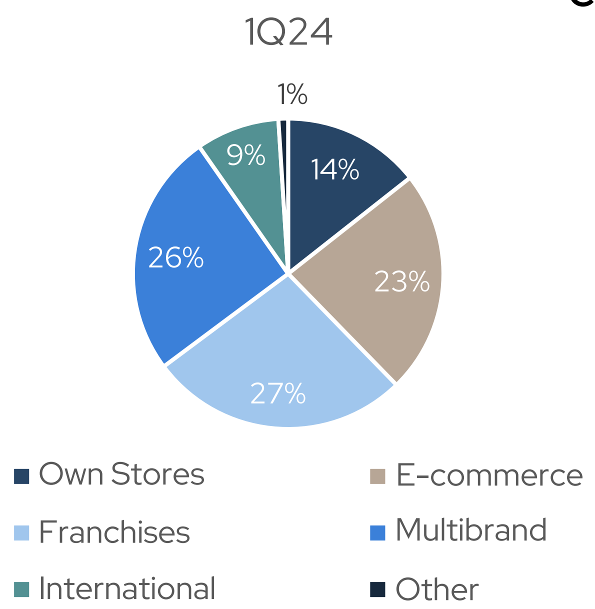
Business Unit

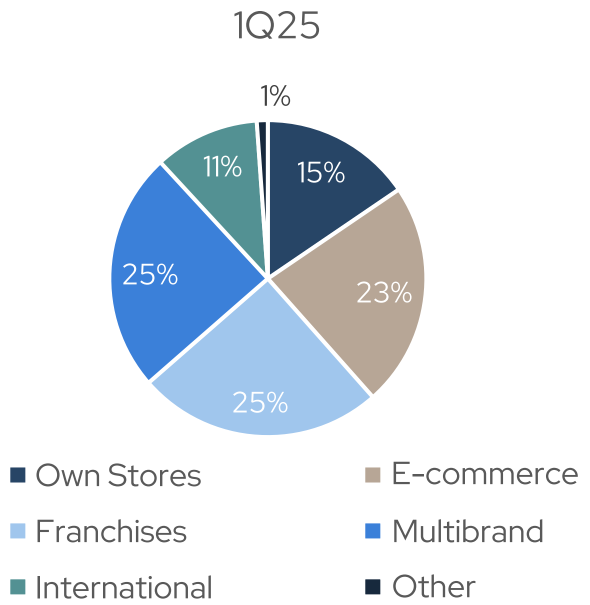
Footwear and Accessories

GROSS REVENUE BY CHANNEL – FOOTWEAR AND ACCESSORIES

BRL Million	1Q24 (pro forma)	1Q25	1Q25 v. 1Q24
Gross Revenue	**1,011.5**	**1,039.4**	**2.8%**
Continued Brands	**990.9**	**1,038.2**	**4.8%**
Sell-Out Channels	**373.6**	**399.3**	**6.9%**
Own Stores	142.5	160.8	12.9%
E-commerce	231.2	238.5	3.1%
Sell-In Channels	**521.0**	**515.8**	**-1.0%**
Franchises	268.5	260.7	-2.9%
Multibrand	252.5	255.1	1.0%
International	**86.2**	**111.5**	**29.3%**
Others(1)	**10.0**	**11.7**	**16.5%**
Discontinued Brands	**20.6**	**1.2**	**-94.2%**

GROSS REVENUE BY CHANNEL





(1) Includes secondary revenue from the sale of raw materials and other non-relevant transactions.

Footwear and Accessories

- The BU's consolidated gross revenue grew 4.8% v. 1Q24, with emphasis on the growth of the Anacapri and Vans brands.
- Same Store Sales (SSS) indicator grew by 3.9% and was positive in all three channels. We note the SSS of own stores (+9.0%), driven mainly by the Arezzo brand.
- The own stores channel grew 12.9% v. 1Q24, even against the strong comparison base (+13.5%) of 1Q24. The e-commerce channel slowed down compared to the previous quarter.
- The franchise channel was the biggest offender of the BU's growth in the period, which has been making adjustments to resume brand growth in this channel. For the Arezzo brand, we have a structured franchising project that currently prioritizes the franchisee's sell-out, enabling growth with healthier inventory levels. This, in turn, encourages the purchase of new products and increases the franchisee's satisfaction with the brand.
- The international operation was a positive highlight in the BU, with growth of 29.3% v. 1Q24, reflecting the good performance of the three brands (Arezzo, Schutz, and Alexandre Birman) and the expansion of Arezzo's multi-brand channel in the United States.

Women's Apparel

Business Unit

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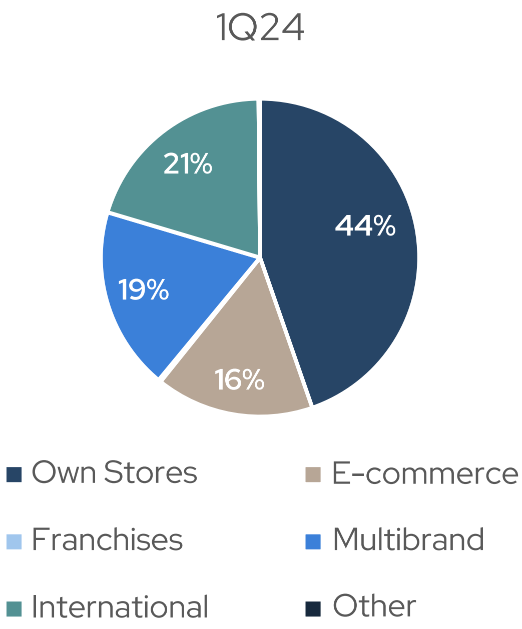
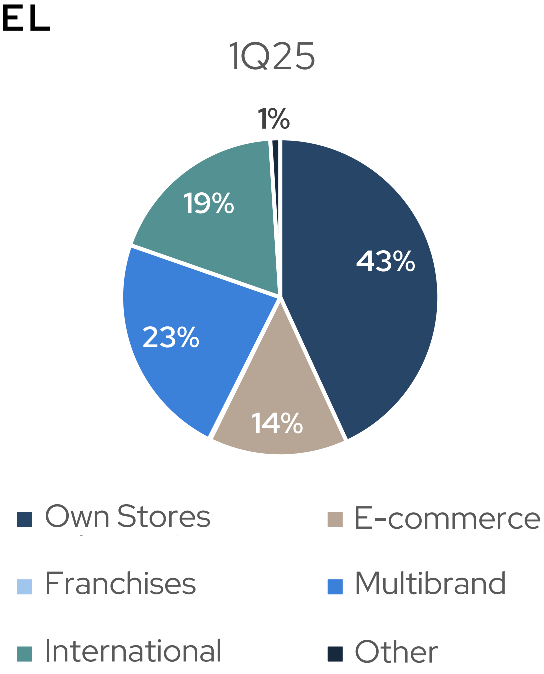
Women's Apparel

BRL Million	1Q24 (pro forma)	1Q25	1Q25 v. 1Q24
Gross Revenue	**979.4**	**1,244.5**	**27.1%**
Continued Brands	**979.4**	**1,244.5**	**27.1%**
Sell-Out	**589.0**	**705.7**	**19.8%**
Own Stores	429.4	528.8	23.2%
E-commerce	159.7	176.9	10.8%
Sell-In	**185.7**	**289.1**	**55.7%**
Franchises	2.5	1.8	-28.3%
Multibrand	183.2	287.3	56.8%
International	**203.1**	**236.9**	**16.6%**
Others(1)	**1.5**	**12.9**	**733.7%**
Discontinued Brands	**0.0**	**0.0**	**-**

GROSS REVENUE BY CHANNEL





(1) Includes secondary revenue from the sale of raw materials and other non-relevant transactions.

Women's Apparel

- In 1Q25, gross revenue from Women's Apparel grew 27.1% v. 1Q24, mainly influenced by gross revenue from the multibrand channel, which grew 56.8% v. 1Q24.
- The significant increase in revenue from this channel was driven by the Farm brand, which grew 46.7% compared to Q1 2024 in Brazil. It is important to mention that there was a shift in sales of the winter collection timing for the multibrands channel, due to revenues that historically occurred in the second quarter and, for this year, occurred in the first quarter. Additionally, NV expanded the number of showrooms, leveraging the brand's growth opportunities in the multibrand channel.
- Gross revenue from sell-out channels grew 19.8% v. 1Q24. The highlight was the own stores channel, which grew 23.2% and SSS of 17.5% v. 1Q24, reflecting the performance of the Farm and NV brands, mainly.
- The Farm brand stood out as the main growth driver for the BU in the Brazilian market. In the international market, the brand grew by 16.6% compared to Q1 2024.
- The Animale brand achieved double-digit revenue growth compared to 1Q24, marking an important milestone amid the adjustments that had been underway for the brand.

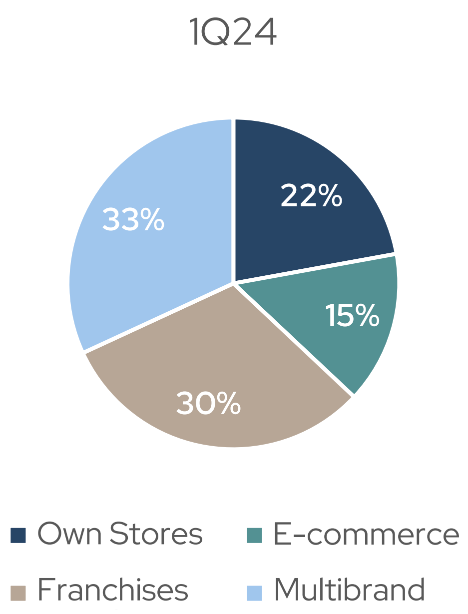
Democratic Apparel

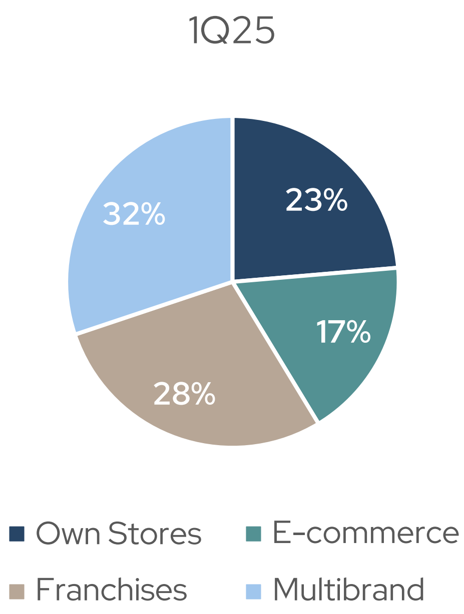
Business Unit

Democratic Apparel

BRL Million	1Q24 (pro forma)	1Q25	1Q25 v. 1Q24
Gross Revenue	**558.7**	**639.0**	**14.4%**
Continued Brands	**515.9**	**616.1**	**19.4%**
Sell-Out	**186.2**	**247.3**	**32.8%**
Own Stores	111.4	141.5	27.0%
E-commerce	74.8	105.8	41.4%
Sell-In	**327.1**	**364.9**	**11.5%**
Franchises	156.5	170.7	9.0%
Multibrand	170.6	194.2	13.8%
Others(1)	**2.6**	**3.9**	**49.7%**
Discontinued Brands	**42.8**	**22.9**	**-46.5%**

GROSS REVENUE BY CHANNEL





(1) Includes secondary revenue from the sale of raw materials and other non-relevant transactions.

Democratic Apparel

- Growth across all channels demonstrates the consistency of the work carried out in the following areas: (1) brand positioning; (2) marketing strategy and commercial calendar; (3) evolution of the women's and men's portfolio; (4) physical and online experience; and (5) relationship management with franchisees and multibrand partners..
- The BU maintained the strong growth trajectory of e-commerce revenue (41.4%), which represented 17.2% of total revenue in 1Q25. Revenue from own stores grew 27.0% v. 1Q24 and ended 1Q25 with 67 Hering own stores, 24 of which were mega stores (+7 v. 1Q24).
- The multi-brand channel reported a 13.8% growth, reflecting the good pace of implementation of the new GTM (go to market) of the channel and revenue from franchises increased by 9.0% in the quarter. The BU ended the quarter with a total of 618 franchises, 30 of which are mega stores (+12 v. 1Q24).
- The mega stores strengthen the brand's value perception by offering an experiential and aspirational space, while also delivering stronger commercial and financial performance. In this context, we developed an architectural project that has already been implemented in three new stores launched under this concept: the Ibirapuera Mall unit (São Paulo) in December 2024; Iguatemi Mall (Campinas); and Bourbon Mall (São Paulo) in April 2025. All three have shown very positive results in revenue growth and productivity per square meter.

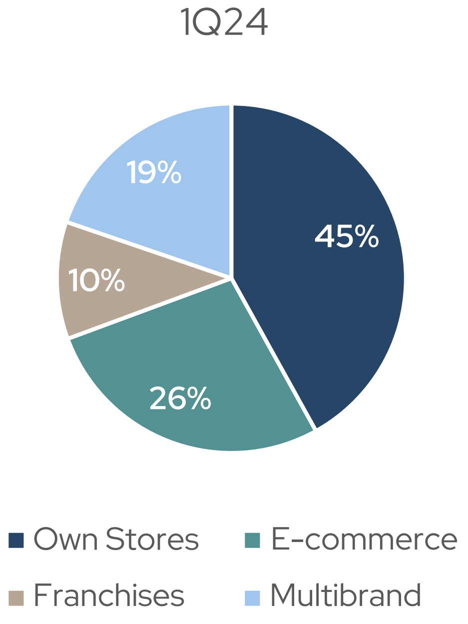
Men's Apparel

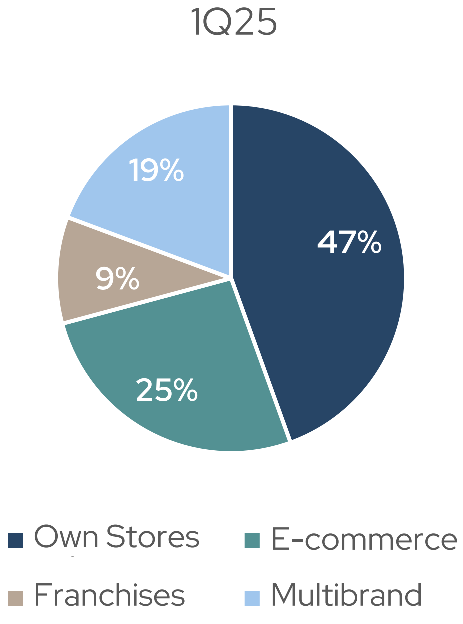
Business Unit

Men's Apparel

BRL Million	1Q24 (pro forma)	1Q25	1Q25 v. 1Q24
Gross Revenue	**343.3**	**388.1**	**13.1%**
Continued Brands	**320.4**	**360.6**	**12.6%**
Sell-Out	**225.4**	**257.8**	**14.4%**
Own Stores	142.8	167.4	17.2%
E-commerce	82.6	90.5	9.6%
Sell-In	**94.0**	**101.0**	**7.5%**
Franchises	32.1	32.9	2.7%
Multibrand	61.9	68.1	10.0%
Others[(1)]	**1.0**	**1.7**	**71.9%**
Discontinued Brands	**22.9**	**27.5**	**20.1%**

GROSS REVENUE BY CHANNEL





(1) Includes secondary revenue from the sale of raw materials and other non-relevant transactions.

Men's Apparel

- Maintenance of solid revenue growth (+12.6%) of continued brands and strong SSS indicator of 9.8% v. 1Q24.
- Highlighting revenue from own stores, which grew by 17.2%, reflecting a good performance by SSS combined with the expansion of the store network (+19 stores v. 1Q24).
- E-commerce revenue grew by 9.6% v. 1Q24. It is worth noting that, in line with the strategy of prioritizing profitability, we increased full-price sales in stores in exchange for a slowdown in e-commerce by adjusting the volume of promotions and investments in digital marketing.
- Gross revenue from the multi-brand channel grew by 10.0%.
- The franchise channel, which is less representative, accounted for 8.5% of gross revenue in 1Q25, with a 2.7% growth v. 1Q24. Franchises continue to have a healthy SSS level in sell-out (+9%).

Financial Indicators

Revenue, gross profit, operating expenses, EBITDA, financial result, and net profit

(All indicators for 1Q24 are pro forma)

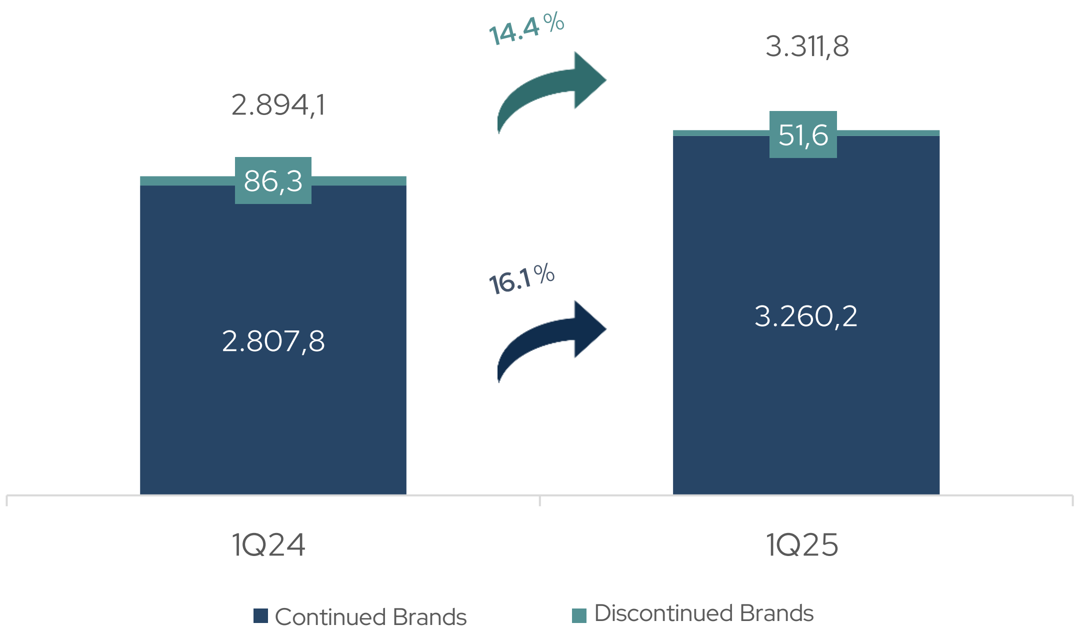
Financial Indicators

Consolidated revenue

In 1Q25, gross revenue reached BRL 3,311.8 million, +14.4% v. 1Q24. In the view of continued brands, gross revenue totaled BRL 3,260.2 million, +16.1% v. 1Q24. The growth is explained by the strong performance of Women's Apparel revenues (+27.1%), continued strong growth in Democratic Apparel (+19.4%) and solid growth in Men's Apparel (+12.6%).

Sell-out channels stood out, with a 17.2% growth v. 1Q24, mainly in own stores (+20.9%).

Consolidated Gross Revenue
BRL million



Financial Indicators

Recurring Gross Profit and Gross Margin [1]

In 1Q25, recurring gross profit totaled BRL 1,476.8 million, up 14.5% v. 1Q24. Gross margin was 54.8%, +0.3 p.p. vs. 1Q24, reflecting the following positive impacts on gross margin in 1Q25 vs. 1Q24: (1) fixed cost dilution driven by strong revenue growth, and (2) higher contribution of sell-out channels to gross revenue.

BRL Million	1Q24 (pro forma)	1Q25	1Q25 v. 1Q24
Gross profit	**1,285.9**	**1,476.8**	**14.8%**
Adjustments[1]	(3,6)	0.0	-
Recurring gross profit	**1,289.5**	**1,476.8**	**14.5%**
Recurring gross margin	***54.5%***	***54.8%***	***0.3 pp***

Recurring Gross Profit and Consolidated Recurring Gross Margin

BRL million

(1) Adjustments are described in the Recurring EBITDA Reconciliation section.

Financial Indicators

Recurring Expenses ex D&A (1)

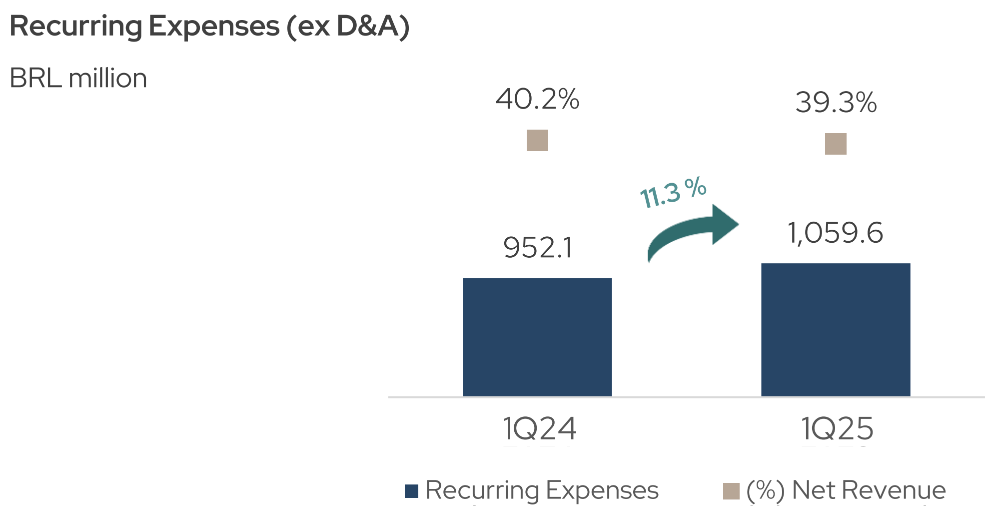
In 1Q25, recurring expenses grew by 11.3% v. 1Q24, representing 39.3% of net revenue (-0.9 p.p. v. 1Q24), i.e., generating operational leverage in the period. This efficiency gain was possible due to the non-continuity of expenses that occurred in the post-merger period, which pressured margins throughout the second half of 2024.

Positive highlights include: (i) dilution of fixed expenses, resulting from strong growth in net revenue; and (ii) reduction in occasional expenses, reflecting the streamlining of occasional expenses.

On the other hand, the greater representation of sell-out channels in the quarter's growth generates higher variable expenses due to the channel's business model.

For 2025, we expect continued operational leverage, in line with the post-merger integration strategy.

BRL Million	1Q24 (pro forma)	1Q25	1Q25 v. 1Q24
Recurring Expenses (ex D&A)	**952.1**	**1,059.6**	**11.3%**
(%) Net Revenue	***40.2%***	***39.3%***	***-0.9 pp***
Fixed	435.7	474.9	9.0%
(%) Net Revenue	*18.4%*	*17.6%*	*-0.8 pp*
Variable	467.8	535.0	14.4%
(%) Net Revenue	*19.8%*	*19.8%*	*0.1 pp*
Occasional	114.2	117.1	2.5%
(%) Net Revenue	*4.8%*	*4.3%*	*-0.5 pp*
Leasing (IFRS-16 Impact)	(65.6)	(67.4)	2.7%
(%) Net Revenue	*-2.8%*	*-2.5%*	*0.3 pp*



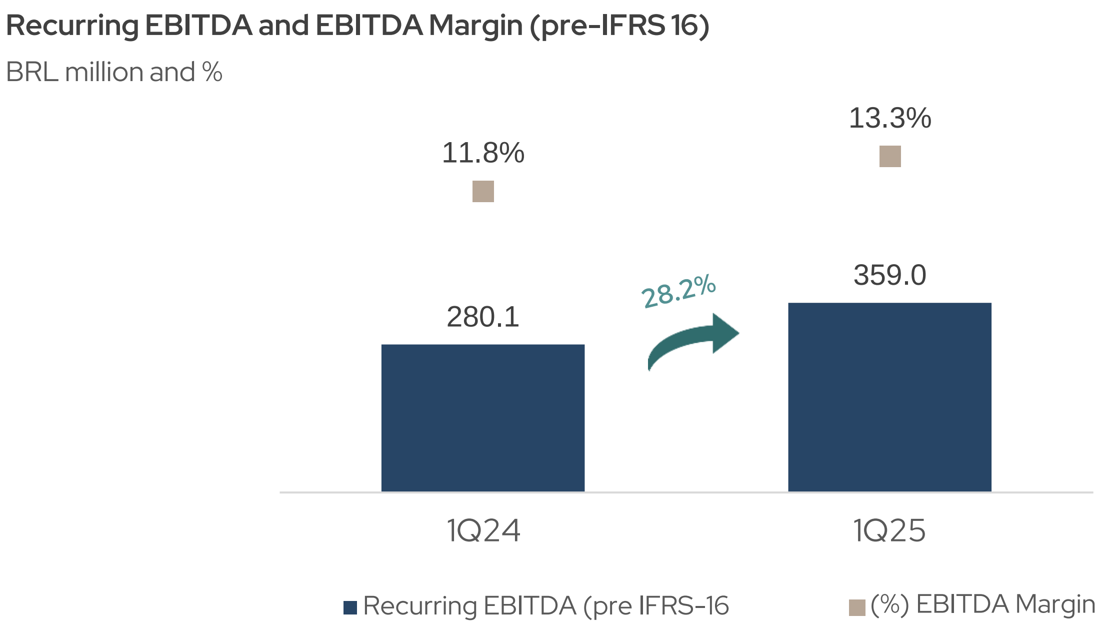
(1) Recurring Expense ex Depreciation and Amortization. Expense adjustments are detailed in the Recurring EBITDA Reconciliation section.

Financial Indicators

Recurring EBITDA and EBITDA Margin (1)

In 1Q25, post-IFRS-16 recurring EBITDA grew by 23.3% v. 1Q24, reflecting solid revenue growth, gross margin expansion (+0.3 p.p.), and higher operating expense leverage. As a result, the EBITDA margin expanded 1.2 p.p. vs. the previous year, reaching 15.9% in the quarter. Pre-IFRS-16 recurring EBITDA grew by 28.2% and the margin expanded 1.5 p.p. vs. 1Q24.

BRL Million	1Q24 (pro forma)	1Q25	1Q25 v. 1Q24
EBITDA	**327.8**	**438.7**	**33.8%**
Adjustments	(19.2)	11.0	n.a.
Recurring EBITDA	**347.0**	**427.7**	**23.3%**
Recurring EBITDA Mg.	***14.7%***	***15.9%***	***1.2 pp***
Recurring EBITDA (pre-IFRS 16)	**280.1**	**359.0**	**28.2%**
Recurring EBITDA Mg. (pre-IFRS 16)	***11.8%***	***13.3%***	***1.5 pp***



(1) Adjustments are described in the Recurring EBITDA Reconciliation section.

Financial Indicators

Recurring EBITDA Reconciliation

- **ILP:** long-term incentive program (ILP), with no cash impact during the period.
- **M&A expenses (Arezzo&Co and Soma consolidation):** refer to extraordinary expenses related to the consolidation of SOMA Group with Arezzo&Co. In 1Q25, we incurred residual expenses totaling BRL 13.0 million, mainly related to strategic consulting in the context of structuring Azzas 2154 and mapping synergies.
- **Legal Contingencies:** provision for compensation action (Hering franchise).
- **Appropriate earn-out installments related to acquisitions**: related to Carol Bassi and Reserva INK.
- **Portfolio Optimization**: reversal of provision made in 4Q24, related to portfolio optimization (Alexandre Birman store – Bal Harbour).
- **Late Credit:** recognition of PIS and COFINS credit on DIFAL of the Footwear and Accessories BU in the last 5 years, standardizing the Group's understanding.
- **Historical adjustments:** No adjustments were made to the pro forma figures. These are original adjustments made separately by the Companies (Arezzo&Co and SOMA Group) in periods prior to the merger.

BRL Million	DRE Impact	1Q24 (pro forma)	1Q25
EBITDA	**-**	**327.8**	**438.7**
ILP	Expenses	10.8	9.2
Portfolio Optimization - SG&A	Expenses	0.0	(16.9)
M&A expenses (Arezzo&Co and Soma consolidation)	Expenses	0.0	13.0
Legal Contingencies	Expenses	0.0	6.2
Appropriate Earn-out Installments for Acquisitions	Expenses	1.9	3.8
Late Credit	Expenses	0.0	(26.3)
CMV - Historical adjustments	CMV	3.6	0.0
Expenses - Historical adjustments	Expenses	2.9	0.0
Recurring EBITDA	**-**	**347.0**	**427.7**
Recurring EBITDA Margin	*-*	***14.7%***	***15.9%***
Leasing (IFRS-16 impact)	CMV	(1,3)	(1,3)
Leasing (IFRS-16 impact)	Expenses	(65.6)	(67.4)
Recurring EBITDA (pre IFRS-16)	**-**	**280.1**	**359.0**
Recurring EBITDA Margin (pre IFRS-16)	*-*	***11.8%***	***13.3%***

Financial Indicators

Financial Result

In 1Q25, the Company recorded net financial expenses of BRL 157.7 million, a 9.7% increase in net expenses compared to 1Q24. The growth in net financial expenses is mainly explained by the following factors: (1) lower cash volume in the period and (2) higher interest on financing. In March 2025, the Company raised BRL 600 million through the issuance of debentures to extend debts that mature in the second half of 2025.

BRL Million	1Q24 (pro forma)	1Q25	1Q25 v. 1Q24
Financial Result	**(143.8)**	**(157.7)**	**9.7%**
Financial Income	**46.0**	**24.2**	**-47.4%**
Income from financial investments	25.0	11.1	-55.6%
Active interest	10.3	9.4	-8.7%
Active monetary variation	0.1	0.5	400.0%
Other financial income	10.6	3.2	-69.8%
Financial Expenses	**(175.6)**	**(180.9)**	**3.0%**
Interest on financing	(65.3)	(73.4)	12.4%
Bank expenses	(4.6)	(6.6)	43.5%
Notary fees	(0.5)	(0.2)	-60.0%
Lease interest	(21.9)	(20.4)	-6.8%
Credit card management fees	(26.6)	(31.5)	18.4%
Other financial expenses	(24.8)	(7.6)	-69.4%
Suppliers AVP	(31.9)	(41.2)	29.2%
Exchange rate and monetary variations	**(14.2)**	**(1.0)**	**-93.0%**

Financial Indicators

Recurring Net Income and Net Margin [1]

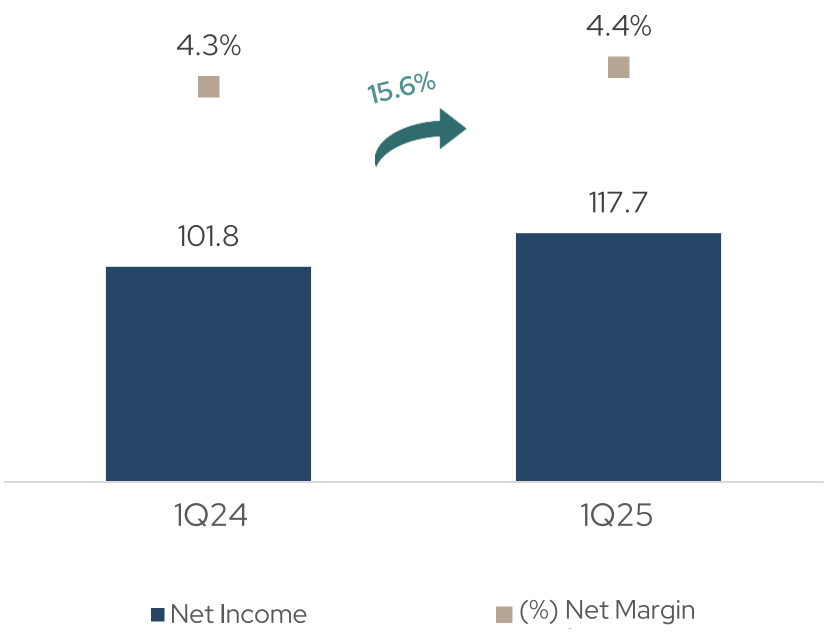
In 1Q25, recurring net income totaled BRL 117.7 million, a 15.6% increase v. 1Q24, reaching a net margin of 4.4%. The increase in net income reflects the improvement in EBIT (+24.8%), partially offset by the positive effect on the IRPJ/CSLL rate in 1Q24.

Excluding the impacts of Law 14,789/23, the growth in recurring net income would have been 20.3%, that is, even more substantial.

BRL Million	1Q24 (pro forma)	1Q25	1Q25 v. 1Q24
Net income	**80.2**	**117.8**	**46.9%**
Adjustments	(21.6)	0.1	n.a.
Recurring Net Income	**101.8**	**117.7**	**15.6%**
Recurring Net Margin	***4.3%***	***4.4%***	***0.1pp***
Recurring Net Income ex. Law 14.789/23	**151.0**	**181.6**	**20.3%**

Recurring Net Income and Net Margin

BRL million and %



(1) Adjustments are described in the Recurring Net Income Reconciliation section.

Financial Indicators

Reconciliation of Recurring Net Income

- **EBITDA adjustments:** detailed explanations in the EBITDA Reconciliation section of this report

- **D&A Hering surplus value**: impact of fair values CPC15/IFRS3 – business combination.

BRL Million	DRE Impact	1Q24 (pro forma)	1Q25
Net Income	**-**	**80.2**	**117.8**
EBITDA adjustments	CMV and Expenses	19.2	(11.0)
Hering surplus value	Depreciation and Amortization	11.0	10.9
D&A - Historical adjustments	CMV and Expenses	1.8	0.0
IRPJ and CSLL - Historical adjustments	IRPJ and CSLL	0.5	0.0
Effect of Adjustments on IR/CS	IRPJ and CSLL	(10.9)	0.0
Recurring Net Income	**-**	**101.8**	**117.7**
Recurring Net Margin	*-*	***4.3%***	***4.4%***

Financial Indicators

Net Debt

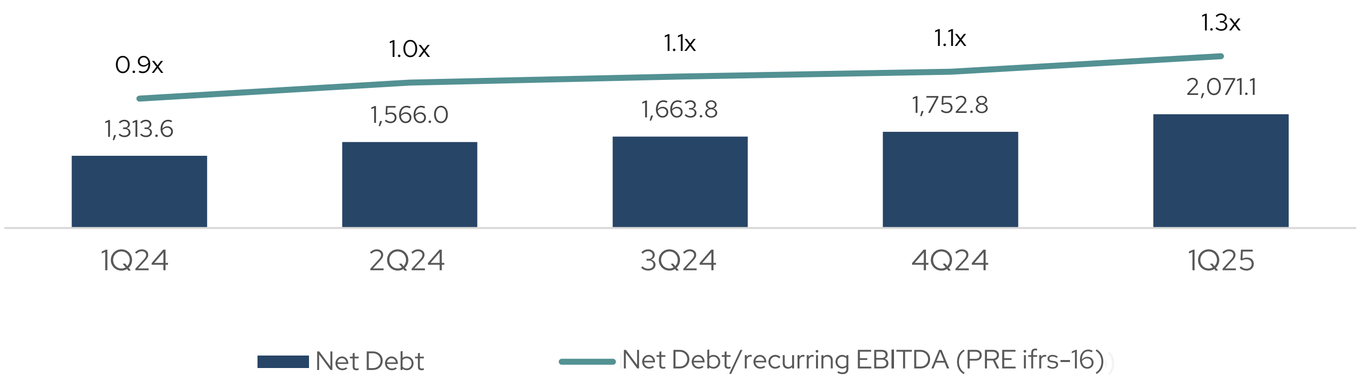
The Company ended 1Q25 with cash of BRL 1,103.4 million and net debt of BRL 2,071.1 million, with a Net Debt/LTM Recurring EBITDA ratio (pre IFRS-16) of 1.3x. In the quarter, the company raised BRL 600 million in debentures, resulting from the extension of maturities scheduled for the second half of 2025.

The Company ended 1Q25 with a total balance of credit card receivables worth BRL 840.6 million.

BRL Million	1Q24 (pro forma)	2Q24 (pro forma)	3Q24 (pro forma)	4Q24	1Q25
Cash and cash equivalents	**1,363.7**	**1,310.8**	**766.4**	**774.5**	**1,103.4**
Swap agreements (1)	**(18.3)**	**(52.9)**	**28.7**	**127.4**	**65.4**
Gross debt	**2,659.0**	**2,823.9**	**2,458.9**	**2,654.7**	**3,239.9**
Short term	1,123.8	1,222.8	903.1	1,476.5	1,904.1
% Gross debt	42.3%	43.3%	36.7%	55.6%	58.8%
Long term	1,535.2	1,601.1	1,555.8	1,178.2	1,335.8
% Gross debt	57.7%	56.7%	63.3%	44.4%	41.2%
Net debt	**1,313.6**	**1,566.0**	**1,663.8**	**1,752.8**	**2,071.1**
Net debt / recurring EBITDA (pre IFRS-16)	**0.9x**	**1.0x**	**1.1x**	**1.1x**	**1.3x**

Net Debt and Leverage

BRL Million



(1) Swap agreements (dollar x CDI) recorded in Derivative Financial Instruments.

Financial Indicators

CAPEX

In 1Q25, CAPEX totaled BRL 84.4 million, a 11.8% reduction v. 1Q24.

Corporate: Investments concentrated in the technology area, mainly in the Women's Apparel, Democratic Apparel, and Footwear and Accessories BUs.

Stores: Lower investment in renovations and openings. The quarter's investments were concentrated in the Women's Apparel BU, mainly in Farm, and Democratic Apparel with investment in mega stores.

Others: Investments concentrated in Farm Global.

BRL Million	1Q24 (Pro forma)	1Q25	1Q25 v. 1Q24
CAPEX	**95.7**	**84.4**	**-11.8%**
Corporate	47.5	46.5	-2.1%
Stores	28.4	21.4	-24.6%
Others	19.8	16.5	-16.7%

Exhibits

Income Statement
Accounting View

BRL Million	1Q24	1Q25	1Q25 v. 1Q24
Net Revenue	**1,072.2**	**2,696.5**	**151.5%**
Cost of goods sold	**(505.3)**	**(1,219.7)**	**141.4%**
Gross Profit	**566.9**	**1,476.8**	**160.5%**
Operating income (expenses)	**(459.7)**	**(1,200.7)**	**161.2%**
Commercial	(370.0)	(911.6)	146.4%
Administrative and General	(91.5)	(325.1)	255.3%
Other net income (expenses)	1.8	36.0	1900.0%
Profit before financial result	**107.2**	**276.1**	**157.6%**
Financial Result	**(47.6)**	**(157.7)**	**231.3%**
Profit before Income Tax and Social Contribution	**59.5**	**118.4**	**98.7%**
Income Tax and Social Contribution	**12.0**	**(0.6)**	**(105.0%)**
Current	(13.8)	(9.5)	(31.2%)
Deferred	25.8	8.9	(65.4%)
Net Income for the Period	**71.6**	**117.8**	**64.5%**

Balance Sheet
Accounting View

Assets	4Q24	1Q25
Current assets	**6,831.7**	**7,051.6**
Cash and cash equivalents	181.2	136.0
Financial investments	593.4	967.4
Accounts receivable from customers	2,816.3	2,448.8
Inventories	2,218.8	2,457.0
Derivative financial instruments	136.0	53.4
Taxes recoverable	323.4	331.7
IR and CS recoverable	197.6	225.4
Other amounts receivable	365.1	431.8
Non-current assets	**8,421.9**	**8,291.5**
Financial investments	1.0	7.3
Derivative financial instruments	62.3	68.9
Accounts receivable from customers	11.5	10.8
Court deposits	205.7	209.1
Deferred income tax and social contribution	1,051.8	1,147.2
Taxes recoverable	1,025.9	1,064.8
Other amounts receivable	9.4	8.9
Investments	-	31.8
Investment properties	4.1	4.1
Fixed assets	2,308.9	2,230.1
Intangible	3,741.4	3,508.5
Total Assets	**15,253.5**	**15,343.1**

Liabilities	4Q24	1Q25
Current liabilities	**4,517.1**	**4,562.1**
Loans and financing	1,476.5	1,904.1
Suppliers	1,817.8	1,641.9
Derivative financial instruments Liabilities	-	6.3
Lease	213.1	210.1
Tax and social obligations	269.3	207.3
Labor obligations	351.5	364.6
Tax Installments	17.6	16.9
Obligations payable upon acquisition of a subsidiary	31.5	-
Other accounts payable	338.5	209.7
Deferred revenues	1.3	1.3
Non-current liabilities	**3,014.9**	**2,976.6**
Loans and financing	1,178.2	1,335.8
Lease	662.5	623.3
Provisions for labor, tax, and civil risks	675.5	578.3
Deferred taxes	245.6	226.4
Obligations payable upon acquisition of a subsidiary	196.1	168.5
Tax Installments	27.6	24.8
Other accounts payable	25.6	16.0
Deferred revenues	3.8	3.5
Stockholders' Equity	**7,721.5**	**7,804.4**
Capital	2,317.2	2,317.2
Treasury shares	(1.2)	(1.2)
Capital reserves	4,234.7	4,240.0
Profit reserve	283.5	283.5
Tax Incentive Reserve	879.1	879.1
Adjustment of equity valuation	(6.2)	(26.8)
Comprehensive results	(4.4)	(5.2)
Result of the year	-	117.8
Non-controlling interest	18.9	-
Total Liabilities and Stockholders' Equity	**15,253.5**	**15,343.1**

Cash Flow
Accounting View

BRL Million	1Q24	1Q25
Operating Activities		
Net income for the year	**71.6**	**117.8**
Adjustments - reconciliation of the result with the cash generation from the operating activity	**64.3**	**183.0**
Depreciation and amortization	59.4	166.6
Profit from financial investments	(13.8)	(7.6)
Financial charges and exchange rate changes on financing	50.2	(36.3)
Income tax and social contribution	(12.0)	0.6
Others	(19.5)	59.7
Decrease (increase) in assets	**72.6**	**(9.8)**
Accounts receivable from customers	216.3	361.9
Inventories	(91.5)	(231.9)
Taxes recoverable	(25.6)	(54.2)
Variation of other assets	(23.8)	(82.1)
Court deposits	(2.8)	(3.5)
(Decrease) increase in liabilities	**(264.3)**	**(395.2)**
Suppliers	(186.9)	(155.2)
Labor obligations	(18.0)	13.1
Tax and social obligations	(22.5)	(70.1)
Variation in other liabilities	3.3	(124.2)
Income tax and social contribution payments	-	(4.9)
Payment of interest on loans	(40.2)	(53.9)
Cash generated by operating activities	**(55.7)**	**(104.1)**

Cash Flow
Accounting View

BRL Million	1Q24	1Q25
Investment Activities		
Acquisition of fixed and intangible assets	(41.5)	(84.4)
Financial investments	(850.0)	(2,131.2)
Redemption of financial investments	997.4	1,752.0
Acquisition of non-controlling interest	(8.8)	-
Cash loss due to loss of control (Paris Texas)	-	(24.2)
Net cash used in investment activities	**97.1**	**(487.8)**
Financing activities		
Proceeds from loans	50.8	766.7
Financing loan payments	(43.2)	(87.9)
Payment of obligation in the acquisition of a subsidiary	(31.9)	(57.0)
Lease consideration	(36.7)	(70.8)
Cost of issuing debentures	-	(3.3)
Net cash used in financing activities	**(61.0)**	**547.6**
Increase (decrease) in cash and cash equivalents	**(19.7)**	**(44.3)**
Cash and cash equivalents		
Effect of exchange rate change on cash and cash equivalents	(0.6)	(0.9)
Initial cash and cash equivalents	73.3	181.2
Final cash and cash equivalents	53.0	136.0
Increase (reduction) in cash and cash equivalents	**(19.7)**	**(44.3)**

Chain of Stores (1)

	1Q24	2Q24	3Q24	4Q24	1Q25
AZZAS 2154					
Area (m²)	**204,180**	**206,839**	**205,875**	**211,109**	**266,166**
Own Stores	84,779	86,872	86,398	89,421	144,880
Franchises	119,401	119,966	119,477	121,688	121,286
Number of Stores	**2,087**	**2,088**	**2,079**	**2,129**	**2,107**
Own Stores	577	578	577	596	589
Franchises	1,477	1,474	1,465	1,495	1,476
International	33	36	37	38	42
Footwear and Accessories BU (1)					
Area (m²)	**49,331**	**49,967**	**49,753**	**51,053**	**49,877**
Own Stores	11,431	11,962	11,870	12,187	11,387
Franchises	37,899	38,005	37,883	38,865	38,490
Number of Stores	**840**	**851**	**847**	**870**	**853**
Own Stores	88	92	91	92	84
Franchises	742	749	746	768	758
International	10	10	10	10	11
Women's Apparel BU					
Area (m²)	**45,450**	**46,209**	**45,683**	**47,324**	**47,253**
Own Stores	44,504	45,328	44,889	46,329	46,258
Franchises	946	881	794	996	996
Number of Stores	**315**	**310**	**309**	**326**	**323**
Own Stores	300	295	295	306	300
Franchises	11	8	6	12	12
International	4	7	8	8	11
Democratic Apparel BU					
Area (m²)	**92,524**	**93,436**	**92,783**	**94,302**	**93,788**
Own Stores	18,098	18,618	18,535	19,187	19,025
Franchises	74,426	74,818	74,248	75,115	74,763
Number of Stores	**723**	**714**	**706**	**702**	**686**
Own Stores	71	71	70	69	68
Franchises	633	624	617	613	598
International	19	19	19	20	20
Men's Apparel BU					
Area (m²)	**16,876**	**17,226**	**17,657**	**18,430**	**19,509**
Own Stores	10,746	10,964	11,103	11,718	12,472
Franchises	6,130	6,262	6,553	6,712	7,037
Number of Stores	**209**	**213**	**217**	**231**	**245**
Own Stores	118	120	121	129	137
Franchises	91	93	96	102	108

(1) For more details regarding the number of stores in each BU, the complete spreadsheet can be found on the Company's IR website.

Pro Forma Results

On July 31, 2024, the merger of SOMA Group into Arezzo&Co was consummated, resulting in the extinction of SOMA Group and its succession, without interruption, by Arezzo&Co ("Business Combination"). On the same date, Arezzo&Co was renamed "Azzas 2154".

As a result of the merger of SOMA Group into Arezzo&Co ("Business Combination"), Azzas 2154 (new name of Arezzo&Co) began to consolidate the results of SOMA Group in 3Q24. Therefore, the financial statements for 4Q24 already reflect three months of consolidated operations.

To assist the market in analyzing the results and facilitating their visualization and interpretation, this report includes the pro forma financial indicators for 1Q24, which are for informational purposes only and have not been reviewed or audited. The results spreadsheet available on the IR website (https://ri.azzas2154.com.br/resultados-e-presentecoes/planilha-dinamica/) simulates the structure of Azzas 2154 in business units and equalizes the accounting treatments between Arezzo&Co and SOMA Group as if the Business Combination had occurred in 1Q22.
Azzas 2154 highlights that:

1. The Pro Forma financial information is for informational purposes only and was prepared exclusively to assist the market in simulating the combined results, in view of the Business Combination, and is intended solely and exclusively to facilitate the visualization and interpretation of Azzas 2154 data.

2. The Pro Forma financial information considers only accounting and criteria equalizations in the Income Statements from the first quarter of 2022 to the third quarter of 2024 of Arezzo&Co and SOMA Group, were prepared by the Company, and have not been audited and/or reviewed by the Company's independent auditors and do not constitute, under any circumstances, financial statements, in accordance with the applicable law and regulations;

3. Pro Forma financial information is presented on a voluntary basis and was not prepared for any purpose of being Pro Forma financial information in accordance with Technical Guidance OCPC 06 of the Accounting Pronouncements Committee;

4. Pro Forma financial information should not be used as a basis for investment decisions, nor interpreted as a projection of future performance of Azzas 2154;

5. The Pro Forma financial information does not replace any audited financial information previously disclosed by Arezzo&Co, SOMA Group, or Azzas 2154, nor the Pro Forma financial information disclosed in the context of the Business Combination;

6. Investors are advised to carry out an independent and detailed analysis of the Pro Forma Spreadsheet always and only in conjunction with the reviewed or audited financial information of Arezzo&Co, SOMA Group, or Azzas 2154, as applicable.

AZZAS 2154

The biggest fashion group in Latin America

Earnings Release 1Q25

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