

INVESTOR PRESENTATION

April 26, 2021

+sona+cia+hering



SUMMING UP WITH cia Hering !

HIGHLIGHTS

140 YEARS OF HISTORY

ICONIC BRAND AND NATIONAL PASSION

PRIDE IN THE BRAZILIAN RETAIL INDUSTRY

ACCESS TO A NEW MARKET SEGMENT

HISTORY

RELATIONSHIP WITH LONG HISTORY BETWEEN THE COMPANIES

DISCUSSIONS IN THE LAST 2 MONTHS ABOUT A COMBINATION

BOTH FAMILY-RUN BUSINESS HAVE SIMILAR PROFESSIONAL STRUCTURES

GRUPO SOMA'S AMBITION IS TO DEVELOP AND PERPETUATE BRANDS LIKE HERING



STRATEGIC RATIONALE OF THE TRANSACTION

1

BROADENING TOTAL ADDRESSABLE MARKET



2

COMPLEMENTARY BRAND PORTFOLIO



3

HUGE VALUE CREATION **POTENTIAL STRENGTHENING** HERING BRAND,
OPERATIONAL SYNERGIES AND BEST PRACTICES SHARING



4

PRESERVATION OF HERING'S ESSENCE THROUGH **SOMA'S ASSOCIATIVE MODEL**

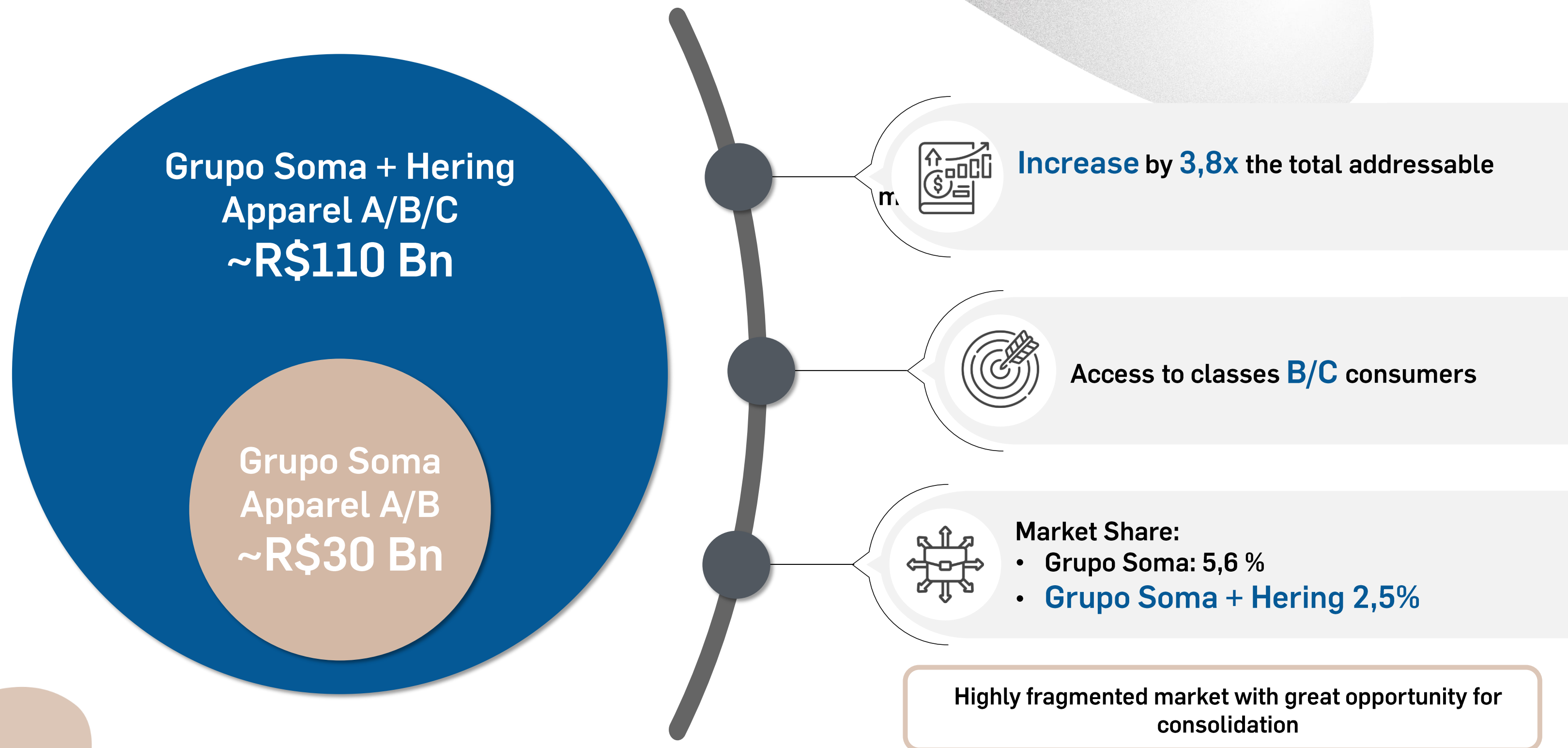


+ GRUPO DE MODA
soma

+

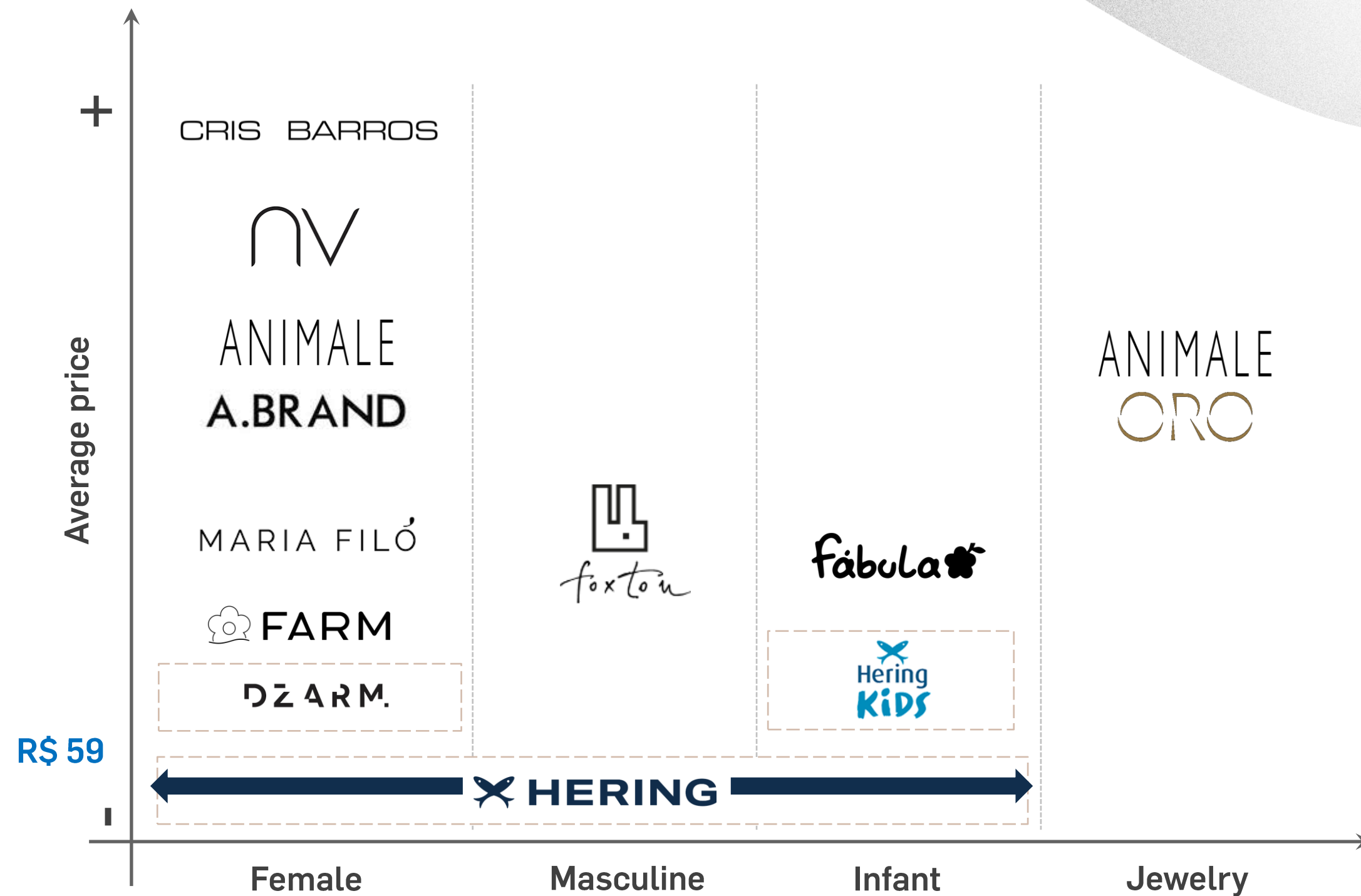
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1 BROADENING TOTAL ADDRESSABLE MARKET



Source: Euromonitor and team analysis

2 COMPLEMENTARY BRAND PORTFOLIO



Source: Grupo Soma
Hering considers Espaço Hering e Basic Shop Hering

3 HUGE VALUE CREATION POTENTIAL STRENGTHENING HERING BRAND OPERATIONAL SYNERGIES AND BEST PRACTICES SHARING

STRENGTHENING OF HERING'S BRAND



DIGITAL ACCELERATION / OMNICHANNEL

CHANNEL INTEGRATION

NEW PRODUCT CATEGORIES

MORE PERVASIVE REACH

**CUSTOMER BASE MONETIZATION
THROUGH CRM (> 8MM CLIENTS)**

BEST PRACTICES



**INDUSTRIAL / PRODUCTION KNOW-HOW
ALLOWING VERTICALIZATION**

FRANCHISE MANAGEMENT CAPABILITIES

COLLABS IN THE ENLARGED GROUP



INTEGRATED INVENTORY MANAGEMENT

**SOMA LABS PROVIDING DIGITAL
PRODUCTS IN TO ALL STEPS OF THE
VALUE CHAIN**

**ENHANCED INNOVATION PRODUCT
CAPABILITIES (FARM COLOR PATTERNS)**

COST OPTIMIZATION



DIGITAL INVESTMENT OPTIMIZATION

**REDUCTION OF ADMNISTRATIVE
EXPENSES**

LOGISTIC EFFICIENCY GAINS

**SUPPLY CHAIN OPTIMIZATION (>30 MM
APPAREL UNITS / PER YEAR)**

4

PRESERVATION OF HERING'S ESSENCE THROUGH SOMA'S ASSOCIATIVE MODEL



ROBERTO JATAHY



FÁBIO HERING



MARCELLO BASTOS



THIAGO HERING



KATIA BARROS

INTEGRATION VIEW

Grupo Soma's governance structure will remain unchanged

Fábio Hering will join Soma's Executive Board

Thiago Hering will adhere to the Shareholders' Agreement

Hering brand will maintain full operational autonomy

Support functions integration with the objective to have Hering's team full focused on the operation

Detailed plan for integrating Hering's team, focused on capturing synergies in the short term

ALIGNMENT BETWEEN COMPANIES



RESPECT FOR THE FOUNDERS' AND BRANDS' DNA



LONG-TERM ALIGNMENT WITH A SHAREHOLDER AGREEMENT

GRUPO SOMA AND HERING – THE CREATION OF A LEADER

The merger between Hering and Grupo Soma creates a company in the fashion retail segment with a chain of more than one thousand stores and net revenue of more than R\$ 3 billion per year

				<div><div><div>grupo de moda</div><div>+soma</div></div><div><div>cia</div><div>hering</div></div></div>	Combined
Square Meters (2020)	<div><div>29%</div><div>71%</div></div>	THD m²	37	90	128
Number of Stores (2020)	<div><div>25%</div><div>75%</div></div>	#	264	778	1,042
Gross Revenue (2019)	<div><div>51%</div><div>49%</div></div>	R\$ mm	1,926	1,816	3,742
EBITDA¹ (2019)	<div><div>51%</div><div>49%</div></div>	R\$ mm	273	265	537
Net Revenue¹ (2019)	<div><div>48%</div><div>52%</div></div>	R\$ mm	199	215	414

Source: Company

Note: [1] Net Revenue considering NV and Maria Filó [2] EBITDA considering NV and Maria Filó [3] Net Income considering NV and Maria Filó
Ebitda Hering without Other Revenues (Expenses) of R\$ 66.8MM

TRANSACTION STRUCTURE

cia ~~H~~ering

MAIN HIGHLIGHTS

- 1 Total offer value of R\$5.14 billion
R\$3.64 billion in Soma shares + R\$1.5 billion in cash
- 2 Hering shareholders will receive R\$33.00 per share:
1.625 Soma share + R\$23.37 in cash per Hering share
- 3 93% premium over the Hering unaffected price in April 14, 2021
- 4 Hering's shareholders will own 34.4% of the combined company

Offer Information

Per Share

Offer Value	R\$ mm	5,139	R\$ 33.00
Cash portion	R\$ mm	1,500	R\$ 9.63
Shares portion	R\$ mm	3,639	R\$ 23.37

Grupo Soma Dilution

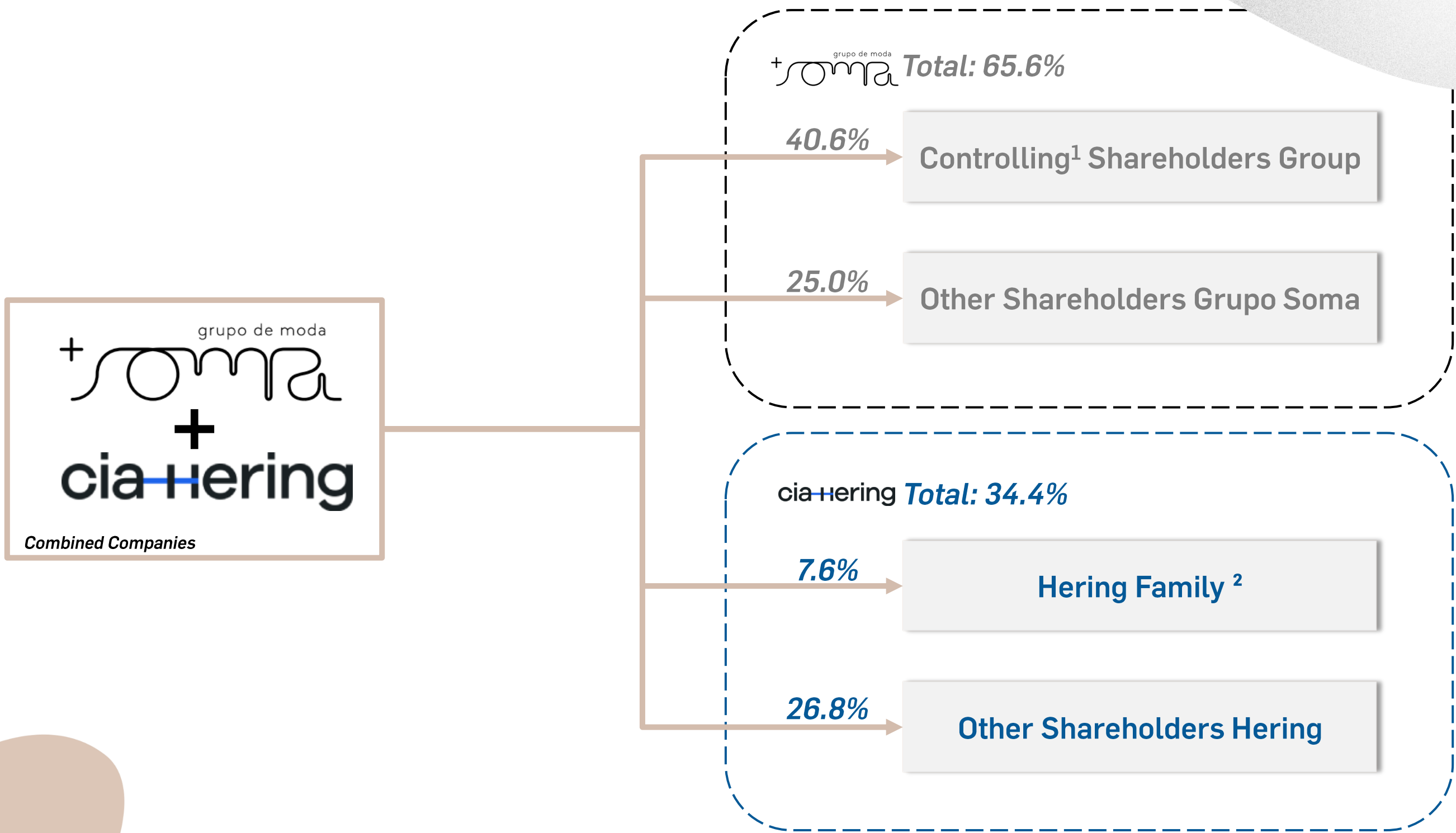
Period	Last 30 days ¹		
Price SOMA3	R\$ mm	14.38	
# Some shares to be issued	#	253,106,816	
# Soma shares for each Hering Share	#	1.62511	

Net debt after Transaction

Net Debt Pro Forma	R\$ mm	791
Net Debt Pro Forma / EBITDA 2019	x	1.7x

Source: Capital IQ and public information
1: Average of last 30 stock market sessions ending in Apr-23, 2021

NEW SHAREHOLDER STRUCTURE POST-TRANSACTION



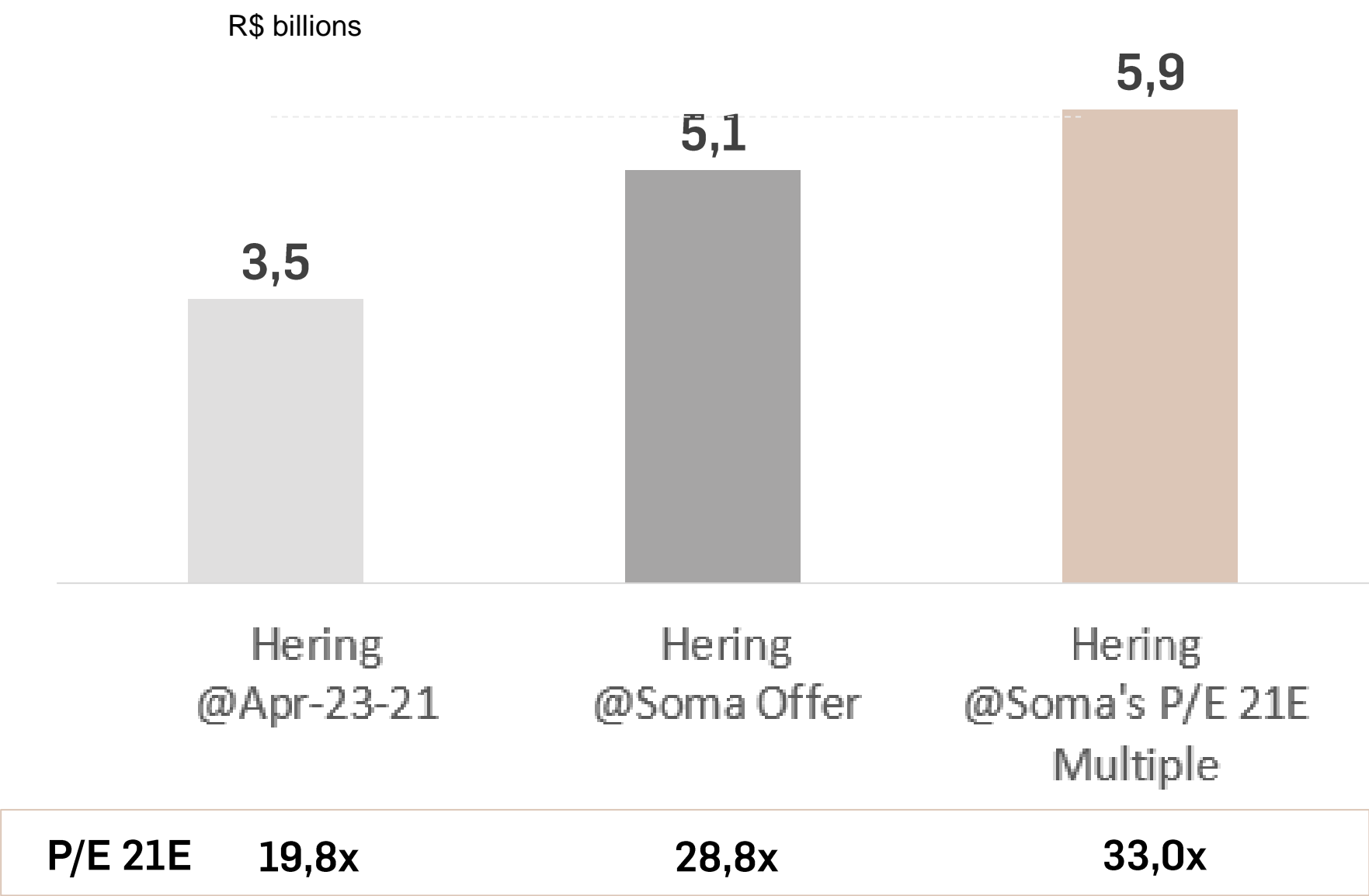
Source: Public Information
1: 297,7 millions shares for Grupo Soma controller
2: Consider that Hering Family hold 22.1% of the company outstanding shares

IMPLIED TRANSACTION MULTIPLES

Hering Equity Value in R\$ billions; P/E 21E

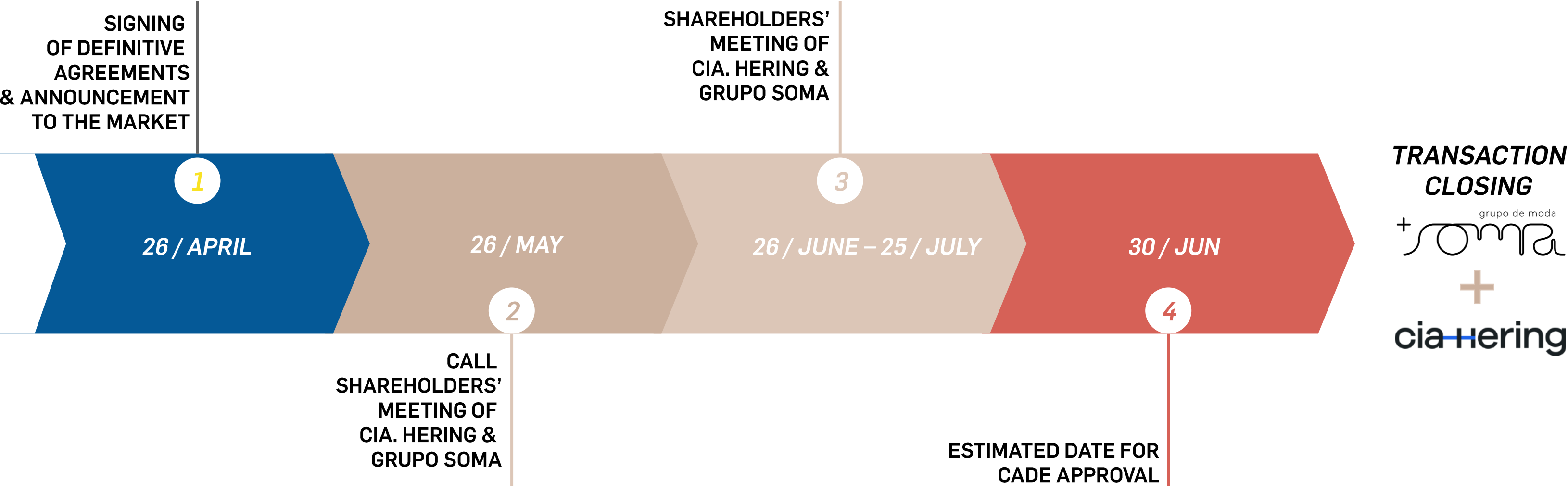
Hering’s current multiple (19.8x P/E 21E) is below Grupo Soma’s multiple (33.0x P/E 21E)

Hering’s value applying Soma’s multiple would be R\$ 5.9 bn or approximately R\$ 0.8 bn above the price paid in the transaction



Source: Public information and market consensus projections for 2021E extracted from Capital IQ on 23-Apr-2021

TRANSACTION NEXT STEPS



Source: Grupo Soma