

EARNINGS RELEASE
3Q 2021

**AREZZO
&CO**



**AREZZO
&CO**

AREZZO

SCHUTZ

ANACAPRI

ALEXANDRE
BIRMAN

FIEVER

ALME

VANS
"OFF THE WALL"

ZZ'MALL


myshoes

AR&CO

Reserva

Reserva
mini

eva

 **Oficina**
RESERVA

ReservaGo

INK
Reserva

Baw®

TROC

3Q21 EARNINGS RELEASE

São Paulo, November 03, 2021. Arezzo&Co (B3 - Brasil, Bolsa e Balcão: ARZZ3), leader in the Brazilian footwear, handbags and women's accessories industry, announces its results for the 3rd quarter of 2021.

Arezzo&Co reported robust growth with a record EBITDA in a single quarter, consolidating its strategy of being a "house of brands", driven by the excellent management of the customer journey, its high degree of digitalization, the strength of its brands and the execution capacity of their teams. Gross revenue of R\$ 954 million in the quarter, accumulating R\$2.3 billion in 9M21.

FINANCIAL/OPERATIONAL HIGHLIGHTS

- 1- Gross Revenue of **R\$954MM** with a growth of **+82%** vs 3Q20 and +77% vs 3Q19;
- 2- DTC Sell Out (Franchises, Web commerce and Owned Stores) of **R\$707MM** in the quarter (**+50%** vs 3Q20 and +21% vs 3Q19);
- 3- Growth of organic brands of **20%** vs 3Q19 (same comparative base);
- 4- Increase of **740bps** vs 3Q20 and +670bps vs 3Q19 in adjusted Gross Margin;
- 5- Adjusted EBITDA of **R\$125MM** with growth of **+98%** vs 3Q20 and +62% vs 3Q19);
- 6- AR&CO Gross Revenue of **R\$195MM** (**+116%** vs 3Q20 and 85% vs 3Q19);
- 7- Record Revenue from US Operation of **R\$94MM** (**+67%** vs 3Q20 and 73% vs 3Q19);
- 8- Web Commerce Gross Revenue of **R\$206MM** with a **24%** share and growth of **+36%** vs 3Q20 **+271%** vs 3Q19;
- 9- Adjusted net income of **R\$82MM** with growth of **+193%** vs 3Q20 and +130% vs 3Q19;
- 10- Sell Out consistent growth of **18%** in July, **21%** in August and **25%** in September totaling **21%** in the quarter (vs 2019);
- 11- Adjusted ROIC reached the level of **29%** vs 6% on 3Q20.

EARNINGS VIDEOCONFERENCE

November 04, 2021
11:00 a.m. (Brasília) / 10:00 a.m. (New York)

Videconference in Portuguese with
simultaneous translation into English



SHARE PRICE AND MARKET CAP

November 03, 2021
Share Price: R\$ 80,50
Market Cap: R\$ 8.0 billion

INVESTOR RELATIONS

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PRESS RELATIONS | INDEX

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3Q21 OMNICHANNEL HIGHLIGHTS

1 - E-COMMERCE SALES

- TOTAL REVENUES: **R\$206MM** (+36% VS 3Q20 +271% VS 3Q19)
- TOTAL TRAFFIC: **57 MILLION** (+1.7% VS 3Q20)
- TOTAL AREZZO AND SCHUTZ APP DOWNLOADS: **827K** (+99% VS 3Q20)
- TOTAL SHARE OF THE APPS AS A % OF REVENUES: **22.5%** +376BPS VS 3Q20)
- CONVERSION: **1.3%**
- ON-TIME-DELIVERY (OTD) : **97%**

2 - OMNICHANNEL SALES

- SHARE OF DIGITAL OF PHYSICAL STORES' SELL OUT: **39.5%**
- REVENUES FROM STORE PICK UP AND DELIVERY: **+77%** VS 1Q21
- DIGITAL SHOPPERS: **+207K** VS 3Q20

3 - CRM* (Arezzo&Co)

- AREZZO&CO ACTIVE CUSTOMER BASE (RECORD VOLUME): **3.4 MILLION**
- REACTIVATED CUSTOMERS: **+37.6%** VS 3Q20
- HEAVY USER SHOPPER REVENUES: **+45%** VS 3Q20
- CAPTURED CUSTOMERS (NEW CUSTOMERS): **+14%** VS 3Q20

*EXCLUDING AR&CO DATA



BRAND HIGHLIGHTS 3Q21

AREZZO &CO

AREZZO

- Brazil Revenue: **R\$ 276.0MM**
- Growth: **+10.2%** vs 3Q19
- Web Revenue : **R\$ 68.3MM**
- WEB-to-Sell Out (DTC) ratio: **19.8%**
- OMNI Sales: **R\$ 13.5MM**
- OMNI-to-WEB ratio: **19.8%**

SCHUTZ

- Global Revenue: **R\$ 240.4MM**
- Growth: **+43.0%** vs 3Q19
- Brazil Revenue: **R\$ 167.4MM**
- Web Revenue: **R\$ 50.9MM**
- WEB-to-Sell Out (DTC) ratio: **40.8%**
- OMNI Sales: **R\$ 7.6MM**
- OMNI-to-WEB ratio: **14.9%**

AR&CO

- Brazil Revenue: **R\$ 194.7MM**
- Growth: **+85.3%** vs 3Q19
- Web Revenues: **R\$ 47.1MM**
- WEB-to-Sell Out (DTC) ratio : **25.9%**
- OMNI Sales: **R\$ 17.3MM**
- OMNI-to-WEB ratio: **50.2%**

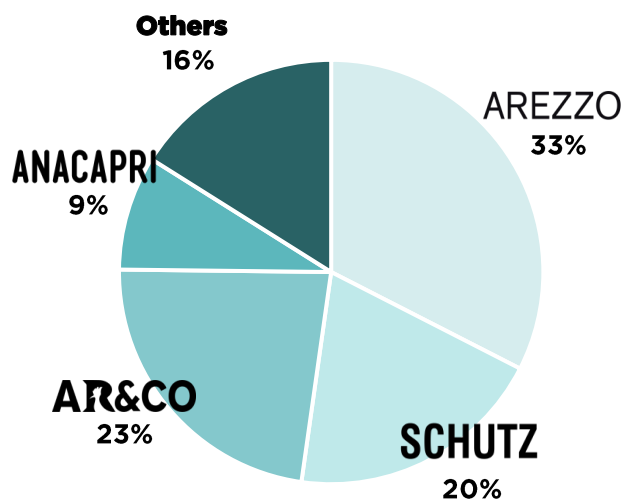
ANACAPRI

- Brazil Revenue: **R\$ 74.2MM**
- Growth: **+3.4%** vs 3Q19
- Web Revenues: **R\$ 12.2MM**
- WEB-to-Sell Out (DTC) ratio : **18.4%**
- OMNI Sales: **R\$ 2.3MM**
- OMNI-to-WEB ratio: **18.7%**

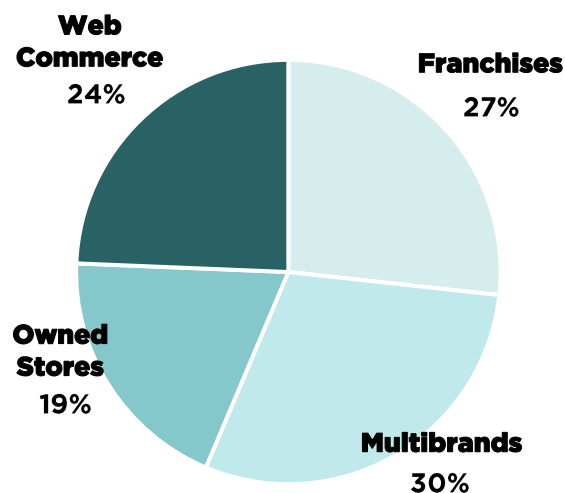
ALEXANDRE BIRMAN

- Global Revenue: **R\$ 39,0MM**
- Growth: **+37.7%** vs 3Q19
- Brazil Revenue: **R\$ 13.5MM**
- Web Revenue: **R\$ 2.3MM**
- WEB-to-Sell Out (DTC) ratio : **18.4%**
- OMNI-to-WEB ratio: **35.4%**

GROSS DOMESTIC MARKET REVENUES



GROSS REVENUES BY CHANNEL



**AREZZO
&CO**

Key Indicators



VANS

3Q21 GROSS REVENUES

Gross Revenue	3Q21	Part%	3Q20	Part%	Δ (%) 21 x 20	3Q19	Part%	Δ (%) 21 x 19
Total Gross Revenue	953.609		525.240		81,6%	538.189		77,2%
Foreign Market	104.835	11,0%	62.732	11,9%	67,1%	71.552	13,3%	46,5%
Exports	10.670	10,2%	6.159	9,8%	73,2%	17.139	24,0%	(37,7%)
US Operation	94.165	89,8%	56.572	90,2%	66,5%	54.413	76,0%	73,1%
Domestic Market	848.774	89,0%	462.508	88,1%	83,5%	466.637	86,7%	81,9%
By Brand								
Arezzo	276.042	32,5%	202.190	43,7%	36,5%	250.569	53,7%	10,2%
Schutz¹	167.392	19,7%	113.087	24,5%	48,0%	122.732	26,3%	36,4%
AR&CO²	194.732	22,9%	-	-	115,5%	-	-	85,3%
Anacapri	74.204	8,7%	60.707	13,1%	22,2%	71.793	15,4%	3,4%
Others³	136.404	16,1%	86.524	18,7%	57,6%	21.543	4,6%	533,2%
By Channel								
Franchises	226.580	26,7%	131.374	28,4%	72,5%	224.282	48,1%	1,0%
Multibrand	251.030	29,6%	140.394	30,4%	78,8%	126.948	27,2%	97,7%
Owned Stores	163.534	19,3%	39.154	8,5%	317,7%	59.301	12,7%	175,8%
Web Commerce	206.382	24,3%	151.409	32,7%	36,3%	55.628	11,9%	271,0%
Others⁴	1.248	0,1%	177	0,0%	605,0%	476	0,1%	162,1%

(1) Excluding revenues from international operations.

(2) AR&CO includes the brands: Reserva, Reserva Mini, Oficina Reserva, Reserva Go, EVA, INK and BAW Clothing.

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

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

3Q21 OPERATING INDICATORS

Operating Indicators	3Q21	3Q20	Δ (%) 21 x 20	3Q19	Δ (%) 21 x 19
# of pairs sold ('000)	5.030	3.564	41,1%	3.842	30,9%
Part. (%)	74,7%	87,7%	-13,0 p.p	89,5%	-14,8 p.p
# of handbags sold ('000)	484	357	35,3%	449	7,7%
Part. (%)	7,2%	8,8%	-1,6 p.p	10,5%	-3,3 p.p
# of clothes sold ('000)	1.224	144	747,4%	-	-
Part. (%)	18,2%	3,6%	14,6 p.p	-	-
# of employees	4.388	2.287	91,9%	2.463	78,2%
# of stores*	894	735	159	715	179
Owned Stores	145	53	92	51	94
Franchises	749	682	67	664	85
Outsourcing (as % of total production)	90,5%	88,2%	2,3 p.p	90,3%	0,2 p.p
SSS² Sell in (franchises)	40,9%	-39,8%	80,7 p.p	1,2%	39,7 p.p
SSS² Sell out (owned stores + franchises + web)	43,4%	-24,7%	68,1 p.p	1,1%	42,3 p.p

(1) Includes apparel sold under the Vans brand and AR&CO

(2) SSS (same store sales): stores are included in the sales of comparable stores from the 13th month of operations.

Results including AR&CO.

* Includes stores abroad

9M21 GROSS REVENUES

Gross Revenue	9M21	Part%	9M20	Part%	Δ (%) 21 x 20	9M19	Part%	Δ (%) 21 x 19
Total Gross Revenue	2.295.038		1.219.326		88,2%	1.490.201		54,0%
Foreign Market	248.902	10,8%	147.983	12,1%	68,2%	192.724	12,9%	29,1%
Exports	26.991	10,8%	15.812	10,7%	70,7%	46.089	23,9%	(41,4%)
US Operation	221.912	89,2%	132.171	89,3%	67,9%	146.636	76,1%	51,3%
Domestic Market	2.046.136	89,2%	1.071.343	87,9%	91,0%	1.297.477	87,1%	57,7%
By Brand								
Arezzo	689.924	33,7%	464.679	43,4%	48,5%	701.489	54,1%	(1,6%)
Schutz¹	413.178	20,2%	275.253	25,7%	50,1%	352.345	27,2%	17,3%
AR&CO²	428.015	20,9%	-	-	100,9%	-	-	54,8%
Anacapri	193.429	9,5%	133.944	12,5%	44,4%	182.930	14,1%	5,7%
Others³	321.590	15,7%	197.467	18,4%	62,9%	60.713	4,7%	429,7%
By Channel								
Franchises	549.726	26,9%	311.228	29,1%	76,6%	629.132	48,5%	(12,6%)
Multibrand	587.123	28,7%	292.308	27,3%	100,9%	330.850	25,5%	77,5%
Owned Stores	362.760	17,7%	103.233	9,6%	251,4%	189.328	14,6%	91,6%
Web Commerce	540.557	26,4%	363.982	34,0%	48,5%	146.632	11,3%	268,6%
Others⁴	5.970	0,3%	592	0,1%	908,4%	1.533	0,1%	289,4%

(1) Excluding revenues from international operations.

(2) AR&CO includes the brands: Reserva, Reserva Mini, Oficina Reserva, Reserva Go, EVA, INK and BAW Clothing.

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

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

9M21 OPERATING INDICATORS

Operating Indicators	9M21	9M20	Δ (%) 21 x 20	9M19	Δ (%) 21 x 19
# of pairs sold ('000)	11.654	7.535	54,7%	10.180	14,5%
Part. (%)	73,8%	87,7%	-13,9 p.p	89,0%	-15,2 p.p
# of handbags sold ('000)	1.247	839	48,7%	1.262	-1,2%
Part. (%)	7,9%	9,8%	-1,9 p.p	11,0%	-3,1 p.p
# of clothes sold ('000)	2.899	214	1251,6%	-	-
Part. (%)	18,3%	2,5%	15,8 p.p	-	-
# of employees	4.388	2.287	91,9%	2.463	78,2%
# of stores*	894	735	159	715	179
Owned Stores	145	53	92	51	94
Franchises	749	682	67	664	85
Outsourcing (as % of total production)	89,6%	89,5%	0,1 p.p	90,3%	-0,7 p.p
SSS² Sell in (franchises)	59,4%	-36,8%	96,2 p.p	1,2%	58,2 p.p
SSS² Sell out (owned stores + franchises + web)	33,7%	-30,0%	63,7 p.p	3,0%	30,7 p.p

(1) Includes apparel sold under the Vans brand and AR&CO

(2) SSS (same store sales): stores are included in the sales of comparable stores from the 13th month of operations.

Results including AR&CO.

* Includes stores abroad

3Q21 MAIN FINANCIAL INDICATORS

Main financial indicators	3Q21	3Q21 Adjusted	3Q20	Δ (%) 21 x 20	3Q19 Adjusted	Δ (%) 21 x 19
Gross Revenues	953.609	953.609	525.240	81,6%	538.187	77,2%
Net Revenues	777.949	777.949	416.463	86,8%	440.874	76,5%
COGS	(372.864)	(372.066)	(229.976)	61,8%	(240.204)	54,9%
Depreciation and amortization (cost)	(770)	(770)	(805)	(4,3%)	(748)	2,9%
Gross Profit	405.085	405.883	186.487	117,6%	200.670	102,3%
Gross margin	52,1%	52,2%	44,8%	7,4 p.p	45,5%	6,7 p.p
SG&A	(311.684)	(306.051)	(142.031)	115,5%	(145.856)	109,8%
% of net revenues	(40,1%)	(39,3%)	(34,1%)	(5,2 p.p)	(33,1%)	(6,2 p.p)
Selling expenses	(205.203)	(204.624)	(95.150)	115,1%	(92.052)	122,3%
Owned stores and web commerce	(98.073)	(98.073)	(37.153)	164,0%	(28.013)	250,1%
Selling, logistics and supply	(107.130)	(106.552)	(57.997)	83,7%	(64.039)	66,4%
General and administrative expenses	(74.859)	(74.364)	(27.713)	168,3%	(35.132)	111,7%
Other operating revenues (expenses)	(7.172)	(2.612)	(1.306)	100,0%	2.869	(191,0%)
Depreciation and amortization (expens	(24.450)	(24.450)	(17.862)	36,9%	(21.540)	13,5%
EBITDA	118.621	125.052	63.123	98,1%	77.102	62,2%
EBITDA Margin	15,2%	16,1%	15,2%	0,9 p.p	17,5%	(1,4 p.p)
Net Income	77.530	81.775	27.947	192,6%	35.523	130,2%
Net Margin	10,0%	10,5%	6,7%	3,8 p.p	8,1%	2,4 p.p

3Q21 NON-RECURRING ADJUSTMENTS

	3Q21	3Q19
Consolidated EBITDA	118.621	83.545
Non-Recurring Items		
Surplus Value (Impact on Gross Profit) ¹	(798)	-
Extemporaneos Credits ¹	(4.560)	5.869
Legal Expenses	(495)	574
Non-Recurring Items (COVID-19)	-	-
M&A Expenses	(578)	-
Net Effect of Non-Recurring Items	(6.431)	6.443
Adjusted Consolidated EBITDA	125.052	77.102
Adjusted Gross Profit	405.883	200.670

- (1) Goodwill – impact of R\$ 0.8 million on gross profit from goodwill amortization in relation to the Reserva Group's inventories.
(2) Adjustment with respect to the recognition of tax credits from other fiscal years (inclusion of ICMS in the calculation base for PIS/COFINS declared unconstitutional) booked in 2Q21.

9M21 MAIN FINANCIAL INDICATORS

Main financial indicators	9M21	9M21 Adjusted	9M20 Adjusted	Δ (%) 21 x 20	9M19 Adjusted	Δ (%) 21 x 19
Gross Revenues	2.295.038	2.295.038	1.223.997	87,5%	1.490.199	54,0%
Net Revenues	1.830.877	1.830.877	967.924	89,2%	1.211.583	51,1%
COGS	(882.895)	(877.264)	(517.754)	69,4%	(654.106)	34,1%
Depreciation and amortization (cost)	(2.262)	(2.262)	(2.428)	(6,8%)	(2.104)	7,5%
Gross Profit	947.982	953.613	450.170	111,8%	557.477	71,1%
Gross margin	51,8%	52,1%	46,5%	5,6 p.p	46,0%	6,1 p.p
SG&A	(624.509)	(752.920)	(403.511)	86,6%	(430.240)	75,0%
% of net revenues	(34,1%)	(41,1%)	(41,7%)	0,6 p.p	(35,5%)	(5,6 p.p)
Selling expenses	(495.829)	(493.885)	(258.934)	90,7%	(259.435)	90,4%
Owned stores and web commerce	(197.976)	(197.973)	(92.177)	114,8%	(86.060)	130,0%
Selling, logistics and supply	(297.853)	(295.912)	(166.757)	77,5%	(173.375)	70,7%
General and administrative expenses	(191.278)	(184.134)	(85.842)	114,5%	(115.182)	59,9%
Other operating revenues (expenses)	133.600	(3.899)	(3.144)	24,0%	2.324	(267,8%)
Depreciation and amortization (expens)	(71.002)	(71.002)	(55.591)	27,7%	(57.947)	22,5%
EBITDA	396.737	273.957	104.678	161,7%	187.288	46,3%
EBITDA Margin	21,7%	15,0%	10,8%	4,2 p.p	15,5%	(0,5 p.p)
Net Income	239.802	158.767	(3.250)	(4.984,5%)	94.147	68,6%
Net Margin	13,1%	8,7%	(0,3%)	9,0 p.p	7,8%	0,9 p.p

9M21 NON-RECURRING ADJUSTMENTS

	9M21	9M20	9M19
Consolidated EBITDA	396.737	55.325	207.116
Non-Recurring Items			
Surplus Value (Impact on Gross Profit)¹	(5.631)	-	-
Extemporaneous Credits¹	137.499	49.079	19.255
Legal Expenses	(7.147)	(4.293)	573
Non-Recurring Items (COVID-19)	-	(94.139)	-
M&A Expenses	(1.941)	-	-
Net Effect of Non-Recurring Items	122.780	(49.353)	19.828
Adjusted Consolidated EBITDA	273.957	104.678	187.288
Adjusted Gross Profit	953.613	450.170	557.477

- (1) Goodwill – impact on gross profit from goodwill amortization in relation to the Reserva Group's inventories.
(2) Adjustment with respect to the recognition of tax credits from other fiscal years (inclusion of ICMS in the calculation base for PIS/COFINS declared unconstitutional) booked in 2Q21.

Brand Performance

**AREZZO
&CO**



ANACAPRI | COLLAB MOÇA

BRANDS PERFORMANCE

Arezzo&Co reported strong sales growth of 81.6% vs 3Q20 and 77.2% vs 3Q19. Considering organic brands only (excluding AR&CO and Vans), Arezzo&Co recorded growth of 20.0%, an indication of the fast recovery of the brands comparing to the same period of 2019. Arezzo&Co's excellent sales performance reflects the strong and assertive collections as well as the fast recovery in the physical stores channel and the resilience of digital following the reopening of the stores.

The third quarter is characterized by the transition from the winter to the summer collections at Arezzo&Co's stores. The month of July is typically one of exchange of collections – Cruise and Resort – essential for gauging consumer receptivity to new products, allowing time for the brands to undertake the necessary adjustments before the official launch dates. The months of August and September saw the launch of the summer campaigns, that showed excellent sales performance resulting on month after month growth.

The AREZZO brand posted R\$ 276.0 million of revenue, with growth of 36.5% in relation to 3Q20 and 10.2% vs 3Q19. As a highlight of the quarter, the brand showed a significant improvement in the franchise channel, which is highly representative of Arezzo's revenues. In addition, the digital channel recorded a stable performance vs 2020 and 154.0% growth vs 2019 – a clear demonstration of the channel's resilience following the reopening of the physical stores.

Another important highlight of the quarter was the launch of important summer collections by the brand, which generated strong consumer engagement. The launch of the “Gaia” collection marked the beginning of the season, inspired by a trip to Mexico, with vibrant colors, handmade details and different textures. The results were excellent - after just 15 days of sales, the collection reported a 47% “*sell through*” (above the average for other collections).

In August, Arezzo launched its official summer 2022 campaign spearheaded by Bruna Marquezine. The campaign images in a swimming pool recall freshness, good vibrations and energy in relation to the most important season of the year. In the first few day's post-launch, the campaign turned in results above expectations.

Beyond from initiatives for its core line, the Arezzo brand made some important launches for its “BriZZa Arezzo” and “Arezzo Bambini” lines.

The injectable footwear line, BriZZa began summer – the most important season of the year – in a remarkable way with assertive marketing initiatives. With the idea of using the most popular sport of the moment - beach tennis - BriZZa sponsored tournaments with 150 beach tennis athletes in Rio de Janeiro and São Paulo as well as sandal customization areas and other initiatives. Thanks to its initial success, the event was extended to the year-end in other capitals throughout the country.

BRANDS PERFORMANCE

In addition to initiatives already implemented, BriZZa will open temporary kiosks employing the same strategy as 2020 for the New Year and Carnival periods. The sales volume for the summer sell-in surpassed 900 thousand pairs, representing sales of more than R\$ 50 million.

In the third quarter, Arezzo Bambini, the childrens' line, launched its "Back to School" collection in partnership with the renowned school material brand, Faber Castell. With just three models, the collab generated excellent results with more than 20 thousand pairs sold. Arezzo Bambini is also to launch its high summer and Christmas collections with footwear for both mothers and daughters in addition to the Arezzo brand's mini-classics.

The **SCHUTZ** brand posted global revenues of R\$ 240.4 million, a growth of 52.0% vs 3Q20 and 43.0% vs 3Q19. In the domestic market, the brand reported R\$ 167.4 million with growth of 48.0% vs 3Q20 and 36.4% vs 3Q19. Schutz brand was the highlight in sales during the quarter due to its extremely assertive collections corresponding to consumer demands as well as strong digital penetration, which already represents 29.6% of total sales. In the quarter, Schutz registered 33.3% sell-out increase vs 3Q19, maintaining consistent month after month growth.

Marking the start of the summer season, Schutz launched the 'Summer 2022 - Turn the Lights On' campaign- starring the celebrity Marina Ruy Barbosa. The campaign portrayed a modern and futuristic scenario focusing on the brand's chosen products for the season - glamorous shoes, with modern and different shapes in the Schutz style.

Emphasizing its positioning as an innovative brand, on October 25th, Schutz launched "Schutzciety", a signature's club where the focus is content, experience and conversion. The pilot operation will last six months, and signatories will receive personalized products on a monthly basis with different themes and benefits - such as pre-launch releases, content of tendencies and digital experiences.

The **AR&CO** reported revenues of R\$ 194.7 million in 3Q21, 115.5% up on 3Q20 and 85.3% higher than 3Q19. Particularly notable was the excellent performance of all brand channels, especially the online channels which recorded growth of 45.8% vs 3Q20 (and this despite a strong comparative base) and 460.2% vs 3Q19, representing 24.1% of the brand's sales.

As the highlight of the quarter, Reserva launched "Adapt&" - its adapted apparel line with products developed for special needs consumers. The line was developed over nearly four years and was launched in partnership with "Equal Moda Inclusiva". The SKUS are identical to the classic products albeit with ergonomic and functional adjustments. The launch was aimed at facilitating the lives of people with special needs, as well as promoting representation within national fashion for more than 12 million Brazilians. With the aim to be #HumanWear, "Adapt&" is one more way the brand has chosen in the objective of developing clothes for all bodies.

BRANDS PERFORMANCE

To mark the start of summer, Reserva launched “Human Warmth” collection with colored and printed pieces recalling a Brazilian tropical scene. The collection was a sales success with excellent results.

In addition to the listed initiatives, Reserva also celebrated Polo Day - 1P15P - on its 15th anniversary. This initiative was an extension of the 1P5P campaign, whereby the brand donated 15 plates of food through the Banco de Alimentos NGO for every polo neck shirt sold on the day. The Polo Day distributed a total of more than 7,800 plates of food and raised more than R\$ 100 thousand from the sale of the shirts in a single day.

The Reserva Group sneakers brand, Reserva GO recorded strong results in the quarter, accounting for more than a 20% share of Reserva's sales. As a highlight of the period, in August, the brand launched the “Spriz80” sneaker - a flashback to the joggings, a sneaker famous in the eighties. The model recorded more than 720 pairs sold and was out of stock in just 5 days.

Regarding the integration with **Baw**, the brand is already operating in a new DC in São Paulo, which enabled the expansion of 88% of the operation's capacity. Furthermore, in 2021, BAW will launch its first footwear collection and will open two pop-up stores, marking its debut on the physical channel and expanding its product portfolio.

The **VANS** brand recorded strong revenue growth, with the highlight being for the multibrand and online channel. In the quarter, the brand opened 3 stores, one in Balneário Camboriú, one in Brasília and the last in São Paulo. The São Paulo store is Vans first Brand Showcase Store in Latin America and is located on Avenida Paulista - one of the leading financial and cultural hubs in Brazil. The store has two floors, totaling 250m², and offers many aspects for improving the consumer shopping experience - such as a complete skate shop together with the brand's most important collections. In its first month of operations, the store recorded sales of R\$ 1.3 million - projecting an annual revenue above R\$ 15 million.

In September, Vans launched one more collaborative collection, this time with Nickelodeon (children's entertainment). The collab involved footwear, apparel and accessories inspired by the SpongeBob SquarePants cartoon series, with an entertaining slant, representing the brands “Off The Wall” spirit.

BRANDS PERFORMANCE

The **ANACAPRI** brand recorded R\$ 74.2 million in sales, a 22.2% growth over 3Q20 and 3.4% vs 3Q19, the highlight being the multibrand channel which reported an increase of 17.6% vs 3Q20 and 8.9% vs 3Q19. To mark the beginning of the summer season, Anacapri launched the “Descomplica!” campaign starring Manu Gavassi – a very successful partnership in recent collections. The key strategy was aimed at increasing the engagement and number of social network followers. The products announced in the campaign sold six times more than the rest of the collection.

In September, Anacapri launched another successful *collab*, this time with the Nestle’s Moça brand. In order to celebrate its 100th anniversary, the collab included footwear and handbags inspired in the iconic persona of the brand. The most viewed photograph in Anacapri’s Instagram page in the last 12 months (the handbag in the shape of the products iconic can) was just one indicator of the collection’s success.

The ALEXANDRE **BIRMAN** brand recorded global revenues of R\$ 39.0 million, growth of 81.9% vs 3Q20 and 37.7% in relation to 3Q19. In Brazil, the brand chalked up revenues of R\$ 13.5 million, a growth of 106.0% vs 2020 and 34.1% vs 2019.

As the highlight of the quarter, in September, the brand was a participant for the third consecutive year of the MET Gala in New York – a ball promoted by the well-known Metropolitan Museum of Art – and considered one of the major fashion events in the world. At the event, the brand enjoyed the presence of the singer Anitta and registered an increase of more than 24 thousand followers to its Instagram page. In addition, during the period, Alexandre Birman held his traditional Press Presentation during Paris fashion week, to present his Spring Summer 2022 collection. The event was attended by such well-known names in the world of fashion as Anna Wintour, among others.

The **FEVER** and **ALME** brands recorded strong sales growth through the online channel compared with 3Q19.

As touched on in the last results release, the Alme brand is undergoing a positioning evolution which will continue to have comfort as its essence while incrementing initiatives on the sustainability front. This process will be officially announced in November and will present a new architectural project for the stores, which will feature bio-construction materials and digital tools. On the products front, the brand will feature 5 no-gender models developed with less environmental impact – each model had its carbon footprint calculated and the brand will offset 100% of its emissions. The model grid will also be expanded, transforming Alme into a brand for everyone.

BRANDS PERFORMANCE

The Fiever brand will maintain its focus on casual young sneakers with a strong focus on instore customizations and the digital channel. A special sidewalk pet personalization event, Fiever's Pet Day, proved to be the brand's major success in the quarter.

In July, Arezzo&Co acquired **mySHOES** - a footwear and handbag brand with fashion content and an accessible profile focused on the B- and C+ classes. Since acquisition, the brand has already executed two sell ins for the multibrand channel (in July and September) which surpassed the expected target, totaling R\$ 17 million in revenues.

As a highlight of the quarter, My Shoes had its official launch for the final consumer, debuting its channels operated by Mercado Livre - through its own website and through a proprietary e-commerce channel. With these two channels, Mercado Livre will be responsible for the logistics and distribution of the products.

The official launch took place on October 26 and included a series of marketing initiatives focused on the digital. For example, the brand invested on TikTok social media contents, as a choreography and music exclusive of the singer Simaria - star of the campaign. In addition, My Shoes unveiled an Urban Window at Paulista Avenue, physical contact point between the brand and the consumers. With the purpose of pursuing the concept of retailment, the space contains interaction attractions, such as a shoes toy machine.

INTERNATIONAL BUSINESS

The US Operation consolidated its brands and distribution channels positioning strategy, translating into strong results. The revenue amounted to R\$ 94.2 million in 3Q21, a growth of 73.1% vs 2019 (in USD, growth was 31.9%). The quarter witnessed revenues which were a record for the operation with strong growth along all channels. Excluding the physical stores channel - which is showing a gradual improvement with the resumption of physical sell out - the operation would have turn in growth of 91.3% (in USD, it would have been 46.5%).

The digital strategy presented robust and expressive numbers. In September, the Schutz brand web commerce channel registered 648 thousand website accesses (growth of 46% vs 2020 and 170% vs 2019) and had 13.5 thousand customers in the month (92% increase vs 2020), of which 9,3 thousand were new (70% of the base). Compared to 2020, the percentage of new customers expanded by 104% - with strong growth potential in the upcoming months. Regarding the conversion rate, the online channel also showed constant evolution - from 1.4% in 2019 to 1.7% in 2020 and reaching 1.9% by the end of September 2021. In addition, the number of orders and pairs sold increased by 62% and 52% vs 2020, respectively.

In terms of revenue, the online channel reported excellent results and in line with the tendencies of the past few quarters, growing 344.5% in Reais (238.5% in USD). This performance is linked to the increase in recurring purchases and loyalty of new customers due to new price strategy and investments in digital marketing. Since May, the Schutz brand has beaten sales records through the channel. In September, the website reported more than USD 1.9 million with the outlook for a constant increase over the next few months.

The wholesale channel reported growth of 37.6% in the quarter, highlighting the increase in short-term stock replenishments in the department stores and reflecting the assertiveness of operation inventory. The channel's performance was leveraged by the growth in the number of Schutz brand doors compared to the previous quarter (116 doors in 3Q21 vs 74 doors in 3T19) and by the "dropship" modality (availability of own-stock products on the websites of stores such as Nordstrom, Bloomingdale's, Saks Fifth Avenue).

As reiterated, from the second half of 2020, the US operation has remained at breakeven in EBITDA terms, presenting a positive result of R\$ 12.3 million in 3Q21.

The exports of footwear to the rest of the world reported growth of 73.2% vs 3Q20 and a fall of 37.7% vs 3Q19. The recovery in relation to 2020 reflects the resumption of sales to Latin American customers. Worthy of note company's positive perspective for the fourth quarter of the year as the European market recovers.

**AREZZO
&CO**

**Channels
Performance**

RESERVA - SUMMER 22

CHANNELS

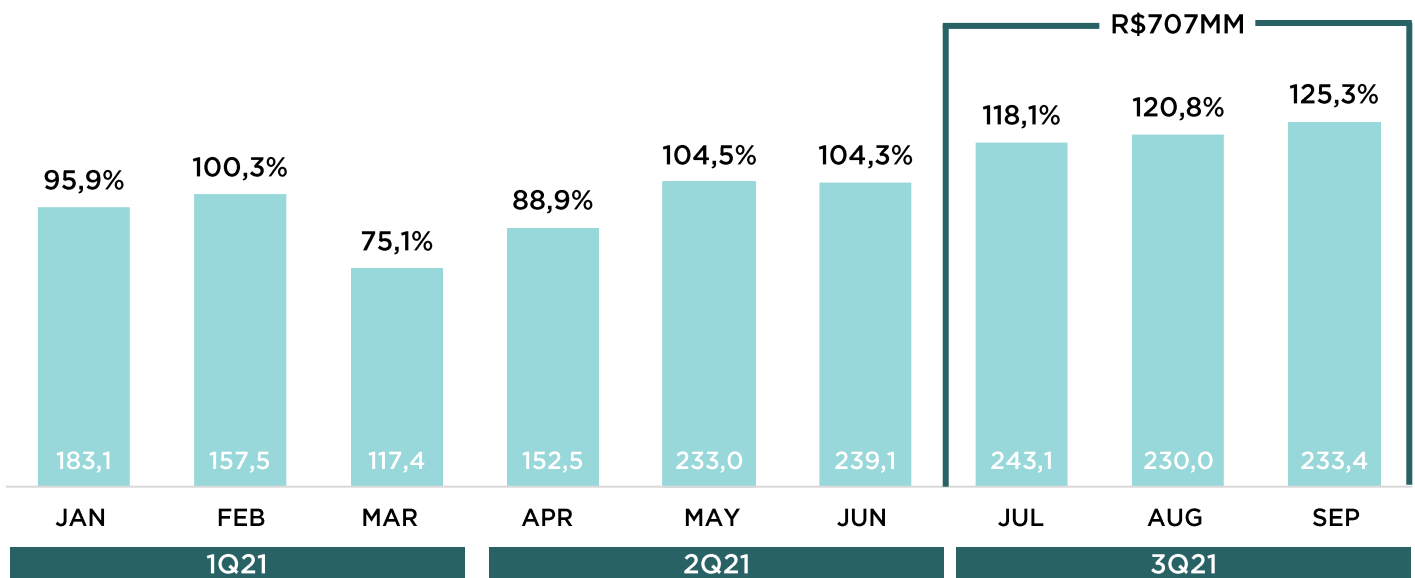
Sell Out – Franchises, Owned Stores and Web Commerce

The DTC sell out (Owned Stores + Franchises + Web Commerce) totaled R\$707.2 million in 3Q21, up 49.7% over 3Q20 and 21.4% over 3Q19 – considering comparable bases. The period was marked by the end of restrictions on the operation of stores in the country's main locations – a key factor in accelerating the chain's sell out to levels above 2019.

August and September reported acceleration compared with July (20.8% and 25.3%, respectively) indicating the continuous improvement of sales performance.

In particular, the Reserva brands registered robust results month after month, with growth of 71.5% vs 3Q20 and 67.3% vs 3Q19. The Schutz brand also revealed top performance in the quarter, 37.1% in August and 40.9% in September vs the same period of 2019.

Sell Out Performance: Arezzo&Co + AR&CO (Franchises, Owned Stores and Web Commerce) - vs o 2019



**Months affected by the shutdown of bricks-and-mortar stores due to the COVID-19 pandemic*

+21.4%
GROWTH OF SELL OUT IN
3Q21

R\$707MM
OF SELL OUT DTC IN 3Q21

CHANNELS

Monobrand – Franchises and Owned Stores

Franchise channel sell in sales were R\$ 226.6 million, a growth of 72.5% vs 3Q20 and 1.0% vs 3Q19. The stable performance in relation to 2019 indicates the fast recovery of the channel compared with the last quarter.

It is worth noting that the fourth quarter is already showing a significant increase in sales by the franchise stores with the acceleration of the sell out in the physical stores and well dimensioned inventory in the chain.

Multibrands

In 3Q21, sales through the multibrand channel recorded growth of 78.8% compared to 3Q20 and 97.7% compared with 3Q19. Excluding AR&CO and the Vans brand, the channel rose 38.0% vs 3Q20 and 9.2% vs 3Q19.

The strong growth reflects the consistent increase in the share of wallet – share of sales of the clients – reflecting the assertiveness of the collections, agility in replenishing stock and force of Arezzo&Co's classical products and best-sellers. It is worth highlighting the significant increase of the Reserva Group and Vans brands through the channel.

Also worthy of note is that the channel benefited by the change in the onsite showroom format (fairs) to 100% online. With the introduction of sell in lives via Youtube – which have more details on products, collections and trends – the volume of sales increased significantly among clients in the portfolio, especially in smaller stores that did not buy in person before the pandemic.

The Arezzo&Co and AR&CO brands are distributed across 5,217 points of sale, a growth of 23.2% being reported in the quarter against 3Q20.

E-commerce

In the third quarter 2021, Arezzo&Co posted R\$ 206.4 million in gross revenues transacted through the online channel, a growth of 36.3% vs 3Q20 and 271.0% vs 3Q19.

The channel accounted for 24.3% of consolidated revenues of Arezzo&Co vs 11.9% on 2019. Important to note the resilience of the online channel which reported a strong degree of growth vs 2020 with the recovery in the physical stores sell out. Excluding AR&CO sales, the channel was still able to report a 4.8% growth.

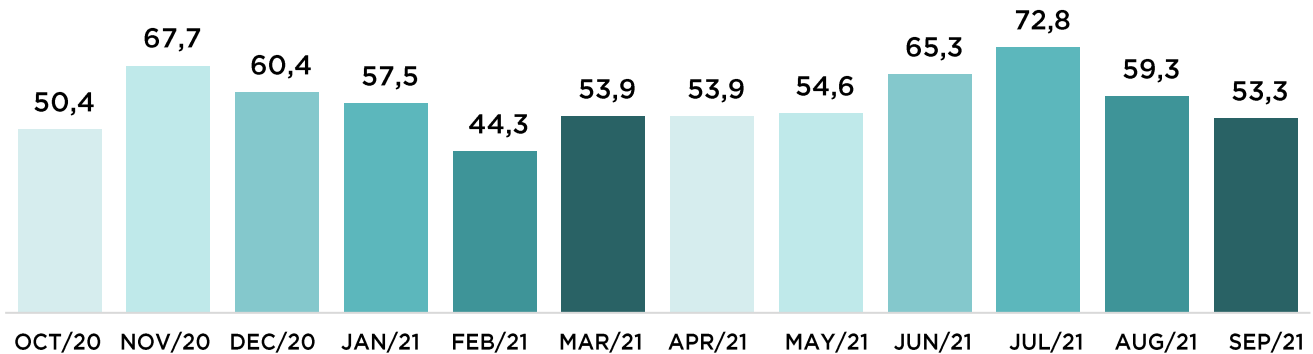
As a highlight of the period, sales via APP reported a growth of 28.5% vs 3Q20, and the representativeness of online channel sales was 22.5%, 376bps above the same period in 2020. The number of downloads of the APPs also recorded a sharp increase in the period – 98.8%.

CHANNELS

Web Commerce Sell Out Evolution

Arezzo&CO and AR&CO

Amounts in R\$ MM



Digital Transformation

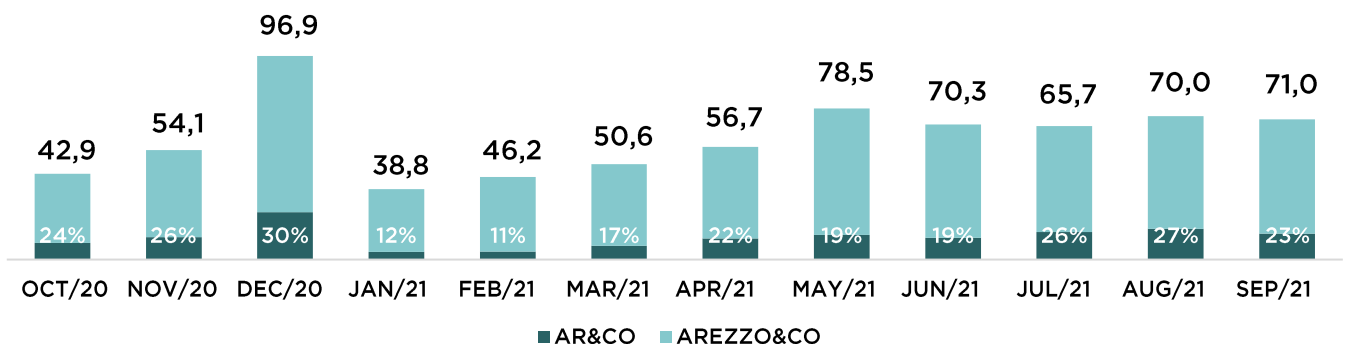
In spite of the resumption of sales through the physical channels, OMNI sales performance stayed at the high level reached in the periods in which the physical stores remained closed. In the third quarter, OMNI Sales were similar to those recorded in 2Q21.

The representativity of sales via channel integration tools - Store Shipping and Pick up, Link Sale, Infinite Shelf and Try-at-Home ("Reservado") - was 12.4% of sell out revenues from the physical stores in the period.

Arezzo&Co Group Digital Revenues

Digital Tools + Seller APP (Proprietary)

Amounts in R\$ MM



R\$693,4MM

WEB COMMERCE
SELL OUT (LTM)

R\$741.6MM

DIGITAL REVENUES
(LTM)

R\$1,4 BI

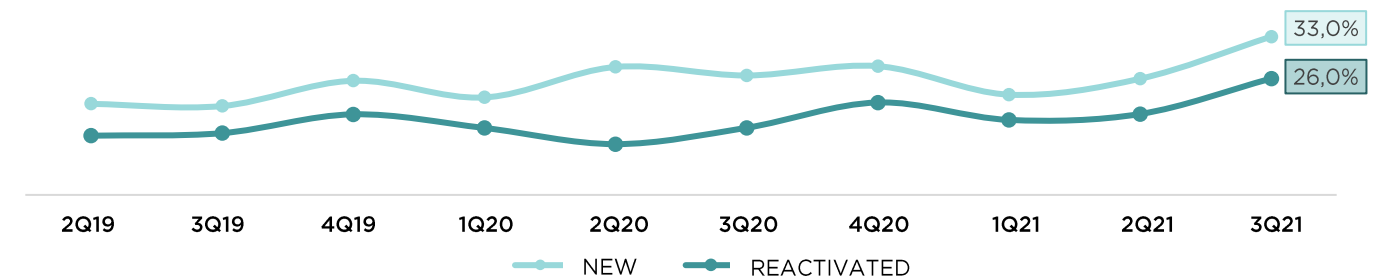
WEB REVENUES +
DIGITAL TOOLS (LTM)

CHANNELS

Digital Transformation

Customer Capture and Retention*

- The OMNI customers had a purchase frequency **128%** higher than the customers who only buy from physical stores;
- **41%** of the buying customer base were reactivated in 9M21 vs 9M20;
- Constant improvement in the customer reactivation rate reflects the use of CRM initiatives with the objective of offering the best shopping experience for the customer base;
- Increase of **33%** in the heavy user customer base, revenues of which represented a growth of **49%** in revenues vs 3Q20;
- Strong increase in customer frequency YTD vs. 2020 (**+5.9%**).



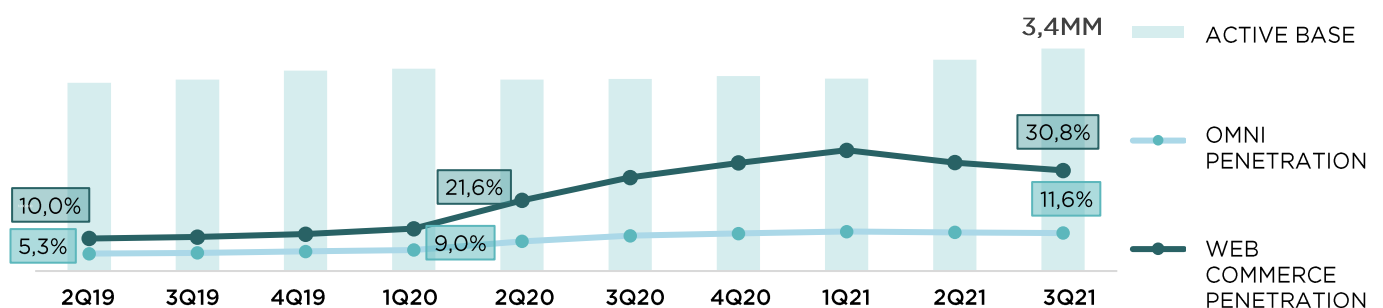
*Excluding AR&CO data



*Data 9M21 vs 9M20

Penetration of Online Channel*

- Growing increase in the active base of Arezzo&Co's online customers - record number;
- **30.8%** of Arezzo&Co's customers buy through the online channel;
- **11.6%** of are omnichannel customers (buy through the bricks-and-mortar stores and online).



*Excluding AR&CO data

MONOBRAND CHAIN

The Company closed the third quarter of 2021 with 894 stores, 883 in Brazil and 11 abroad, considering the incorporation of AR&CO.

In the period, the net balance of net openings was 4 stores. There were openings at the brands Reserva (5), Arezzo (4), Vans (3), Schutz (2) and Anacapri (1). Conversely, 9 stores were closed in the pop-up format of the BriZZa line of the Arezzo brand - which has temporary contracts (kiosks), one store of the Alme brand and one Eva brand store.

Store Information	3Q20	4Q20	1Q21	2Q21	3Q21
Sales area^{1,3} - Total (m²)	45.012	56.461	56.906	58.199	59.917
Sales area - franchises (m²)	38.816	42.176	42.621	43.818	44.711
Sales area - owned stores² (m²)	6.196	14.285	14.285	14.381	15.206
Total number of domestic stores	724	880	872	879	883
# of franchises	676	753	743	746	743
Arezzo	423	451	441	437	429
Schutz	67	68	67	62	64
Anacapri	179	186	187	192	193
Fiever	-	1	1	1	1
Alme	3	3	3	3	2
Vans	4	7	7	9	10
AR&CO	-	37	37	42	44
# of owned stores	48	127	129	133	140
Arezzo	9	12	15	15	18
Schutz	16	16	17	20	20
Alexandre Birman	7	8	8	8	8
Anacapri	3	5	3	3	3
Fiever	4	2	2	2	2
Alme	3	2	2	2	2
Vans	6	7	7	7	9
AR&CO	-	75	75	76	78
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 sales areas in sq.m

(2) Includes eleven stores of the Outlet type with a total area of 2,450 m²

(3) Includes sq. m of store expansions

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

**AREZZO
&CO**

Financial Indicators

ANITTA MET GALA | ALEXANDRE BIRMAN

ADJUSTED GROSS PROFITS AND GROSS MARGIN

Adjusted gross profit in 3Q21 totaled R\$ 405.9 million, equivalent to a margin of 52.2%, an improvement of 670 bps vs the same period in 2019. Among the positive factors responsible for the gross margin were, (i) the inclusion of AR&CO in the Company's sales with a positive impact mainly in terms of the owned stores channel, (ii) greater share of web commerce in the channel mix and (iii) improvement in the margin of the US operation.

OPERATIONAL EXPENSES

Arezzo&Co remains true to its strategic plan and a large part of the investments discussed below reflect the Company's allocation of funds for (i) driving growth in digital sales (ii) potentializing the strength of the organic brands and their strategic projects and (iii) developing the new inorganic brands.

In addition to investments for sales growth and new brands, the Company remains diligent in fixed and operating costs with the continuous objective of leveraging its EBITDA margin.

Selling Expenses

It is important to mention that the Company reached a new level of expenses in 2021, directly correlated to a higher share of DTC sales in relation to B2B, as a result of (i) web commerce channel revenue expansion and (ii) addition of AR&CO in the business, which has a greater exposure to own stores channel

In 3Q21, there was an increase of 73.2% in Arezzo&Co's selling expenses compared to 3Q19, reaching R\$ 159.5 million. Including AR&CO expenses, selling overheads increased 122.3% vs 3Q19.

- i. Owned Stores and Web Commerce expenses (sell out channels) at Arezzo&Co amounted to R\$ 55.9 million - an increase of 99.6% in relation to 3Q19. These higher expenses reflect the growth in the web-commerce channel, which in the third quarter posted an increase in sales of 186.4% vs 3Q19 (excluding AR&CO). Investments are focused largely on freight, logistics, people and as a strategy of leverage, digital marketing and performance (directly related to revenues). Expenses increased 250.1% if AR&CO is included.

ADJUSTED OPERATING EXPENSES

- ii. Selling, Logistics and Supplies expenses at Arezzo&Co amounted to R\$ 103.6 million in the period – growth of 61.7% versus 3Q19. Among the main sources of expenses were (i) the addition of Vans brand expenses, (ii) strategic marketing campaigns and (iii) provision for payment of participation in Company results (“PPR”). If these expenses at AR&CO are factored in, there would have been an increase of 66.4%.

North American market expenses reported a decline of 3.7% vs 3Q19. The restructuring of the operation in 2020 has been instrumental in reducing expenses on a sustainable and permanent basis. However, the business continued its investments in digital marketing and performance and thus supporting the strong expansion in revenues for the period (+73.1% vs 2019). Selling, logistics and supply expenses in the United States amounted to R\$ 26.0 million in 3Q21.

General and Administrative Expenses

In 3Q21, general and administrative expenses at Arezzo&Co were R\$ 50.8 million, an increase of 44.7% in relation to 3Q19, due to the setting aside of a provision for payment of participation in the Company’s results (which also impacted selling expenses), and to investments in IT, relating to software and applications maintenance. Including AR&CO, expenses would have increased 111.7% to a total of R\$ 74.4 million.

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

The Company reported adjusted EBITDA of R\$ 125.1 million in 3Q21, a growth of 98.1% vs 3Q20 and 62.2% vs 3Q19, key factors driving this result being:

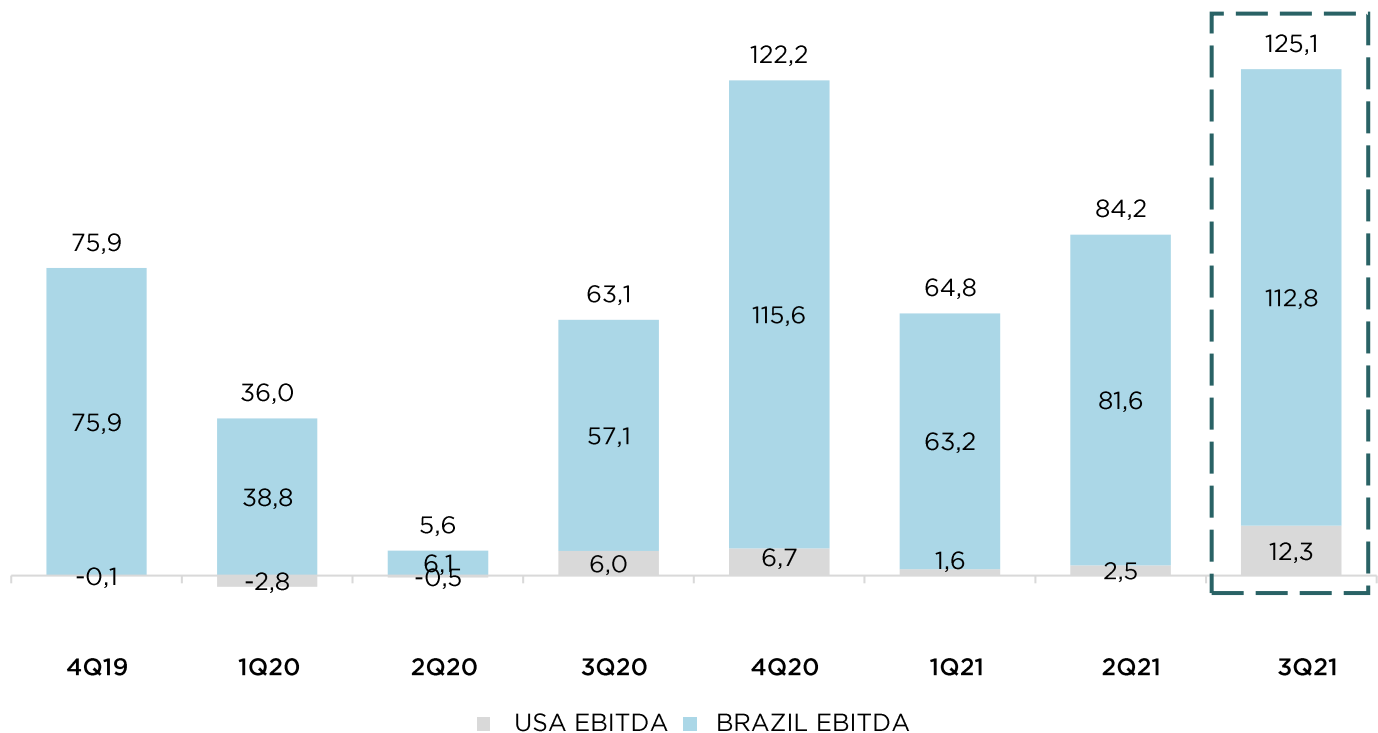
- Strong organic and inorganic grand performance reflecting (i) assertiveness of the collections, (ii) powerful marketing campaigns and (iii) the loyalty capacity of our customer base;
- Resilience and maturity of the digital sales;
- Additional EBITDA of AR&CO and the Vans brands;
- Continual growth of the US operation, which reported an EBITDA of R\$ 12.3 million equivalent to a 16.1% margin in the quarter.

	3Q21 EBITDA			3Q20 EBITDA			3Q19 EBITDA		
	&Co	Brazil	USA	&Co	Brazil	USA	&Co	Brazil	USA
Net Revenues	777,9	701,8	76,1	416,5	371,6	44,9	440,9	394,5	46,4
EBITDA	125,1	112,8	12,3	63,1	57,1	6,0	77,1	84,6	(7,5)
EBITDA Mg.	16,1%	16,1%	16,1%	15,2%	15,4%	13,4%	17,5%	21,5%	-

Amounts in R\$ MM // Amounts in accordance with IFRS 16 / CPC 06 (R2)

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

AREZZO&CO BREAKDOWN OF ADJUSTED EBITDA



Adjusted Results: One-off impacts and credits from previous fiscal years recognized in each quarter not included.

NET INCOME AND NET ADJUSTED MARGIN

The Company's net adjusted income for the period was R\$ 81.8 million, growth of 192.6% vs 2020 and 130.2% vs 2019, equivalent to a net margin of 10.5% and up by 240 bps vs 2019.

The net income was positively impacted by the strong operational performance of Arezzo&Co in the period and the incorporation of AR&CO and negatively, by the increase in financial expenses, the result of higher leverage.

ROIC – RETURN ON INVESTED CAPITAL

Adjusted return on invested capital (ROIC) – that is excluding inorganic movements in 2020 and 2021 as well as elements of a non-recurring nature associated with the pandemic and extemporary credits - reached 29.3%, vs. 6.4% in 2020.

The reported ROIC reached the level of 27.6% in 3Q21. In addition to the lower NOPAT (LTM), working capital lines (inventory, suppliers and accounts receivable) were affected by the incorporation of AR&CO in December 2020. In relation to the incorporation, it is worthy of note the significant increase in PP&A associated with the investment, which includes elements such as intangible assets and goodwill to be amortized over the coming fiscal years.

Income from operations	3Q21 Reported	3Q21 Adjusted	3Q20	3Q19	Δ 21 x 20 (%)	Δ 21 x 19 (%)
EBIT (LTM)	418.276	303.708	73.343	198.182	314,1%	53,2%
+ IR e CS (LTM)	(40.399)	(47.587)	(21.827)	(35.598)	118,0%	33,7%
NOPAT (LTM)	377.877	256.121	51.516	162.584	397,2%	57,5%
Working Capital¹	396.752	470.638	400.004	399.559	17,7%	17,8%
Accounts Receivable	605.881	605.881	406.902	415.431	48,9%	45,8%
Inventory	448.212	442.101	241.895	180.736	82,8%	144,6%
Suppliers	(457.912)	(457.912)	(226.053)	(148.756)	102,6%	207,8%
Others	(199.429)	(119.432)	(22.740)	(47.852)	425,2%	149,6%
Permanent assets	1.345.839	401.097	365.246	383.202	9,8%	4,7%
Other long-term assets²	200.135	73.701	34.807	37.149	111,7%	98,4%
Invested capital	1.942.726	945.436	800.057	819.910	18,2%	15,3%
Average invested capital³	1.371.392	872.747	809.984		7,7%	
ROIC⁴	27,6%	29,3%	6,4%			

(1) Working capital: Current Assets less Cash, Cash Equivalents and Financial Investments subtracted from Current Liabilities less Loans and Financing and Dividends payable.

(2) Deducted from deferred Income Tax and Social Contribution.

(3) Average capital employed in the period and in the same period of the preceding year.

(4) ROIC: NOPAT for the last 12 months divided by the average employed capital.

(5) Includes tax credits from previous fiscal years (inclusion of ICMS in the calculation base for PIS/COFINS declared unconstitutional). The positive effect of these credits on the Company's EBITDA was R\$ 135.1 million in 3Q21.

INVESTMENTS - CAPEX

In 3Q21, Arezzo&Co invested R\$ 62.7 million in CAPEX, notably to:

- Integration of AR&CO – investments in the headquarters of Reserva in Rio de Janeiro, stores openings, new architectural model and investments in IT infrastructure;
- In the “Corporate” line, of particular importance are the investments in the Digital Transformation, among them, ZZ HUB – digital headquarters of Arezzo&Co in Campo Bom – RS;
- Rollout of 5 new owned stores and the modernization of a further eight.

Summary of Investments	3Q21	3Q20	Δ 21 x 20 (%)	9M21	9M20	Δ 21 x 20 (%)
Total CAPEX	62.738	9.360	570,3%	104.837	30.796	240,4%
Stores - expansion and refurb	31.014	955	3.147,5%	45.944	5.862	683,8%
Corporate	24.112	6.709	259,4%	48.961	20.426	139,7%
Other	7.612	1.696	348,8%	9.932	4.508	120,3%

CASH POSITION AND DEBT

The Company reported a net debt of R\$ 271.0 million at the end of 3Q21. Highlights for the period were:

- **A cash position of R\$ 297.2 million;**
- Total debt of R\$ 568.3 million compared with R\$ 509.5 million in 2Q21;
- The “Cash and Cash Equivalents” line was impacted by the settlement of the BAW Clothing acquisition and other investments in CAPEX;
- Worthy of mention is that Company debt levels were modified in 1Q20 due to preemptive raising of credit lines;
- Net Debt/EBITDA ratio of 0.5x.

Cash position and Indebtedness	3Q21	2Q21	3Q20
Cash	297.205	385.921	566.245
Total debt	568.258	509.496	547.245
Short-term	271.040	216.587	440.509
% total debt	47,7%	42,5%	80,5%
Long-term	297.218	292.909	106.736
% total debt	52,3%	57,5%	19,5%
Net debt	271.053	123.575	(19.000)
Net Debt/EBITDA	0,5x	0,3x	-0,1x

BALANCE SHEET

Assets	3Q21	2Q21	3Q20
Current assets	1.495.473	1.340.793	1.344.102
Cash and Banks	49.047	69.625	13.502
Financial Investments	248.158	316.296	552.743
Trade accounts receivables	605.881	455.695	406.902
Inventory	448.212	362.063	241.895
Taxes recoverable	87.897	98.945	100.708
Other credits	54.654	38.169	28.352
Financial Instruments - Derivatives	1.624	0	0
Non-current assets	1.629.771	1.414.612	444.166
Long-term receivables	283.932	253.659	78.920
Trade accounts receivables	5.200	6.209	5.512
Deferred income and social contribution	83.797	65.922	44.113
Other credits	194.935	181.528	29.295
Investments property	7.078	4.760	4.030
Property, plant and equipment	348.244	287.324	277.017
Intangible assets	990.517	868.869	84.199
Total assets	3.125.244	2.755.405	1.788.268

Liabilities	3Q21	2Q21	3Q20
Current liabilities	1.070.932	864.790	818.362
Loans and financing	271.040	216.587	440.509
Lease	52.351	44.375	42.569
Suppliers	457.912	345.773	226.053
Other liabilities	289.629	258.055	109.231
Non-current liabilities	506.137	459.363	272.647
Loans and financing	297.218	292.909	106.736
Other liabilities	17.758	13.041	11.264
Lease	155.314	142.844	154.647
Other amounts payable	30.597	5.938	0
Deferred tax	5.250	4.631	0
Controlling shareholders equity	1.546.535	1.430.980	697.259
Capital	808.715	808.715	352.715
Capital reserve	198.491	157.939	48.801
Profit reserves	107.895	107.895	122.118
Tax incentive reserve	227.937	227.937	213.880
Adjustment of Equity Valuation	-8.183	-4.927	-13.892
Accumulated Profit	211.512	133.466	-26.363
investment losses	0	-45	0
Comprehensive Income	168	0	0
Total Shareholder's Equity	1.548.175	1.431.252	697.259
Non-controlling interest stake	1.640	272	0
Total liabilities and shareholders' equity	3.125.244	2.755.405	1.788.268

INCOME STATEMENT

Income Statement - IFRS	3Q21	3Q20	Var. %	9M21	9M20	Var. %
Net operating revenue	777.949	416.463	86,8%	1.830.877	946.377	93,5%
Cost of goods sold	(372.864)	(229.976)	62,1%	(882.895)	(507.358)	74,0%
Gross profit	405.085	186.487	117,2%	947.982	439.019	115,9%
Operating income (expenses):	(311.684)	(142.031)	119,4%	(624.508)	(441.713)	41,4%
Selling	(225.874)	(108.360)	108,4%	(554.440)	(357.862)	54,9%
Administrative and general expenses	(78.638)	(32.366)	143,0%	(203.669)	(110.159)	84,9%
Other operating income, net	(7.172)	(1.305)	449,6%	133.601	26.308	407,8%
Income before financial result	93.401	44.456	110,1%	323.474	(2.694)	12107,2%
Financial income	(12.754)	(6.834)	86,6%	(40.158)	(16.681)	140,7%
Income before income taxes	80.647	37.622	114,4%	283.316	(19.375)	1562,3%
Income tax and social contribution	(3.117)	(9.675)	-67,8%	(43.514)	(9.089)	378,8%
Current	(20.373)	(11.777)	73,0%	(41.429)	(37.520)	10,4%
Deferred	17.256	2.102	720,9%	(2.085)	28.431	-107,3%
Net income for period	77.530	27.947	177,4%	239.802	(28.464)	942,5%

CASH FLOW

Cash Flow	3Q21	3Q20	9M21	9M20
Operating activities				
Net Income	77.530	27.947	239.802	(28.464)
Adjustments to reconcile the results according to the cash generated by operating activities:	57.813	14.857	147.203	148.278
Depreciation and amortization	24.872	19.201	74.879	59.796
Income from financial investments	(3.957)	(2.224)	(9.657)	(8.806)
Interest and exchange rate	27.583	(18.110)	22.747	39.123
Income tax and social contribution	3.115	9.673	43.512	9.088
Other	6.200	6.317	15.722	49.077
Decrease (increase) in assets				
Trade accounts receivables	(149.555)	(121.063)	(14.395)	(1.512)
Inventory	(88.914)	27.104	(163.155)	(69.769)
Recoverable taxes	2.001	15.012	(147.890)	(32.105)
Change in other current assets	(25.949)	2.977	(36.546)	(38.533)
Judicial deposits	(2.778)	(154)	(20.240)	(4.518)
(Decrease) increase in liabilities				
Suppliers	114.105	94.882	64.506	91.977
Labor liabilities	24.349	10.567	23.996	(14.567)
Fiscal and social liabilities	18.244	(398)	(6.514)	1.056
Variation in other liabilities	14.307	(12.160)	34.485	15.809
Payment of income tax and social contribution	(2.431)	(2.496)	(4.236)	(16.496)
Interest payment on loans	(3.524)	(1.108)	(11.951)	(6.475)
Net cash flow from operating activities	35.198	55.967	105.065	44.681
Investing activities				
Sale of fixed and intangible assets	47	7	435	345
Acquisition of fixed and intangible assets	(62.738)	(9.360)	(104.837)	(30.796)
Financial Investments	(513.529)	(255.211)	(1.607.726)	(1.284.354)
Redemption of financial investments	584.618	257.147	1.889.528	1.003.151
Acquisition of subsidiary, net cash obtained on acquisition	(85.010)	-	(96.321)	-
Net cash used in investing activities	(76.612)	(7.417)	81.079	(311.654)
Financing activities with third parties				
Increase in loans	62.558	-	128.180	455.241
Payments of loans	(27.856)	(34.449)	(204.986)	(121.428)
Instalment Lease	(18.628)	(10.485)	(55.038)	(39.298)
Net cash used in financing activities with third parties	16.074	(44.934)	(131.844)	294.515
Financing activities with shareholders				
Interest on equity	(32.172)	-	(32.172)	(22.675)
Receivables (payables) with shareholders	-	(2.040)	1.000	(1.502)
Repurchase of shares	40.190	(1.040)	(11.166)	(3.672)
Net cash used in financing activities	8.018	(3.080)	(42.338)	(27.849)
Increase (decrease) in cash and cash equivalents	(17.322)	536	11.962	(306)
Cash and cash equivalents				
Effect of Exchange Rate Variation on Cash and Cash Equivalent	(3.256)	-	(1.212)	-
Cash and cash equivalents - Initial balance	69.625	12.965	38.297	13.808
Cash and cash equivalents - Closing balance	49.047	13.502	49.047	13.502
Increase (decrease) in cash and cash equivalents	(17.322)	537	11.962	(306)

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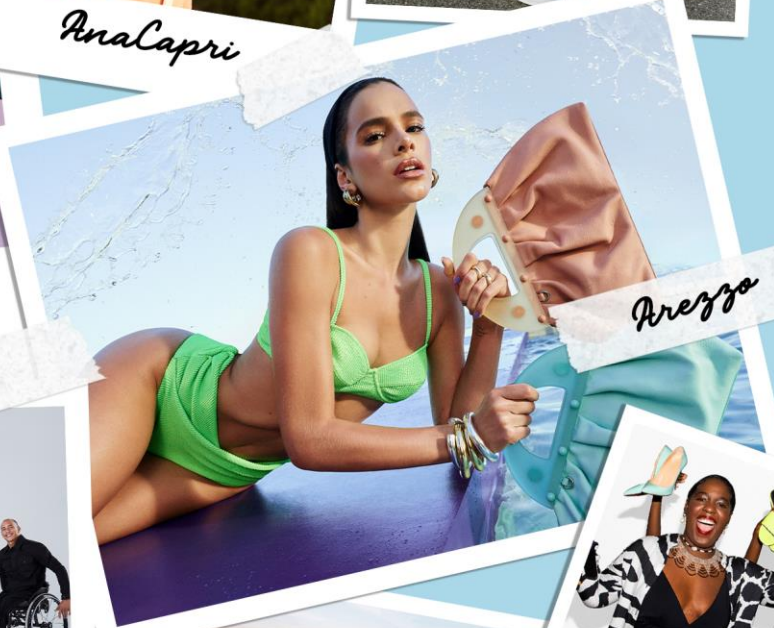
Schutz



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MyShoes



Baw



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Fever



2021