

EARNINGS CONFERENCE CALL 1Q24

AREZZO

SCHUTZ

ANACAPRI

ALEXANDRE
BIRMAN

ALME

VANS
"OFF THE WALL"

Reserva

Baw®

TROC



AREZZO & CO

CAROL BASSI

Vicenza)

PARIS TEXAS

AREZZO | MÃES PARA SEMPRE | @SILVABRAZ

SOLIDARITY FOR
RIO GRANDE DO
SUL



**CAMPO BOM - RS
AREZZO&CO
HEADQUARTERS**

TOGETHER TO REBUILD THE FOOTWEAR CHAIN

OUR ROLE HAS BEEN TO ENSURE THE SOCIOECONOMIC INTEGRITY OF OUR EMPLOYEES, THE COMPANY AND OUR DIRECT STAKEHOLDERS

WHAT WE ARE DOING AND HOW CAN YOU HELP TOO:

1. SAFE HOME

WE ARE TAKING IN AND TRANSFERRING HOMELESS EMPLOYEES TO HOTELS, GUESTHOUSES OR FACILITIES SUBSIDIZED BY AREZZO&CO UNTIL THEY CAN RETURN TO THEIR HOMES.

2. IMMEDIATE ASSISTANCE

DONATIONS OF BASIC FOOD BASKETS, CLEANING AND HYGIENE KITS AS NEEDED, AS WELL AS CLOTHES, SHOES, MATTRESSES AND PILLOWS AND FINANCIAL AID FOR THE MOST SERIOUS.

3. PRODUCTION CHAIN, FRANCHISEES AND MULTI-BRAND CUSTOMERS

EMERGENCY SUPPORT FOR ALL SHOPKEEPERS IN THE STATE AND CREATION OF A CUSTOMIZED PLAN OF MEASURES FOR SEVERELY IMPACTED PARTNERS.

4. FOOTWEAR SECTOR

THROUGH THE "NEXT STEPS RS" MOVEMENT, WE LED THE CREATION OF A FUND FOR THE RECOVERY OF THE FOOTWEAR ECOSYSTEM OF RS, WITH ABICALÇADOS, ASSINTECAL AND CICB BY OUR SIDE, IN ADDITION TO OTHER ENTREPRENEURS IN THE CHAIN.

TOGETHER TO REBUILD THE FOOTWEAR CHAIN

AREZZO
&CO

OUR ROLE HAS BEEN TO ENSURE THE SOCIOECONOMIC INTEGRITY OF OUR EMPLOYEES, THE COMPANY AND OUR DIRECT STAKEHOLDERS

HOW CAN YOU HELP TOO?

FINANCIAL DONATION THROUGH PIX:

CAMPO BOM SOLIDÁRIO
CAMPOBOMSOLIDARIO@GMAIL.COM

CUFA
DOACOE@CUFA.ORG.BR

MISTURÁ (POA)
09.154.647/0001-42

IGREJINHA
94.725.306/0001-59

STILL THIS WEEK, WE'LL INFORM THE PIX KEY OF THE "NEXT STEPS RS" MOVEMENT, WHICH WILL BE EXCLUSIVELY DESTINATED TO THE FOOTWEAR CHAIN.

CALL AGENDA

1. **MESSAGE FROM MANAGEMENT - 1Q24**
2. **BRANDS AND CHANNELS HIGHLIGHTS**
3. **FINANCIAL HIGHLIGHTS**
4. **DEAL WITH SOMA GROUP UPDATES**
5. **Q&A**

DISCLAIMER

ANY STATEMENTS REGARDING FUTURE BUSINESS PROSPECTS AND ANY FORECASTS OF THE COMPANY'S OPERATIONAL AND FINANCIAL RESULTS ARE MERE ESTIMATES AND FORECASTS AND, AS SUCH, ARE SUBJECT TO VARIOUS RISKS AND UNCERTAINTIES, INCLUDING, WITHOUT LIMITATION, MARKET CONDITIONS, THE DOMESTIC AND INTERNATIONAL ECONOMIC PERFORMANCE IN GENERAL AND IN THE COMPANY'S INDUSTRY. SUCH RISKS AND UNCERTAINTIES CANNOT BE CONTROLLED OR SUFFICIENTLY FORECAST BY THE COMPANY'S MANAGEMENT AND MAY SIGNIFICANTLY AFFECT ITS PROSPECTS, ESTIMATES AND FORECASTS.

ANY STATEMENTS ON PROSPECTS, FORECASTS AND ESTIMATES DO NOT REPRESENT, AND SHALL NOT BE CONSTRUED AS, PERFORMANCE GUARANTEES. THE HEREIN PROVIDED OPERATIONAL INFORMATION, AS WELL AS ANY INFORMATION NOT DIRECTLY OBTAINED FROM THE FINANCIAL STATEMENTS, HAVE NOT BEEN SUBJECT TO AUDIT OR SPECIAL REVIEW BY THE COMPANY'S INDEPENDENT AUDITORS, AND MAY INVOLVE ASSUMPTIONS AND ESTIMATES ADOPTED BY MANAGEMENT, AND MAY BE SUBJECT TO CHANGE.

**MESSAGE
FROM
MANAGEMENT**

RESULTS

1Q24

GROSS REVENUES

R\$ 1.4B 1Q24
+5.6% VS 1Q23
+30.4% VS 1Q22

R\$ 6.2B 1Q24 LTM
+12.5% VS 1Q23 LTM
+52.0% VS 1Q22 LTM

RECURRING GROSS MARGIN

53.2% IN 1Q24 (+80BPS)

R\$ 570M IN GROSS INCOME, **+6.3%** VS 1Q23

RECURRING EBITDA

R\$ 173M (+5.5% VS 1Q23)

16.2% EBITDA MARGIN (+20BPS)

RECURRING NET INCOME

R\$ 79M IN **+7.7%** VS 1Q23

NET MARGIN OF **7.3%** (+20BPS)

ROIC

25.3% RECURRING ROIC

DOMESTIC MARKET

53.9% RECURRING GROSS MARGIN IN 1Q24
(+144BPS)

17.9% RECURRING EBITDA MARGIN IN 1Q24
(-24BPS)

FOREIGN MARKET

+295 BPS INCREASE IN **RECURRING**
EBITDA MARGIN IN 1Q24 VS 1Q23

HIGHLIGHTS

BRANDS AND CHANNELS

AREZZO
& CO

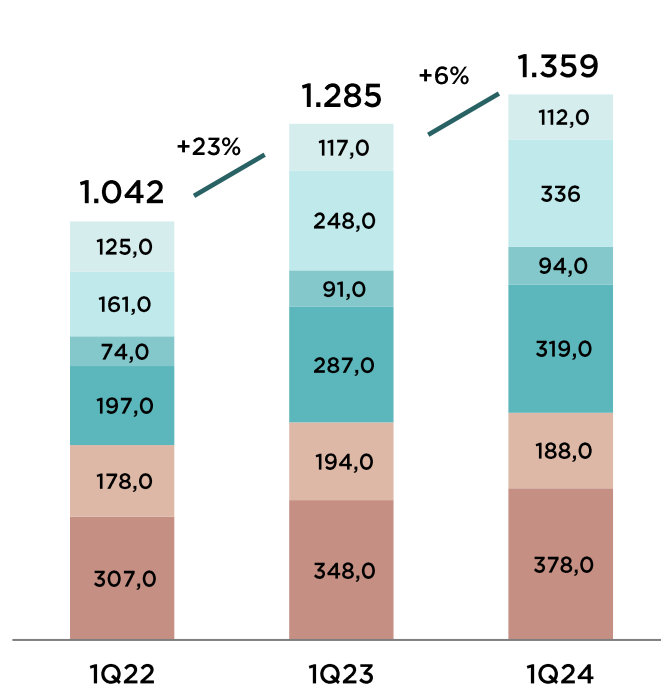


SCHUTZ | SHINE ON MOMS! @MALUBORGES

GROSS REVENUES | DOMESTIC MARKET

1Q24

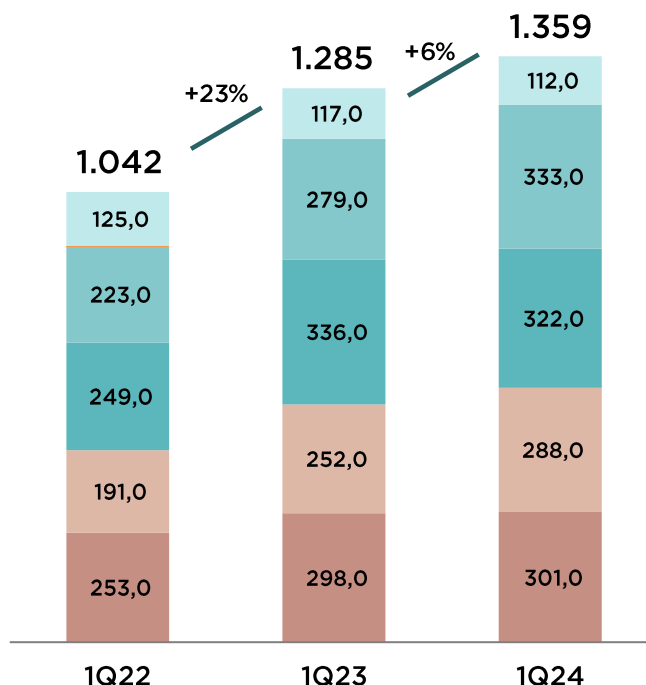
GROSS REVENUES BY BRAND (R\$M)



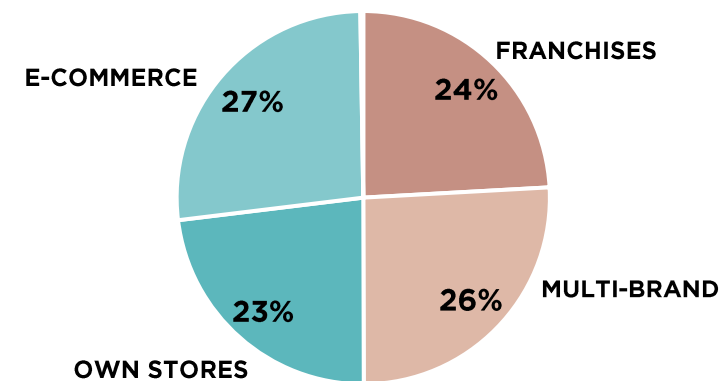
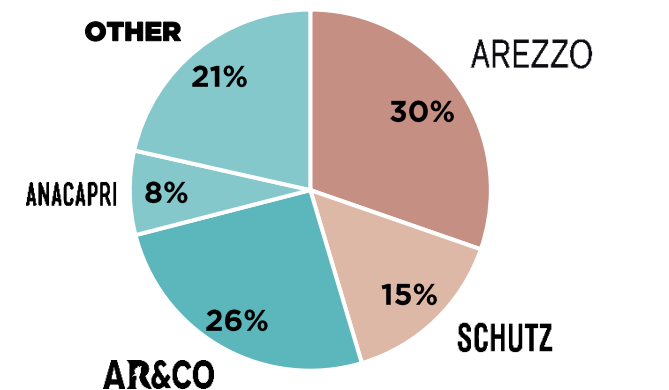
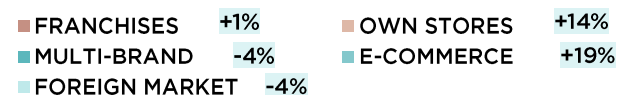
% change from 1Q23



GROSS REVENUES BY CHANNEL (R\$M)



% change from 1Q23



CORE BRANDS

AREZZO AND SCHUTZ



8.6% GROWTH VS 1Q23

ON A STRONG COMPARATIVE BASELINE: +13.4% (1Q23 VS 1Q22)

EMPHASIS ON THE GROWTH OF THE **OWN STORES (+38%) AND E-COMMERCE (+28%) CHANNELS.**

GISELE BUNDCHEN STARRD THE BRAND'S FIRST GLOBAL LAUNCH, FOR THE WINTER CAMPAIGN TITLED "ON MY WAY". THE CAMPAIGN'S HANDBAGS POSTED 57% TURNOVER IN MARCH (THE MONTH OF THE RELEASE).

THE AMÉLIA PUMPS POSTED SELL OUT IN EXCESS OF 22 THOUSAND PAIRS AND 54% TURNOVER, SELLING OUT ON EVERY CHANNEL.



PROGRESS IN BRAND STRATEGY REFORMULATION

BRAND STRATEGY REFORMULATION THROUGH THE BRANDING PROJECT WITH MACSIOTTI AGENCY.

INFLUENCER AMÉLIA GRAY STARRD THE WINTER CAMPAIGN, CALLED "ALL EYES ON" AND WITH ELEMENTS EVOCATIVE OF FEMININITY AND SENSUALITY.

THE PUMPS CATEGORY POSTED 250% GROWTH AND SNEAKERS GREW 71%, BOOSTED BY THE BEST-SELLING ST-001.

SCHUTZ IGUATEMI DEFINED AS AN ISLAND OF EXCELLENCE, WHERE WE IMPLEMENTED A SERIES OF INITIATIVES AND WE HAVE ALREADY PRESENTED POSITIVE RESULTS WITH PERFORMANCE OF +13% IN THE PERIOD ANALYZED

CORE BRANDS

ANACAPRI AND ALEXANDRE BIRMAN



+2.9% GROWTH VS 1Q23

ON A STRONG COMPARATIVE BASELINE: +22.8% (1Q23 VS 1Q22)

FRANCHISE CHANNEL WAS SUPPLIED AT THE BEGINNING OF 2024, IMPACTING GROWTH IN THE QUARTER.

THE E-COMMERCE CHANNEL BOOKED HISTORIC RESULTS, UP 52.4% VS 1Q23, REACHING 34.3% REPRESENTATIVENESS IN THE BRAND'S SALES.

FOR PHYSICAL STORES, ESTAÇÃO ANACAPRI ATTAINED DE R\$ 1 MILLION IN SELL OUT. FURTHERMORE, THE BRAND HAS BEGUN ROLLING OUT MODEL FRANCHISES.

VIRGÍNIA FONSECA STARRD THE WINTER CAMPAIGN. THE LAUNCH VIDEO COLLECTED 4 MILLION VIEWS ON INSTAGRAM.



20.6% GROWTH IN BRAZIL VS 1Q23

+99.5% VS 1Q22

ALL CHANNELS POSTED TWO-DIGIT GROWTH. EMPHASIS ON E-COMMERCE, UP 39% VS 1Q23.

DRESSING MORE THAN 15 CELEBRITIES, ALEXANDRE BIRMAN REINFORCED ITS GLOBAL POSITIONING IN THE AWARDS SEASON. THE BRAND GOT OVER 300 PUBLICATIONS AND REACHED OVER 50 MILLION IMPRESSIONS.

BRAND ACQUISITIONS

RESERVA AND VANS



R\$ 319M

1Q24 GROSS REVENUES

+11.0% GROWTH VS 1Q23

ON A STRONG COMPARATIVE BASELINE: +22.8% (1Q23 VS 1Q22)

THE HIGHLIGHT WERE B2C CHANNELS REVENUES, UP 16% VS 1Q23. THE CUSTOMER BASE PERFORMED EXCELLENTLY, +29% YoY.

CASA RESERVA, LAUNCHED IN JANUARY AT SHOPPING MORUMBI, GATHER FOR THE FIRST TIME, ALL RESERVA BRANDS, WITH COMPLEMENTARY PRODUCTS FOR THE WHOLE FAMILY. IN ITS FIRST MONTH IN OPERATION, REACHED R\$ 1.5 MILLION IN SALES AND 3.7 THOUSAND ITEMS SOLD.



1.8%

GOR INCREASE 1Q24 VS 1Q23

1.8% GROWTH VS 1Q23

ON A STRONG COMPARATIVE BASELINE: +56.0% (1Q23 VS 1Q22)

THE BRAND POSTED GROWTH DESPITE A STRONG COMPARATIVE BASELINE. IN ADDITION, GROSS MARGIN EXPANDED MATERIALLY, AT +3.8P.P - THE PRODUCT OF A PRODUCT MIX WITH A BETTER MARGIN.

IN JANUARY, VANS HAD A PARTNERSHIP WITH SKATEBOARDER ROWAN ZORILLA. MARCH SAW THE RELEASE OF THE SPITFIRE CAMPAIGN - BRINGING TOGETHER VANS AND ONE OF THE WORLD'S MAIN SKATEBOARD WHEEL BRANDS.

THE KNU SKOOL LINE, CELEBRATING THE 1990S CLASSIC, WHICH STOOD OUT AS A NEW BEST SELLER

BRAND ACQUISITIONS

VICENZA, CAROL BASSI AND INTERNATIONAL BUSINESS & CO

AREZZO
& CO



+318%

E-COMMERCE IN
1Q24 VS 1Q23

+11.0% GROWTH VS 1Q23

EMPHASIS ON THE E-COMMERCE CHANNELS, UP 318% FROM 1Q23, RECORD-SETTING QUARTERLY SALES

THE MULTI-BRAND CHANNEL ALSO PERFORMED EXCELLENTLY, WITH 98% GOR GROWTH VS 1Q23.

Note: 1Q23 considers pre-acquisition managerial information on Vicenza.



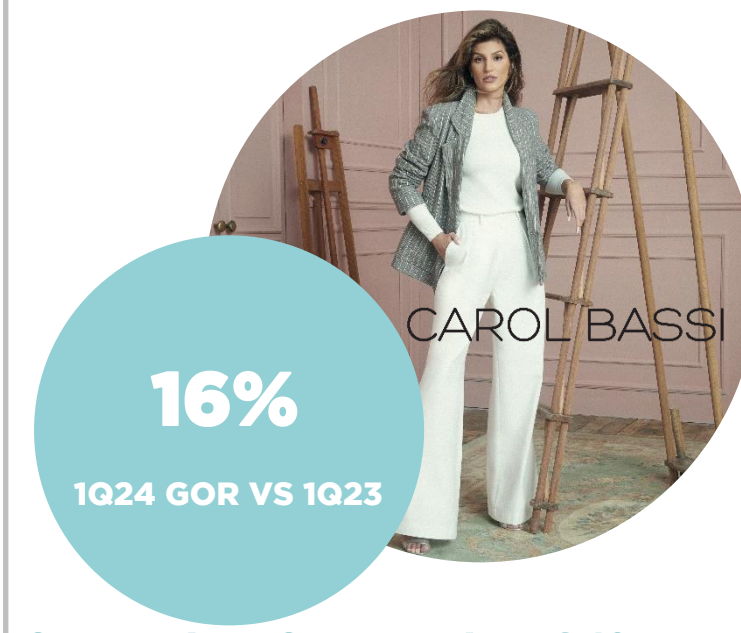
48.9%

E-COMMERCE IN
1Q24 VS 1Q23

ADVERSE OUTLOOK IN THE US

ARZZ REMAINS UNDER IMPACT FROM THE CHALLENGING US OUTLOOK. HOWEVER, PROFITABILITY IMPROVED, WITH EBITDA MARGIN UP 295 BPS.

THE AREZZO BRAND HAS BEEN GROWING IN THE US MARKET AND HAS ALREADY INCREASED ITS MACY'S DOORS BY 20% SINCE THE MARKET RELEASE.



16%

1Q24 GOR VS 1Q23

CELEBRATING THE BRAND'S 10TH ANNIVERSARY

THE BRAND'S GROSS REVENUES POSTED 16% GROWTH VS 1Q23.

A SPECIAL COLLECTION WAS LAUNCHED REVISITING 10 OF THE BRAND'S ICON ITEMS.

LAUNCH OF THE 5TH CAROL BASSI-MARIA RUDGE COLLAB TO CELEBRATE MOTHERS' DAY.

ONE MORE CAROL BASSI OPENED AT THE FLAMBOYANT MALL, IN GOIÂNIA.

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ALME

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"OFF THE WALL"

Reserva

Baw®

TROC

CAROL BASSI

Vicenza)

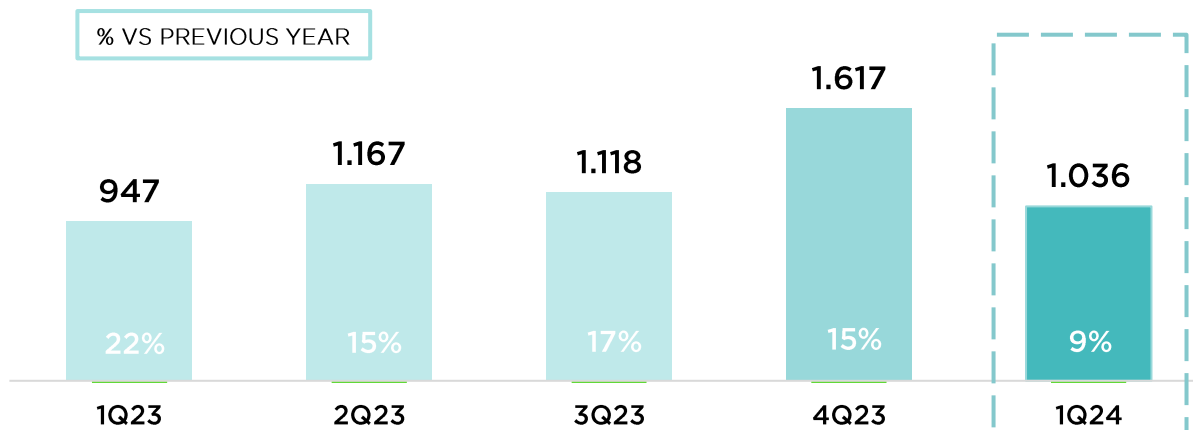
PARIS TEXAS

15

EXPRESSIVE GROWTH ON SELL OUT

SELL OUT

PHYSICAL STORES (FRANCHISES, OWN STORES) +
E-COMMERCE
(R\$ M)



✓ 9% GROWTH ON A +22% COMPARATIVE 2023 vs 2022 BASELINE

R\$ 1.0B

DTC SELL OUT 1Q24

9.4%

SELL OUT GROWTH VS 1Q23

✓ **SELL OUT E-COMMERCE: 15.9% GROWTH VS 1Q23**

- ✓ APPS TOTAL REVENUES: +20.5% VS 1Q23
- ✓ TOTAL TRAFFIC: +24.5% VS 1Q23

✓ **SELL OUT OWN STORES: 10.9% GROWTH VS 1Q23**

✓ **SELL OUT FRANCHISES: 4.8% GROWTH VS 1Q23**

SALES CHANNELS

HIGHLIGHTS TO MONOBRAND

MONOBRAND

OWN STORES: **R\$288M** (+14.2% VS 1Q23)

FRANCHISES (SELL-IN): **R\$301M** (+0.9% VS 1Q23)

- MONOBRAND CHANNEL GROWTH OF 7.0% IN 1Q24 VS 1Q23
- HIGHLIGHT TO CASA RESERVA OPENING, AT SHOPPING MORUBI, SP, WHICH GATHERS TOGETHER, FOR THE FIRST TIME, ALL WOODPECKER BRANS
- PERFORMANCE OF FRANCHISE CHANNELS IMPACTED BY SCHEDULING EFFECTS
- IMPLEMENTATION OF AREZZO'S NEW ARCHITECTURAL PROJECT, WITH THE REMODELING OF THE IGUATEMI (SP) FLAGSHIP

MULTIBRANDS

R\$322M (-4.1% VS 1Q23)

- IMPACT DUE TO THE REDUCTION IN SALES OF RESERVA BRAND IN THE CHANNEL, FOLLOWING THE BRAND'S BRANDING STRATEGY
- THE COMPANY'S BRANDS WERE DISTRIBUTED THROUGH 7,586 SALES POINTS (WITHOUT OVERLAP)

OMNICHANNEL HIGHLIGHTS

E-COMMERCE SALES

1Q24 REVENUES: **R\$ 332M** (+19.3% VS 1Q23)

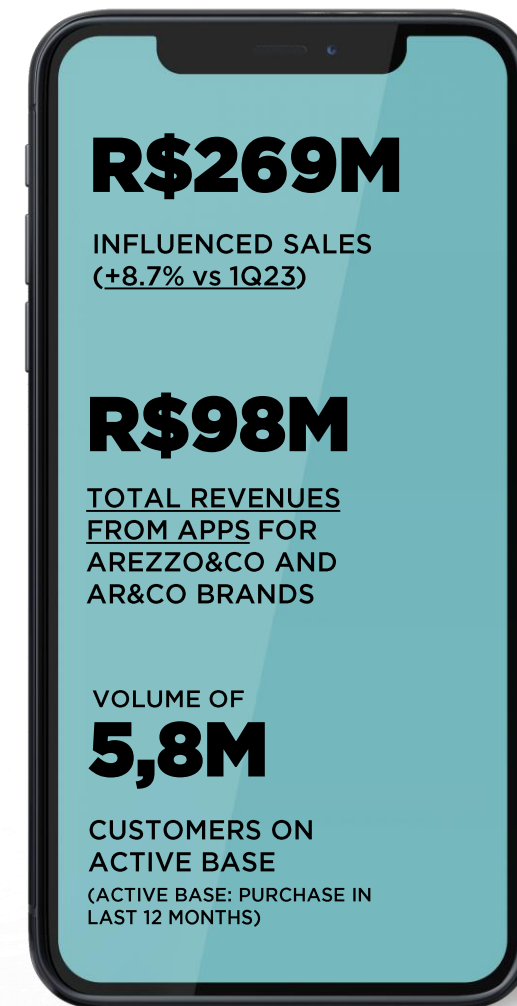
TOTAL TRAFFIC: **92M** (+24.5% VS 1Q23)

TOTAL REVENUES FROM APPS: **R\$98M**
(+20.5% vs 1Q23)

TOTAL APP'S SHARE ON E-COMMERCE REVENUES: **29.6%**

E-COMMERCE TICKETS : **+8.4%** VS 1Q23

DIGITAL SHARE ON PHYSICAL STORES' SELL OUT: **59.8%**



**AREZZO
& CO**

**FINANCIAL
HIGHLIGHTS**

RESERVA | WINTER 24

INCOME STATEMENT

Main Financial indicators	1Q24	1Q24 Recurring	1Q23 Recurring	Δ (%) 1Q24 x 1Q23
Gross Revenues	1.358.586	1.358.586	1.285.947	5,6%
Net Revenues	1.072.182	1.072.182	1.025.291	4,6%
COGS	(505.325)	(501.732)	(488.467)	2,7%
Depreciation and amortization (cost)	(1.641)	(1.641)	(1.346)	21,9%
Gross Profit	566.857	570.450	536.824	6,3%
Gross margin	52,9%	53,2%	52,4%	0,80 p.p
SG&A*	(459.687)	(454.208)	(419.914)	8,2%
% of net revenues	(42,9%)	(42,4%)	(41,0%)	(1,4 p.p)
Selling expenses	(327.288)	(322.499)	(304.484)	5,9%
Owned stores and web commerce	(167.856)	(166.155)	(140.392)	18,4%
Selling, logistics and supply	(159.432)	(156.344)	(164.092)	(4,7%)
General and administrative expenses	(78.802)	(78.111)	(70.539)	10,7%
Other operating revenues (expenses)	1.793	1.793	1.141	57,1%
Depreciation and amortization (expenses)	(55.390)	(55.390)	(46.032)	20,3%
EBITDA	164.201	173.274	164.288	5,5%
EBITDA Margin	15,3%	16,2%	16,0%	0,2 p.p
Net Income	71.562	78.730	73.088	7,7%
Net Margin	6,7%	7,3%	7,1%	0,2 p.p

1Q24 HIGHLIGHTS VS 1Q23

• 5.6% GROSS REVENUES GROWTH

- EMPHASIS ON THE E-COMMERCE (+19.3%) AND OS(+14.2%) CHANNELS
- EMPHASIS ON THE AREZZO (+9%) AND AR&CO (+11%) BRANDS

• RECURRING GROSS MARGIN: +80BPS

- POSITIVE IMPACT OF THE INCREASED REPRESENTATIVENESS OF THE B2C CHANNELS, MORE THAN OFFSETTING THE CONTRACTION IN THE US OPERATION'S GROSS MARGIN

• RECURRING EBITDA MARGIN : +20BPS

- POSITIVE IMPACT OF GROSS MARGIN GROWTH
- NEGATIVE IMPACT FROM ARZZ INTERNATIONAL, DESPITE THE 3 P.P INCREASE IN GROSS MARGIN

• RECURRING NET MARGIN: +20BPS

- POSITIVE IMPACT OF THE EFFECTIVE INCOME TAX RATE (TAX EFFICIENCY)
- NEGATIVE IMPACT OF NET FINANCIAL EXPENSE

Operational Result	1Q24 Reported	1Q24 Recurring	1Q23 Reported	1Q23 Recurring	Δ 24 x 23 Rec. (%)
EBIT (LTM)	561.128	587.310	493.800	511.407	14,8%
+ IR e CS (LTM)	36.594	37.202	(8.721)	(10.289)	(461,6%)
NOPAT (LTM)	597.722	624.512	485.079	501.118	24,6%
Working Capital¹	978.733	1.140.312	1.007.566	1.007.566	13,2%
Accounts Receivable	902.621	902.621	743.011	743.011	21,5%
Inventory	920.200	920.200	842.526	842.526	9,2%
Suppliers	(647.535)	(647.535)	(571.535)	(571.535)	13,3%
Others	(196.553)	(34.974)	(6.436)	(6.436)	443,4%
Permanent assets	2.415.184	1.101.798	2.143.553	1.076.747	2,3%
Other long-term assets²	445.769	445.769	170.753	170.753	161,1%
Invested capital	3.839.687	2.687.880	3.321.872	2.255.066	19,2%
Average invested capital³	3.580.780	2.471.473	2.787.068	1.841.434	34,2%
ROIC⁴	16,7%	25,3%	17,4%	27,2%	

(1) Working Capital: current assets minus cash and cash equivalents, deducted from current liabilities minus banks and dividends payable.

(2) Minus deferred income tax and social contribution.

(3) Average capital employed in the period and in the same period in the previous fiscal year.

(4) ROIC: NOPAT of the past 12 months divided by average capital employed.

• 25.3% RECURRING ROIC IN THE QUARTER

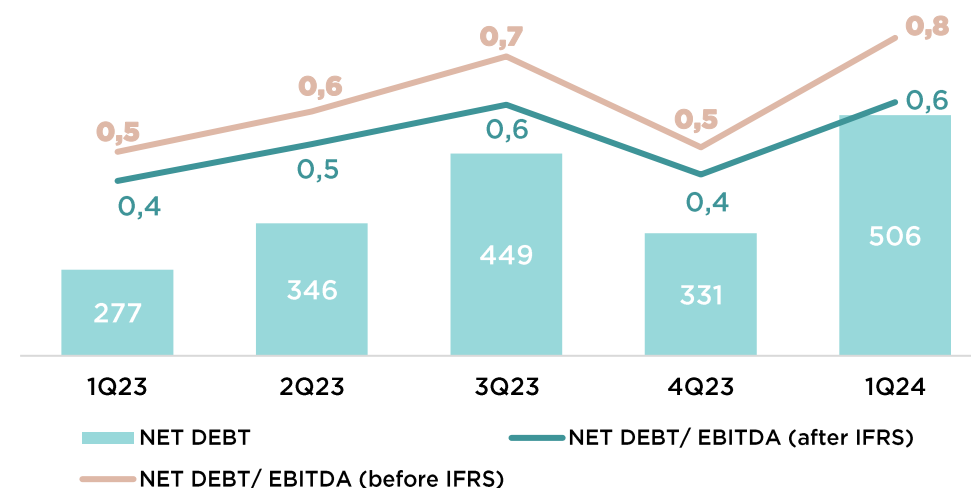
- POSITIVE IMPACT FROM THE 24.6% NOPAT GROWTH VS 1Q23
- NEGATIVE IMPACT FROM THE INCREASE IN CAPITAL USED, DUE TO HIGHER INVESTMENT IN OTHER LONG-TERM ASSETS
- WORKING CAPITAL AS A % OF NET REVENUES OF 20.0% (-2,8 P.P. FROM 1Q23)
- WORKING CAPITAL (CHG. ON DAYS 1Q24 VS 1Q23):
 - ACCOUNTS RECEIVABLE: +6
 - INVENTORY: -1
 - ACCOUNTS PAYABLE: +1

CASH AND DEBT POSITION

- **1Q24 GROSS CASH POSITION:** R\$ 593 MILLION
- **1Q24 NET DEBT:** R\$ 506 MILLION, WITH 0.6X NET LEVERAGE (POST IFRS)
- **DEBT AGING:** INCREASE IN LONG TERM DEBT, FROM 18.4% IN 4Q23 TO 32.0% OF TOTAL DEBT IN 1Q24

Cash position and Indebtedness	1Q24	4Q23	1Q23
Cash and Cash Equivalents	592.806	749.714	783.068
Total debt	1.098.748	1.081.124	1.060.093
Short-term	747.452	882.205	663.004
% total debt	68,0%	81,6%	62,5%
Long-term	351.296	198.919	397.089
% total debt	32,0%	18,4%	37,5%
Net debt	505.942	331.410	277.025
Net debt/EBITDA (after IFRS)	0,6x	0,4x	0,4x
Net debt/EBITDA (before IFRS)	0,8x	0,5x	0,5x

NET DEBT AND LEVERAGE EVOLUTION






AREZZO
& CO



+ ROMA





STRATEGY FRONTS

FRONT	DETAILING	SUPPORT
OPERATING MODEL LEADERSHIP AND CULTURE	Based on the Source Code and the Assumptions, establish the culture and modus operandi between the Holding Company and the Business Units, bringing about the necessary balance between autonomy and synergy.	 Integration
SHAREHOLDERS' REORGANIZATION	Restructuring of Arezzo&Co with Vicenza and Carol Bassi and of Grupo Soma with Hering.	 Integration
IMO - PROJECT AND CHANGE MANAGEMENT	Structuring and managing the preparation of the integration between Arezzo&Co and Grupo Soma, coordinating the integration activities and managing the work fronts, always taking care of change management	 Integration
VALUE GENERATION AND ENABLING FRONTS	Detailing synergies, breaking down integration targets and designing a macro capture plan (Deliverables: Quantification of value potential, Targets & capture plan & Team mobilization). Plan and manage the activities of the enabling fronts.	BAIN & COMPANY 
BOARD STRUCTURE AND GOVERNANCE	Define the new participants on the Board and design the governance (meetings, frequency, etc.).	EgonZehnder
POSITIONING AND BRANDING OF THE HOLDING COMPANY	Create the identity of the new group and concrete positioning initiatives.	tátil*
TECHNOLOGY / SYSTEMS	Aligning the plans of the strategic and enabling fronts with the Technology roadmap, enabling integration.	 NTT

STRATEGIC PILLARS

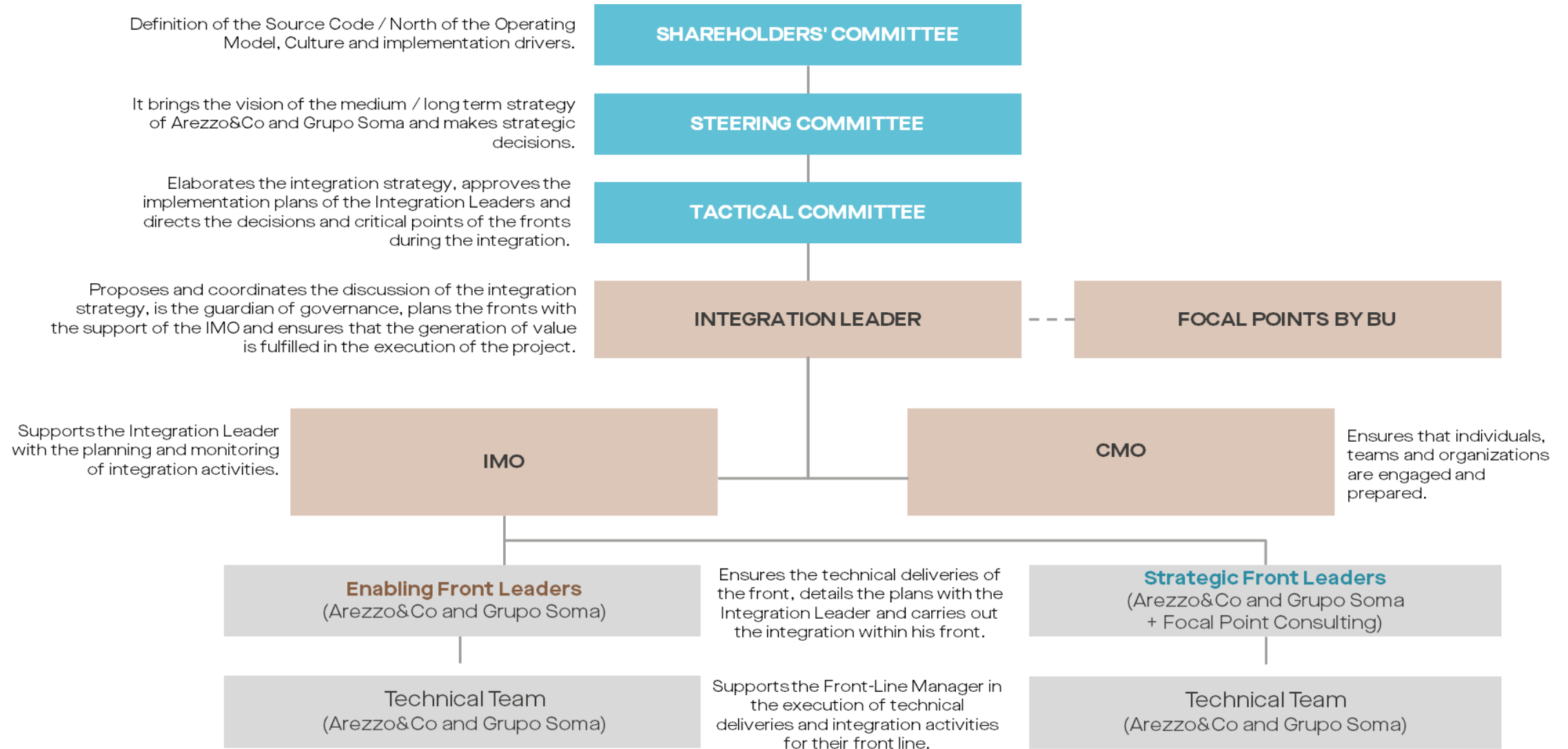
FRONT	DESIGN			IMPLEMENTATION					TECHNICAL VALIDATION	
	OBJECTIVES, STRATEGY AND DIAGNOSIS	ANALYSIS AND RECOMMENDATION	MACRO DEVELOPMENT AND IMPLEMENTATION PLAN	DETAILING THE IMPLEMENTATION PLAN	MANAGEMENT OF THE PLAN'S IMPLEMENTATION	CHANGE MANAGEMENT	BREAKDOWN OF DEFINITIONS ON THE ENABLING FRONTS	INTEGRATED MANAGEMENT - Connecting interdependencies and managing milestones	TACTICAL COMMITTEE	STEERCO
OPERATING MODEL LEADERSHIP AND CULTURE	Integration								Integration	
SHAREHOLDERS' REORGANIZATION										
TECHNOLOGY / SYSTEMS	NTT	NTT Parcial	Em negociação	NTT					NTT	
GENERATING VALUE	BAIN & COMPANY				Integration PMO				BAIN & COMPANY	
ENABLING FRONTS	BAIN & COMPANY					Integration	BAIN & COMPANY	Integration	BAIN & COMPANY	
POSITIONING AND BRANDING OF THE HOLDING COMPANY	tátil*	TBD							NA	tátil*
BOARD STRUCTURE AND GOVERNANCE	EgonZehnder				TBD				NA	EgonZehnder

FRONT LEADERS

STRATEGIC FRONTS			
OPERATING MODEL , LEADERSHIP AND CULTURE		 Integration	
POSITIONING AND BRANDING FOR THE NEW HOLDING		tátil*	
BOARD STRUCTURE AND GOVERNANCE		EgonZehnder	
GENERATING VALUE *		BAIN & COMPANY ↻	
CORPORATE REORGANIZATION WAVE 1 (SOMA)		 Integration	
TECHNOLOGY / SYSTEMS		 NTT	
IMO – PROJECT AND CHANGE MANAGEMENT		 Integration	
ENABLING FRONTS			
BAIN & COMPANY ↻			
BACK OFFICE		OPERATIONS	FRONT OFFICE/CORE
FINANCIAL, TAX, ACCOUNTING AND FP&A	SUSTAINABILITY	LOGISTIC	R&D AND STYLE
LEGAL	NON-PRODUCTIVE PURCHASES	PLANNING	FRANCHISES, OWN STORES, MM
PEOPLE	E-COMMERCE	INDUSTRIAL	MERCHANDISING
IT	EXPORT	SOURCING	TRADE
INTERNAL AUDIT	EXPANSION	ENGINEERING	
IR			

FRONTS NOT ACTIVATED PRE-CLOSING

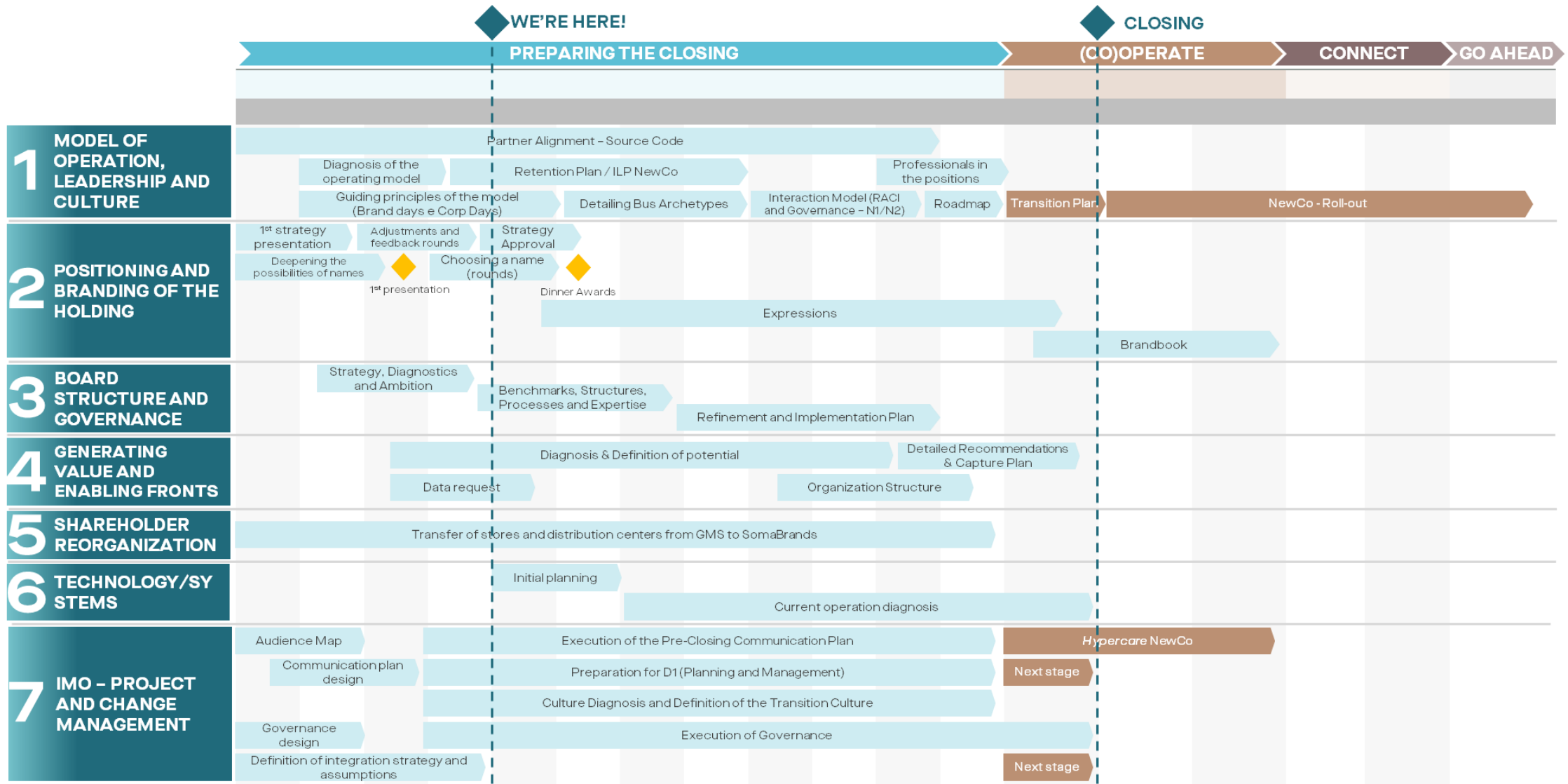
IMO INSTANCES



IMO RITUALS

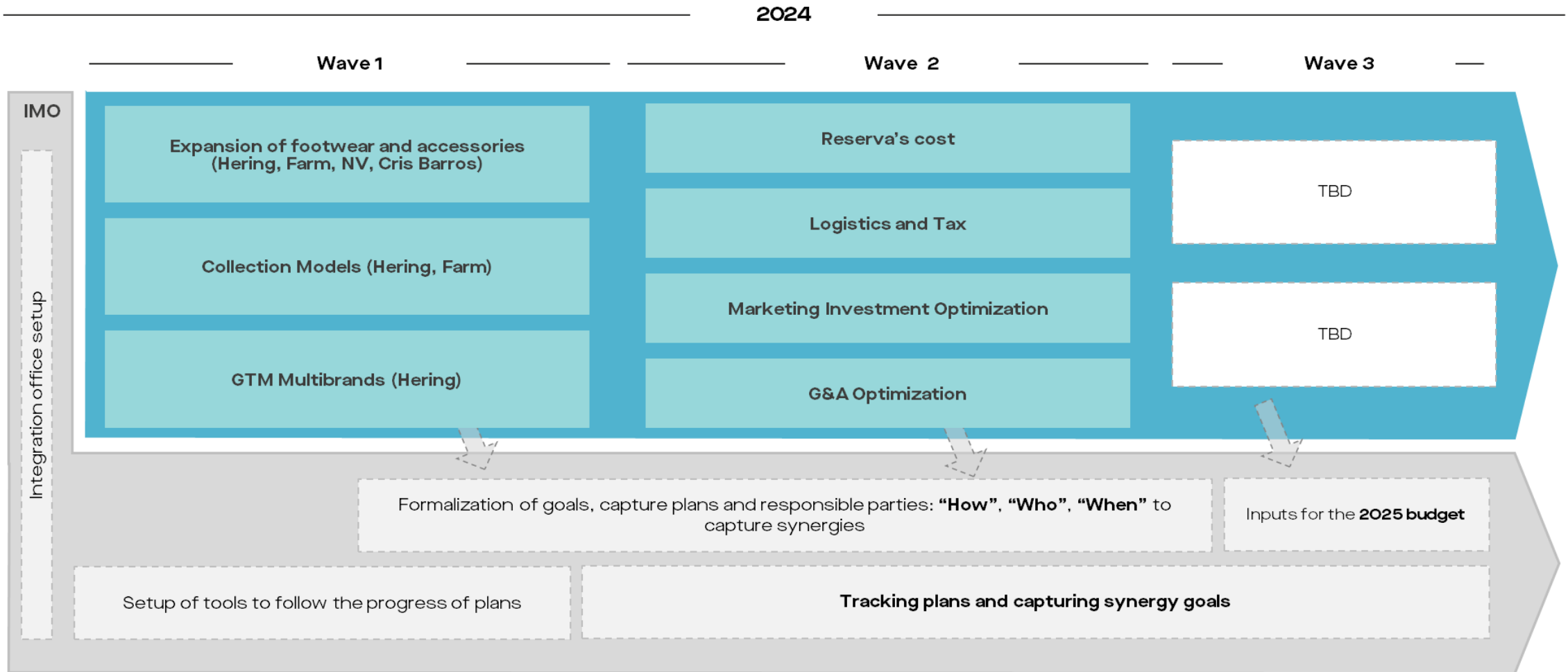
MEETING NAME	SCOPE	AGENDA	PARTICIPANTS	FREQ. & DURATION
SHAREHOLDERS' COMMITTEE	Define the Source Code / North of the Operating Model, including speed and culture	<ul style="list-style-type: none"> • Source Code / North of the Operating Model • Validation of integration guidelines, assumptions and strategy 	<ul style="list-style-type: none"> • Alexandre Birman and Roberto Jatahy 	WEEKLY (3 hrs - define weekly agendas)
STEERING COMMITTEE	Giving visibility to the integration fronts so that strategic decisions can be made	<ul style="list-style-type: none"> • Guidelines, premises and integration strategy • Integration Dashboard • Progress on the fronts (integration strategy, main focuses, points of attention and results) • Deliberations 	<ul style="list-style-type: none"> • Alexandre Birman and Roberto Jatahy • CIO: Paulo Kruglensky • Holding Executive Directors • CIO • BU leaders ad hoc • Integration Leader • Focal points • Members of the ad hoc consulting firms: Bain&Company, EgonZehnder, Integration, NTT and Tátil 	WEEKLY (1 hr - define weekly agendas)
TACTICAL COMMITTEE	Provide visibility of the macro integration roadmap, discuss impacts between fronts and direct decisions and critical points during integration	<ul style="list-style-type: none"> • Roadmap for integrating enabling and strategic fronts • Progress on the integration fronts • Points of attention and interrelationship between fronts 	<ul style="list-style-type: none"> • Integration Leader • Focal points • Front Leaders • PMO • CMO • Members of the ad hoc consulting firms 	WEEKLY (60 min)
1:1 WORKING FRONTS (ENABLING AND STRATEGIC)	Build the first version of the integration plan in line with the strategy, monitor the evolution of the definitions, detail the plan and monitor its implementation	<ul style="list-style-type: none"> • Building integration plans • Updating the progress of deliverables during the "design" phase • Updating the execution of plans 	<ul style="list-style-type: none"> • Integration Leader • Front Leaders • PMO • CMO ad hoc 	WEEKLY (60 min)
MEETINGS FOR THE EXECUTION OF WORK FRONTS	Specific work/validation meetings that take place within the front (e.g. synergy validation meetings, communication plan construction meetings, etc). Consolidation of the status of the fronts in the integration and identification of the connection between the fronts (including CMO and other fronts) takes place on a 1:1 basis with IMO		<ul style="list-style-type: none"> • Front Leaders • Technical Teams 	ACCORDING TO THE FRONTS' NEEDS

FRONTS OF ACTIVITY



ACTION FRONTS

4 GENERATING VALUE AND ENABLING FRONTS



INTEGRATION ASSUMPTIONS

Shielding the business, not bringing distractions and having as minimal friction as possible, taking care of people and brands.

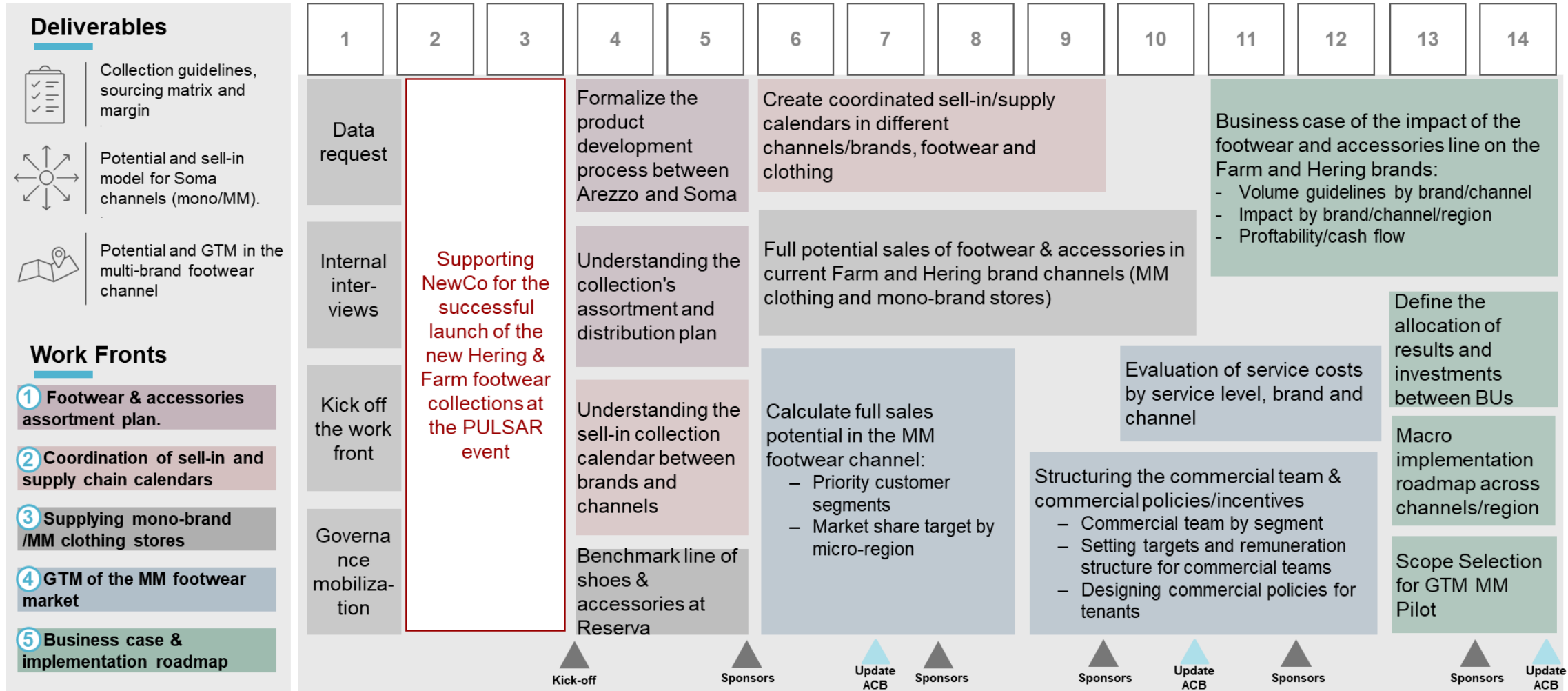
ESSENCE	GUIDING	PRACTICAL APPLICATION
<p>Each company is UNIQUE</p>	<p>The MUST HAVE is to ensure alignment, financial consolidation and visibility of performance</p>	<ul style="list-style-type: none"> • Use of Arezzo&Co's financial reporting standards and development of the necessary interfaces - processes and systems • BU CFO as “guardian” of NewCo guidelines
<p>Being a GROUP, interdependent</p>	<p>Have a “minimal” MANAGEMENT SYSTEM to ensure structured interactions and to encourage BEST PRACTICES</p>	<ul style="list-style-type: none"> • Common management system with a deck of indicators that represents commitments • Monitoring and signaling rituals that generate an action plan when necessary • Sharing of best practices, leveraging the companies' expertise
<p>Strengthening NEWCO</p>	<p>Preserving the IDENTITY and REPUTATION of brands, platforms and groups</p>	<ul style="list-style-type: none"> • No “one size fits all” - Each BU will have an archetype that ensures the degree of autonomy and interaction with the Holding Company • Holding company formed by the functions of CFO, COO, CTO and CHRO • Capture priority synergies • Communication plan to ensure that the merger impacts the brands and NewCo
<p>Develop CULTURE and respect subcultures</p>	<p>Understanding the brand's authenticity space and planning integration moves</p>	<ul style="list-style-type: none"> • The diversity that exists between BUs and brands will be valued. • The partners, Alexandre e Roberto, maintaining a process of co-construction

SYNERGIES

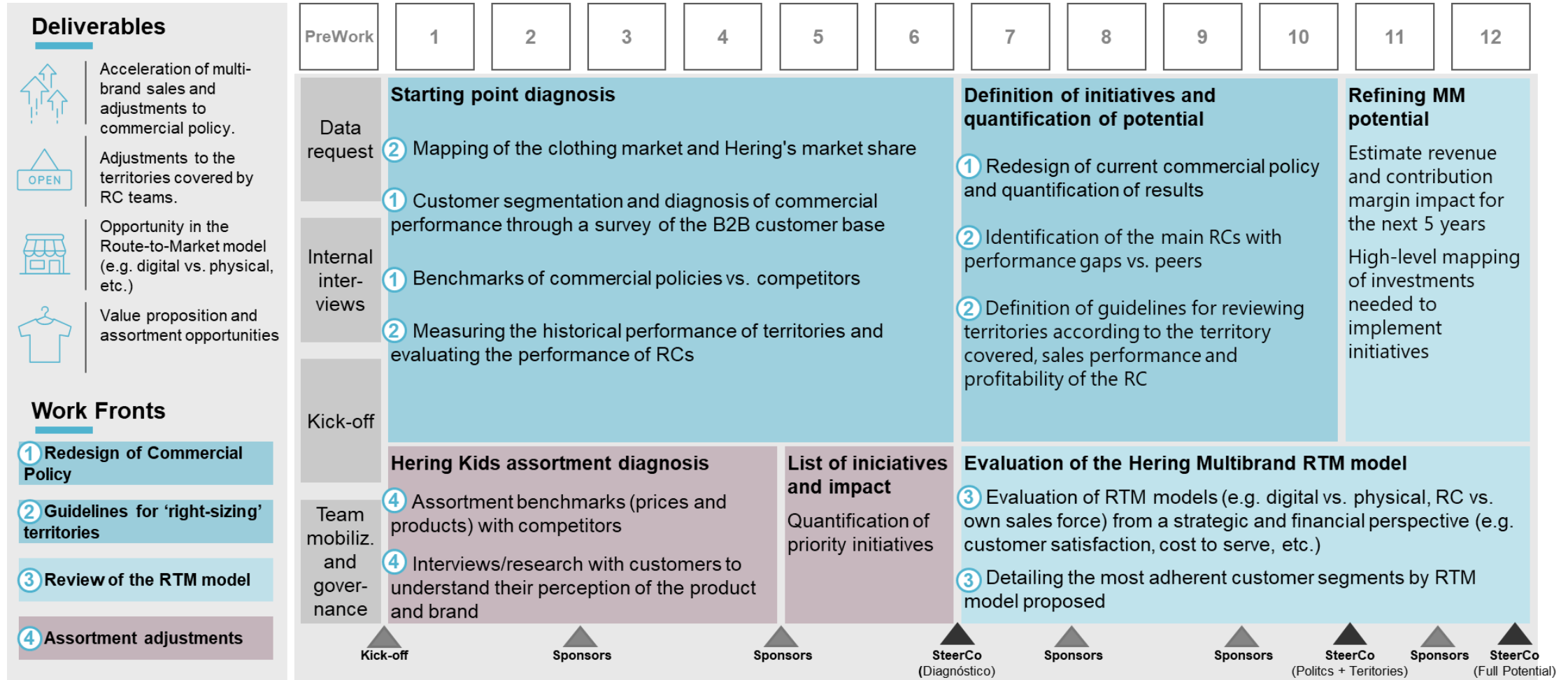
INITIATIVES

FOOTWEAR AND ACCESSORIES

FARM E HERING

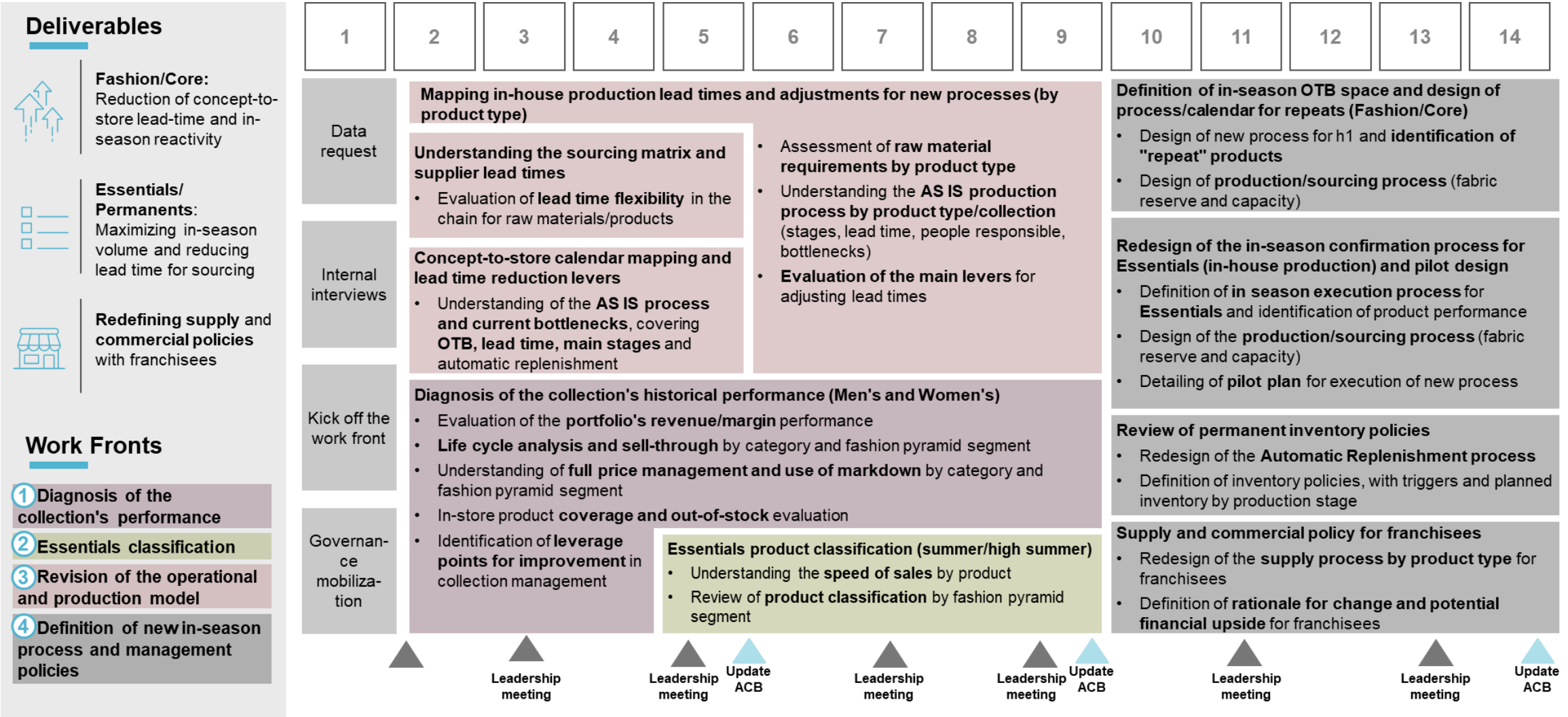


FULL POTENTIAL HERING WHOLESALE



IN SEASON RESPONSIVENESS

HERING



Deliverables



Work Fronts

- ① Diagnosis of the collection's performance
- ② Essentials classification
- ③ Revision of the operational and production model
- ④ Definition of new in-season process and management policies

GO-TO-MARKET FARM AND HERING SHOES



FARM STAND - 3D

191 DEVELOPED SKU's
13 PEOPLE ON STRUCTURE
15 REPRESENTATIVES

puls AREZZO & CO
PULSANDO PELO RIO GRANDE DO SUL
May, 14th



HERING STAND - 3D

155 DEVELOPED SKU's
10 PEOPLE ON STRUCTURE
17 REPRESENTATIVES

AREZZO
&CO



Q&A

**AREZZO
&CO**

THANK YOU!

#RUMOA2154