



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

NOTICE TO THE MARKET

AREZZO INDÚSTRIA E COMÉRCIO S.A. (“Company”) hereby informs its shareholders and the market in general that, on March 2, 2023, ARZZ Italia S.r.l., a wholly owned subsidiary of the Company incorporated under the Italian laws (“ARZZ Italia”), Baltimore Studio S.r.l., a company also incorporated under Italian laws (“Baltimore”), the founders of Baltimore, Massimo Baltimore and Annamaria Brivio (“Baltimore Founders”) and, to secure, on subsidiary basis, payment obligations of ARZZ Italia thereunder, the Company, entered into a certain Stock Purchase and Subscription Agreement (“Agreement”), under which, among other matters, the parties set forth the acquisition, by ARZZ Italia, of an equity stake in Paris Texas S.r.l, a company incorporated under Italian laws (“Paris Texas” and “Transaction”).

In the context of the Transaction, ARZZ Italia, Baltimore, Baltimore Founders and, to secure, on subsidiary basis, payment obligations of ARZZ Italia thereunder, the Company, also entered into a certain Options Agreement (“Options Agreement”) and the Quotaholders’ Agreement of Paris Texas (“Paris Texas Quotaholders Agreement”).

The Agreement sets forth the following steps of the Transaction, which occur subsequently: (i) the increase of the capital stock of Paris Texas, by means of the subscription and payment by ARZZ Italia, in cash and in one sole installment at closing, of new quotas of the capital stock of Paris Texas representing 26% of its capital stock, in the amount of € 10 million, equivaling, on the date hereof, approximately R\$ 54,5 million; and (ii) the acquisition, by ARZZ Italia, by means of a purchase and sale transaction, of quotas owned by Baltimore representing 39% of the capital stock of Paris Texas, payable in cash and in one sole installment at closing for € 15 million, equivaling, on the date hereof, approximately R\$ 81,6 million. The amount represents multiples of 1,9x the revenue and 11x the EBITDA of Paris Texas in 2022.

Upon implementation of the Transaction, ARZZ Italia will own and hold 65% of the capital stock of Paris Texas and become its controlling quota holder.



Baltimora Founders will keep as executive officers of Paris Texas until at least the end of the fiscal year of 2027.

Pursuant to the terms of the Options Agreement, as long as certain conditions are verified within the time periods set forth therein, both ARZZ Italia and Baltimora will be entitled to exercise certain call and put options mutually granted, so that, if and when the options are exercised, ARZZ Italia will own and hold up to 100% of the capital stock of Paris Texas. The same multiples-based valuation conditions applied to the acquisition by ARZZ Italia of the first 65% equity stake will apply to the purchase and sale transactions that are actually exercised, subject to a possible discount percentage.

Paris Texas is a company incorporated in Italy in 2015 by Baltimora Founders (Massimo Baltimora and Annamaria Brivio) in the business of creation, production, and sale of women luxury shoes. As the first acquisition outside Brazil, the Arezzo&Co Group accelerates the internationalization process and takes an important step in its strategy of developing its global luxury footwear platform, alongside Alexandre Birman brand.

The closing of the Transaction is not conditioned to the satisfaction of any conditions precedent and will be formalized as soon as the applicable procedures under Italian law are completed.

Once that the acquisition is made by a subsidiary of the Company, article 256 of Law No. 6.404 of 1976 does not apply.

Stocche Forbes Advogados acted as legal counsel in Brazil and BofA Securities Inc. and Bank of America Merrill Lynch Banco Múltiplo S.A. acted as financial advisors of ARZZ Italia in the Transaction.

Belo Horizonte, March 3, 2023.

RAFAEL SACHETE DA SILVA

Corporate Vice- President Officer, Chief Financial Officer and Investor Relations Officer