

4Q 2022  
EARNINGS RELEASE

AREZZO  
&CO



SCHUTZ | WINTER '23 @CANDICESWANEPOEL

AREZZO &CO | AREZZO SCHUTZ ANACAPRI BIRMAN FEVER ALME VANS "OFF THE WALL" ZZ'MALL myrHOES Vicenza) PARIS TEXAS  
AR&CO | Reserva mini Oficina RESERVA ReservaGo INK Reversa Baw® TROC CAROL BASSI

# 4Q22 AND 2022 EARNINGS RELEASE

São Paulo, March 9, 2023. Arezzo&Co (B3 - Brasil, Bolsa e Balcão: ARZZ3), Brazil's largest fashion house of brands, announces its 4Q22 and 2022 results.

The year of 2022 was marked by the strongest result in the company's history of gross revenue: R\$ 5.2 billion (+43.4%), on the same comparison basis, gross margin of 53.9% and adjusted EBITDA of R\$ 657 million (+43.1%).

## 2022 FINANCIAL/OPERATIONAL HIGHLIGHTS

- **R\$5.2B** in Gross Revenue (+43% vs 2021);
- **R\$4.1B** in *DTC Sell Out* (Franchises, Web and Owned Stores) (+38% vs 2021);
- Arezzo&Co surpassed the milestone of **1,000 stores** (1,013 stores) in 2022, with **72** net stores opened (41 franchises and 31 owned stores);
- **32.4M** of products sold in 2022 (+29% vs 2021): **21.3M** of pairs of shoes, **8.1M** pieces of clothes and **3.0M** of handbags;
- **5.3** million of customers in the active base\* (+22% vs 2021);
- **33%** core brand growth in Brazil vs 2021;
- **R\$1.2B** in AR&CO Gross Revenue (+56% vs 2021);
- **R\$490M** in US Operation Gross Revenue (+41% vs 2021);
- **53.9%** in Gross Margin (+110bps vs 2021);
- **R\$657M** adjusted EBITDA (excluding non-recurring effects) (+43% vs 2021), with adjusted EBITDA margin of **15.5%**. The reported EBITDA was **R\$712M**;
- **R\$386M** adjusted Net Income, growth of **43%** vs 2021. The reported Net Income was **R\$423M**;
- **28.4%** in adjusted ROIC in the period.

*\*active purchases in the last 12 months*

### EARNINGS CONFERENCE CALL

March 10, 2023  
11:00 a.m. (Brasília) / 09:00 a.m. (New York)

Conference call in Portuguese with  
translation into English



### SHARE PRICE AND MARKET CAP

March 09, 2023  
Share Price: R\$ 77.70  
Market Cap: R\$ 8.5 billion

# 4Q22 EARNINGS RELEASE

## 4Q22 FINANCIAL/OPERATIONAL HIGHLIGHTS

- **R\$ 1.6B** in Gross Revenue, R\$ 265M higher than 4Q21 (growth of **20%**);
- **R\$ 1.4B** in *DTC Sell Out* (Franchises, Web and Owned Stores), R\$ 202M higher than 4Q21 (growth of **17%**);
- Net opening of **50** stores in the quarter - **34** owned stores and **16** franchises. The openings were mainly concentrated in the AR&CO, Anacapri, Arezzo, Vans and Carol Bassi brands;
- **10.1M** of products sold, 7,2M higher than 4Q21 (growth of **+7%**): **6.6M** of pairs of shoes, **2.8M** of pieces of clothes and **798K** of handbags;
- **R\$ 455M** in AR&CO Gross Revenue, R\$ 113M higher than 4Q21 (growth of **+33%**);
- **R\$ 138M** in US Operation Revenues, R\$ 13M higher than 4Q21 (growth of **+10%**);
- **53.8%** of Gross Margin (flat vs 4Q21);
- **R\$ 191M** in adjusted EBITDA (excluding non-recurring effects) (**+3%** vs 4Q21), **14.6%** adjusted EBITDA Margin. Reported EBITDA was **R\$ 197M**.



# MESSAGE FROM MANAGEMENT

The year of 2022 was marked by many challenges and achievements. With record revenues in our history - R\$ 5.2 billion (+43.4% vs. 2021) - Arezzo&Co once again demonstrated the strength and robustness of the results, reinforcing the assertive positioning of all of our brands, our consumers loyalty and the engaged leadership of our team:

- Exponential growth movement - building a new proportion of the company in constant evolution: 17.8% CAGR from 2011 to 2022;
- Since the IPO, we have reported 49 quarters, with 46 of revenues growth and 41 of EBITDA growth - a consistent track record that few Brazilian companies can replicate;
- We reached R\$ 657 million in adjusted EBITDA in 2022, maintaining the healthy level of 53.9% in gross margin (110 bps expansion vs 2021);
- 28.4% adjusted ROIC in 2022 - one of the most important KPIs analyzed by our team;
- We started the year with the first follow-on of our history - raising over R\$ 830 million in a primary offering with a hot issue fully exercised, which demonstrated extreme confidence in our company. We have diligently execute all growth initiatives proposed at this time;
- Our people are our main asset. We have a strong ownership culture, with a hard-fighting team committed to delivering their best. For yet another year, we exceeded our goals leading to a high value referring to the meritocratic distribution of our results to our team;
- Our penetration in volumes sold surpassed the mark of 21 million pairs of shoes, 8 million pieces of clothes and 3 million handbags, totaling more than 32 million items sold. An important highlight: the apparel category already represents 25.0% of our business;
- Our core brands posted the strong growth of 33.2% in 2022 - breaking paradigms and further expanding their share in the Brazilian market;
- We have the ability to identify talents and brands, and then escalate them quickly. As of 2019, with the licensing of Vans, we started our inorganic path with extremely assertive movements and value generation;



# MESSAGE FROM MANAGEMENT

- We multiplied Vans's revenues by 2.7 times and AR&Co's by 3.8 times, which reached R\$ 1.2 billion in sales in 2022 – in just two years of operations at Arezzo&Co;
- In 2022, we structured an integration playbook in partnership with the consultancy firm Integration, ensuring credibility and executive capacity for integrating previous movements and those yet to come. Furthermore, we currently have a robust and fortified platform ready to support new acquisitions and businesses in a scalable way;
- Beyond a brand platform, we are a tech platform: we reached R\$ 1.1 billion in e-commerce revenues (+33.4% vs 2021), representing 23.3% of our sales, with 47% of physical store sales influenced by digital tools. Our customers are 100% at the center – our active base has 5.3 million registered customers (growth of 21.5% vs 2021);
- We strengthened our OMNI capabilities with excellence and diligence, representing the union of digital and physical sales. We expanded our OMNI customers basis that buys in the on and off channels by 22% this year. The revenue generated was up 37% – as they show higher shopping frequency, engagement and tickets;
- Our verticalized product management and integrated value chain allow us to be extremely agile compared to the competition. We have invested significantly in our production, logistics and supply model. In 2022, we opened AR&Co's new DC in Rio de Janeiro;
- Our US operation reached R\$ 489.7 million in revenues – a record-setting level – a growth of 40.9%, and answering for 9.4% of Arezzo&Co's sales, despite the department store retraction seen in the second half of 2022;
- In 2022, we reinforced our commitment to the ESG agenda. For a highlight, we were recognized as a B Corp (Arezzo&Co and AR&CO – for the second consecutive year) and were listed in B3's ISE portfolio. We also updated our materiality matrix with a unified and integrated group vision that considers each of the brand's unique traits. The Diversity and Inclusion agenda was addressed robustly: we intensified training programs, executed the Racial Equality Promotion Pact, promoted our first affirmative internship program for African Brazilians, among other initiatives. We also reached the mark of 28% footwear items developed with sustainable components, and a 5% absolute reduction in greenhouse gas emissions;

# MESSAGE FROM MANAGEMENT

- As the strategic focus for the year of 2023, Arezzo&Co will prioritize: (i) sustainable growth and continuous innovation of core brands, (ii) diligent expansion of the brands portfolio, expanding our addressable market, (iii) continued expansion of AR&CO and its sub-labels, some at an advanced stage such as Reserva and Reserva Go, and others at an embryonic stage, (iv) expansion of women's apparel within the group's portfolio through investments in the existing brands - Carol Bassi, Schutz and Reversa, and (v) start of a new path of growth, joining Arezzo&Co's know-how in footwear business management, product development, OMNI sales, to emerging international brands in full growth;
- We started 2023 exceeding our high expectations, despite an extremely strong baseline. Until the end of February, we registered growth of 22.8% in DTC sell out.

We will remain committed to executing our solid strategic plans and creating value to our stakeholders.

We would like to express our deep gratitude to all investors and analysts for their trust and partnership over the years. It's just the beginning!

Towards 2154!

The Management.

## 4Q22 OMNICHANNEL HIGHLIGHTS

### 1 - WEB COMMERCE SALES

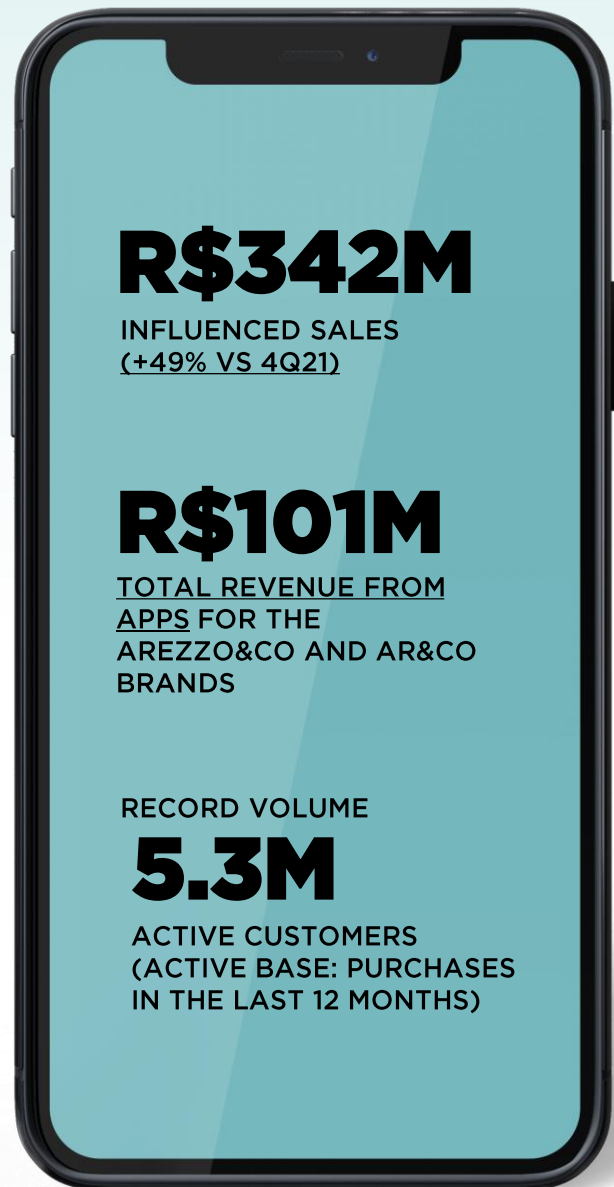
- TOTAL REVENUES: **R\$ 350 MILLION** (+27% VS 4Q21)
- CAGR (2019-2022): **72%**
- TOTAL TRAFFIC: **89 MILLION** (+30% VS 4Q21)
- TOTAL REVENUES FROM APPS: **R\$ 101 MILLION** (+90% VS 4Q21)
- TOTAL APP SHARE OF REVENUES: **30%**
- WEB COMMERCE TICKETS: **+45%** VS 4Q21

### 2 - OMNICHANNEL SALES

- DIGITAL AS SHARE OF PHYSICAL STORES SELL OUT: **47%**
- CLICK AND COLLECT AND STORE SHIPPING REVENUES: **+142%** VS 4Q21
- **13 MILLION** CONTACTS MADE THROUGH THE APP IN 4Q22 (INFLUENCED REVENUE)

### 3 - CRM

- ACTIVE CUSTOMER BASE GROWTH: **+22%** VS 4Q21
- ACTIVE ONLINE CUSTOMER BASE (E-COMMERCE) **+42%** VS 4Q21
- OMNI CUSTOMERS SHOPPING FREQUENCY: **2.1x** VS OVERALL
- NUMBER OF OMNI CUSTOMERS: **+22%** VS 4Q21
- OMNI REVENUE: **+37%** VS 4Q21





# 2022 BRANDS HIGHLIGHTS

## AREZZO

- Brazil Revenues: **R\$ 1,381.0M**
- Growth: **+29.6%** vs 2021
- Web Revenues: **R\$ 323.9M**
- Web % of Sell Out (DTC): **18.0%**
- OMNI Sales: **R\$ 64.9M**
- % OMNI-to-Web: **20.0%**

## SCHUTZ

- Global Revenues: **R\$ 1,198.3M**
- Growth: **+34.2%** vs 2021
- Brazil Revenues: **R\$ 804.7M**
- Web Revenues: **R\$ 233.2M**
- Web % of Sell Out (DTC): **38.4%**
- OMNI Sales: **R\$ 29.0M**
- % OMNI-to-Web: **12.5%**

## AR&CO

- Brazil Revenues: **R\$ 1,200.3M**
- Growth: **+55.7%** vs 2021
- Web Revenues: **R\$ 275.8M**
- Web % of Sell Out (DTC): **30.9%**
- OMNI Sales: **R\$ 172.2M**
- % OMNI-to-Web: **62.4%**

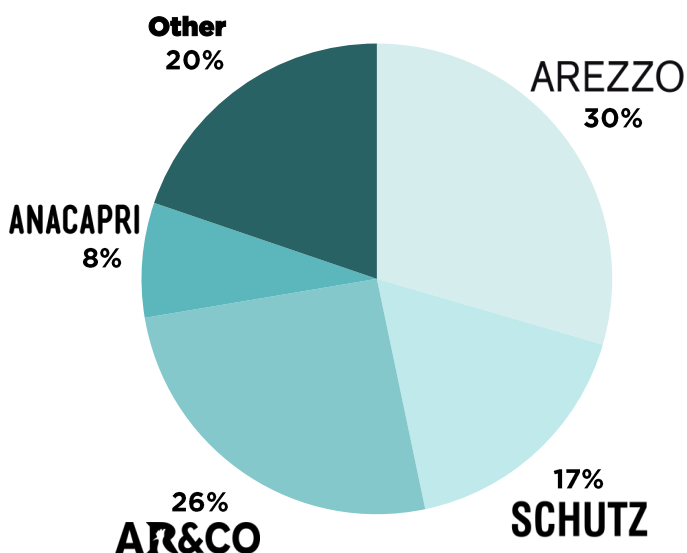
## ANACAPRI

- Brazil Revenues: **R\$ 368.9M**
- Growth: **+26.3%** vs 2021
- Web Revenues: **R\$ 59.9M**
- Web % of Sell Out (DTC): **15.5%**
- OMNI Sales: **R\$ 10.2M**
- % OMNI-to-Web: **17.0%**

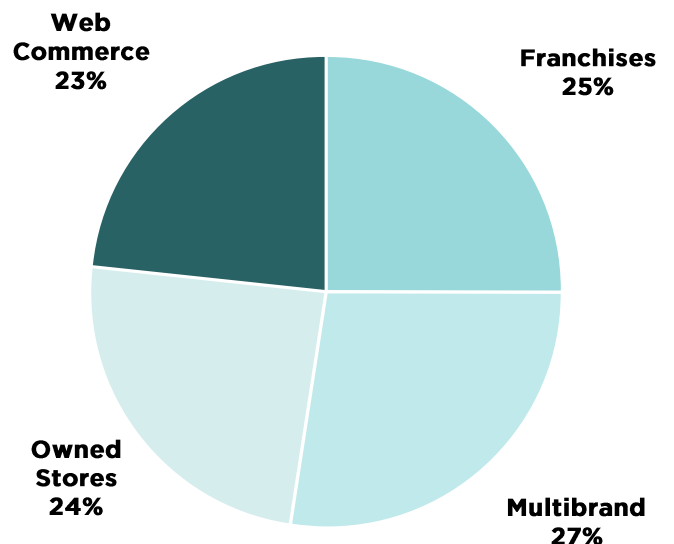
## ALEXANDRE BIRMAN

- Global Revenues: **R\$ 224.4M**
- Growth: **+58.1%** vs 2021
- Brazil Revenues: **R\$ 114.8M**
- Web Revenues: **R\$ 19.5M**
- Web % of Sell Out (DTC): **20.2%**
- % OMNI-to-Web: **38.6%**

### GROSS REVENUE - DOMESTIC MARKET



### GROSS REVENUE BY CHANNEL



# 2022 BRANDS HIGHLIGHTS

## AREZZO

- Brazil Revenues: **R\$ 381.7M**
- Growth: **+1.7%** vs 4Q21
- Web Revenues: **R\$ 88.5M**
- Web % of Sell Out (DTC): **15.9%**
- OMNI Sales: **R\$ 15.3M**
- % OMNI-to-Web: **17.3%**

## SCHUTZ

- Global Revenues: **R\$ 326.4M**
- Growth: **+8.5%** vs 4Q21
- Brazil Revenues: **R\$ 214.4M**
- Web Revenues: **R\$ 61.6M**
- Web % of Sell Out (DTC): **34.9%**
- OMNI Sales: **R\$ 8.0M**
- % OMNI-to-Web: **13.0%**

## AR&CO

- Brazil Revenues: **R\$ 455.4M**
- Growth: **+32.9%** vs 4Q21
- Web Revenues: **R\$ 120.1M**
- Web % of Sell Out (DTC): **33.9%**
- OMNI Sales: **R\$ 81.0M**
- % OMNI-to-Web: **67.4%**

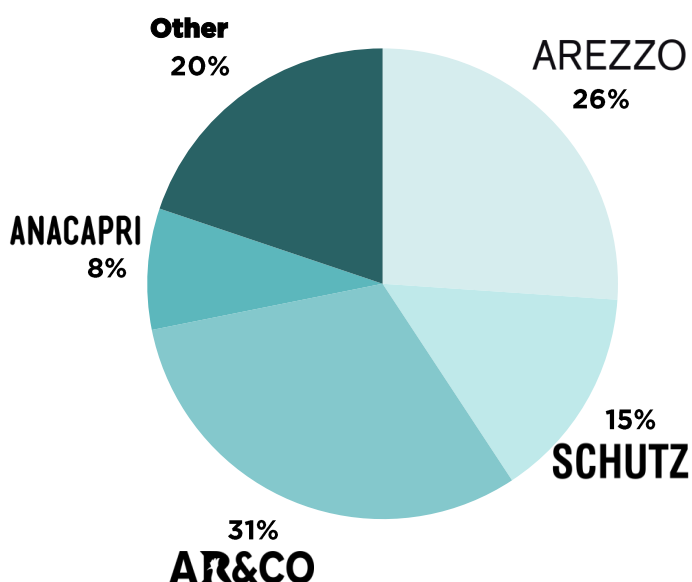
## ANACAPRI

- Brazil Revenues: **R\$ 121.7M**
- Growth: **+23.4%** vs.4Q21
- Web Revenues: **R\$ 17.3M**
- Web % of Sell Out (DTC): **12.1%**
- OMNI Sales: **R\$ 3.4M**
- % OMNI-to-Web: **19.8%**

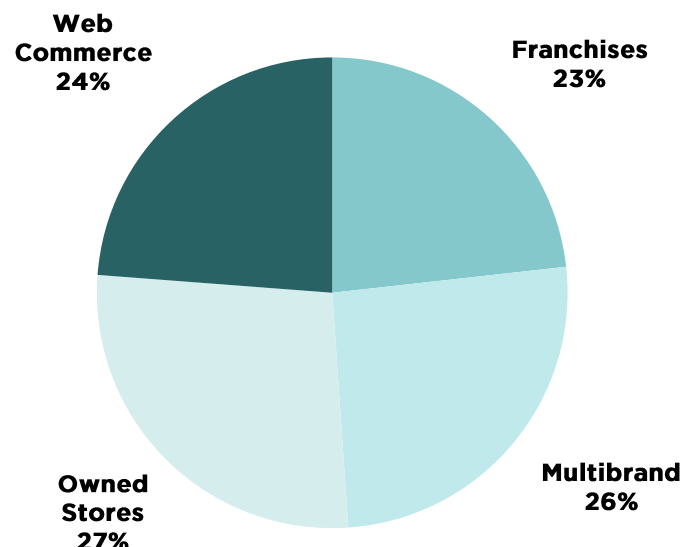
ALEXANDRE  
BIRMAN

- Global Revenues: **R\$ 67.6M**
- Growth: **+35.1%** vs. 4Q21
- Brazil Revenues: **R\$ 38.0M**
- Web Revenues: **R\$ 5.6M**
- Web % of Sell Out (DTC): **16.8%**
- % OMNI-to-Web: **35.6%**

### GROSS REVENUE - DOMESTIC MARKET



### GROSS REVENUE BY CHANNEL







# KEY INDICATORS



# GROSS REVENUE

Gross Revenue	2022	Part%	2021	Part%	△	△ (%) 22 x 21	4Q22	Part%	4Q21	Part%	△	△ (%) 22 x 21
<b>Total Gross Revenue</b>	5.229.907		3.647.443		1.582.464	43,4%	1.617.670		1.352.404		265.266	19,6%
<b>Foreign Market</b>	549.840	10,5%	391.319	10,7%	158.521	40,5%	154.324	9,5%	142.417	10,5%	11.907	8,4%
<b>Exports</b>	60.147	10,9%	43.799	11,2%	16.348	37,3%	16.099	10,4%	16.808	11,8%	(710)	(4,2%)
<b>US Operation</b>	489.693	89,1%	347.521	88,8%	142.172	40,9%	138.225	89,6%	125.609	88,2%	12.617	10,0%
<b>Domestic Market</b>	4.680.067	89,5%	3.256.123	89,3%	1.423.944	43,7%	1.463.346	90,5%	1.209.987	89,5%	253.359	20,9%
<b>By Brand</b>												
<b>Arezzo</b>	1.381.048	29,5%	1.065.330	32,7%	315.718	29,6%	381.684	26,1%	375.406	31,0%	6.278	1,7%
<b>Schutz<sup>1</sup></b>	804.735	17,2%	607.365	18,7%	197.370	32,5%	214.375	14,6%	194.187	16,0%	20.188	10,4%
<b>AR&amp;CO<sup>2</sup></b>	1.200.287	25,6%	770.692	23,7%	429.595	55,7%	455.397	31,1%	342.677	28,3%	112.720	32,9%
<b>Anacapri</b>	368.964	7,9%	292.071	9,0%	76.893	26,3%	121.748	8,3%	98.642	8,2%	23.106	23,4%
<b>Others<sup>3</sup></b>	925.033	19,8%	520.665	16,0%	404.368	77,7%	290.142	19,8%	199.075	16,5%	91.067	45,7%
<b>By Channel</b>												
<b>Franchises</b>	1.169.821	25,0%	886.834	27,2%	282.987	31,9%	341.590	23,3%	337.108	27,9%	4.482	1,3%
<b>Multibrand</b>	1.278.812	27,3%	886.700	27,2%	392.112	44,2%	375.855	25,7%	299.577	24,8%	76.278	25,5%
<b>Owned Stores</b>	1.133.505	24,2%	659.195	20,2%	474.310	72,0%	401.278	27,4%	296.435	24,5%	104.843	35,4%
<b>Web Commerce</b>	1.089.189	23,3%	816.285	25,1%	272.904	33,4%	349.728	23,9%	275.728	22,8%	74.000	26,8%
<b>Others<sup>4</sup></b>	8.740	0,2%	7.109	0,2%	1.631	22,9%	(5.105)	(0,3%)	1.139	0,1%	(6.244)	N/A

(1) Ex- revenues from international operations.

(2) AR&CO includes the brands: 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 unspecified brand revenues.

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

# OPERATING INDICATORS

Operating Indicators	2022	2021	△ (%) 22 x 21	4Q22	4Q21	△ (%) 22 x 21
<b># of pairs sold ('000)</b>	21.287	18.434	15,5%	6.549	6.780	-3,4%
Part. (%)	65,6%	73,0%	-7,4 p.p	64,8%	71,9%	-7,1 p.p
<b># of handbags sold ('000)</b>	3.040	2.197	38,4%	798	950	-16,0%
Part. (%)	9,4%	8,7%	0,7 p.p	7,9%	10,1%	-2,2 p.p
<b># of clothes sold ('000)<sup>1</sup></b>	8.109	4.604	76,1%	2.755	1.705	61,6%
Part. (%)	25,0%	18,2%	6,8 p.p	27,3%	18,1%	9,2 p.p
<b># of employees</b>	7.450	5.276	41,2%	7.450	5.276	41,2%
<b># of stores*</b>	1.013	941	72	1.013	941	72
<b>Owned Stores</b>	190	159	31	190	159	31
<b>Franchises</b>	823	782	41	823	782	41
<b>Shoes &amp; Handbags Outsourcing (as % of total productio</b>	82,8%	90,4%	-7,6 p.p	71,1%	92,2%	-21,1 p.p
<b>Shoes &amp; Handbags Insourcing (as % of total production)</b>	17,2%	9,6%	7,6 p.p	28,9%	7,8%	21,1 p.p
<b>Clothes Outsourcing (as % of total production)</b>	100,0%	100,0%	0,0 p.p	100,0%	100,0%	0,0 p.p
<b>SSS<sup>2</sup> sell-in (franchises)</b>	26,5%	42,6%	-16,1 p.p	-2,2%	21,7%	-23,9 p.p
<b>SSS<sup>2</sup> sell-out (owned stores + franchises + web)</b>	31,9%	34,2%	-2,3 p.p	12,0%	34,8%	-22,8 p.p

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

(2) SSS (same-store sales): store are included in comparable store sales from the 13th month in operation.

Results include AR&CO.

\* Includes overseas stores

# MAIN FINANCIAL INDICATORS

Main Financial indicators	2022	2022 Adjusted	2021 Adjusted	Δ (%) 22 x 21	4Q22	4Q22 Adjusted	4Q21 Adjusted	Δ (%) 22 x 21
<b>Gross Revenues</b>	5.229.907	5.229.907	3.647.442	43,4%	1.617.670	1.617.670	1.352.404	19,6%
<b>Net Revenues</b>	4.233.726	4.233.726	2.923.827	44,8%	1.311.413	1.311.413	1.092.950	20,0%
<b>COGS</b>	(1.950.092)	(1.950.092)	(1.379.516)	41,4%	(606.428)	(606.428)	(502.252)	20,7%
<b>Depreciation and amortization (cost)</b>	(4.388)	(4.388)	(3.138)	39,8%	(1.225)	(1.225)	(876)	39,8%
<b>Gross Profit</b>	2.283.634	2.283.634	1.544.311	47,9%	704.985	704.985	590.698	19,3%
<b>Gross margin</b>	53,9%	53,9%	52,8%	1,1 p.p	53,8%	53,8%	54,0%	(0,2 p.p)
<b>SG&amp;A</b>	(1.733.507)	(1.788.195)	(1.188.559)	50,5%	(566.106)	(571.986)	(435.640)	31,3%
<b>% of net revenues</b>	(40,9%)	(42,2%)	(40,7%)	(1,5 p.p)	(43,2%)	(43,6%)	(39,9%)	(3,7 p.p)
<b>Selling expenses</b>	(1.361.048)	(1.332.493)	(796.814)	67,2%	(425.378)	(423.504)	(302.930)	39,8%
<b>Owned stores and web commerce</b>	(500.917)	(478.702)	(358.474)	33,5%	(185.033)	(183.696)	(160.501)	14,5%
<b>Selling, logistics and supply</b>	(860.131)	(853.790)	(438.341)	94,8%	(240.345)	(239.808)	(142.429)	68,4%
<b>General and administrative expenses</b>	(301.276)	(302.795)	(284.375)	6,5%	(94.640)	(93.244)	(100.241)	(7,0%)
<b>Other operating revenues (expenses)</b>	86.107	4.382	(7.027)	(162,4%)	10.565	1.414	(3.128)	145,2%
<b>Depreciation and amortization (expens)</b>	(157.290)	(157.290)	(100.343)	56,8%	(56.653)	(56.653)	(29.341)	93,1%
<b>EBITDA</b>	711.805	657.117	459.233	43,1%	196.757	190.877	185.275	3,0%
<b>EBITDA Margin</b>	16,8%	15,5%	15,7%	(0,2 p.p)	15,0%	14,6%	17,0%	(2,4 p.p)
<b>Net Income</b>	422.538	386.444	269.290	43,5%	106.583	102.702	110.523	(7,1%)
<b>Net Margin</b>	10,0%	9,1%	9,2%	(0,1 p.p)	8,1%	7,8%	10,1%	(2,3 p.p)

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

# NON-RECURRING ADJUSTMENTS

	2022	2021	4Q22	4Q21
<b>Consolidated EBITDA</b>	711.805	572.005	196.757	175.268
<b>Non-Recurring Items</b>				
<b>Surplus Value (Impact on Gross Profit)<sup>1</sup></b>	-	(5.631)	-	-
<b>Extemporaneous Credits<sup>2</sup></b>	72.040	137.499	2.543	-
<b>Legal Expenses</b>	(2.911)	(15.312)	(1.402)	(8.164)
<b>M&amp;A Expenses</b>	(21.050)	(3.784)	(1.868)	(1.843)
<b>HG Incorporation Goodwill</b>	6.608	-	6.608	-
<b>Net Effect of Non-Recurring Items</b>	54.687	112.772	5.880	(10.007)
<b>Adjusted Consolidated EBITDA</b>	657.117	459.233	190.877	185.275

(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 | PRE FALL '23



## **BRANDS PERFORMANCE**

The fourth quarter is traditionally marked by important commercial dates for the sales calendar of Arezzo&Co's brands, such as Christmas and the Holidays. Exceptionally, in 2022, the fourth quarter had some atypical events, such as the Presidential elections and the World Cup (unprecedented in December), with direct impacts on Brazilian retail.

Foreseeing possible effects on consumer demand, Arezzo&Co structured an extremely assertive strategic to mitigate such impacts, and presented revenue growth in line with its expectations, and above that observed in the market.

Despite the strong baseline for comparison (+68.6% 4Q21 vs 4Q20), the Company reached record-setting gross revenue levels - R\$ 1.6 billion (+19.6% vs 4Q21). For the full year 2022, the Company also posted record-setting sales of R\$ 5.2 billion, growth of 43.4% vs 2021.

Considering the core brands alone (ex-AR&Co and Vans), Arezzo&Co posted an 33.2% increase in 2022 (+8.3% in 4Q22), a demonstrating the resilience of the performance of the group's organic brands.





# AREZZO

The Arezzo brand posted DTC sell out of R\$ 1.8 billion in 2022, a growth of 27.1%.

The gross revenue reached R\$ 1.4 billion, growth of 29.6% from 2021. The sell out sales channels, web commerce and owned store, stood out in terms of growth in the quarter: +22.7% and +17.7%, respectively.

In the beginning of the quarter, Arezzo launched a capsule collection in partnership with women's apparel brand PatBo, to mark the beginning of the high summer season with sophisticated materials such as pearls and cut glass. Despite the smaller collection, the collab revenues accounted for approximately 5% of the brand's revenues in the first days of sales.

In November, the brand introduced its high summer campaign, starring influential names in Brazilian fashion – Luiza Brasil and Silvia Braz. For the Holidays, one of the most important periods in its sales calendar, Arezzo re-released its traditional #SemprePresente collection – a sales hit for giftable and festive items.





## BRIZZA AREZZO

**BriZZa Arezzo posted growth of 8.9% in 2022 when compared to the previous year, with 1.4 million of products sold.**

**For its high summer collection, an important sales period for the brand, BriZZa Arezzo launched an unprecedented campaign featuring two of the top Brazilian celebrities: Anitta and Bruna Marquezine.**

**The collection performed as expected, and on the day of its launch, sales of BriZZa products accounted for 20% of Arezzo's e-commerce sales, compared to an average of 10% in normalized periods.**

**In the period, BriZZa reached the mark of 1,695 multibrand customers, demonstrating its relevance on its channel.**



# SCHUTZ

In 2022, Schutz reached R\$ 1.2 billion in sales for the first time, in global terms (+34.2% vs. 2021).

In the fourth quarter, Schutz posted global gross revenue of R\$ 326 million, growth of 8.5% vs 4Q21. In the domestic market, the brand's revenues were R\$ 214 million, +10.4% vs 4Q21.

For a highlight, the multibrand channel grew 20.7% vs the previous year. The web commerce channel, by its turn, expanded by 10.9%, despite the strong basis of comparison. The APP, a strong source of organic traffic for the channel, registered growth of 21% in downloads.

For the high summer season, Schutz launched an unprecedented campaign starring global model Candice Swanepoel, and brought to bear shoes and handbags in materials reminiscent of the warmest period in the year, such as straw and cut colored glass. The collection received high engagement on Schutz's social media networks.



# AR&CO

In the fourth quarter of 2022, AR&Co achieved higher revenue than the consolidated year of 2019 - R\$ 455 million, up 32.9% from 4Q21. In 2022, AR&Co reached a record-setting sales of R\$ 1.2 billion, exceeding the Company's expectations.

It is worth highlighting the excellent performance of Reserva's sub-labels, which are already expanding rapidly, such as Reserva Go, which had revenues of R\$ 172 million (+75.3%), and Oficina, with R\$ 100 million in the full year.

All sales channels performed positively in the quarter, particular emphasis due on digital, which was up 75.2% vs 4Q21, and franchises (+45.6% vs the previous year).

For a period highlight, for Christmas, Reserva and Estrela - a toys maker - joined forces for an unprecedented collab that brought forth the 1980s' nostalgia with Reserva version of classic Estrela toys. The collection featured apparel, accessories and toys. The number of items sold grew 49% vs the Christmas 2021 collection, and sales were up 39%.



**VANS**  
"OFF THE WALL"

The Vans brand posted yet another quarter of strong results. All sales channels registered above-expected revenues growth, particular emphasis due on the franchises and owned stores channels.

In the period, Vans opened four new stores in unprecedented locations: Recife - PE, Vitória - ES, São Caetano do Sul - SP and Santos - SP.

The brand has an assertive physical expansion plan in Brazil, and the stores opened in the year of 2022 - two franchises and five owned stores - demonstrated their strategic potential, given the period's excellent results.



# ANACAPRI

In the fourth quarter, Anacapri posted R\$ 122 million in gross revenue, showing strong growth of +23.4% vs 4Q21. For a highlight, the franchises channel grew by 25.9% vs 4Q21, in line with the multibrand channel's, 25.8%.

As previously anticipated, the brand allocated strategic investments throughout the second half of the year, which generated an excellent sales performance in the period.

At the end of 2022, a period in which Anacapri posted R\$ 369 million in sales (growth of 26.3% vs 2021), the brand had 19 net store openings and reached the level of 228 stores.





ALEXANDRE  
BIRMAN

Alexandre Birman posted global revenues of R\$ 68 million in the fourth quarter – growth of 35.1% vs 4Q21. In Brazil, the brand's growth was 57.8% vs 4Q21. The domestic market sales already answer for 44% of the brand's sales in the period, demonstrating the strong awareness gain in Brazil.

The quarter was marked by the continuity of the brand's expansion and global positioning strategy by means of its attendance at Art Basel, an important art show held annually in Miami, USA.

In Brazil, Alexandre Birman opened another store – the brand's first in the northeast region of the country – in the city of Recife, Pernambuco. The new store represents the brand's strategy to strengthen its position in regions with potential and yet to be explored.



## CAROL BASSI

Carol Bassi presented another excellent quarter with revenue growth.

Continuing with its expansion plan through its owned stores, Carol Bassi opened four stores in the quarter, two of them temporary, focusing on the summer season - CJ Shops in São Paulo and Trancoso in Bahia, and the other two, permanent, in the cities of Belo Horizonte and Rio de Janeiro.

It is worth highlighting the strong performance of the Shopping Cidade Jardim store - the brand's flagship - which recorded 74.6% growth vs. 4Q21.





**my SHOES**

**My Shoes brand had yet another period of exciting results. For a highlight, the online channel posted record-setting sales, boosted chiefly by the Black Friday promotional date, in which sales exceeded R\$ 1 million.**

**In the year of 2022, the brand completed the 12-month cycle that began with its re-launch.**

**In this full year, My Shoes successfully built the brand's desired positioning, and the results presented since then demonstrate the brand's potential in its addressable market.**



# ALME

In the final quarter of 2022, Alme celebrated the first year of its carbon-neutral journey. Committed to promoting conscious consumption, Alme has products with a complete analysis of their life cycle, produced from raw materials with reduced environmental impact, through a traced production chain.

The brand's trajectory, which is still in its initial phase, demonstrates Arezzo&Co's strong commitment to the sustainability agenda of the Brazilian fashion market.



# Vicenza)

In early 2023, Arezzo&Co announced the acquisition of Vicenza - a Brazilian women's footwear brand.

Vicenza has been operating in the footwear market for 30 years. The brand was founded by Ariovaldo and Rafaela Furlanetto, responsible for the engineering and styling of the products. Vicenza is present in more than 400 multi-brand stores in Brazil, in addition to having vast expertise in the export market - present in more than 50 countries.

Arezzo&Co, through its execution capacity and platform, sees several growth opportunities for Vicenza on every sales channel.

Vicenza has been growing 30% annually in recent years, and had R\$ 80 million in sales in 2022.

The deal earned the approval of Brazilian antitrust authority CADE in March 2023.

It is worth emphasizing that on March 13<sup>th</sup>, Vicenza will open its first physical store (pop-up) at the JK mall in São Paulo, providing consumers with the brand's physical experience for the first time.





# INTERNATIONAL BUSINESS

In the year 2022, the North American operation of Arezzo&Co recorded record revenues in its history – R\$ 490 million (US\$ 95 million) – which represents an expansion of 40.9% vs. 2021. In the fourth quarter, it reached gross revenues of R\$138 million, up 10.0% vs. 4Q21. In dollars, growth was 16.8% vs. 4Q21.

The brands grew by 31.6% in the web commerce channel, reinforcing the growing demand for the Schutz and Alexandre Birman brands in the country. The channel's performance indicators reflected the positive result of the online channel: the number of pairs sold grew by 39.0%, traffic on websites expanded by 52.0% and the number of orders grew by 35.0%, with an expansion of 88.0% of the conversion rate, which totaled 1.6% in the quarter.





AREZZO  
& CO

ANACAPRI | INERNO 23

# CHANNELS PERFORMANCE





# CHANNELS

## Sell Out – Franchises, Owned Stores and Web Commerce

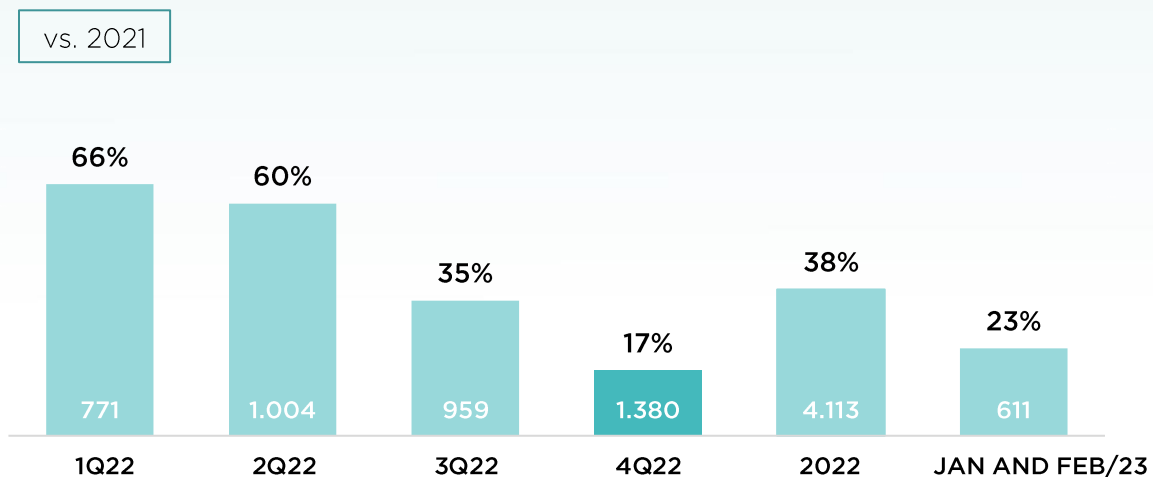
The DTC sell out (Owned Stores + Franchises + Web Commerce) reached record-setting levels in 4Q22, at R\$ 1.4 billion, and despite the strong comparative base, registered growth of 17.1% vs 4Q21. The consolidated sell out for 2022 was R\$ 4.1 billion, +38.1% vs 2021.

The web commerce was a highlight among sell out sales channels, with an expressive growth of 41.3%. The physical stores (franchises + owned stores) posted record-setting quarter sell out of R\$ 1.0 billion, growth of 10.9% vs 4Q21.

All of the Company’s brands posted increased fourth-quarter sell out. AR&CO again posted strong growth levels at 38.6% vs 4Q21, followed by Anacapri, which was up 23.4% vs the previous year.

In the early months of 2023 – January and February – sales performance remained on the fourth quarter’s good trend, reaching 22.8% sell out increase.

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



**R\$ 1.4B**  
RECORD-SETTING  
DTC SELL OUT IN  
4Q22

**+17%**  
SELL OUT  
GROWTH vs  
4Q21

**+23%**  
SELL OUT  
GROWTH IN  
JANUARY AND  
FEBRUARY  
2023

## CHANNELS

### Monobrand – Franchises and Owned Stores

The Company's single brand physical channels posted 17.3% combined growth in the quarter. The owned stores channel, which answered for 27.4% of the Company's gross revenue in the period, stood out with expressive 35.4% growth vs 4Q21. The franchises channel performed in line with the previous year, up 1.3% vs 4Q21. It is worth mentioning that monobrand channels faced strong basis of comparison in the period.

The performance of the owned stores channel was boosted mainly by the Vans, Reserva and Arezzo brands, whose performance exceeded 4Q21 by 50.4%, 24.5% and 17.7% respectively.

In 2022, the monobrand channels – franchises and owned stores – posted similar gross revenue levels: R\$ 1.2 billion (franchises) and R\$ 1.1 billion (owned stores), answering collectively for approximately 50% of the Company's domestic market sales.

### Multibrand

In the quarter, the multibrand channel posted revenues of R\$ 376 million, up 25.5% from 4Q21. The 2022 year was marked by expressive results for the channel, which answered for 27.4% of the Company's total domestic-market revenues, totalizing R\$ 1.3 billion (+44.4% vs 2021).

The positive performance extended to all brands, which registered double-digit growth in the fourth quarter. The Reserva brand was up 39.9% vs 4Q21. The brands Anacapri and Schutz also posted strong results: +25.8% and +20.7%, respectively.

In the fourth quarter of 2022, the Company's brands were distributed across 7,953 points of sale, growth of 17.2% vs 4Q21.

### Web Commerce

The Company's web commerce channel posted R\$ 350 million in gross revenue in the quarter, growth of 26.8% vs 4Q22. In 2022, the online channel posted R\$ 1.1 billion in gross revenue, growth of 33.4% vs 2021. It is worth emphasizing the expressive growth of web commerce, despite the strong comparative baseline.

The stand-out brands in terms of online channel performance in the period vs 4Q21 were Reserva (+75.2%), Alexandre Birman (+44.2%), Vans (+43.7%) and Arezzo (+22.7%).

The sales through the brands' APPs are experiencing increasing expansion and totaled R\$ 208 million in the quarter (+292.3% vs 4Q21). The number of APP downloads was up 101.8% from 4Q21, demonstrating the relevance of the increase in the user base.

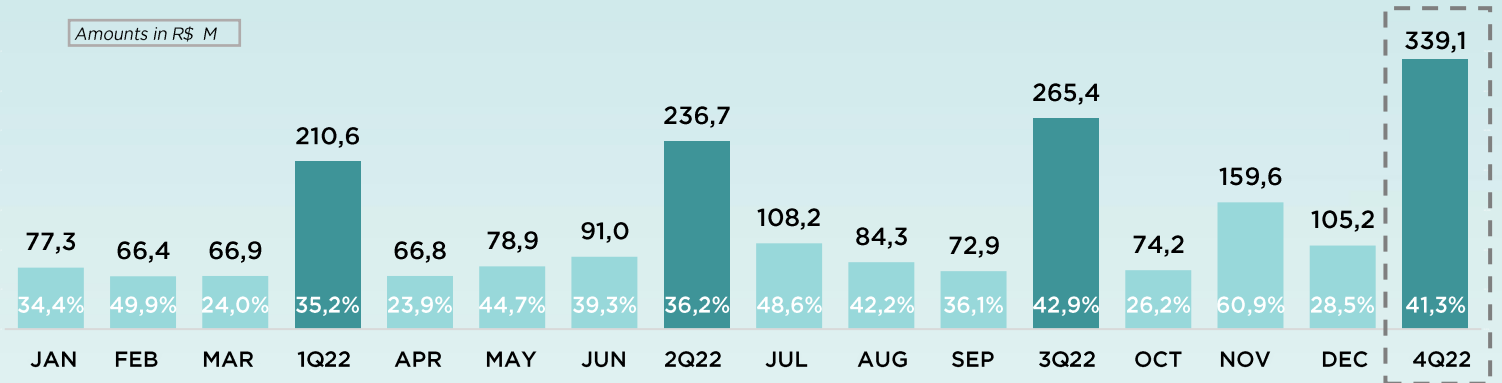


## CHANNELS

### Web Commerce Sell Out Evolution

Arezzo&Co and AR&Co

Amounts in R\$ M



### Digital Transformation

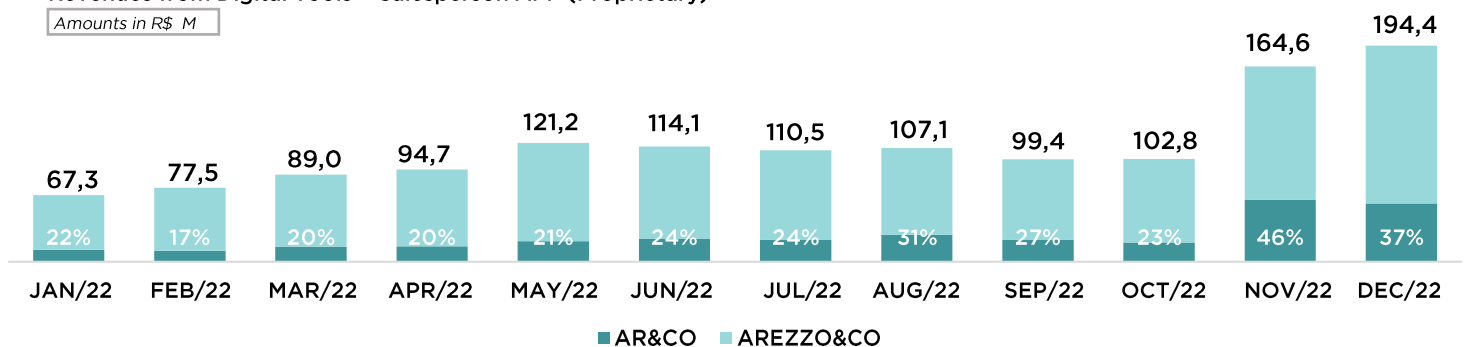
The sell out through digital tools and the web commerce channel reached a record-setting R\$ 2.4 billion in 2022. The sales through digital tools answered for 47.0% of physical stores' sell out in the period. The performance of the "store shipping" and "pick up in stores" tolls stood out in the quarter and, together, grew by 141.8% vs. 4Q21.

The revenues influenced by the salesperson APP, a proprietary tool of the Group, amounted to R\$ 343 million in the period, growth of 48.6% vs 4Q21. In 2022, revenue reached R\$ 1 billion. The high level of revenue from sales converted through the use of the tool by the sales team reinforces the solidity of Arezzo&Co's channel integration. The contacts made through WhatsApp exceeded 25 million in 2022.

### Arezzo&Co Group Digital Revenues

Revenues from Digital Tools + Salesperson APP (Proprietary)

Amounts in R\$ M



**R\$ 1.1B**

WEB COMMERCE  
SELL OUT (LTM)

**R\$ 1.3B**

DIGITAL REVENUES  
(LTM)

**R\$ 2.4B**

WEB SELL OUT +  
DIGITAL TOOLS (LTM)

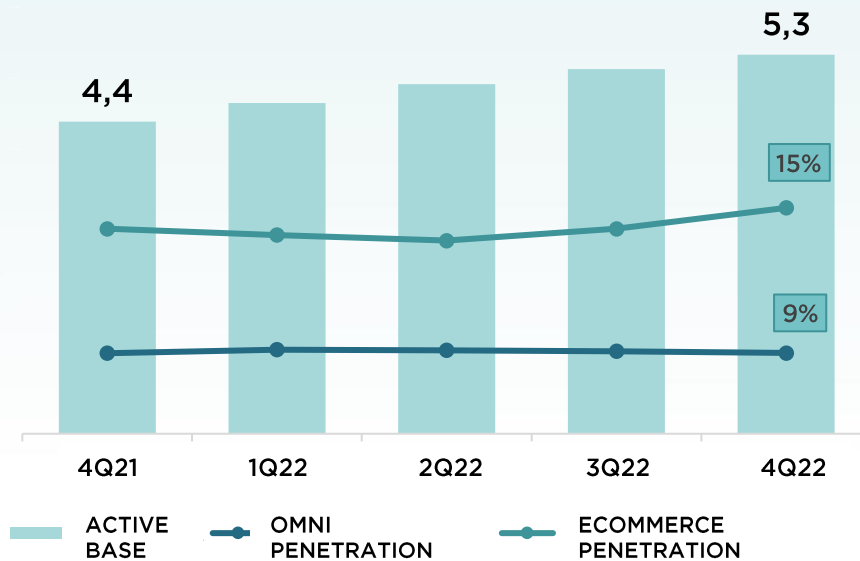
# CHANNELS

## Digital Transformation

### Customers

- Record-setting volume of active customers in Arezzo&Co's base in the quarter: 5.3 million, expansion of 22% in the quarter;
- The active online customers base (web commerce only) grew **42%** vs 4Q21;
- **15%** of customers buy from online channel only;
- **9%** of customers are omnichannel (they buy both physically and online).
- The number of OMNI customers was up **22%** vs 4Q21, resulting in a **37%** revenues increase from sales;
- The OMNI customers had a high purchase frequency in the period, **2.1x** higher than the overall frequency.

\*In million



**+22%**  
OMNI CUSTOMERS

**+37%**  
OMNI REVENUES

**+2,1x**  
HIGHER FREQUENCY

\*4Q22 vs 4Q21 data



## MONOBRANDS CHAIN

At the end of the fourth quarter 2022, the Company had 1,013 stores, 1,002 in Brazil and 11 abroad, considering all of the group's brands.

In the fourth quarter, Arezzo&Co opened up 50 net stores in line with the Company's expansion plan. The store openings were concentrated in the AR&CO (22), Anacapri (11), Arezzo (8), Vans (4), Carol Bassi (3), Alexandre Birman (1) and My Shoes (1) brands.

In the year of 2022, the Company surpassed the milestone of 1,000 physical stores, and opened up 72 net physical stores, including 41 franchises and 31 owned stores.

Store Information	4Q21	1Q22	2Q22	3Q22	4Q22
<b>Sales Area<sup>1,3</sup> - Total (m<sup>2</sup>)</b>	64.182	64.172	65.904	66.406	69.607
<b>Sales area - franchises (m<sup>2</sup>)</b>	47.844	47.378	47.901	47.996	49.660
<b>Sales area - owned stores<sup>2</sup> (m<sup>2</sup>)</b>	16.337	16.795	18.002	18.410	19.946
<b>Total number of domestic stores</b>	930	914	939	952	1.002
<b># of franchises</b>	776	766	776	783	817
<b>Arezzo</b>	433	431	430	431	439
<b>Schutz</b>	64	62	62	62	62
<b>Anacapri</b>	207	204	210	215	226
<b>Fiever</b>	1	-	-	-	-
<b>Alme</b>	2	-	-	-	-
<b>Vans</b>	12	12	12	12	14
<b>AR&amp;CO</b>	57	57	62	63	75
<b>My Shoes</b>	-	-	-	-	1
<b># of owned stores</b>	154	148	163	169	185
<b>Arezzo</b>	18	17	18	18	18
<b>Schutz</b>	20	20	22	22	22
<b>Alexandre Birman</b>	8	8	10	11	12
<b>Anacapri</b>	2	2	2	2	2
<b>Fiever</b>	2	2	2	2	2
<b>Alme</b>	2	2	2	2	2
<b>Vans</b>	13	13	16	16	18
<b>AR&amp;CO</b>	89	82	89	94	104
<b>Carol Bassi</b>	-	2	2	2	5
<b>Total number of international stores</b>	11	11	11	11	11
<b># of franchises</b>	6	6	6	6	6
<b># of owned stores<sup>4</sup></b>	5	5	5	5	5

(1) Includes overseas stores' floor area

(2) Includes twenty Outlet-type stores with total floor area of 3.635 m<sup>2</sup>

(3) Includes floor area of expanded stores

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

**AREZZO  
& CO**

**ALEXANDRE BIRMAN | TALES OF ITAPUÁ COLLECTION**

# **FINANCIAL INDICATORS**



## GROSS INCOME AND GROSS MARGIN

The Company posted gross income of R\$ 705 million in the fourth quarter (+19.3% vs 4Q21), and gross margin of 53.8%, steady vs 4Q21.

In the period, the gross margin had a positive impact from the increased representativeness of owned stores in the revenues mix, in addition to an increase in full price sales. And it had a negative impact from increased revenues from marked-down items on web commerce, affected by increased sell out during the Black Friday period.

## ADJUSTED OPERATING EXPENSES

The fourth quarter of 2022 was marked by strong results, as was the consolidated year of 2022. Arezzo&Co continued allocating its investments diligently to the strategic pillars that have been supporting such accelerated growth. It is worth mentioning that, as in 2021, the Company surpassed its goals, leading to increased variable compensation payments.

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.

### Adjusted Commercial Expenses

In the fourth quarter of 2022, Arezzo&Co adjusted commercial expenses were R\$ 424 million, growth of 39.8% vs 2021. The factors that influenced this increase include investments in core brands and strategic projects – particularly marketing-related ones –, the accelerated growth of AR&Co and the increased number of owned stores.

- i. Arezzo&Co's Owned Stores and Web Commerce expenses (sell out channels) totaled R\$ 184 million – up 14.5%. The gross revenue from the two combined channels were up 31.3% vs 4Q21, a greater increase than expenses. The main impacts include costs associated with owned stores operations, in line with Arezzo&Co's growth strategy. In 4Q22, the Company opened 31 owned stores (vs 4Q21), which directly impacted the increase in commercial expenses for the quarter. By its turn, the web commerce channel also impacted the line, particularly due to variable expenses - digital marketing and delivery cost.

## ADJUSTED OPERATING EXPENSES

ii. Arezzo&Co Selling, Logistics and Supplies expenses were R\$ 240 million in the quarter - growth of 68.4% vs 4Q21. Some of the factors that influenced expenses growth, investments in marketing stand out, especially in high summer campaigns, which resulted in an excellent sales performance. The investments in the AR&Co operation also contributed to the increase in expenses, given its continuous and accelerated expansion. It is worth emphasizing that increased variable compensation as a result of exceeding the Company's targets also impacted the line.

Selling, Logistics and Supplies expenses in the United States were R\$ 48 million in the period, growth of 29.6% vs 4Q21. It is worth emphasizing that the US operation posted good levels of revenues growth in the period, despite the challenging macroeconomic scenario in the country. Arezzo&Co remains diligent towards the allocation of investments at the US operation, aiming for expansion while maintaining the breakeven level.

### Adjusted General and Administrative Expenses

In the fourth quarter, the Company's Adjusted General and Administrative expenses were R\$ 93 million, down 7.0% vs 4Q21. For a highlight, adjustments to the US operation's fixed costs contributed to the period's decrease.

## ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

The Company's adjusted EBITDA in the fourth quarter was R\$ 191 million, growth of 3.0% vs 4Q21, and adjusted EBITDA margin was 14.6%.

The main factors that contributed positively to the quarter's EBITDA margin include strong sales performance, with record-setting sales for a quarter - R\$ 1.6 billion - and the recovery of the US operation's breakeven level. On the other hand, investments in brand marketing - carried out in a diligent manner in line with strategic planning - and higher variable compensation because of the attainment of the Company's goals, had a negative impact on margin.

	4Q22 EBITDA			4Q21 EBITDA		
	&Co	Brazil	USA	&Co	Brazil	USA
<b>Net Revenues</b>	1.311,4	1.200,3	111,1	1.093,0	992,1	100,8
<b>Adjusted EBITDA</b>	190,9	189,4	1,4	185,3	176,5	8,8
<b>Adjusted Mg. EBITDA</b>	14,6%	15,8%	1,3%	17,0%	17,8%	8,7%

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



## ADJUSTED NET INCOME AND ADJUSTED NET MARGIN

The Company posted net income of R\$ 103 million in the fourth quarter, growth of 7.1% vs 4Q21, and 7.8% net margin.

The period's net income was positively impacted by Arezzo&Co's operating results, and negatively by financial income, due to the increase in financial expenses mainly due to the impact of the leasing related to the rental contracts.

## ROIC - RETURN ON INVESTED CAPITAL

The adjusted return on invested capital (ROIC) - that is, ROIC ex- the added value from Arezzo&Co's latest acquisitions (AR&CO, Carol Bassi and BAW), credits from other periods and non-recurring elements - was 28.4%. It is worth underscoring that ROIC is one of the most important KPIs that Arezzo&Co's management track.

The reported ROIC reached 20.2% in 4Q22. A highlight was the 22.4% increase in NOPAT from 4Q21, a factor that contributed positively to the strong results. On the other hand, inventories had a negative impact on the period's working capital because of the apparel category's increased share of the Company's mix - with a different dynamics.

Income from operations	4Q22 Reported	4Q22 Adjusted	4Q21	Δ 22 x 21 (%)
<b>EBIT (LTM)</b>	550.127	495.360	468.524	5,7%
<b>+ IR and CS (LTM)</b>	(50.333)	(41.311)	(60.134)	(31,3%)
<b>NOPAT (LTM)</b>	499.794	454.049	408.390	11,2%
<b>Working Capital<sup>1</sup></b>	737.847	737.847	416.694	77,1%
<b>Accounts Receivable</b>	867.582	867.582	790.302	9,8%
<b>Inventory</b>	772.060	772.060	450.487	71,4%
<b>Suppliers</b>	(671.662)	(671.662)	(574.713)	16,9%
<b>Others</b>	(230.133)	(230.133)	(249.382)	(7,7%)
<b>Permanent assets</b>	1.958.156	976.712	1.421.648	(31,3%)
<b>Other long-term assets<sup>2</sup></b>	198.393	198.393	207.667	(4,5%)
<b>Invested capital</b>	2.894.396	1.912.952	2.046.009	(6,5%)
<b>Average invested capital<sup>3</sup></b>	2.470.203	1.597.537	1.782.411	(10,4%)
<b>ROIC<sup>4</sup></b>	20,2%	28,4%	22,9%	

(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

The Company's CAPEX investments were R\$ 73 million in 4Q22 - growth of 13.4% - special emphasis on the following fronts:

- Stores
  - Investment in new stores for the AR&CO, Carol Bassi, Vans and Alexandre Birman brands;
  - Renovations and expansions of owned stores.
- Corporate
  - *Squads* - proprietary technology upgrading and development projects;
  - Expansion of the Espírito Santo Distribution Center.
- Other
  - Acquisition of machinery for new plants.

Summary of Investments	2022	2021	Δ 22 x 21 (%)	4Q22	4Q21	Δ 22 x 21 (%)
<b>Total CAPEX</b>	233.143	168.881	38,1%	72.607	64.044	13,4%
<b>Stores - expansion and refurb</b>	93.373	88.007	6,1%	28.097	42.063	(33,2%)
<b>Corporate</b>	117.434	65.474	79,4%	38.290	16.513	131,9%
<b>Others</b>	22.336	15.400	45,0%	6.220	5.468	13,8%

## CASH AND DEBT POSITION

At yearend 2022, the Company had R\$ 75 million in net cash. The period's highlights include:

- **R\$ 476 million cash position;**
- R\$ 402 million in total debt, from R\$ 535 million in 4Q21;
- Net Debt-to-EBITDA: 0.1x.

Cash position and Indebtedness	4Q22	3Q22	4Q21
<b>Cash and Cash Equivalents</b>	476.434	546.122	262.559
<b>Total debt</b>	401.873	411.486	534.594
<b>Short-term</b>	392.254	401.433	496.861
% total debt	97,6%	97,6%	92,9%
<b>Long-term</b>	9.619	10.053	37.733
% total debt	2,4%	2,4%	7,1%
<b>Net cash</b>	74.561	134.636	(272.035)
<b>Net Cash/EBITDA</b>	0,1x	0,2x	-0,5x



# BALANCE SHEET

Assets	4Q22	3Q22	4Q21
<b>Current assets</b>	<b>2.383.445</b>	<b>2.291.856</b>	<b>1.646.786</b>
Cash and cash equivalents	28.826	74.933	33.750
Financial Investments	447.608	471.189	228.809
Trade accounts receivables	867.582	722.016	790.302
Inventory	772.060	755.060	450.487
Taxes recoverable	13.678	183.431	2.579
Other taxes recoverable	187.534	0	71.273
Other credits	66.157	85.227	68.230
Financial Instruments - Derivatives	0	0	1.356
<b>Non-current assets</b>	<b>2.275.819</b>	<b>2.144.565</b>	<b>1.719.540</b>
Long-term receivables	317.663	307.184	297.892
Trade accounts receivables	330	1.927	4.276
Deferred income and social contribution	119.270	97.542	90.225
Financial Instruments - Derivatives	0	0	6.427
Judicial deposits	81.108	64.942	54.390
Taxes recoverable	102.550	127.954	127.635
Other amounts receivable	14.405	14.819	14.939
Investments property	3.162	3.162	2.862
Property, plant and equipment	691.582	586.250	403.868
Intangible assets	1.263.412	1.247.969	1.014.918
<b>Total assets</b>	<b>4.659.264</b>	<b>4.436.421</b>	<b>3.366.326</b>

Liabilities	4Q22	3Q22	4Q21
<b>Current liabilities</b>	<b>1.635.360</b>	<b>1.501.072</b>	<b>1.519.000</b>
Loans and financing	392.254	401.433	496.861
Lease	89.648	72.314	57.017
Suppliers	671.662	637.508	574.713
Other liabilities	481.796	389.817	390.409
<b>Non-current liabilities</b>	<b>369.311</b>	<b>320.468</b>	<b>255.320</b>
Loans and financing	9.619	10.053	37.733
Other liabilities	68.917	67.580	35.204
Lease	284.889	236.822	174.879
Other amounts payable	2.465	2.510	2.010
Deferred Taxes	3.421	3.503	5.441
Deferred Income	0	0	53
<b>Shareholder's Equity</b>	<b>2.653.792</b>	<b>2.614.130</b>	<b>1.590.580</b>
Capital	1.671.716	1.671.716	811.284
Capital reserve	176.094	161.596	196.925
Profit reserve	814.396	541.478	541.478
Adjustment of Equity Valuation	-8.414	-8.674	-9.107
Period Profit	0	248.014	0
Proposed additional dividends	0	0	50.000
<b>Total Shareholder's Equity</b>	<b>2.654.593</b>	<b>2.614.881</b>	<b>1.592.006</b>
Non-controlling interest stake	801	751	1.426
<b>Total liabilities and shareholders' equity</b>	<b>4.659.264</b>	<b>4.436.421</b>	<b>3.366.326</b>

# INCOME STATEMENT

Income Statement - IFRS	2022	2021	Var.%	4Q22	4Q21	Var.%
<b>Net operating revenue</b>	4.233.726	2.923.827	44,8%	1.311.413	1.092.950	20,0%
<b>Cost of goods sold</b>	(1.950.092)	(1.385.147)	40,8%	(606.428)	(502.252)	20,7%
<b>Gross profit</b>	2.283.634	1.538.680	48,4%	704.985	590.698	19,3%
<b>Operating income (expenses):</b>	(1.733.505)	(1.070.155)	62,0%	(566.105)	(445.647)	27,0%
<b>Selling</b>	(1.489.371)	(884.411)	68,4%	(472.497)	(329.971)	43,2%
<b>Administrative and general expenses</b>	(330.240)	(316.217)	4,4%	(104.172)	(112.548)	-7,4%
<b>Other operating income, net</b>	86.106	130.473	-34,0%	10.564	(3.128)	-437,7%
<b>Income Before Financial Result</b>	550.129	468.525	17,4%	138.880	145.051	-4,3%
<b>Financial Income</b>	(77.258)	(64.671)	19,5%	(37.716)	(24.513)	53,9%
<b>Income before income taxes</b>	472.871	403.854	17,1%	101.164	120.538	-16,1%
<b>Income tax and social contribution</b>	(50.333)	(60.134)	-16,3%	5.419	(16.620)	-132,6%
<b>Current</b>	(81.398)	(64.286)	26,6%	(16.391)	(22.857)	-28,3%
<b>Deferred</b>	31.065	4.152	648,2%	21.810	6.237	249,7%
<b>Net income for period</b>	422.538	343.720	22,9%	106.583	103.918	2,6%
<b>Results Attributed to:</b>						
<b>Controlling shareholders</b>	424.709	345.234	23,0%	107.012	104.133	2,8%
<b>Non-controlling shareholders</b>	(2.171)	(1.514)	43,4%	(429)	(215)	99,5%
<b>Net income for period</b>	422.538	343.720	22,9%	106.583	103.918	2,6%



# CASH FLOW

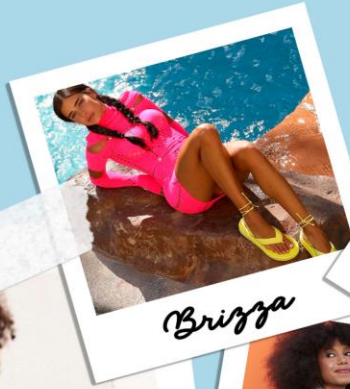
Cash Flow	2022	2021	4Q22	4Q21
<b>Operating activities</b>				
Net Income	422.538	343.720	106.583	103.918
<b>Adjustments to reconcile the results according to the cash generated by operating activities:</b>	<b>227.398</b>	<b>97.357</b>	<b>68.943</b>	<b>68.686</b>
Depreciation and amortization	166.030	105.748	59.765	30.869
Income from financial investments	(54.439)	(13.127)	(13.070)	(3.470)
Interest and exchange rate	4.605	34.056	(9.166)	11.309
Income tax and social contribution	50.333	60.134	(5.419)	16.622
Others	60.869	(89.454)	36.833	13.356
<b>Decrease (increase) in assets</b>				
Trade accounts receivables	(58.699)	(197.157)	(142.213)	(182.762)
Inventory	(310.601)	(166.683)	(13.275)	(3.528)
Recoverable taxes	(19.662)	(9.295)	13.948	1.353
Change in other current assets	(4.600)	(50.568)	11.533	(14.022)
Judicial deposits	(26.262)	(23.420)	(16.166)	(3.180)
<b>(Decrease) increase in liabilities</b>				
Suppliers	90.296	183.093	34.152	118.587
Labor liabilities	(33.000)	1.470	(12.502)	(3.816)
Fiscal and social liabilities	(29.198)	31.101	12.869	37.615
Variation in other liabilities	(20.923)	62.393	37.585	27.908
<b>Payment of income tax and social contribution</b>	<b>(80.169)</b>	<b>(11.549)</b>	<b>(9.364)</b>	<b>(7.313)</b>
<b>Interest payment on loans</b>	<b>(18.867)</b>	<b>(18.524)</b>	<b>(9.290)</b>	<b>(6.573)</b>
<b>Net cash flow from operating activities</b>	<b>138.251</b>	<b>241.938</b>	<b>82.803</b>	<b>136.873</b>
<b>Investing activities</b>				
Sale of fixed and intangible assets	-	1.472	-	1.037
Acquisition of fixed and intangible assets	(233.143)	(168.881)	(72.607)	(64.044)
Financial Investments	(4.080.007)	(2.214.275)	(1.087.026)	(606.549)
Redemption of financial investments	3.895.637	2.517.233	1.119.759	627.705
Acquisition of subsidiary, net cash obtained on acquisition	(89.735)	(146.321)	(600)	(50.000)
<b>Net cash used for investment activities</b>	<b>(507.248)</b>	<b>(10.772)</b>	<b>(40.474)</b>	<b>(91.851)</b>
<b>Financing activities</b>				
Loans and financing	214.941	128.180	26.621	-
Payments of loans	(336.067)	(243.386)	(17.773)	(38.400)
Consideration of Lease	(105.422)	(75.529)	(48.078)	(20.491)
Interest on Equity and Profit Distribution	(179.683)	(32.172)	(50.000)	-
Credits (debits) with Shareholders	-	1.000	-	-
Resources from Stocks Issue	833.794	-	-	-
Expenses from Stocks Issue	(40.760)	-	39	-
Repurchase of Stocks	(26.057)	(14.175)	-	(3.009)
Resources from the Exercise of Stock Options	1.680	2.569	-	2.569
<b>Net Cash used on Financing Activities</b>	<b>362.426</b>	<b>(233.513)</b>	<b>(89.191)</b>	<b>(59.331)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(6.572)</b>	<b>(2.347)</b>	<b>(46.863)</b>	<b>(14.309)</b>
<b>Cash and cash equivalents</b>				
Effect of Exchange Rate Variation on Cash and Cash Equivalent	1.648	(2.200)	756	(988)
Cash and cash equivalents - Initial balance	33.750	38.297	74.933	49.047
Cash and cash equivalents - Closing balance	28.826	33.750	28.826	33.750
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(6.572)</b>	<b>(2.347)</b>	<b>(46.863)</b>	<b>(14.309)</b>

4Q 2022

EARNINGS RELEASE

AREZZO & CO

house of brands



Brizza



Vicenza



AnaCapri



Vans



Schutz



Arezzo



Alexandre Birman



Reserva



Troc

MyShoes



Baw



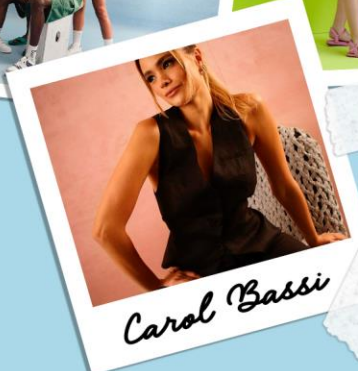
Bambini



Fiever



Alme



Carol Bassi

2023