

EARNINGS RELEASE 3Q 2022

AREZZO &CO



SCHUTZ | HIGH SUMMER 2023 @CANDICESWANEPOEL

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AR&CO

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Reserva

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TROC

CAROL BASSI

3Q22 EARNINGS RELEASE

São Paulo, November 08, 2022. Arezzo&Co (B3 - Brasil, Bolsa and Balcão: ARZZ3), Brazil's largest fashion house of brands, announces its 3Q22 results.

The Company once again reached record-setting sales for a quarter - R\$ 1.4 billion (+47% vs 3Q21). The exceptional and consistent results presented are a consequence of our strategic planning, diligence and execution discipline, and mainly of the deliveries made during the quarter by the strong team of Arezzo&Co.

FINANCIAL/OPERATIONAL HIGHLIGHTS

- 1 - **R\$1.4B** in Gross Revenue (+47% vs 3Q21 and +161% vs 3Q19);
- 2 - **R\$5.0B** in Gross Revenue LTM;
- 3 - **R\$959M** DTC Sell Out (Franchises, Web and Owned Stores) (+35% vs 3Q21 and +65% vs 3Q19);
- 4 - **+8.8M** of products sold in 3Q22 (+31% vs 3Q21): **5.8M** of pairs of shoes, **2.2M** pieces of clothes and **826K** of handbags;
- 5 - **43%** growth in core-brands in Brazil vs 3Q21 (+66% vs 3Q19);
- 6 - **52.8%** Gross Margin, growth of **60bps** vs 3Q21 (+730bps vs 3Q19);
- 7 - **R\$170M** adjusted EBITDA (excluding non-recurring effects) (+36% vs 3Q21 and +121% vs 3Q19), with adjusted EBITDA Margin of **14.9%**. Reported EBITDA was **R\$ 164M**. The adjusted EBITDA LTM was **R\$ 652M** (+64% vs the previous period) with adjusted EBITDA Margin expansion (+16,2% in the period);
- 8 - **R\$103M** adjusted Net Income, growth of +26% vs 3Q21 (+190% vs 3Q19). Reported Net Income was **R\$99M**. The adjusted Net Income LTM totaled **R\$394M**, growth of **63%** vs the previous period;
- 9 - **R\$297M** in AR&CO Gross Revenue (+52% vs 3Q21 and +182% vs. 3Q19);
- 10 - **R\$121M** in Revenues of the US Operations (+28% vs 3Q21 and +122% vs. 3Q19).

EARNINGS CONFERENCE CALL

November 09, 2022
11:00 a.m. (Brasília) / 09:00 a.m. (New York)



Conference call in Portuguese with translation into English

SHARE PRICE AND MARKET CAP

November 08, 2022
Share Price: R\$ 97.73
Market Cap: R\$ 10.7 billion

3Q22 OMNICHANNEL HIGHLIGHTS

1 - WEB COMMERCE SALES

- TOTAL REVENUES: **R\$ 278 MILLION** (+35% VS 3Q21, +400% VS 3Q19)
- TOTAL TRAFFIC: **76 MILLION** (+32% VS 3Q21)
- RECORD-SETTING TOTAL REVENUES FROM APPS: **R\$122 MILLION** (+196% VS 3Q21)
- TOTAL APP SHARE OF REVENUES: **46%**
- WEB COMMERCE TICKETS: +**28%** VS 3Q21

2 - OMNICHANNEL SALES

- DIGITAL SHARE OF PHYSICAL STORES' SELL OUT: **44%**
- CLICK AND COLLECT AND STORE SHIPPING REVENUES: +**52%** VS 3Q21
- **6 MILLION** CONTACTS MADE THROUGH THE APP IN 3Q22 (INFLUENCED REVENUE)

3 - CRM* (AREZZO&CO)

- AREZZO&CO ACTIVE CUSTOMER BASE GROWTH : +**21%** VS 3Q21
- CAPTURED CUSTOMERS (NEW CUSTOMERS): +**14%** VS 3Q21
- OMNI CUSTOMERS SHOPPING FREQUENCY : +**111%** VS OVERALL
- ACTIVE BASE CUSTOMER RETENTION: +**15%** VS 3Q21

*EX- AR&CO DATA



3Q22 BRANDS HIGHLIGHTS

AREZZO

- Brazil Revenues: **R\$ 380.2M**
- Growth: **+37.7%** vs. 3Q21
- Web Revenues: **R\$ 92,0M**
- Web % of Sell Out (DTC): **20.6%**
- OMNI Sales: **R\$ 16.9M**
- % OMNI-to-Web: **18.4%**

SCHUTZ

- Global Revenues: **R\$ 332.2M**
- Growth: **+38.3%** vs. 3Q21
- Brazil Revenues: **R\$ 230.3M**
- Web Revenues: **R\$ 62.1M**
- Web % of Sell Out (DTC): **42.8%**
- OMNI Sales: **R\$ 6.8M**
- % OMNI-to-Web: **11.0%**

AR&CO

- Brazil Revenues: **R\$ 296.8M**
- Growth: **+52.4%** vs. 3Q21
- Web Revenues: **R\$ 56.6M**
- Web % of Sell Out (DTC): **30.4%**
- OMNI Sales: **R\$ 29.2M**
- % OMNI-to-Web: **58.7%**

*AR&CO Sell-Out and OMNI data ex- BAW

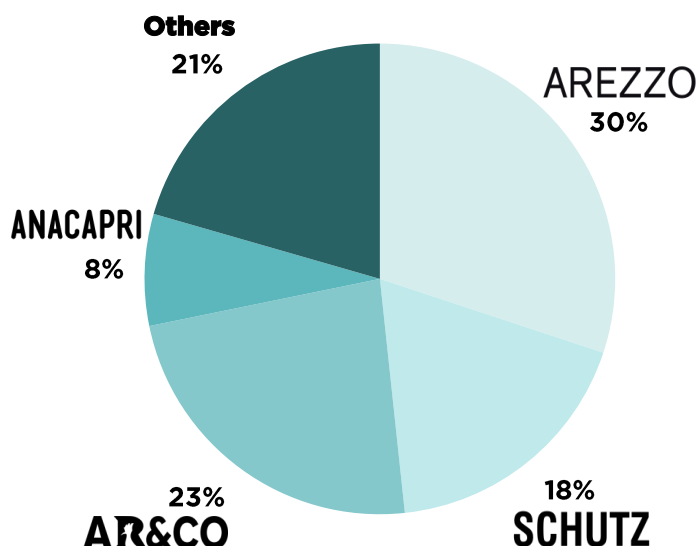
ANACAPRI

- Brazil Revenues: **R\$ 96.9M**
- Growth: **+30.6%** vs. 3Q21
- Web Revenues: **R\$ 16.3M**
- Web % of Sell Out (DTC): **18.1%**
- OMNI Sales: **R\$ 2.5M**
- % OMNI-to-Web: **15.2%**

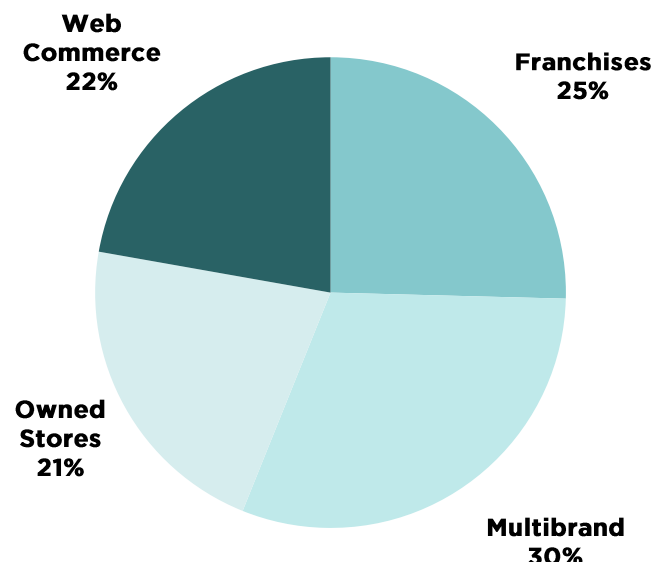
ALEXANDRE BIRMAN

- Global Revenues: **R\$ 53.6M**
- Growth: **+37.3%** vs. 3Q21
- Brazil Revenues: **R\$ 28.7M**
- Web Revenues: **R\$ 5.2M**
- Web % of Sell Out (DTC): **20.4%**
- % OMNI-to-Web: **40.0%**

GROSS REVENUE - DOMESTIC MARKET



GROSS REVENUE BY CHANNEL



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KEY INDICATORS

REVERSA

3Q22 GROSS REVENUE

Gross Revenue	3Q22	Part%	3Q21	Part%	Δ (%) 22 x 21	3Q19	Part%	Δ (%) 22 x 19
Total Gross Revenue	1.404.967		953.609		47,3%	538.189		161,1%
Foreign Market	141.127	10,0%	104.835	11,0%	34,6%	71.552	13,3%	97,2%
Exports	20.447	14,5%	10.670	10,2%	91,6%	17.139	24,0%	19,3%
US Operation	120.680	85,5%	94.165	89,8%	28,2%	54.413	76,0%	121,8%
Domestic Market	1.263.840	90,0%	848.774	89,0%	48,9%	466.637	86,7%	170,8%
By Brand								
Arezzo	380.170	30,1%	276.042	32,5%	37,7%	250.569	53,7%	51,7%
Schutz¹	230.340	18,2%	167.392	19,7%	37,6%	122.732	26,3%	87,7%
AR&CO²	296.767	23,5%	194.732	22,9%	52,4%	-	-	182,4%
Anacapri	96.921	7,7%	74.204	8,7%	30,6%	71.793	15,4%	35,0%
Others³	259.642	20,5%	136.404	16,1%	90,3%	21.543	4,6%	1.105,2%
By Channel								
Franchises	318.129	25,2%	226.580	26,7%	40,4%	224.282	48,1%	41,8%
Multibrand	384.122	30,4%	251.030	29,6%	53,0%	126.948	27,2%	202,6%
Owned Stores	271.600	21,5%	163.534	19,3%	66,1%	59.301	12,7%	358,0%
Web Commerce	278.158	22,0%	206.382	24,3%	34,8%	55.628	11,9%	400,0%
Others⁴	11.831	0,9%	1.248	0,1%	848,2%	476	0,1%	2.385,5%

(1) Ex- revenues from international operations.

(2) AR&CO brands include : Reserva, Reserva Mini, Oficina Reserva, Reserva Go, INK, Simples, Reversa, Unbrand and BAW Clothing.

(3) Includes the brands Vans, A. Birman, Fiever, Alme, TROC, My Shoes and Carol Bassi, domestic market only, and other non-brand specific revenues.

(4) Includes domestic market revenues not specific to the distribution channels.

3Q22 OPERATING INDICATORS

Operating Indicators	3Q22	3Q21	Δ (%) 22 x 21	3Q19	Δ (%) 22 x 19
# of pairs sold ('000)	5.758	5.030	14,5%	3.842	49,9%
<i>Part. (%)</i>	65,4%	74,7%	-9,3 p.p	89,5%	-24,1 p.p
# of handbags sold ('000)	826	484	70,8%	449	84,0%
<i>Part. (%)</i>	9,4%	7,2%	2,2 p.p	10,5%	-1,1 p.p
# of clothes sold ('000)¹	2.218	1.224	81,3%	-	-
<i>Part. (%)</i>	25,2%	18,2%	7,0 p.p	-	-
# of employees	6.983	4.388	59,1%	2.463	183,5%
# of stores*	963	894	69	715	248
Owned Stores	174	145	29	51	123
Franchises	789	749	40	664	125
Shoes & Handbags Outsourcing (as % of total production)	86,1%	90,5%	-4,4 p.p	90,3%	-4,2 p.p
Shoes & Handbags Insourcing (as % of total production)	13,9%	9,5%	4,4 p.p	9,7%	4,2 p.p
Clothes Outsourcing (as % of total production)	100,0%	100,0%	0,0 p.p	-	-
SSS² sell-in (franchises)	33,1%	40,9%	-7,8 p.p	1,2%	31,9 p.p
SSS² sell-out (owned stores + franchises + web)	28,9%	43,4%	-14,5 p.p	1,1%	27,8 p.p

(1) Includes clothing items sold by the AR&CO, Vans, Schutz and Carol Bassi brands.

(2) SSS (same-store sales): stores included in sales of comparable stores from the 13th month of operations. Results include AR&CO.

* Includes overseas stores

9M22 GROSS REVENUE

Gross Revenue	9M22	Part%	9M21	Part%	Δ (%) 22 x 21	9M19	Part%	Δ (%) 22 x 19
Total Gross Revenue	3.612.237		2.295.039		57,4%	1.490.201		142,4%
Foreign Market	395.516	10,9%	248.902	10,8%	58,9%	192.724	12,9%	105,2%
Exports	44.048	11,1%	26.991	10,8%	63,2%	46.089	23,9%	(4,4%)
US Operation	351.468	88,9%	221.912	89,2%	58,4%	146.636	76,1%	139,7%
Domestic Market	3.216.721	89,1%	2.046.136	89,2%	57,2%	1.297.477	87,1%	147,9%
By Brand								
Arezzo	999.364	31,1%	689.924	33,7%	44,9%	701.489	54,1%	42,5%
Schutz¹	590.360	18,4%	413.178	20,2%	42,9%	352.345	27,2%	67,6%
AR&CO²	744.890	23,2%	428.015	20,9%	74,0%	-	-	169,5%
Anacapri	247.216	7,7%	193.429	9,5%	27,8%	182.930	14,1%	35,1%
Others³	634.891	19,7%	321.590	15,7%	97,4%	60.713	4,7%	945,7%
By Channel								
Franchises	828.231	25,7%	549.726	26,9%	50,7%	629.132	48,5%	31,6%
Multibrand	902.957	28,1%	587.123	28,7%	53,8%	330.850	25,5%	172,9%
Owned Stores	732.227	22,8%	362.760	17,7%	101,8%	189.328	14,6%	286,8%
Web Commerce	739.461	23,0%	540.557	26,4%	36,8%	146.632	11,3%	404,3%
Others⁴	13.845	0,4%	5.970	0,3%	131,9%	1.533	0,1%	803,1%

(1) Ex- revenues from international operations.

(2) AR&CO brands include : Reserva, Reserva Mini, Oficina Reserva, Reserva Go, INK, Simples, Reversa, Unbrand and BAW Clothing.

(3) Includes the brands Vans, A. Birman, Fiever, Alme, TROC, My Shoes and Carol Bassi, domestic market only, and other non brand-specific revenues.

(4) Includes domestic market revenues not specific to the distribution channels.

9M22 OPERATING INDICATORS

Operating Indicators	9M22	9M21	Δ (%) 22 x 21	9M19	Δ (%) 22 x 19
# of pairs sold ('000)	14.738	11.654	26,5%	10.180	44,8%
Part. (%)	66,0%	73,8%	-7,8 p.p	89,0%	-23,0 p.p
# of handbags sold ('000)	2.242	1.247	79,8%	1.262	77,7%
Part. (%)	10,0%	7,9%	2,1 p.p	11,0%	-1,0 p.p
# of clothes sold ('000)¹	5.354	2.899	84,7%	-	-
Part. (%)	24,0%	18,3%	5,7 p.p	-	-
# of employees	6.983	4.388	59,1%	2.463	183,5%
# of stores*	963	894	69	715	248
Owned Stores	174	145	29	51	123
Franchises	789	749	40	664	125
Shoes & Handbags Outsourcing (as % of total production)	86,9%	89,6%	-2,7 p.p	90,3%	-3,4 p.p
Shoes & Handbags Insourcing (as % of total production)	13,1%	10,4%	2,7 p.p	9,7%	3,4 p.p
Clothes Outsourcing (as % of total production)	100,0%	100,0%	0,0 p.p	-	-
SSS² sell-in (franchises)	42,9%	59,4%	-16,5 p.p	1,2%	41,7 p.p
SSS² sell-out (owned stores + franchises + web)	45,2%	33,7%	11,5 p.p	3,0%	42,2 p.p

(1) Includes clothing items sold by the AR&CO, Vans, Schutz and Carol Bassi brands.

(2) SSS (same-store sales): stores included in sales of comparable stores from the 13th month of operations. Results include AR&CO.

* Includes overseas stores

3Q22 KEY FINANCIAL INDICATORS

Main Financial indicators	3Q22	3Q22 Adjusted	3Q21 Adjusted	Δ (%) 22 x 21	3Q19 Adjusted	Δ (%) 22 x 19
Gross Revenues	1.404.967	1.404.967	953.609	47,3%	538.187	161,1%
Net Revenues	1.137.985	1.137.985	777.949	46,3%	440.874	158,1%
COGS	(536.683)	(536.683)	(372.066)	44,2%	(240.204)	123,4%
Depreciation and amortization (cost)	(1.163)	(1.163)	(770)	51,0%	(748)	55,5%
Gross Profit	601.302	601.302	405.883	48,1%	200.670	199,6%
<i>Gross margin</i>	52,8%	52,8%	52,2%	0,6 p.p	45,5%	7,3 p.p
SG&A	(474.128)	(468.099)	(306.051)	52,9%	(145.857)	220,9%
<i>% of net revenues</i>	(41,7%)	(41,1%)	(39,3%)	(1,8 p.p)	(33,1%)	(8,0 p.p)
Selling expenses	(365.548)	(355.629)	(204.624)	73,8%	(92.052)	286,3%
Owned stores and web commerce	(150.841)	(143.201)	(98.073)	46,0%	(28.013)	411,2%
Selling, logistics and supply	(214.707)	(212.428)	(106.552)	99,4%	(64.039)	231,7%
General and administrative expenses	(71.758)	(75.648)	(74.364)	1,7%	(35.132)	115,3%
Other operating revenues (expenses)	(1.100)	(1.100)	(2.612)	57,9%	2.869	(138,3%)
Depreciation and amortization (expens)	(35.722)	(35.722)	(24.450)	46,1%	(21.540)	65,8%
EBITDA	164.059	170.088	125.052	36,0%	77.101	120,6%
<i>EBITDA Margin</i>	14,4%	14,9%	16,1%	(1,2 p.p)	17,5%	(2,6 p.p)
Lucro líquido	98.849	102.828	81.775	25,7%	35.523	189,5%
<i>Net Margin</i>	8,7%	9,0%	10,5%	(1,5 p.p)	8,1%	0,9 p.p

* Breakdown of non-recurring adjustments relevant to the "Adjustments" line can be seen in the table below - 3Q22 Non-Recurring Adjustments.

3Q22 NON-RECURRING ADJUSTMENTS

	3Q22	3Q21	3Q19
Consolidated EBITDA	164.059	118.621	83.545
Non-Recurring Items			
Surplus Value (Impact on Gross Profit)¹	-	(798)	-
Extemporaneous Credits²	3.890	(4.560)	5.869
Legal Expenses	-	(495)	574
M&A Expenses	(9.919)	(578)	-
Net Effect of Non-Recurring Items	(6.029)	(6.431)	6.444
Adjusted Consolidated EBITDA	170.088	125.052	77.101

- (1) Value Added - impact on gross income from amortization of the value added of AR&CO inventories.
(2) Adjustment for recognition of one-time tax credits (ICMS as part of the PIS/COFINS taxable base declared unconstitutional).

9M22 KEY FINANCIAL INDICATORS

Main Financial indicators	9M22	9M22 Adjusted	9M21 Adjusted	Δ (%) 22 x 21	9M19 Adjusted	Δ (%) 22 x 19
Gross Revenues	3.612.237	3.612.237	2.295.038	57,4%	1.490.199	142,4%
Net Revenues	2.922.313	2.922.313	1.830.877	59,6%	1.211.583	141,2%
COGS	(1.343.664)	(1.343.664)	(877.264)	53,2%	(654.106)	105,4%
Depreciation and amortization (cost)	(3.163)	(3.163)	(2.262)	39,8%	(2.104)	50,3%
Gross Profit	1.578.649	1.578.649	953.613	65,5%	557.477	183,2%
Gross margin	54,0%	54,0%	52,1%	1,9 p.p	46,0%	8,0 p.p
SG&A	(1.167.401)	(1.216.209)	(752.920)	61,5%	(430.240)	182,7%
% of net revenues	(39,9%)	(41,6%)	(41,1%)	(0,5 p.p)	(35,5%)	(6,1 p.p)
Selling expenses	(935.670)	(908.989)	(493.885)	84,0%	(259.435)	250,4%
Owened stores and web commerce	(315.884)	(295.006)	(197.973)	49,0%	(86.060)	242,8%
Selling, logistics and supply	(619.786)	(613.983)	(295.912)	107,5%	(173.375)	254,1%
General and administrative expenses	(206.636)	(209.551)	(184.134)	13,8%	(115.182)	81,9%
Other operating revenues (expenses)	75.542	2.968	(3.899)	(176,1%)	2.324	27,7%
Depreciation and amortization (expens)	(100.637)	(100.637)	(71.002)	41,7%	(57.947)	73,7%
EBITDA	515.048	466.240	273.957	70,2%	187.288	148,9%
EBITDA Margin	17,6%	16,0%	15,0%	1,0 p.p	15,5%	0,5 p.p
Net Income	315.955	283.742	158.767	78,7%	94.147	201,4%
Net Margin	10,8%	9,7%	8,7%	1,0 p.p	7,8%	1,9 p.p

* Breakdown of non-recurring adjustments relevant to the "Adjustments" line can be seen in the table below - 9M22 Non-Recurring Adjustments.

9M22 NON-RECURRING ADJUSTMENTS

	9M22	9M21	9M19
Consolidated EBITDA	515.048	396.737	207.116
Non-Recurring Items			
Surplus Value (Impact on Gross Profit)¹	-	(5.631)	-
Extemporaneous Credits²	69.498	137.499	19.255
Legal Expenses	(1.509)	(7.147)	574
M&A Expenses	(19.182)	(1.941)	-
Net Effect of Non-Recurring Items	48.807	122.780	19.828
Adjusted Consolidated EBITDA	466.240	273.957	187.288

- (1) Value Added - impact on gross income from amortization of the value added of AR&CO inventories.
(2) Adjustment for recognition of one-time tax credits (ICMS as part of the PIS/COFINS taxable base declared unconstitutional).

**AREZZO
& CO**

BRANDS PERFORMANCE



AREZZO | AREZZO-PATBO COLLAB

BRANDS PERFORMANCE

The third quarter each year is traditionally marked by the transition of collections from winter to summer at Arezzo&Co stores. July is the winter mark down period, together with the introduction of transition collections – *Cruise* and *Resort*. In the next months, August and September, the brands focus their summer collections, which relied on extremely assertive and engaging marketing campaigns.

The quarter's results exceeded expectations for all brands, showing strong consumer receptiveness for the summer collection's products and providing an excellent thermometer for the following season – the high summer.

In the quarter, Arezzo&Co again exceeded all expectations and reached R\$ 1.4 billion in gross revenue (47.3% vs 3Q21 and 161.1% vs 3Q19) – setting a new record for a quarter sales. In the accumulated result of the last nine months, the Company posted R\$ 3.6 billion in sales, growth of 57.4% vs 9M21. In the last twelve months, Arezzo&Co posted an impressive R\$ 5.0 billion in gross revenue.

This result reflects the assertiveness of the products and collections, combined with the Company's robust strategic planning.



AREZZO

The Arezzo brand posted R\$ 380 million in gross revenue in 3Q22, growth of 37.7% vs 3Q21 and 51.7% vs 3Q19. All sales channels showed excellent performance in the period, particular emphasis due on the sell in channels - which grew 35.4% vs 3Q21 and 40.2% vs 3Q19, respectively.

The collections that the brand released in the period performed above expectations. In August, Arezzo introduced the “Summer 23 Premiere” collection, starring the digital influencer Lívia Nunes and which became a hit in terms of engagement. In a few days, the products saw 52% sell through at stores.

The month of September brought Arezzo an important milestone: its 50th anniversary. The brand held several actions in celebration, including the opening of Galeria Arezzo, at the iconic flagship store on Oscar Freire street, in São Paulo. In addition, the brand launched a commemorative collection that sought to portray each decade in which it was a part of its consumers’ lives.

Another remarkable action in the period was the release of the “Arezzo 50 Years” book, that concentrates the main developments throughout the brand’s lifetime so far.



B R I Z Z A AREZZO

BriZZa Arezzo – an Arezzo-endorsed brand – entered into summer and high summer, the most important time of the year in terms of sales for the brand because of its products' characteristics.

At the end of August, the sell in of the high summer campaign to franchisees and multibrand stores was sold in, starting with the PulsAR event. The sell in sales exceeded expectations and showed excellent receptiveness for the new injected/rubberized footwear.

For the period's highlight, BriZZa reached 1,800 multibrand customers, demonstrating its relevance in this channel.

In the coming months, BriZZa will launch summertime pop-up stores in strategic cities like Fortaleza, Recife, Salvador and Natal. For the high summer, the brand launched a strong campaign featuring two of Brazil's biggest celebrities: Anitta and Bruna Marquezine.



SCHUTZ

The Schutz brand posted global revenues of R\$ 332 million in the third quarter, growth of 38.3% vs 3Q21 and 97.9% vs 3Q19. In the domestic market, the brand reported R\$ 230 million, growth of 37.6% vs 3Q21 and 87.7% vs 3Q19.

The foreign market already represents 31% of the brand's revenue.

For a highlight, the multibrand channel showed substantive gross revenue growth of 57.7%, with the brand's products being distributed through 1,284 customers.

The web commerce channel posted R\$ 62 million in sales in 3Q22, growth of 22.1% vs 3Q21, reaffirming Schutz's status as one of the most digital brands in the fashion market. In fact, the brand's APP posted a 123% increase in downloads.

For the high summer, Schutz launched an unprecedented campaign with the global model Candice Swanepoel.



AR&CO

AR&CO posted R\$ 297 million in revenues in 3Q22, growth of 52.4% vs 3Q21 and 182.4% vs 3Q19. In the first nine months of 2022, AR&CO already reached R\$ 745 million. The Reserva Group (ex- BAW Clothing) grew 57.7% vs 3Q22 and 174.3% vs 3Q19.

The Reserva Group performed strongly for yet another period, both on sell in and sell out channels. The franchise channel posted impressive growth of 110.1% vs 3Q21, and the owned stores channel, which answered for 46% of the brand's total sales in 3Q22, grew 55.6% vs 3Q21.

The third quarter includes one of the most important dates in AR&CO's sales calendar: Fathers' Day. For this year's date, Reserva paid honor to fathers with Concerto Reserva®, conducted by Maestro João Carlos Martins & Orquestra Bachiana at Rio de Janeiro's Theatro Municipal. The "Reserva Fathers" collection posted 52% growth from the same period last year.

In sequence, Reserva launched another successful collaborative collection: NBA & Reserva. With the slogan "The biggest score ever", the collection featured jackets, t-shirts and caps for some of the world's main basketball squads. The products were developed based on a re-reading of the brand, which added its classic traits to the pieces of clothes.

Reserva Go, the AR&CO's footwear sub-label, posted R\$ 42 million in sales in 3Q22, growth of 37.5% vs 3Q21 - a significant result given the strong basis of comparison.





In yet another quarter, Vans posted strong sales performance across all channels, particular emphasis due on the sell out ones – owned stores and web commerce.

In the period, Vans launched global-reach campaigns in Brazil, such as the collection of models with original illustrations by artist and musician Daniel Johnston, raising the banner of mental health awareness.

In addition, this quarter Vans launched the first of a series of collaborative collections Vans & Sailor Moon – a world-famous anime. The brand's partner influencers and athletes disseminated the collab, which held prime space at Vans stores in the period and showed strong sales performance.

VANS | CLASSICS





ANACAPRI

Anacapri posted R\$ 97 million in gross revenue in 3Q22, growth of 30.6% vs 3Q21 and 35.0% vs 3Q19. The franchise channel represented 42% of the brand's total sales, growth of 39.3% vs the same period last year.

For the summer season, Anacapri launched the first of a series of campaigns starring the brand's new poster-girl, the celebrity Juliette, who boasts record-setting engagement figures on Instagram. Some of the most relevant products by sales volume include sports sandals, and the flatforms, the brand's first heeled shoes.

The releases led to sell out gains in every month, which ended the quarter with a growth of 35.9% vs 3Q21 and 38.9% vs 3Q19.

ALEXANDRE
BIRMAN

The Alexandre Birman brand reached global revenues of R\$ 54 million, growth of 37.3% vs 3Q21 and 88.9% vs 3Q19. In the domestic market, the brand grew 112.5% vs 3Q21 and 184.7% vs 3Q19 – showing strong market share gain in the Brazilian luxury market, which answered for 54% of the brand’s total revenue in the period.

For the quarter’s highlight, Alexandre Birman, in keeping with its expansion plans, opened a new store in Goiânia, a strategic venue for the brand. In its first month of operations, the store exceeded its sales target by more than 40%.

In addition, the brand launched the new Clarita sneaker, a best-selling model, with the attendance of globally influential fashion personalities at the final match of the US Open, an important tennis tournament held in the United States.



CAROL BASSI

Carol Bassi had yet another strong quarter. The brand's physical stores posted revenues gain of 45.0% vs the same period last year. The multibrand channel, by its turn, also performed strongly, with revenues up 23.4% vs. 3Q21.

Carol Bassi reached an important milestone in August – the launch of its own e-commerce. The channel will be key to increasing the brand's capillarity in Brazil. The channel exceeded its goal in its very first month of operations.

In keeping with its expansion plans, Carol Bassi will open two physical stores in November – one in Rio de Janeiro and the other in Belo Horizonte.



MY SHOES

In the third quarter, My Shoes had 1,000 active customers on the multibrand channel, highlighting the strong receptivity of its products in this channel. The Multibrand revenues exceeded expectations in the period.

As discussed in the latest Earnings Release, in August, the brand concluded its web commerce internalization project with the launch of a new platform for the brand's consumers. Among its priority fronts, My Shoes' e-commerce aims to offer the best customer experience, in addition to maximizing the brand's profitability. The first months of operations show promising results.

AREZZO &CO

FIEVER

In the third quarter of 2022, Fiever, a sneaker brand that Arezzo&Co founded in 2015, introduced re-readings of its classic sneakers, *Fiever Beats* and *Blink*, in new color combinations for the summer season.

In the period, the brand's products were distributed through approximately 300 points of sale on the multibrand channel.

FIEVER | AREZZO+FIEVER COLLAB



ALME

In the quarter, Alme, the sustainable brand of the Arezzo&Co group - expanded the line of its best-selling sneaker lume, with more structured and high-top versions. The model, which has high representativeness in the overall mix, features sustainable rubber outsoles, EVA insoles and recycled cotton upper. It is a genderless product in sizes 33-44.

INTERNATIONAL BUSINESS

The US operation posted gross revenue of R\$ 121 million, growth of 28.2% vs 3Q21 and 121.8% vs 3Q19. In US Dollars, revenue was up 23.5% vs 3Q21.

The web commerce channel had R\$ 45 million in sales, growth of 36.8% vs 3Q21, and +36.2% in US Dollars - a positive result despite the strong basis of comparison. The channel's performance indicators reflect the quarter's expressive results: the number of pairs sold increased by 91%, the website traffic was up 65%, and the number of orders was up 75%, with 6% higher conversion rate, for a total 1.7% in the quarter.

The wholesale channel's representativeness was 55% of the US operation's total gross revenue in 3Q22, underscoring its strategic relevance for international business. The channel had R\$ 63 million in sales revenues, growth of 19.7% vs 3Q21, and +20.2% in US Dollars.

Due to a retraction of department stores, Arezzo&Co deliberately decided to increase the investments in cost of acquisitions of new customers, which in the long term tends to increase its base, but which in the short term impacts profitability.

In addition to foreign market revenues, the exports channel - international sales ex-the United States - posted gross revenue of R\$ 20 million in 3Q22, growth of 91.6% vs 3Q21 and 19.3% vs 3Q19, indicating a recovery of the channel's pace of sales.

**AREZZO
& CO**

**PERFORMANCE
BY CHANNEL**

ALEXANDRE BIRMAN | RESORT 2023



CHANNELS

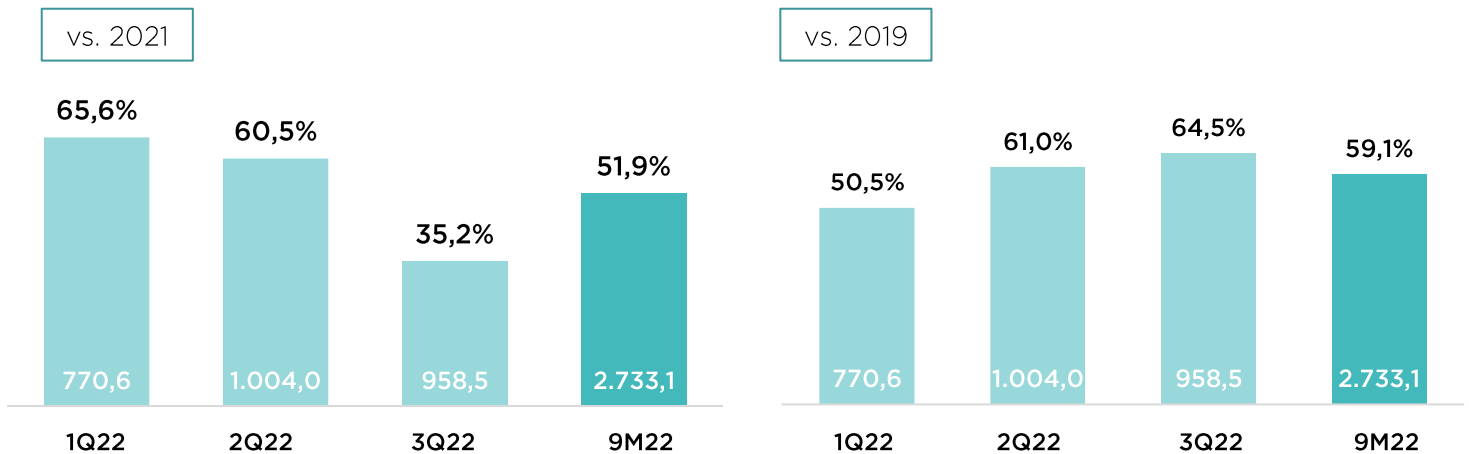
Sell Out – Franchises, Owned Stores and Web Commerce

The DTC sell out (Owned Stores + Franchises + Web Commerce) was R\$ 959 million in 3Q22 – significantly growth of 35.2% vs 3Q21 and 64.5% vs 3Q19. In the year to date, sell out totaled R\$ 2.7 billion. The physical stores (franchises + owned stores) posted R\$ 693 million in sell out, growth of 35.6% vs 3Q21 and 32.5% vs 3Q19. The online channel also showed great results, with 42.9% revenues increase.

in relation to the performance of the brands, AR&CO stands out, which again presented surprising results: 55.7% sell out growth vs 3Q21. The Anacapri and Arezzo brands also had strong results – growth of 35.9% and 25.5% vs 3Q21, respectively.

It is worth emphasizing that the second half of 2022 faces a strong basis of comparison due to results in 2021, and still Arezzo&Co displayed high levels of growth for all of its brands in the third quarter.

Sell Out Growth Arezzo&Co + AR&CO (Franchises, Owned Stores and Web Commerce)



+35%
SELL OUT
GROWTH vs
3Q21

+65%
SELL OUT
GROWTH vs
3Q19

R\$959M
DTC SELL OUT
IN 3Q22

CHANNELS

Single brand – Franchises and Owned Stores

The Company's single-brand channels performed strongly in the third quarter of 2022. The franchise channel's revenues were up 40.4% vs 3Q21, and the owned stores channel was up 66.1%.

In August, the Company held the PulsAR, a pioneering sell in event for all of the group's brands. In addition to standing as an important milestone for the Brazilian fashion scene, PulsAR was key to reinforcing Arezzo&Co's positioning as Brazil's largest house of brands. It is worth mentioning that sell in sales goals for the period were met.

By its turn, the owned stores channel's results had a boost from AR&CO, which grew 54.3% vs 3Q21, and by the Schutz brand, which posted a growth of 25.4% vs 3Q21. The Vans brand also displayed strong performance on the channel in the period, contributing to the quarter's results.

Multibrand

The multibrand channel had yet another quarter of expressive results. The gross revenue were R\$ 384 million – growth of 53.0% vs 3Q21 and 202.6% vs 3Q19 – and answered for 30.4% of the Company's total domestic market revenues. The Arezzo&Co's brands were distributed through 6,166 points of sale in 3Q22, up 18.2% from 3Q21.

The channel continues to show solid and consistent results, despite the strong basis of comparison. It is worth underscoring that all of the group's brands posted revenues gains in the quarter, particular emphasis due on Schutz, Reserva, Vans and Arezzo, which answer collectively for more than 80% of the channel's revenues.

Web Commerce

The Company's web commerce channel had R\$ 278 million in gross revenue in the quarter (+34.8% vs 3Q21), a highly resilient rate of growth given the performance in 2021. For a period highlight, AR&CO and the Arezzo brand grew 41.4% and 34.8% vs 3Q21, respectively.

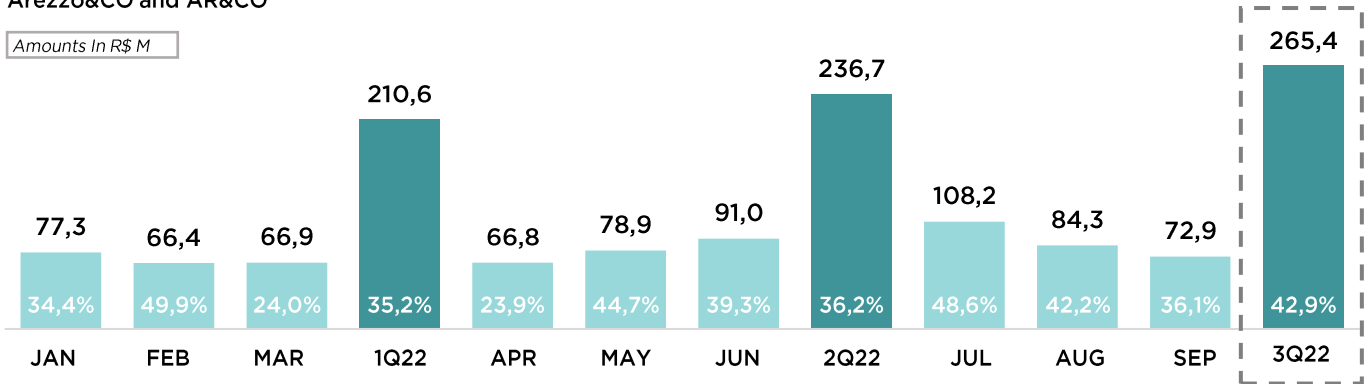
Arezzo&Co's brand APPs totaled record-setting revenues of R\$ 122 million in the third quarter. The APPs' share of online channel sales has been gaining strong relevance in recent periods. The number of APP downloads was up 161.8% from 3Q21, bearing witness to the solid user base expansion.

CHANNELS

Web Commerce Sell Out Evolution

Arezzo&CO and AR&CO

Amounts In R\$ M



Digital Transformation

The sales through digital tools and the web commerce channel, taken together, reached sell out of R\$ 2.1 billion in the past 12 months – a record-setting level. The representativeness of digital-tool sales was 44.4% of physical stores' sell out in the period. For a highlight, revenues from the “store shipping” and “pick up in stores” tools were collectively up 52.1% vs 3Q21, showcasing the potential of OMNI tools.

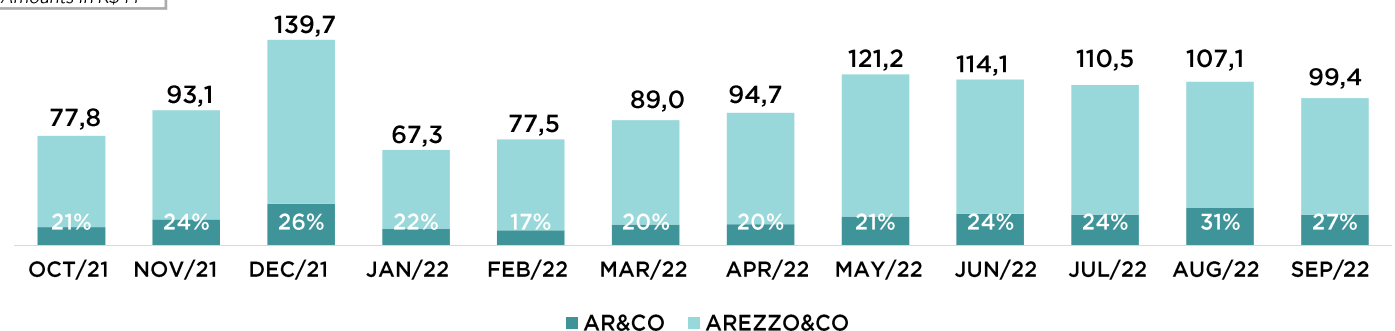
The influenced revenues by the salesperson APP were R\$ 243 million in the third quarter, up 72.4% compared with the same period last year. The APP has become the main supporting tool for salespersons' routines. In the period, the main goals of APP upgrade actions were efficiency gains and evolving integration. Seventy-seven new features were developed to increase the productivity of the Company's sales teams.

More than 19 million WhatsApp contacts were made in the first nine months of 2022.

Digital Revenues - Arezzo&Co Group

Revenues from Digital Tools + Salesperson App (Proprietary)

Amounts In R\$ M



R\$953M
WEB COMMERCE SELL OUT (LTM)

R\$1.2B
DIGITAL REVENUES (LTM)

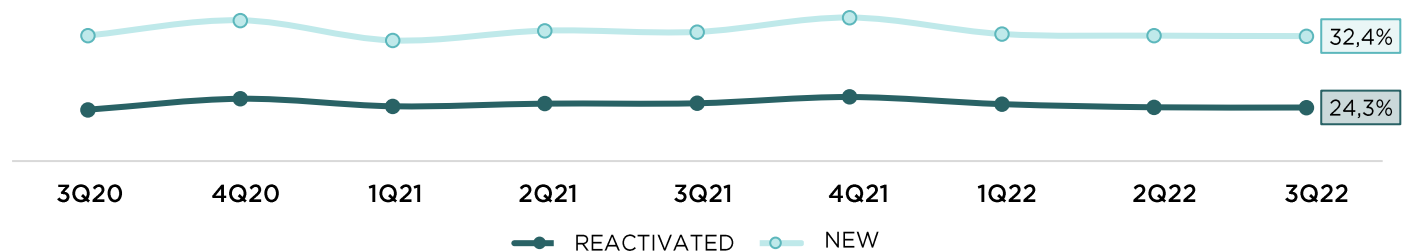
R\$2.1B
WEB + DIGITAL TOOLS SELL OUT (LTM)

CHANNELS

Digital Transformation

Customer Capture and Retention*

- Record-setting volume of customers in Arezzo&Co's active base this quarter: **4.2 million**;
- The number of OMNI customers was up **19%** vs 3Q21 and led to a 42% increase in sales revenues therefrom;
- OMNI customers showed high shopping frequency in the period, **111%** higher than overall frequency.



*Ex- AR&CO

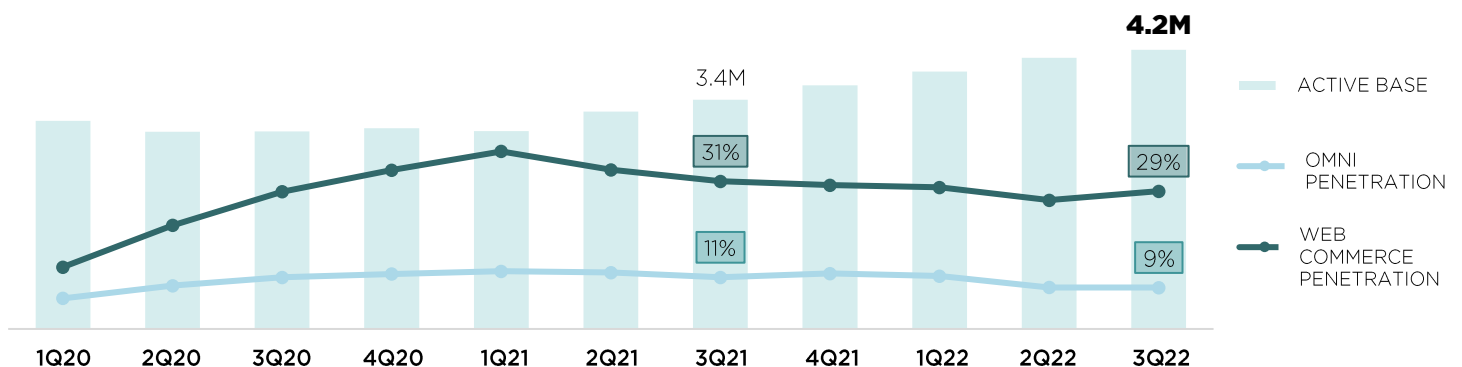
+14%
CUSTOMERS CAPTURED

+15%
CUSTOMERS RETAINED

*3Q22 vs 3Q21 Data

Online Channel Penetration*

- Arezzo&Co's active online customer base remained steady in the period;
- **29%** of Arezzo&Co customers shop on the online channel;
- **9%** of customers are *omnichannel* (shopping at physical stores and online).



*Ex- AR&CO

MONOBRANDS CHAIN

The Company closed the third quarter of 2022 with 963 stores, 952 of which in Brazil and 11 overseas, considering all of the Group's Brands.

In the period, Arezzo&Co opened 13 net stores, in line with the Company's strategic and footprint expansion plans. The store openings were concentrated on the AR&CO (6), Anacapri (5), Alexandre Birman (1), and Arezzo (1) brands.

In the year to date, the Company opened 22 net stores, including 15 owned stores and 7 franchises.

Store Information	3Q21	4Q21	1Q22	2Q22	3Q22
Sales Area^{1,3} - Total (m²)	59.917	64.182	64.172	65.904	66.406
Sales area - franchises (m²)	44.711	47.844	47.378	47.901	47.996
Sales area - owned stores² (m²)	15.206	16.337	16.795	18.002	18.410
Total number of domestic stores	883	930	914	939	952
# of franchises	743	777	767	777	783
Arezzo	429	433	431	430	431
Schutz	64	64	62	62	62
Anacapri	193	207	204	210	215
Fiever	1	1	-	-	-
Alme	2	2	-	-	-
Vans	9	12	12	12	12
AR&CO	44	57	57	62	63
# of owned stores	140	153	147	162	169
Arezzo	18	18	17	18	18
Schutz	20	20	20	22	22
Alexandre Birman	8	8	8	10	11
Anacapri	3	2	2	2	2
Fiever	2	2	2	2	2
Alme	2	2	2	2	2
Vans	10	13	13	16	16
AR&CO	78	89	82	89	94
Carol Bassi	-	-	2	2	2
Total number of international stores	11	11	11	11	11
# of franchises	6	6	6	6	6
# of owned stores⁴	5	5	5	5	5

(1) Includes overseas stores' floor area

(2) Includes eleven Outlet stores with a total area of 3,635 square meters

(3) Includes expanded stores' floor area

(4) Includes 3 Schutz-brand stores, as follows (i) New York on Madison Avenue, (ii) Miami in the Aventura Mall, and (iii) Los Angeles, on Beverly Drive. Also includes 2 Alexandre Birman-brand stores, as follows: (i) New York on Madison Avenue and (ii) Miami in the Bal Harbour Mall.

FINANCIAL INDICATORS

AREZZO
& CO



SCHUTZ | HIGH SUMMER 2023 @CANDICESWANEPOEL

GROSS INCOME AND GROSS MARGIN

Arezzo&Co registered R\$ 601 million in gross income in the third quarter, and a gross margin of 52.8% – expansion of 60 bps vs 3Q21 and 730 bps vs 3Q19.

Among the main responsible factors, stands out (i) the increase in the representativeness of the owned stores channel in the revenue mix, as well as better margins due to increased full-price sales in the period; and (ii) improvement in the franchise channel's margin, influenced by the growth of the apparel category, which by its nature has higher margins than footwear, in the channel's sales.

ADJUSTED OPERATING EXPENSES

Arezzo&Co posted expressive revenue growth in the quarter. Aiming to boost this growth, the Company allocated investments across its brands extremely diligently, in line with its strategic planning.

In addition to investments in sales growth and new brands, the Company remains diligent as concerns fixed and operating costs, with a constant purpose to leverage its EBITDA margin.

Adjusted Commercial Expenses

In the third quarter, 2022, Arezzo&Co's adjusted commercial expenses totaled R\$ 356 million, growth of 73.8% vs 2021. Some of the main factors that led to this increase include the accelerated growth of AR&CO, the higher number of owned stores and the investments in the Company's strategic projects and new brands.

- i. Arezzo&Co owned stores and web commerce expenses (sell out channels) were R\$ 143 million – growth of 46.0%. The increase in gross revenue for the two channels combined was 48.6% vs 2021, and exceeded the increase in expenses. Some of the main impacts include personnel and occupancy expenses, which are directly associated with the 28 owned stores opened compared with 2021 – in line with the Company's expansion plans. The web commerce channel also contributed to the period's higher commercial expenses, with the main ones being variable expenses – digital marketing and shipping.

ADJUSTED OPERATING EXPENSES

- ii. Arezzo&Co's Selling, Logistics and Supplies expenses were R\$ 212 million in the quarter - growth of 99.4% vs 3Q21. Some of the factors that contributed to this growth in the period include investments in the AR&CO operation, directly associated with the accelerated pace of growth of the Reserva Group's brands. It is worth emphasizing the opening of its new distribution center, the increased of the multibrand commercial team, the investments in performance marketing on the web commerce channel, and the IT investments - which are also connected with the online channel.

Selling, Logistics and Supplies Expenses in the United States were R\$ 49 million in the period, up 89.6% vs. 3Q21. The US Operation's expansion is one of the Company's strategic priorities, and the allocated investments are intended to boost this growth, mainly in clients acquisition front.

Adjusted General and Administrative Expenses

In 3Q22, Arezzo&Co's adjusted general and administrative expenses were R\$ 76 million, maintaining the same level as in the third quarter of last year (growth of 1.7%). Maintaining the level of G&A expenses reflects the company's diligence in relation to its fixed costs.

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

The Company reached R\$ 170 million in adjusted EBITDA, growth of 36.0% vs 3Q21 and 120.6% vs 3Q19, for an adjusted margin of 14.9% in the period.

Some of the main factors with a positive impact on the quarter's adjusted EBITDA margin include record-setting gross revenue for a third quarter, up 47.3% vs the previous period, the increase of revenue from the multibrand and web commerce channels, despite strong basis of comparison, and the higher gross margin, under impact from the improved margin on the owned stores and franchise channels. On the other hand, the US operation's margin had a negative contribution for adjusted EBITDA in the period. Due to a retraction of department stores, Arezzo&Co deliberately decided to increase the investments in cost of acquisitions of new customers, which in the long term tends to increase its base, but which in the short term impacts profitability.

	3Q22 EBITDA			3Q21 EBITDA			3Q19 EBITDA		
	&Co	Brazil	EUA	&Co	Brazil	EUA	&Co	Brazil	EUA
Net Revenues	1.138,0	1.045,8	92,2	777,9	701,8	76,1	440,9	394,5	46,4
Adjusted EBITDA	170,1	172,4	-2,3	125,1	112,8	12,3	77,1	84,6	(7,5)
Adjusted Mg. EBITDA	14,9%	16,5%	(2,5%)	16,1%	16,1%	16,1%	17,5%	21,5%	-

In R\$ M// Amounts in line with IFRS 16 / CPC 06 (R2)

NET INCOME AND ADJUSTED NET MARGIN

The Company's adjusted net income in the period was R\$ 103 million, growth of 25.7% vs 3Q21 and 189.5% vs 3Q19, with 9.0% net margin.

Net income enjoyed positive impact from the strong operating performance of Arezzo&Co in the period, as well as from increased financial revenues arising from a larger volume of financial investments, because of the Company's cash position attained after the Follow-on process (February, 2022).

ROIC - RETURN ON INVESTED CAPITAL

Adjusted return on invested capital (ROIC) - excluding the added value from Arezzo&Co's latest acquisitions (AR&CO, Carol Bassi and BAW), as well as credits from other fiscal years and non-recurring elements - reached 29.7%, vs 27.6% in 3Q21. It is worth emphasizing that ROIC is one of the most important KPIs that Arezzo&Co's management tracks.

Reported ROIC reached 20.6% in 3Q22. Some of the factors responsible for the strong performance is the 28.1% increase in NOPAT from 3Q21. On the other hand, it is worth underscoring that the dynamics of working capital lines (inventory, suppliers and accounts receivable) have changed with the December, 2020, consolidation of AR&CO.

Income from operations	3Q22 Reported	3Q22 Adjusted	3Q21	3Q19	Δ 22 x 21 (%)	Δ 22 x 19 (%)
EBIT (LTM)	556.299	517.422	418.276	198.182	23,7%	161,1%
+ IR and CS (LTM)	(72.372)	(65.026)	(40.399)	(35.598)	61,0%	82,7%
NOPAT (LTM)	483.927	452.396	377.877	162.584	19,7%	178,3%
Working Capital¹	709.669	789.663	396.752	399.559	99,0%	97,6%
Accounts Receivable	722.016	722.016	605.881	415.431	19,2%	73,8%
Inventory	755.060	755.060	448.212	180.736	68,5%	317,8%
Suppliers	(637.508)	(637.508)	(457.912)	(148.756)	39,2%	328,6%
Others	(129.899)	(49.905)	(199.429)	(47.852)	(75,0%)	4,3%
Permanent assets	1.837.381	863.646	1.345.839	383.202	(35,8%)	125,4%
Other long-term assets²	209.642	209.642	200.135	37.149	4,8%	464,3%
Invested capital	2.756.692	1.862.951	1.942.726	819.910	(4,1%)	127,2%
Average invested capital³	2.349.709	1.520.895	1.371.392		10,9%	
ROIC⁴	20,6%	29,7%	27,6%			

(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.

INVESTMENTS – CAPEX

In 3Q22, Arezzo&Co invested R\$ 64 million in CAPEX, steady relative year-on-year (up 1.5%), particular emphasis due on:

- Stores
 - Investment in new stores for the AR&CO, Carol Bassi and Vans brands;
 - Reserva store innovations for alignment with the new architectural standard.
- Corporate
 - Squads – technology fronts focusing on digital sales project;
 - Development and implementation of upgrades to the web commerce channel;
 - Expansion of the Cariacica distribution center.
- Other
 - Investments associated with the purchase of machinery for the new plants.

Summary of Investments	3Q22	3Q21	Δ 22 x 21 (%)	9M22	9M21	Δ 22 x 21 (%)
Total CAPEX	63.697	62.738	1,5%	160.536	104.837	53,1%
Stores - expansion and refurb	31.062	31.014	0,2%	65.276	45.944	42,1%
Corporate	24.191	24.112	0,3%	79.144	48.961	61,6%
Others	8.444	7.612	10,9%	16.116	9.932	62,3%

CASH AND DEBT POSITION

At the end of 3Q22, the Company had R\$ 135 million in net cash. The period's highlights include:

- **R\$ 546 million cash position;**
- R\$ 411 million in total debt, from R\$ 568 million in 3Q21;
- Net Cash-to-EBITDA: 0.2x.

Cash position and Indebtedness	3Q22	2Q22	3Q21
Cash and Cash Equivalents	546.122	715.247	297.205
Total debt	411.486	355.286	568.258
Short-term	401.433	345.023	271.040
% total debt	97,6%	97,1%	47,7%
Long-term	10.053	10.263	297.218
% total debt	2,4%	2,9%	52,3%
Net cash	134.636	359.961	(271.053)
Net Cash/EBITDA	0,2x	0,6x	-0,5x

BALANCE SHEET

Assets	3Q22	2Q22	3Q21
Current assets	2.291.856	2.192.913	1.495.473
Cash and cash equivalents	74.933	81.682	49.047
Financial Investments	471.189	633.565	248.158
Trade accounts receivables	722.016	613.690	605.881
Inventory	755.060	651.730	448.212
Taxes recoverable	183.431	161.845	87.897
Other credits	85.227	50.401	54.654
Financial Instruments - Derivatives	0	0	1.624
Non-current assets	2.144.565	2.001.494	1.629.771
Long-term receivables	307.184	319.559	283.932
Trade accounts receivables	1.927	2.952	5.200
Deferred income and social contribution	97.542	98.305	83.797
Judicial deposits	64.942	54.788	51.209
Taxes recoverable	127.954	148.494	126.434
Other amounts receivable	14.819	15.020	17.292
Investments property	3.162	2.860	7.078
Property, plant and equipment	586.250	492.475	348.244
Intangible assets	1.247.969	1.186.600	990.517
Total assets	4.436.421	4.194.407	3.125.244

Liabilities	3Q22	2Q22	3Q21
Current liabilities	1.501.072	1.433.019	1.070.932
Loans and financing	401.433	345.023	271.040
Lease	72.314	62.079	52.351
Suppliers	637.508	566.002	457.912
Other liabilities	389.817	459.915	289.629
Non-current liabilities	320.468	268.927	506.137
Loans and financing	10.053	10.263	297.218
Other liabilities	67.580	72.465	17.758
Lease	236.822	180.107	155.314
Other amounts payable	2.510	3.405	30.597
Deferred Taxes	3.503	2.687	5.250
Shareholder's Equity	2.614.130	2.492.432	1.546.535
Capital	1.671.716	1.645.467	808.715
Capital reserve	161.596	163.046	198.491
Profit reserve	541.478	541.478	107.895
Tax Incentives Reserve	0	0	227.937
Adjustment of Equity Valuation	-8.674	-6.379	-8.183
Period Profit	248.014	148.820	211.512
Comprehensive income	0	0	168
Total Shareholder's Equity	2.614.881	2.492.461	1.548.175
Non-controlling interest stake	751	29	1.640
Total liabilities and shareholders' equity	4.436.421	4.194.407	3.125.244

INCOME STATEMENT

Income Statement - IFRS	3Q22	3Q21	Var.%	9M22	9M21	Var.%
Net operating revenue	1.137.985	777.949	46,3%	2.922.313	1.830.877	59,6%
Cost of goods sold	(536.683)	(372.864)	43,9%	(1.343.664)	(882.895)	52,2%
Gross profit	601.302	405.085	48,4%	1.578.649	947.982	66,5%
Operating income (expenses):	(474.127)	(311.684)	52,1%	(1.167.400)	(624.508)	86,9%
Selling	(394.178)	(225.874)	74,5%	(1.016.874)	(554.440)	83,4%
Administrative and general expenses	(78.850)	(78.638)	0,3%	(226.068)	(203.669)	11,0%
Other operating income, net	(1.099)	(7.172)	-84,7%	75.542	133.601	-43,5%
Income Before Financial Result	127.175	93.401	36,2%	411.249	323.474	27,1%
Financial Income	(12.480)	(12.754)	-2,1%	(39.542)	(40.158)	-1,5%
Income before income taxes	114.695	80.647	42,2%	371.707	283.316	31,2%
Income tax and social contribution	(15.846)	(3.117)	408,4%	(55.752)	(43.514)	28,1%
Current	(14.267)	(20.373)	-30,0%	(65.007)	(41.429)	56,9%
Deferred	(1.579)	17.256	-109,2%	9.255	(2.085)	-543,9%
Net income for period	98.849	77.530	27,5%	315.955	239.802	31,8%
Results Attributed to:						
Controlling shareholders	99.194	78.044	27,1%	317.697	241.101	31,8%
Non-controlling shareholders	(345)	(514)	-	(1.742)	(1.299)	-
Net income for period	98.849	77.530	27,5%	315.955	239.802	31,8%

CASH FLOW

Cash Flow	3Q22	3Q21	9M22	9M21
Operating activities				
Net Income	98.849	77.530	315.955	239.802
Adjustments to reconcile the results according to the cash generated by operating activities:	99.083	57.813	158.455	9.287
Depreciation and amortization	38.019	24.872	106.265	74.879
Income from financial investments	(14.849)	(3.957)	(41.369)	(9.657)
Interest and exchange rate	17.393	27.583	13.771	22.747
Income tax and social contribution	15.846	3.115	55.752	43.512
Others	42.674	6.200	24.036	(122.194)
Decrease (increase) in assets				
Trade accounts receivables	(103.350)	(149.555)	83.514	(14.395)
Inventory	(98.459)	(88.914)	(297.326)	(163.155)
Recoverable taxes	4.776	2.001	(33.610)	(4.903)
Change in other current assets	(33.031)	(25.949)	(16.133)	(37.086)
Judicial deposits	(9.698)	(2.778)	(10.096)	(20.240)
(Decrease) increase in liabilities				
Suppliers	65.916	114.105	56.144	64.506
Labor liabilities	7.823	24.349	(20.498)	18.925
Fiscal and social liabilities	(8.266)	18.244	(42.067)	(6.514)
Variation in other liabilities	3.184	14.307	(58.508)	34.485
Payment of income tax and social contribution	(21.426)	(2.431)	(70.805)	(4.236)
Interest payment on loans	(1.110)	(3.524)	(9.577)	(11.951)
Net cash flow from operating activities	4.291	35.198	55.448	104.525
Investing activities				
Sale of fixed and intangible assets	-	47	-	435
Acquisition of fixed and intangible assets	(63.697)	(62.738)	(160.536)	(104.837)
Financial Investments	(775.207)	(513.529)	(2.992.981)	(1.607.726)
Redemption of financial investments	941.424	584.618	2.775.878	1.889.528
Acquisition of subsidiary, net cash obtained on acquisition	(32.352)	(85.010)	(89.135)	(96.321)
Net cash used for investment activities	70.168	(76.612)	(466.774)	81.079
Financing activities				
Loans and financing	78.378	62.558	188.320	128.180
Payments of loans	(41.132)	(27.856)	(318.294)	(204.986)
Consideration of Lease	(20.897)	(18.628)	(57.344)	(55.038)
Interest on Equity and Profit Distribution	(69.683)	(32.172)	(129.683)	(32.172)
Credits (debits) with Shareholders	-	-	-	1.000
Resources from Stocks Issue	-	-	833.794	-
Expenses from Stocks Issue	(46)	40.190	(40.799)	40.190
Repurchase of Stocks	(26.057)	-	(26.057)	(51.356)
Resources from the Exercise of Stock Options	1.291	-	1.680	-
Net Cash used on Financing Activities	(78.146)	24.092	451.617	(174.182)
Increase (decrease) in cash and cash equivalents	(3.687)	(17.322)	40.291	11.422
Cash and cash equivalents				
Effect of Exchange Rate Variation on Cash and Cash Equivalent	(3.062)	(3.256)	892	(672)
Cash and cash equivalents - Initial balance	81.682	69.625	33.750	38.297
Cash and cash equivalents - Closing balance	74.933	49.047	74.933	49.047
Increase (decrease) in cash and cash equivalents	(3.687)	(17.322)	40.291	11.422

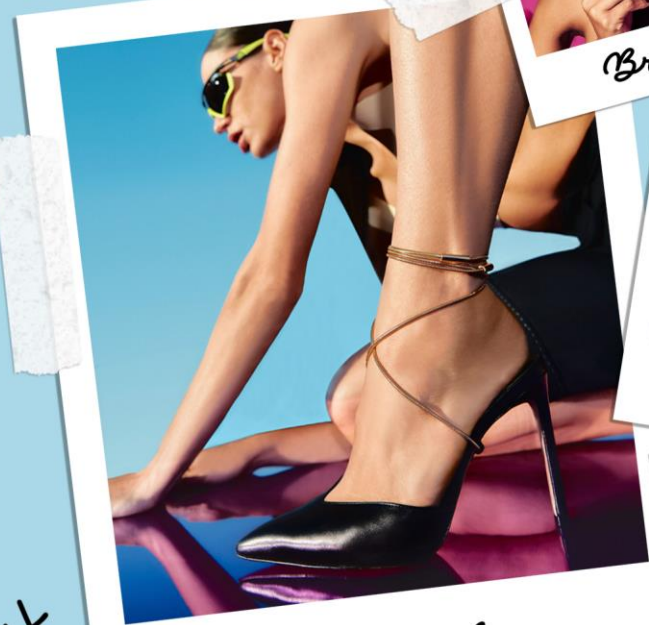
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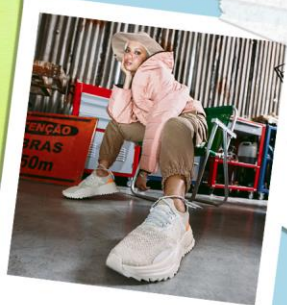
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