



AREZZO INDÚSTRIA E COMÉRCIO S.A.

Publicly Held Company

Corporate Taxpayer Registration (CNPJ) No. 16.590.234/0001-76

NIRE (Commercial Registry Number) 31.300.025.91-8 | CVM No. 02234-9

MATERIAL FACT

AREZZO INDÚSTRIA E COMÉRCIO S.A. (“**Company**”), in compliance with article 157, paragraph 4, of Law No. 6.404, of 1976, as amended (“**Brazilian Corporate Law**”) and with CVM Resolution 44, of 2021, hereby informs the following:

In meeting of the Company's Board of Directors held on January 16, 2023, the execution of the "Purchase and Sale Agreement, Merger of Shares and Other Covenants" ("**Agreement**") was approved, between, on one side, the Company, and, on the other side, Ariovaldo Ceconello Furlanetto and Rosi Izabel Furlanetto (“**Sellers**”), through which the main terms and conditions were established for the acquisition, by the Company, of Calçados Vicenza Ltda. (“**Vicenza**”) (“**Transaction**”).

Vicenza has been operating in the footwear and handbags market for over 30 years, with its own production of approximately 1,800 units per day and a solid presence in e-commerce and multi-brand stores, with a presence in all Brazilian states and an export expansion movement. In the year 2022, Vicenza had gross operating revenue of approximately BRL 80 million, and EBITDA of approximately BRL 13 million.

The Transaction is part of the Company's strategy to expand its business in the fashion and retail sector, with the growth and expansion of the “A” and “B” social class footwear market. Through product diversification and expansion of brands in its portfolio, Arezzo&Co continues to reaffirm its position as one of the largest “house of brands” in Brazil.

I. TRANSACTION

Under the terms of the Agreement, after the Transformation of Vicenza corporate type into a corporation (“**Transformation**”), the Sellers will sell and the Company will buy, shares issued by Vicenza representing 60% (sixty percent) of its total and voting capital stock (“**Acquisition**”), for the total price of BRL 103,800,000.00 (one hundred and three million, eight hundred thousand reais) (“**Acquisition Price**”). The Acquisition Price may be



adjusted, for more or for less, according to certain assumptions defined in the Contract and usual for this type of transaction.

If, after the necessary assessments, the Acquisition is subject to approval by the general meeting provided for in article 256 of the Brazilian Corporate Law, as well as granting the right of withdrawal to dissenting shareholders, pursuant to paragraph 2 of article 256 of the Brazilian Corporate Law, the Company will disclose to the market information on the application or not of the said legal provisions. If it concludes that there is a right of withdrawal, the dissenting shareholders may exercise this right in relation to the shares that, demonstrably, they hold on the date of this material fact, under the terms of article 137, paragraph 1, of the Brazilian Corporate Law, unless if applicable the provisions of article 137, II, of the Brazilian Corporate Law.

The shares that remain owned by the Sellers after the Acquisition, representing 40% (forty percent) of the total and voting capital stock of Vicenza, will be merged into the Company (“**Merger of Shares**”). Due the Merger of Shares, the capital stock of the Company will be increased, with the issuance of 803,129 (eight hundred and three thousand, one hundred and twenty-nine) new common, nominative, book-entry shares with no par value, which will be subscribed by Vicenza's managers on behalf of the Sellers and paid in through the merger of the shares issued by Vicenza.

The number of Company shares to be issued within the scope of the Merger of Shares will not be adjusted.

The Merger of Shares will be subject to a protocol and justification to be opportunely signed by the management of Vicenza and the Company (“**Protocol and Justification**”).

The effectiveness of the Merger of Shares will depend on the Company’s pertinent corporate approvals. It should be noted that the Acquisition and Merger of Shares are part of a single legal transaction, with the assumption that each of these steps will only be implemented if the other is also implemented. Thus, once the necessary corporate approvals are obtained and the other terms and conditions of the Agreement and the Protocol are met, in compliance with the applicable rules, the Acquisition and the Merger of Shares will produce effects sequentially, in that order.

Considering that the Sellers are the only shareholders of Vicenza and entered into the Agreement committing themselves to vote in favor of the Merger of Shares implementation, there will be no right of withdrawal for Vicenza shareholders.

If the Merger of Shares is approved and implemented, the dissenting shareholders of the



approval of the Merger of Shares will be entitled to the right of withdrawal in relation to the Company's shares which they hold, uninterrupted, between the present date and the date of the effective exercise of this right, unless the provisions of article 137, II, of the Brazilian Corporate Law apply.

Under the terms of the Agreement, the Sellers may not transfer the Company's shares received within the scope of the Merger of Shares until the 4th anniversary from the closing date of the Transaction ("**Lock-Up**"), subject to the following release schedule applicable from the closing date: (i) 25% (twenty-five percent) from 24 (twenty-four months) ; (ii) 25% (twenty-five percent) of the shares after 36 (thirty-six) months; and (iii) 50% (fifty percent) after 48 (forty-eight) months.

II. ADDITIONAL INFORMATIONS

The Transaction is subject to verification of certain conditions usual for these types of transactions.

In addition to the disclosure of this Material Fact, the Company disclosed, on this date, an informative presentation including additional information regarding Vicenza and transactional aspects related to the Transaction, available on the CVM websites (<https://www.gov.br/cvm>) and of Investor Relations of the Company (<https://ri.arezzoco.com.br/>).

Without prejudice to the subsequent disclosure of the Protocol and Justification, in compliance with article 3 of CVM Resolution No. 78, of 2022, the **Annex I** to this Material Fact describes the main terms and conditions of the Transaction available.

The Company will keep the market informed about relevant updates related to the matters dealt with herein.

Belo Horizonte/MG, January 17, 2023.

RAFAEL SACHETE DA SILVA

Corporate Vice President, Chief Financial and Investor Relations Officer



Annex I

Available Information related to the Merger of Shares

1. Identification of the companies involved in the transaction and brief description of the activities performed by them.

1.1. Company identification. The Company is a corporation, headquartered in the city of Belo Horizonte, State of Minas Gerais, at Rua Fernandes Tourinho, No. 147, room 402, Zip Code 30112-000, enrolled with the CNPJ No. 16.590.234/0001-76, registered in Brazilian Securities Commission as a category "A" publicly held company under the code 2234-9.

1.2. Company's mains activities description. The Company's corporate purpose includes, among other activities, the modeling and trade of leather and plastic articles in general, including shoes and footwear of any nature and kind, and the industrialization and sale of articles and clothing of any nature and use.

1.3. Vicenza identification. Calçados Vicenza Ltda. is a limited liability company, headquartered in the city of Igrejinha, State of Rio Grande do Sul, at Rua Arthur Fetter, No. 233, Bairro Bom Pastor, Zip Code 95650-000, enrolled with the CNPJ No. 92.505.916/0001.

1.4. Description of Vicenza's main activities. Vicenza's corporate purpose is the manufacture and processing of shoes and bags, and shoe modeling services

2. Merger of Shares purpose and description

2.1. Merger of Shares. The Merger of Shares is part of the context of the operation to combine Vicenza's and Company's businesses, as established in the Agreement, and which comprises the following main steps: (i) the acquisition, by the Company, of shares representing 60% (sixty percent) of Vicenza's capital stock, after its transformation into a corporation; (ii) subsequent act, the merger, by the Company, of shares representing 40% (forty percent) of Vicenza's capital stock, pursuant to art. 252 of the Brazilian Corporate Law, so that, after the Transaction implementation, Vicenza will be a wholly-owned subsidiary of the Company. The steps of the Transaction will be carried out in a subsequent and connected manner, so that the Acquisition and the Merger of Shares will produce effects sequentially, in that order, only upon implementation (or waiver, if applicable) of all the suspensive conditions provided for in the Agreement and obtaining applicable corporate approvals.



2.2. Purpose. The Company's management believes that the business combination of the Company and Vicenza, through the Merger of Shares and other stages of the Transaction, will allow reinforcement of business and equity resources, enabling the parties to expand their potential in the fashion market, national clothing and accessories.

3. Main benefits, costs, and risks of the transaction

3.1. Benefits. The Company's management understands that the business combination of the Company and Vicenza through the Merger of Shares and other steps of the Transaction may also generate positive effects consisting of improving of the appreciation of its assets, creating value for shareholders.

3.2. Costs Estimates. It is estimated that the total costs and expenses for carrying out the Transaction, including the fees of legal advisors, appraisers and auditors and the costs for carrying out and publishing the corporate acts should not exceed the amount of BRL 1.300.000,00 (One million three hundred thousand reais)

3.3. Risks of the Transaction. The Company's management believes that the completion of the Merger of Shares and other stages of the Transaction does not significantly impact the risk of shareholders, investors and interested third parties.

3.4. Conditions for carrying out the Merger of Shares. The consummation of the Merger of Shares and the other steps of the Transaction are subject to verification (or waiver, as the case may be) of the Suspensive Conditions, as provided for in the Agreement.

4. Share replacement ratio

4.1. Replacement Ratio. With the completion of the Merger of Shares, it is estimated that Vicenza's shareholders (except the Company) will receive 0.078738137254902 new common, registered, book-entry shares with no par value issued by the Company for every 1 common, nominative share with no par value issued by Vicenza owned by it, in accordance with the replacement ratio calculated under the terms of item 5.1 below, as long as the number of Vicenza shares, after the Transformation and until the Merger of Shares becomes effective, is equal to the number of shares into which Vicenza's capital stock is divided on that date.

4.2. Modifications to the Replacement Ratio. The replacement ratio of Vicenza shares for Company shares may be different from that provided for in item 4.1 above if the number of Vicenza shares after transformation of Vicenza into a corporation and until the Merger of Shares becomes effective is bigger or smaller than the number of Vicenza's quotas on this



date. The transformation of Vicenza into a corporation must be carried out before the preparation of the appraisal report of the shares object of the Merger of Shares, the execution of the Protocol and Justification and, consequently, the general meeting of the Company that will deliberate on the Merger of Shares.

4.3. Number of shares to be issued. On the effective date of the Merger of Shares, the Company will issue a total of 803,129 (eight hundred and three thousand, one hundred and twenty-nine) new common, registered, book-entry shares with no par value, to be subscribed on behalf of the Sellers in proportion to their respective holdings in Vicenza's capital stock in the effectiveness of the Merger of Shares.

5. Criteria for fixing the replacement ratio

5.1. Criteria for fixing the replacement ratio. The exchange ratio was object of the Contract and freely agreed between the Company and the Sellers, who are independent parties. If the total number shares issued by Vicenza at the time of the Merger of Shares is different from the number of quotas into which Vicenza's capital stock is divided on the Agreement execution date, the replacement ratio will be adjusted accordingly.

6. Main assets and liabilities element that'll form each portion of equity, in the event of a spin-off

Not applicable to the Transaction, as the proposed Transaction is not a spin-off.

7. Whether the Transaction was or will be submitted for approval by Brazilian or foreign authorities

7.1. Brazilian Authorities. If applicable, under the terms of the applicable legislation and regulations, the Transaction will be submitted for analysis by the Administrative Council for Economic Defense - CADE in order to obtain authorization for its consummation.

7.2. Foreign Authorities. The consummation of the Transaction is not subject to the approval of any foreign authority.

8. In transactions involving controlling companies, subsidiaries or companies under common control, the share exchange ratio is calculated in accordance with article 264 of the Brazilian Corporate Law

In compliance with the provisions of art. 264 of the Brazilian Corporate Law, the Company will contract, prior to the general meeting that will deliberate on the Merger of Shares, a



specialized company to prepare the appraisal report based on the net equity value of the shares of the Company and Vicenza, appraised both assets according to the same criteria and on the same date, at market prices, or based on another criterion accepted by the Securities Commission (CVM).

9. Applicability of the right of withdrawal and refund amount

9.1. Right of Withdrawal of the Company's Shareholders. If the Merger of Shares is approved by the Company's general meeting and effectively implemented, pursuant to article 252, paragraph 1 of the Brazilian Corporate Law, the right of withdrawal will be assured to the Company's dissenting shareholders of the resolution approving the Merger of Shares, unless the provisions of article 137, II, of the Brazilian Corporate Law apply. If the right of withdrawal exists, shareholders may exercise it in relation to the Company's shares, which they have proven to be the owners, uninterruptedly, from the final shareholding position on January 16, 2023, until the date of the effective exercise of the right of withdrawal. Shareholders will have a period of 30 (thirty) days to exercise their right to withdraw from the Company, counting from the publication of the minutes of the general meeting approving the Merger of Shares.

9.1.1. The reimbursement amount will be determined based on the book value of the Company's shares, excluding treasury shares, according to the last balance sheet approved by the general meeting in relation to the date of the meeting approving the Merger of Shares, observing that such value will only be adjusted to reflect any grouping or split of shares.

9.1.2. Shareholders may request a review of the reimbursement amount, subject to the provisions of article 45 of the Brazilian Corporate Law.

9.1.3. If applicable and the right of withdrawal is exercised, the Company will pay the reimbursement to the dissenting shareholders within a period of up to 30 (thirty) days counted from the end of the period for exercising the right of withdrawal.

9.2. Right of Withdraw of Vicenza Shareholders. Considering that the Sellers are the only shareholders of Vicenza and agree, through the Agreement, to vote affirmatively for the approval of the Merger of Shares, there will be no dissenting shareholder of Vicenza for the purpose of exercising the right of withdrawal, provided for in article 137 and in article 252, paragraph 2 of the Brazilian Corporate Law.



10. Other relevant information

10.1. Effective Date and Suspensive Conditions. In addition to the approval by the Company's general meeting, the Merger of Shares will only take effect and will only be implemented, with the transfer of shares issued by the Company to the Sellers, when verified (or waiver, as the case may be) of all Suspensive Conditions provided for in the Contract, including: (i) if applicable, the approval of the Acquisition by the general meeting; (ii) obtaining unrestricted authorization from CADE to consummate the Transaction; (iii) the fulfillment of obligations contracted by the parties as a result of the Agreement; and (iv) the non-occurrence of a material adverse change, under the terms defined in the Contract. Upon implementation (or waiver, as the case may be) of the Suspensive Conditions, among other acts to close the Transaction, a meeting of the Company's Board of Directors will be held to confirm the implementation (or waiver, as the case may be) of the Suspensive Conditions, and the execution and ratification of the Transaction.