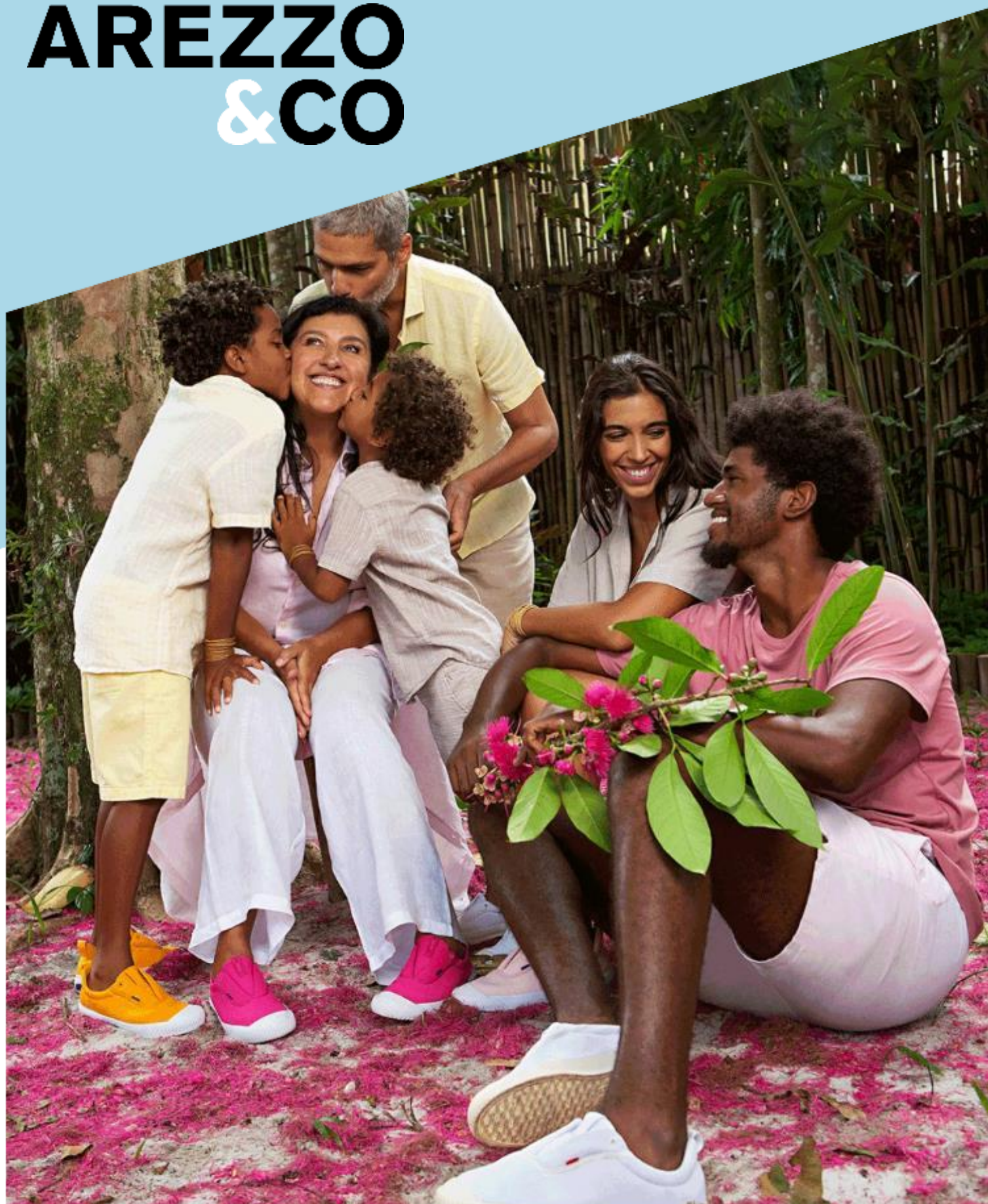


EARNINGS RELEASE

1Q 2021

AREZZO &CO



AREZZO

SCHUTZ

ANACAPRI

BIRVAN

FEVER

ALME

VANS
"OFF THE WALL"

TROC

ZZ'MALL

AR&CO

Reserva

Reserva
mini

eva

Oficina
ALSHIVA

ReservaGo

INK
Enamel

1Q21 EARNINGS RELEASE

São Paulo, May, 13, 2021. Arezzo&Co (B3 – Brasil, Bolsa e Balcão: ARZZ3), a leading company in the Brazilian industry of women's footwear, handbags and accessories, announces its results for the 1st quarter of 2021.

FINANCIAL / OPERATIONAL HIGHLIGHTS

- 1 - Gross Revenue of R\$636 million, a +36.7% growth vs. 1Q20;
- 2 - R\$65 million EBITDA, +79.9% expansion vs. 1Q20 Adjusted EBITDA with 340 bps margin expansion;
- 3 - Net Income of R\$30 million, a 310.7% growth vs. 1Q20;
- 4 - AR&CO Gross Revenue of R\$90 million;
- 5 - Online Channel Gross Revenue of R\$159 million, with 27.7% share and +148.9% growth;
- 6 - 32.5% of 1Q20 revenue came from online through the proprietary salesperson APP;
- 7 - +410 bps Gross Margin expansion;
- 8 - +21.3% of organic growth;

EARNINGS VIDEO CONFERENCE

May, 14, 2021
10:00 a.m. (Brasília) / 09:00 a.m. (New York)

Video conference in Portuguese with
Simultaneous Translation into English



PRICE AND MARKET CAP

05/13/2021
Share Price: R\$ 81.81
Market Cap: R\$ 8.1 billions

INVESTOR RELATIONS

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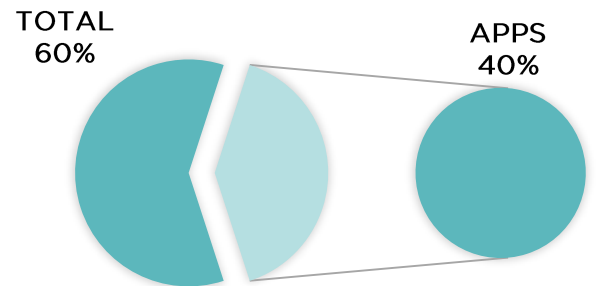
PRESS OFFICE | INDEX

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OMNI HIGHLIGHTS

1 - E-COMMERCE SALES

- Total Revenue: R\$ 158.9 MM
- Total Traffic: 52 MM
- Total Arezzo and Schutz App Downloads (L12M): 1.96 MM
- Total Arezzo and Schutz App Downloads Growth: +490K
- Apps Total Share of Revenues: 40%
- Conversion: +3.7%
- Tickets: 281.8K
- NPS: 82
- MAU (Monthly Active Users): 499.0K
- OTD (On Time Delivery): 97.4%
- Lead Time: - 1.1 day



2 - OMNI SALES

- Digital share of sell out physical stores: 32.5%
- Contacts: 6.4 MM
- Contacts conversion (influenced): 86.2 MM
- Full enabled stores: 537
- Click 'n Collect Revenue: +5X
- Infinite Shelf: +8.4%
- Clients with digital purchases: +171K
- "Try at Home" Share of Sell out: 6.2%

86.2MM
Digital Influenced Sales

+ 500%
Shipping and Click and Collect
Revenue

3 - CRM

- Arezzo&Co Active Clients: 3MM
- New Clients: +300K
- Reactivated Clients: +241.7K
- Volume of purchases by Heavy Users: +7.6%

+300K
New Clients

1Q21 BRANDS HIGHLIGHTS

AREZZO

- Brazil Revenue: R\$ 223.2 MM
- Growth: 23.0%
- Web Revenue: R\$ 58.8 MM
- OMNI Sales: R\$ 8.68 MM
- OMNI as % of WEB sales: 14.8%

SCHUTZ

- Brazil Revenue: R\$ 126.7 MM
- International Revenue: R\$ 39.3 MM
- Growth: 22.4%
- Web Revenue: R\$ 43.8 MM
- OMNI Sales: R\$ 5.6 MM
- OMNI as % of WEB sales: 12.8%

ANACAPRI

- Brazil Revenue: R\$ 58.8 MM
- Growth: 16.5%
- Web Revenue: R\$ 12.0 MM
- OMNI Sales: R\$ 1.28 MM
- OMNI as % of WEB sales: 10.6%

ALEXANDRE BIRMAN

- Brazil Revenue: R\$ 8.0 MM
- International Revenue: R\$ 14.9 MM
- Growth: 10.2%
- Web Revenue: R\$ 1.4 MM
- OMNI Sales: R\$ 360.4K
- OMNI as % of WEB sales: 24.9%

START&CO ALME FIEVER

- Brazil Revenue: R\$ 7.6 MM
- Growth: -14.9%
- Web Revenue: R\$ 2.9 MM
- OMNI Sales: R\$ 60.0K
- OMNI as % of WEB sales: 2.1%

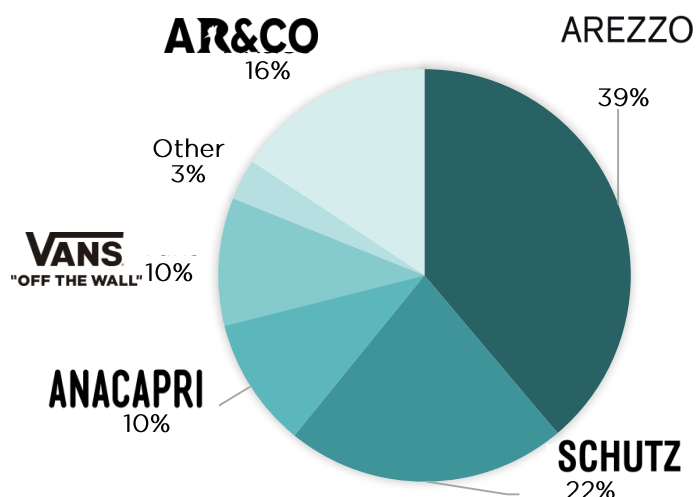
VANS "OFF THE WALL"

- Brazil Revenue: R\$ 57.3 MM
- Growth: 15.2%
- Web Revenue: R\$ 14.0 MM
- OMNI Sales: 1.4 MM
- OMNI as % of WEB sales: 10.0%

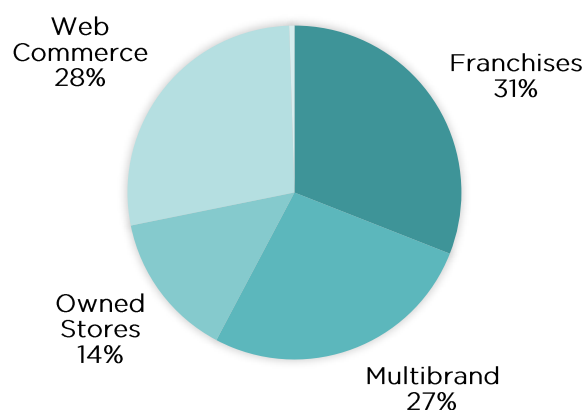
AR&CO

- Brazil Revenue: R\$ 90.3 MM
- Growth: 12.2%
- Web Revenue: R\$ 25.8 MM
- OMNI Sales: R\$ 8.4 MM
- OMNI as % of WEB sales: 32.4%

DOMESTIC MARKET GROSS REVENUE



BY CHANNEL



Main Indicators



"THANK YOU MOM" CAMPAIGN | SCHUTZ

Gross Revenue and Operating Indicators

Gross Revenue	1Q21	Part%	1Q20	Part%	Δ (%) 21 x 20	1Q19	Part%	Δ (%) 21 x 19
Total Gross Revenue	635.802		465.237		36,7%	462.530		37,5%
Foreign Market	61.132	9,6%	63.506	13,7%	(3,7%)	55.226	11,9%	10,7%
Exports	6.950	11,4%	9.641	15,2%	(27,9%)	11.634	21,1%	(40,3%)
US Operation	54.181	88,6%	53.865	84,8%	0,6%	43.592	78,9%	24,3%
Domestic Market	574.670	90,4%	401.731	86,3%	43,0%	407.304	88,1%	41,1%
By Brand								
Arezzo	223.231	38,8%	181.447	45,2%	23,0%	222.806	54,7%	0,2%
Schutz¹	126.684	22,0%	103.477	25,8%	22,4%	112.279	27,6%	12,8%
AR&CO²	90.262	15,7%	-	-	12,2%	-	-	12,2%
Anacapri	58.820	10,2%	50.496	12,6%	16,5%	54.362	13,3%	8,2%
Vans	57.306	10,0%	49.729	12,4%	15,2%	-	-	na
Others³	18.367	3,2%	16.582	4,1%	10,8%	17.857	4,4%	2,9%
By Channel								
Franchises	178.092	31,0%	173.163	43,1%	2,8%	208.336	51,2%	(14,5%)
Multibrand	153.841	26,8%	114.231	28,4%	34,7%	96.500	23,7%	59,4%
Owned Stores	81.150	14,1%	50.323	12,5%	61,3%	60.566	14,9%	34,0%
Web Commerce	158.930	27,7%	63.843	15,9%	148,9%	41.485	10,2%	283,1%
Others⁴	2.657	0,5%	171	0,0%	1.453,8%	417	0,1%	537,2%
By Channel (ex-AR&CO)	484.408		401.731		20,6%	407.304		18,9%
Franchises	171.942	35,5%	173.163	43,1%	(0,7%)	208.336	51,2%	(17,5%)
Multibrand	138.627	28,6%	114.231	28,4%	21,4%	96.500	23,7%	43,7%
Owned Stores	38.053	7,9%	50.323	12,5%	(24,4%)	60.566	14,9%	(37,2%)
Web Commerce	133.129	27,5%	63.843	15,9%	108,5%	41.485	10,2%	220,9%
Others⁴	2.657	0,5%	171	0,0%	1.453,8%	417	0,1%	537,2%

(1) Does not include revenues from international operation.

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

(3) Includes A. Birman, Fievel and Alme brands only in the domestic market and other revenues not specific to the brands.

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

Operating Indicators	1Q21	1Q20	Δ (%) 21 x 20	1Q19	Δ (%) 21 x 19
# of pairs sold ('000)	3.363	2.891	16,3%	3.153	6,6%
# of handbags sold ('000)	400	296	35,2%	376	6,3%
# of clothes sold ('000)	713	-	-	-	-
# of employees	3.730	2.596	43,7%	2.477	50,6%
# of stores*	893	754	139	690	29,4%
Owned Stores	141	55	86	52	171,2%
Franchises	752	699	53	638	17,9%
Outsourcing (as % of total production)	90,7%	91,2%	-0,5 p.p	90,0%	0,7%
SSS² Sell in (franchises)	4,7%	-17,6%	22,3 p.p	1,1%	3,3 p.p
SSS² Sell out (owned stores + franchises + web)	-2,5%	-10,6%	8,1 p.p	3,8%	-1,7 p.p

(1) Considers garments sold by the Vans and Grupo Reserva brands

(3) SSS (same-store sales): stores are included in comparable store sales as of the 13th month of operation.

* Includes overseas stores

Key Financial Indicators

Key financial indicators	1Q21 Adjusted	1Q20 Adjusted	Δ (%) 21 x 20	1Q19	Δ (%) 21 x 19
Gross Revenues	635.802	465.237	36,7%	462.530	37,5%
Net Revenues	499.952	375.471	33,2%	377.163	32,6%
COGS	(250.027)	(203.099)	23,1%	(204.687)	22,2%
Depreciation and amortization (cost)	(746)	(806)	(7,4%)	(613)	21,7%
Gross Profit	249.925	172.372	45,0%	172.476	44,9%
<i>Gross margin</i>	50,0%	45,9%	4,1 p.p	45,7%	4,3 p.p
SG&A	(209.079)	(156.654)	33,5%	(135.789)	54,0%
<i>% of net revenues</i>	(41,8%)	(41,7%)	(0,1 p.p)	(36,0%)	(5,8 p.p)
Selling expenses	(133.516)	(101.815)	31,1%	(83.372)	60,1%
Owned stores and web commerce	(47.811)	(28.502)	67,7%	(29.038)	64,6%
Selling, logistics and supply	(85.705)	(73.313)	16,9%	(54.334)	57,7%
General and administrative expenses	(52.396)	(33.347)	57,1%	(36.562)	43,3%
Other operating revenues (expenses)	(15)	(2.018)	(99,3%)	1.427	(101,1%)
Depreciation and amortization (expens	(23.152)	(19.473)	18,9%	(17.282)	34,0%
EBITDA	64.744	35.997	79,9%	54.582	18,6%
<i>EBITDA Margin</i>	13,0%	9,6%	3,4 p.p	14,5%	(1,5 p.p)
Net Income	29.608	7.210	310,7%	23.141	27,9%
<i>Net Margin</i>	5,9%	1,9%	4,0 p.p	6,1%	(0,2 p.p)

Non-Recurring Adjustments

	1Q21	1Q20	
Consolidated Reported EBITDA	64.998	64.297	
Non-Recurring Items			
Net Extemporaneous Tax Credits ¹	(254)	(30.145)	
Legal Expenses	-	598	
Non-Recurring Items (COVID-19)	-	1.247	
Net Effect of Non-Recurring Items	(254)	(28.300)	
Adjusted Consolidated EBITDA	64.744	35.997	79,9%

(1) Revenue from extemporaneous tax credits (unconstitutionality of the inclusion of ICMS in the PIS / COFINS calculation base). The positive effect of such credits on the company's EBITDA was R \$ 28.3 million in 1Q20.

Brands Performance



“SEMPRE PRESENTE” [ALWAYS PRESENT]
CAMPAIGN | AREZZO

Brand performance

The first quarter of the year traditionally sets the transition from summer to winter collections at Arezzo&Co's chain stores. In February, all the group's brands launched their Pre-Fall collections, which enable to measure customer responsiveness to the new trends and products.

In March, the brands launched their winter collections, and likewise 1Q20, due to the COVID-19 pandemic, stores were temporarily closed. Despite the impact of closed stores, Arezzo & Co, along with AR&CO, recorded growth of 36.7% vs. 1Q20 and 37.5% vs 1Q19. This excellent performance reflects the group's online channel resilience coupled frequent collections and assertive mix.

The **Arezzo** brand recorded revenue of R\$223.2 million, 23.0% higher than in 1Q20. The quarter's highlight also mentioned in our last earnings release was Arezzo brand delivering excellent results from the launch of its new line of "full plastic" handbags and shoes, the BriZZa line. Considering the launches in January and February (Carnival), BriZZa recorded more than 45 thousand pairs sold, or 8% of the volume of January and 10% of February.

In March, Arezzo launched its winter campaign called "Arezzo On the Road" starring the actress Bruna Marquezine, and recorded excellent performance. Also in line with current trends, the brand again launched the Arezzo Home with comfy shoes for stay-at-home customers.

For Mother's Day, the brand prepared two strong launches for one of the most important dates of the year. Firstly, the "Sempre Presente" campaign was rolled out, created from the song "Tão Bem" by singer Lulu Santos that portrays the relationship of motherhood. Secondly, Arezzo debuted in the children's market by launching Arezzo Bambini in a charming campaign that offered 10 SKUs for mothers and daughters among flip-flops, flats and sneakers at competitive prices.



AREZZO BAMBINI CAMPAIGN

Brand Performance

The Schutz brand recorded revenues of R\$126.7 million, a 22.4% growth in the domestic market and 16.7% in the foreign market. Besides a strong performance vs. 2020, the Schutz brand sustained the excellent results recorded in previous quarters, with a 12.8% growth from 2019 (normalized quarter excluding the effects of the COVID-19 pandemic) - such performance is mainly explained by the assertiveness of its collections against competition.

As quarter's highlight, the brand launched its winter collection "I See You" with creative direction by Giovanni Bianco, again starring the actress Marina Ruy Barbosa, the brand campaign's partner. The brand also conducted several launches in the handbag category, which now accounts for 19.6% of the brand mix, with growth across all collections launched, with excellent acceptance.

For Mother's Day, Schutz launched the "Thank You, Mom" campaign, focused on the brand gratitude to all mothers. Jointly with this launch, Schutz supported the "Mães de Favela" initiative through financial donations and making its stores available as points of food collection.



Brand Performance

AR&CO, which includes the brands Reserva, Reserva Mini, Oficina Reserva, Reserva Go, EVA and Ink, recorded revenue of R\$90.3 million in 1Q21, 12.2% higher than in 1Q19 and 12.2% higher than in 1Q20. It is worth mentioning the excellent performance of all its channels, with emphasis on the online channel, which grew 187.4% vs. 1Q20 (considering a strong basis of comparison) and 224.6% vs. 1Q19.

The quarter's highlight, Reserva brand defined its store new architectural model and will inaugurate its first store at Eldorado shopping mall in São Paulo next June, with an exclusive activation for the Valentine's Day. In the same month, the brand will inaugurate another unit in the new model in São Paulo at the Shopping Center Norte. In addition to the openings, it will renovate / expand the Shopping Pátio Higienópolis and Oscar Freire stores in São Paulo, and Leblon in Rio de Janeiro.

As already announced to the market, AR&CO consolidation has been advancing and above the Company's expectations. As quarter's highlight, AR&CO's new headquarters in the city of Rio de Janeiro was designed and defined to meet the new needs of the operation. AR&CO will also rely on a new distribution center, with an area 50% larger than current distribution center, resulting in gains between 15% to 20% in the logistics operation, which will have a proprietary WMS (warehouse management system) based on the push and pull model.

The new DC will also have social and environmental aspects with elements that allow reducing energy consumption, observe the social and environmental standards and strategic location with access to the main highways.



"SIMPLE" CAMPAIGN - MOTHERS | RESERVA

Speaking of innovation, AR&CO has taken relevant steps over the last months. For Mother's Day, Reserva brand launched an iconic campaign with actress Regina Casé, she talked about her career and love for her children.

For the launch of products for mothers, Reserva reformulated the Simples sneaker, with Simples 2.0, in women's and children's versions, knit-made (created from recycled PET) in 15 colors and with variety of sizes from 28 to 44. Simples is a shoe lace-free, easy to wear sneaker, with E.V.A. in sole for absorption of impacts and vulcanized outsole.

"Simples" reached the stores for R\$ 299.00 and it was an absolute sales success.

Brand performance

Still referring to sneakers, the brand carried out its first and second sell-in with more than 160 thousand pairs sold. The new season calendar will rely on smaller, more frequent collections and quick reactions. Changes in sell-in were implemented both in the franchise channel and in the multibrand channel, thus, enabling significant gains of efficiency, and accordingly, revenue growth.

For 2021, Reserva Go has an ambitious expansion plan, which will include the launch of new products (men and women) with different materials and lines, stores opening, investments in the brand and a specific strategy for the multibrand channel.

It is also worth highlighting that the solid growth of "Print On Demand" (Reserva Faça Vc) - which allows the customization of messages and prints on Reserva's T-Shirt Collection.



To monitor the strong sales performance - which doubled in the last 12 months - an important investment in machinery was performed to provide more robustness to the initiative. During the first quarter alone, the brand produced 115 thousand personalized T-shirts.

In the second quarter, AR&CO will have its first collection for sell in of women's clothing of the brand Reserva.

In June, AR&CO started its "full potential mapping process", with the objective of maximizing value of its diverse operational fronts through levers such as (i) positioning and consumers, (ii) categories, assortment and prices, and (iii) omnichannel and store format.

Brand performance

Anacapri brand recorded R\$58.8 million sales, 16.5% higher than in 1Q20. The quarter's highlight was the online channel, which already accounts for 20.4% of the brand's sales and grew by 137.8% in the period. In the quarter, the brand maintained its partnership with the Brazilian actress and singer Manu Gavassi who participated in the entire creative process of the winter collection. The campaign was inspired by a playful nature, featuring four models created by her, who compose the collection, including sneakers, slip-ons, boots and handbags.

For Mother's Day, the brand reunited again singers Manu Gavassi, Ana Falcão and Vitória Caetano - from the duo "AnaVitória". The three singers wrote to their mothers bringing an intimate and cosy touch to the campaign. The collection included nine models of shoes and 3 handbags between R\$129.00 and R\$269.90.

The **Vans** brand, licensed at the end of 2019, recorded revenue of R\$57.3 million, 15.2% higher than in 1Q20. The web commerce channel grew by 71.8%, accounting for 24.2% of the brand's sales.

In 1Q21, the brand closed an innovative collaboration with the band Foo Fighters to celebrate the 25th anniversary of its self-titled album. The band chose the Vans Classic Sk8-Hi, maintaining its iconic appearance, and improved with Foo Fighters logo.

The **Alexandre Birman** brand recorded revenue of R\$8.0 million in Brazil, highlighting the web commerce channel. During the quarter, in its Pre-Fall collection, the brand launched another successful sneaker - the *Mia Sneaker* - an extremely comfortable sneaker featuring the traditional laces of Clarita sandal - Alexandre Birman's trademark. The product was launched globally and relied on a strong advertising in the media and by influencers. For Mother's Day, the brand invited Nathalie Edenburg, model and artist, for "The Art of Motherhood" campaign, featuring "Anny" flip-flop.

The brands **Fiever** and **Alme** recorded solid sales in the online channel, and together, they grew 48.7%. It is worth mentioning that Alme will keep its focus on sustainability and comfort, while Fiever on youth casual shoes.



Channels Performance



MOTHERS CAMPAIGN | ZZ MALL

Channels

Monobrand - Franchises and Owned Stores

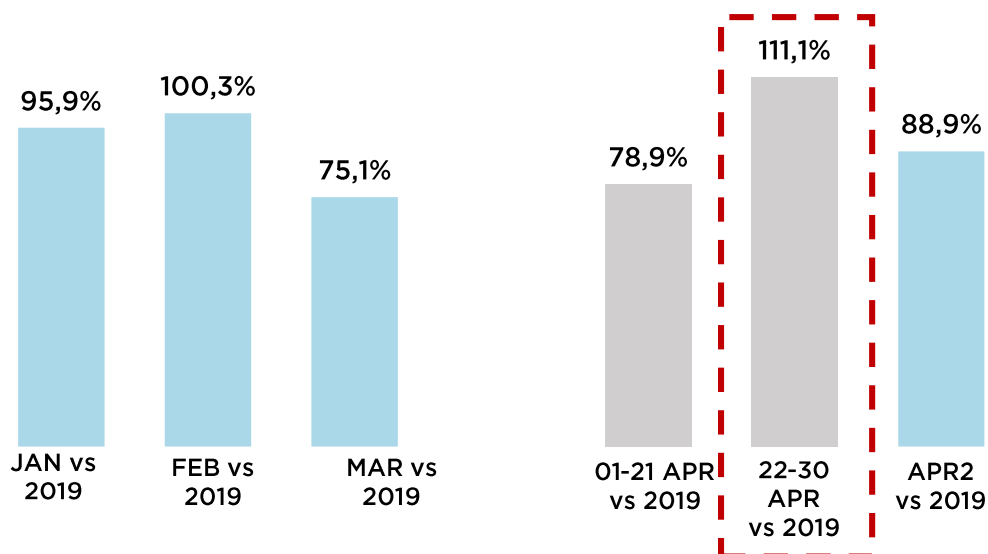
The Arezzo & Co and AR&CO POS network (Owned Stores + Franchises + Web Commerce) reached 97.4% of the sellout recorded in 1Q20 and 90.4% in 1Q19. Despite the excellent brand performance in January and February (reaching 95.9% and 100.3% in the same period of 2019, respectively), the sellout performance was impacted by the temporary closure of physical stores in March (total or partial), due to the measures to fight the COVID-19 pandemic.

During March, Arezzo&Co and AR&CO maintained an average of 57.5% of their physical stores closed, which recorded an average performance of 47.9% from 1Q19 and 89.5% from 1Q20. Considering total sellout (including web commerce), the group reached 122.2% in 1Q20 and 75.1% in 1Q19.

In April, consolidated for the month, the group reached 88.9% of 1Q19. However, the sellout as of April 22 - with the stores reopening in the state of São Paulo - increased to 111.1% in 2019, evidencing a robust upturn. Currently, the chain has 100% of stores opened.

In May, month that counts as "Christmas" of the first quarter - Mother's Day, Arezzo&Co once again exceeded itself, with its strong and enchanting campaigns, and presented excellent results within the period. Between April 22 (store reopening) and May 12, the group (Arezzo&Co + AR&Co) presented 102% of 2019 revenues and 197% of 2020 revenues.

Sellout Performance (Franchises, Owned Stores and Web Commerce)



SELL OUT ACCELERATION WITH THE OPENING OF PHYSICAL STORES IN SÃO PAULO ON APRIL 22

Channels

Monobrand - Franchises and Owned Stores

The franchise channel recovered, growing 2.8% vs. the first quarter of 2020, including AR&CO. Considering only Arezzo&Co, the channel recorded sales similar to 2020, with a positive Sell-in SSS indicator of 3.3%. This performance reflects the assertiveness in the brands' collections and the channel's resilience in online sales.

Multibrands

In 1Q21, multibrand channel sales grew by 34.7% from 1Q20. Excluding AR&CO's sales, the channel still would record a solid growth of 21.4%. In January and February, the channel grew by 96.4% and 42.4%, respectively.

The channel's continuous growth mainly reflects the new methodology adopted in sell-in since 2020, which allows multibrand customers to have better sales foreseeability, quick replacement and receipt of best-seller items - a characteristic that differentiates Arezzo & Co apart from competition, resulting in higher share of wallet in customers already composing the portfolio. In addition, the new model of showrooms 100% online now offers greater convenience during shopping experience.

Arezzo & Co's seven brands, including AR&CO, are distributed through 5,087 points-of-sale, 34.1% higher than 1Q20.



AREZZO BAMBINI CAMPAIGN

Channels

Digital Transformation

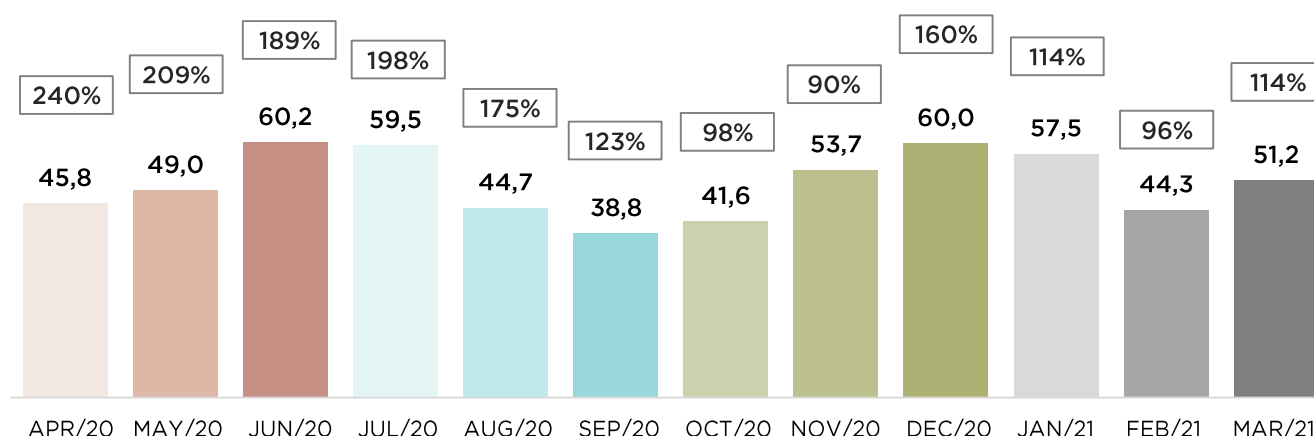
In the first quarter of 2021, Arezzo & Co delivered significant results in its web commerce channel, as well as in omnichannel initiatives - following the trend of 2020. This reinforces that Arezzo & Co's online sales (and not presential) reached excellent level of maturity, which allowed the chain to again show solid results in view of the temporary closure of most physical stores during March and April.

In 1Q21, the web commerce channel followed the acceleration trend of the last quarters and recorded R\$158.9 million gross revenue, soaring 148.9%. The online channel already accounts for 27.7% of Arezzo&Co's consolidated revenue vs. 15.9% in the same period of 2020.

Web Commerce SSS Evolution

Growth vs. Previous Year

Sell Out SSS

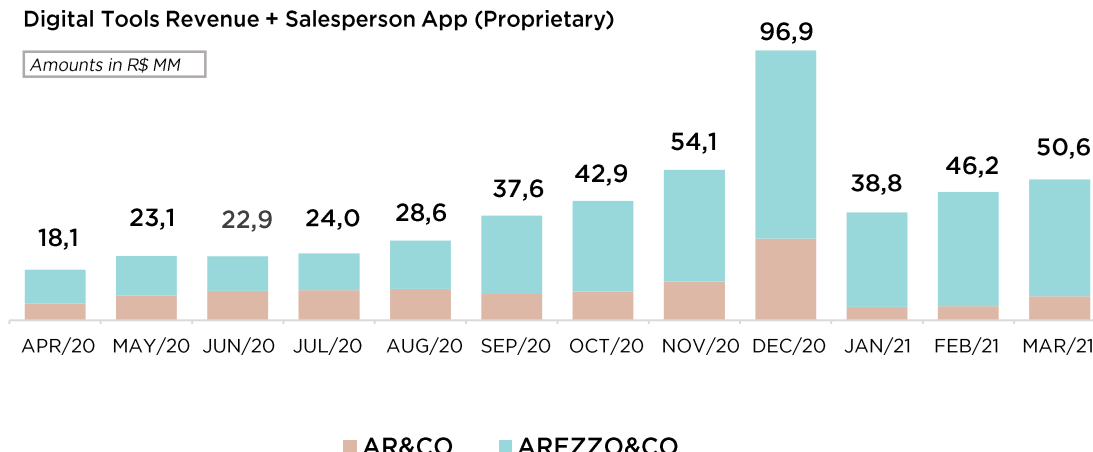


SSS of the web commerce channel including Grupo Reserva.

Arezzo&Co Digital Revenue

Digital Tools Revenue + Salesperson App (Proprietary)

Amounts in R\$ MM



R\$ 483.8MM
ON DIGITAL
REVENUES (LTM)

R\$ 1,1 BILLION
OF WEB REVENUE +
DIGITAL TOOLS
(LTM)

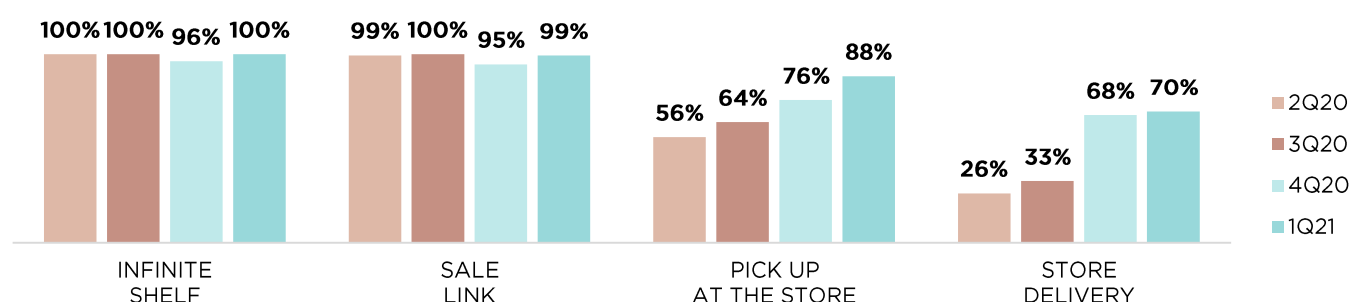
Channels

Digital Transformation

With most of physical stores closed in March and April due to the pandemic of COVID-19, online sales again, revealed their relevance for the chain sustainability. Thus, following the trend of the web commerce channel, OMNI sales revenue and share recorded significant growth in 1Q21.

The WhatsApp Sales initiative, a tool enables to conclude sales via WhatsApp, accounted for 6% of physical stores sales in the period. The Store Shipping & Click N' Collect together accounted for more than 3% of sales, a significant growth y-o-y. In the state of São Paulo, city more adherent to online sales, the OMNI sales share reached 31.2% of physical stores sales in March.

Accredited Stores Evolution| OMNI Initiatives



- Store shipping: number is growing as stores are closing partnerships with freighters with high levels of service.

As addressed in the last quarter, Arezzo&Co has intensified in a relevant way the use of the Proprietary Salesperson APP by the Digital Consulting Companies. The APP works as the seller's major allied from the moment of sale, in which it is possible to carry out digital sales, consult stocks, orders, delivery status, among others.

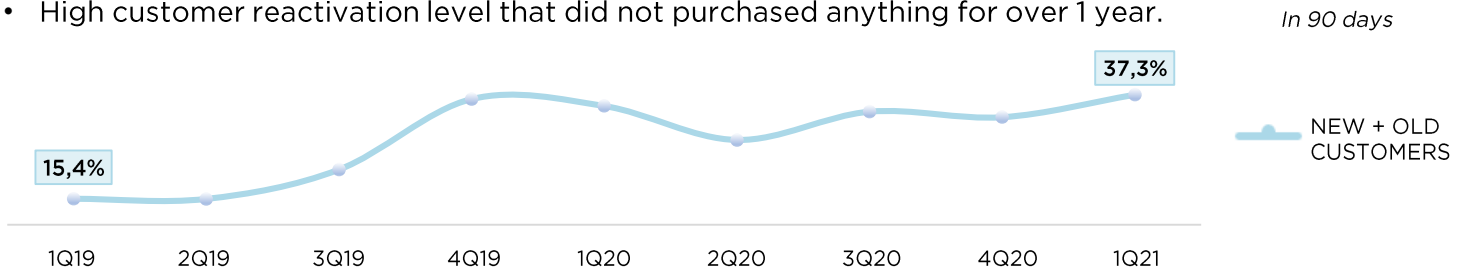
The Salesperson app (Proprietor) generated R\$ 85 million of revenue in the quarter, having represented 32.5% of sales of physical stores. It is worth highlighting that in the month of March, 46.8% of physical store sales were influenced by the Proprietary Salesperson APP - record-breaker in the last six months.

Channels

Digital Transformation

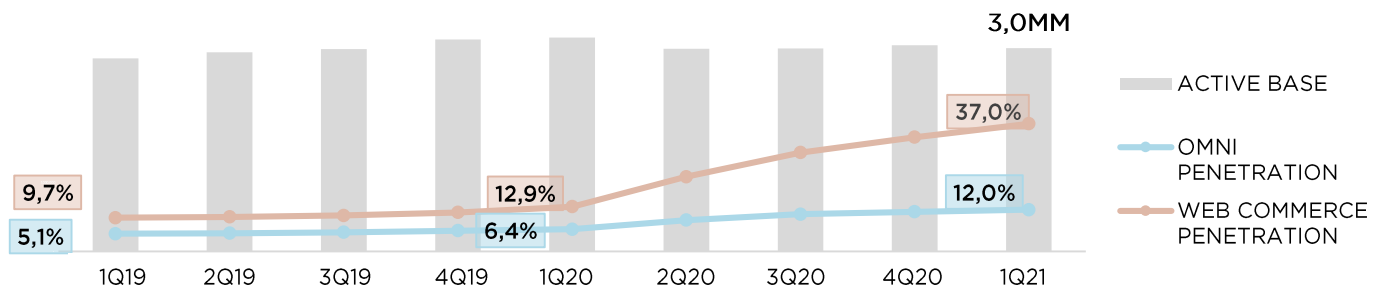
Repurchase Rate*

- The total repurchase rate in 90 days in the online channel of Arrezzo&Co was 37.3% in the 1Q21;
- Continuous improvement at the repurchase rate in the last few months, due to continuous CRM actions.
- Customer retention capacity of the physical channels and because OMNI customers;
- High customer reactivation level that did not purchased anything for over 1 year.



Online Channel Penetration*

- Upward increase in online channel penetration in Arezzo&Co's active customer base;
- 37.0% of Arezzo & Co's customers buy online;
- 12.0% of customers are omnichannel.



*Data excluding Grupo Reserva

In relation with ZZ MALL - Arezzo&Co's own marketplace - the platform recorded 453 thousand downloads of its APP since the launch, relevant growth vs. the number diffused in the last quarter, and within the total number of transactions performed in the ZZ MALL, 32.4% are now done through it. In May, ZZMALL performed the launch of the first edition of the digital magazine "Magazine" signed by Marina Ruy Barbosa who relied on her first mothers' day campaign. The platform now has about 50 "3P" (third-party).

Foreign Market

In the United States, revenue performance came in line in Reais in 1Q21 (in US\$, drop was 19.3%), however, due to advanced vaccination in key states, revenue accelerated in March with 33% growth in Reais.

As quarter's highlight, the web commerce channel of the Schutz and Alexandre Birman brands recorded 86.7% growth in reais (51.9% in US\$).

In April, on the logistics front, Arezzo&Co engaged a global strategic partner that will enable to split the distribution center into two units. In this new format, the first DC will be located in New Jersey with a focus on online operation (owned and outsourced website), and another in Miami, with a focus on distribution of the wholesale channel, allowing greater agility in the department stores supply and owned stores, which also work as a hub for the omnichannel operation.

In addition to this, as the quarter's highlight, the brand, Alexandre Birman, had the debut of its presence in the global online platform Farfetch, where this launch is part of the brand's digital presence expansion strategy) through integrated platform for sales in marketplace and in the dropship format.

As reinforced starting the second semester of 2020, the North American operation maintained the breakeven at the EBITDA level, presenting positive result of R\$ 1,6 million in the 1Q21. Further details of the SG&A structure were explored on page 27.

For the 2nd semester of 2021, we expect to continue the volume and revenue expansion, being backed up by: (i) the advancement of the vaccination in the USA, (ii) the expansion of the presence of the brand Schutz in multibrand POS (for ex.: 70 Nordstrom POS vs. 25 in the pre-COVID), (iii) brand activations at flagships, (iv) continuous improvement of the online platform (personalize browser, CRM, etc.).

The exports of our footwear to the rest of the world registered a -27.9% drop in the invoicing of 1Q21, performance explained by the pandemic effects, which continued having an impact in a relevant way to the demand of international customers.



Monobrand Chain

The Company ended the first quarter of 2021 with 893 stores, 882 in Brazil and 11 abroad, including AR&CO incorporation.

In 1Q21, Arezzo & Co recorded a net closure of 8 stores due to stores in the pop-up format of the Arezzo brand BriZZa line that had a temporary contract (kiosks).

In addition, in 4Q20, the Anacapri brand inaugurated two pilot stores in the vending machine format for concept testing, which were closed in 1Q21. Excluding both effects, Arezzo & Co would have ended the quarter with two net openings.

It is worth noting that there was no change in the number of AR&CO stores in the quarter.

Store Information	1Q20	2Q20	3Q20	4Q20	1Q21
Sales area^{1, 3} - Total (m²)	46.265	45.544	45.012	56.461	56.906
Sales area - franchises (m²)	39.794	39.302	38.816	42.176	42.621
Sales area - owned stores² (m²)	6.472	6.242	6.196	14.285	14.285
Total number of domestic stores	739	730	724	890	882
# of franchises	693	682	676	756	746
Arezzo	432	428	423	451	441
Schutz	70	68	67	68	67
Anacapri	184	179	179	186	187
Fiever	1	1	-	1	1
Alme	3	3	3	3	3
Vans	3	3	4	7	7
AR&CO	-	-	-	40	40
# of owned stores	46	48	48	134	136
Arezzo	9	9	9	12	15
Schutz	16	16	16	16	17
Alexandre Birman	6	6	7	8	8
Anacapri	3	3	3	5	3
Fiever	5	5	4	2	2
Alme	3	3	3	2	2
Vans	4	6	6	7	7
AR&CO	-	-	-	82	82
Total number of international stores	15	11	11	11	11
# of franchises	6	6	6	6	6
# of owned stores⁴	9	5	5	5	5

(1) Includes footage from stores abroad

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

(3) Includes footage from expanded stores

(4) Includes 3 Schutz stores, being (i) New York at Madison Avenue, (ii) Miami at Shopping Aventura and (iii) Los Angeles at Beverly Drive. It also includes 2 Alexandre Birman stores, being (i) New York on Madison Avenue and (ii) Miami at Bal Harbor Shopping.

Strategic Planning



MOTHERS CAMPAIGN| ANACAPRI

Strategic Planning

One of the essential fronts of Arezzo & Co's strategic planning is organic growth, besides inorganic opportunities. Since early 2021, these fronts of growth have been expanded and developed at full speed.

SCHUTZ CLOTHING



1. Schutz as Lifestyle -full look;
2. Expansion of the addressable market (R\$ 15.4 billion) - for each pair of shoes, customer buys 3 pieces of clothing on average;
3. Highly fragmented market, with a high level of Schutz brand awareness vs. competition;
4. Opportunity for strong online growth - collaboration with successful Ginger brand in 2020;
5. Launch of the high summer collection in the 2H2021 in 5 pop-up stores;
6. Hiring a dedicated style team with expertise in the apparel sector.

AREZZO BAMBINI



1. Opportunity to operate in the children's market - expansion of the addressable market by R\$ 3.5 billion;
2. Capsule collection launched on Mother's Day - high acceptance by women's consumers;
3. Launch of a complete line in September, with campaign activation, multichannel sales exploring digital and multibrands specialized in the segment;
4. Focus on Arezzo consumers (mothers) - taking advantage of synergies and strength of the brand;
5. Footwear for children between 2 to 12 years old.

ZZ STORES



1. New qualified multibrand business model;
2. Focus on sustainability, digitalization and channel professionalization;
3. Construction of the support and development ecosystem of stores, from customer experience to merchant training;
4. Opportunity to increase market share in selected markets - investment in a channel that was very resilient during pandemic;
5. Pilot in the 2H2021 in 10 stores.

NEW BRAND USA



1. Arezzo brand enter into the United States;
2. Price: Arezzo: USD 79.00 and Schutz: USD 100.00.
3. "MVP" model only in web commerce during first months;
4. Great opportunity due to favorable exchange rate scenario;
5. Start of pilot: June/21

CONTENT PLATFORM



1. Future outlook: new business model ensuring diversification of revenue sources at Arezzo & Co;
2. Soft -sell tools experience laboratory;
3. Expansion of operating segments with collaborations of exclusive products;
4. Customer relationship is reinforced beyond consumption, with immersion in daily life and discussion on topics rather than fashion.

Strategic Planning

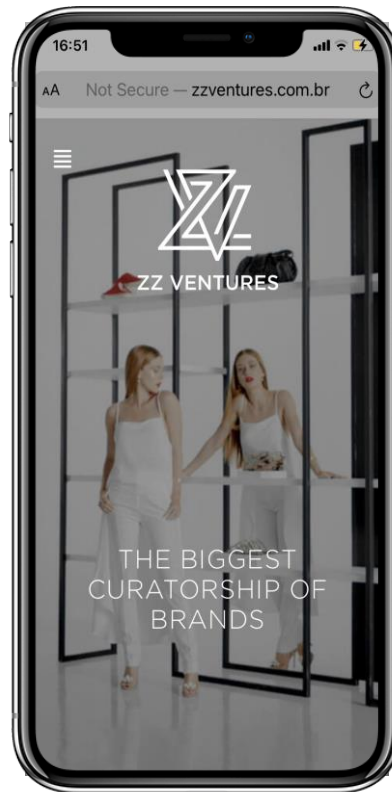
ZZ VENTURES

“WE HAVE AN ENTREPRENEURIAL DNA THAT WILL LEVERAGE OTHER ENTREPRENEURS”

ZZ Ventures is Arezzo & Co's Corporate Venture Capital arm focused on complementary retail and technology initiatives with significant growth and scalability potential - with the priority of approaching the ecosystem of start-ups and scale-ups through acceleration programs and equity acquisition of insurgent companies and brands. ZZ Ventures acts as a powerful innovation gear, strengthening and expanding Arezzo & Co's ability to thrive in an environment of accelerated disruption.

In 2021, Arezzo & Co became a “Gold” sponsor of Endeavor. During the first quarter, the Company participated in the “retail tech” program, focusing on innovation, technology, and increased productivity for companies throughout the retail chain to solve “pains” and work on opportunities identified in different company segments. In May, we started integrating and connecting the selected scale-ups with the internal teams at Arezzo & Co.

In the second quarter, the focus with the Endeavor partnership will be on retail operations and concepts with high growth potential that can complement our ecosystem.



Strategic Planning

TROC

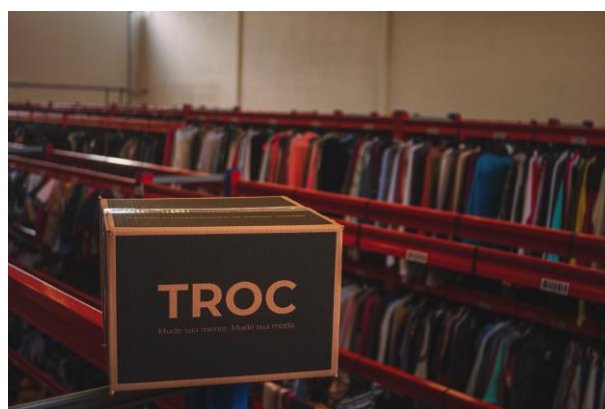
TROC - Arezzo & Co's second-hand online platform and ZZ Ventures' first investment - has taken significant steps since its acquisition by the group in November 2020. The Company was restructured in terms of people, technology, and processes - with expressive results already verified in the first quarter of 2021.

In April, the capacity for processing and activating new products at TROC increased by 430%, with about 60% of parts sold in less than 30 days. In addition, about 15% of the volume traded corresponds to never-used items with a tag. Due to the new processing capacity, in May, the operation showed a substantial acceleration of GMV, considerably surpassing the level reached in the previous month, of 125% growth.

Throughout the quarter, TROC expanded the number of cities with at-home pick-up collection from two to six: São Paulo, Curitiba, Belo Horizonte, Brasília, Florianópolis, and Rio de Janeiro - to offer even greater convenience to Troc sellers.

In the second half, TROC will start its entry into physical retail, supported by Arezzo & Co's expertise in the channel, and emphasize the premium and luxury market in its product mix.

Since its foundation, TROC has already saved 500 million liters of water through its business model, and this is just the beginning of its operations in this promising and conscious market.



Financial Indicators



"THE ART OF MOTHERHOOD"
CAMPAIGN ALEXANDRE BIRMAN

Gross Profit and Gross Margin

Gross profit in 1Q21 totaled R\$249.9 million, with a 50.0% margin, 410 bps higher than in 1Q20, positively driven by (i) the inclusion of AR&CO in the Company's sales, with a positive impact mainly in owned stores channel and (ii) greater share of web commerce in the mix of channels.

Operating Expenses

Arezzo&Co intends to keep its fixed expenses at levels lower than those reported in previous quarters, while sticking to its strategic planning, which has as one of its main pillars, a continuous growth of market share, omnichannel and the consolidation of the Brazilian fashion market.

It is worth noting that the analyses below exclude non-recurring effects that impacted the 1Q21 and 1Q20 results (reported on page 7).

Selling Expenses

In 1Q21, Arezzo & Co's commercial expenses grew by 10.0% when compared to 1Q20, reaching R\$ 112.0 million, below the organic growth and the Vans brand. Considered with AR&CO expenses in this line, with commercial expenses increased 31.1% compared to 1Q20.

(i) Owned stores and Web commerce expenses (sellout channels), of Arezzo&CO totaled R\$ 44.2 million, 55.0% higher than 1Q21 - below the relevant growth of the web commerce channel - 108.5% (excluding AR&CO). Increased expenses is due to the expansion of the digital channel, especially in the areas of digital marketing and performance (directly related to revenue) and logistics / freight. Considering AR&CO, expenses increased 67,7%.

(ii) Arezzo & Co's Sales, Logistics and Supplies expenses totaled R \$ 67.8 million in the period - a 7.5% drop versus that of 1Q20. Considering the addition of AR&CO, expenses increased by 16.9%.

In relation to the Brazilian operation, the major savings were concentrated on the fronts of (i) launches of collections - sell in events previously carried out in person and (ii) reduction in commercial travels, which occurred in lesser frequency in 1Q21 due to pandemic restrictions.

Adjusted Operating Expenses

The R\$10.5 million reduced expenses in the North American market (-41.0%) derived from structural adjustments and lower occupancy costs of owned stores and offices. Selling, logistics and supplies expenses in the United States totaled R\$15.0 million in 1Q21.

General and Administrative Expenses

In 1Q21, general and administrative expenses of Arezzo&Co totaled R\$ 30.8 million, decreasing 7.5% lower than in 1Q20. The reduction is mainly explained by the organizational restructuring carried out in the Brazilian and North American operations, reducing layers and positions aiming greater efficiency and operational agility. In the other hand, the Company allocated more resources to improve its technology and software structure, but still sustaining the level of savings achieved. Considering AR&CO, expenses would have increased by 57.1%, making a total of R\$ 52.4 million.

Adjusted EBITDA and Adjusted EBITDA Margin

The Company reached adjusted EBITDA of R\$ 64.8 million in 1Q21, an increase of 79.9% compared to 2020.

Despite a challenging scenario in the country, Arezzo&Co delivered a significant EBITDA growth, mainly due to collections assertiveness and the maturity of online sales - capable of generating revenue while physical stores were closed during most of quarter.

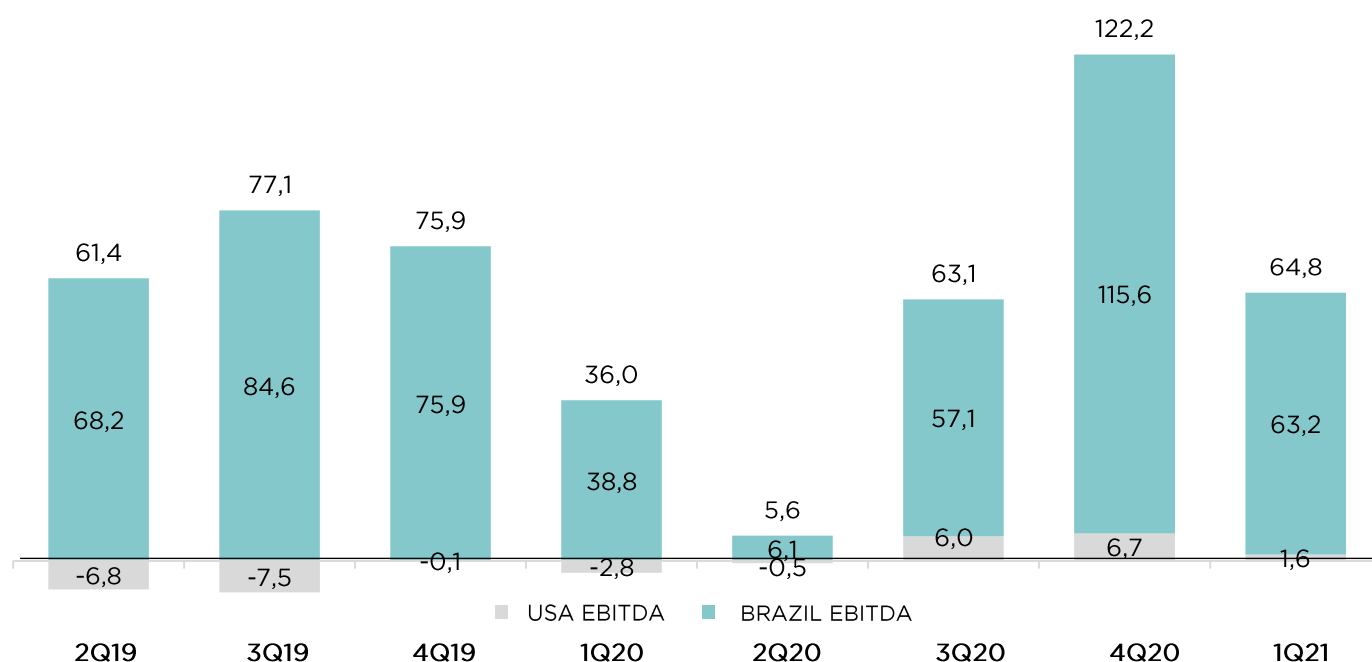
It is also worth noting the positive impact of (i) the addition of AR&CO EBITDA and the Vans brand and (ii) the positive level of the North American operation that reached an EBITDA of R\$1.6 million.

	1Q21 EBITDA			1Q20 EBITDA			1Q19 EBITDA		
	&Co	Brazil	USA	&Co	Brazil	USA	&Co	Brazil	USA
Net Revenues	500,0	455,4	44,6	375,5	332,5	43,0	377,2	341,1	36,1
EBITDA	64,8	63,2	1,6	36,0	38,8	(2,8)	54,6	62,6	(8,0)
EBITDA Mg.	13,0%	13,9%	3,6%	9,6%	11,7%	(6,5%)	14,5%	18,3%	(22,2%)

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

Adjusted EBITDA and Adjusted EBITDA Margin

Arezzo&Co Adjusted EBITDA Breakdown (IFRS 16)



Adjusted Results: They do not consider the impacts of "one offs" (elements of a non-recurring nature) and extemporaneous credits from the quarters.

Net Income and Net Margin

The Company posted adjusted net income of R\$29.6 million, growth of 310.7% vs. previous year, with net margin of 5.9%. increment of 400 bps vs. 1Q20.

Net income was positively impacted by (i) the excellent operating performance of Arezzo&Co in the period and AR&CO merger, (ii) the improved effective income tax rate with AR&CO incorporation and adversely impacted by (i) higher financial expenses due to greater leverage and (ii) increased depreciation.

ROIC - Return on Invested Capital

The adjusted return on invested capital (ROIC), i.e., excluding the Company's inorganic movements in 2020, as well as non-recurring elements associated with the pandemic - reached 23.6%, vs. 20.9% in 2020.

The accounting ROIC reached 7.7% in 1Q21. Besides lower NOPAT (LTM), the lines of working capital (inventories, suppliers and accounts receivable) were impacted by AR&CO merger which took place in December 2020. Regarding the merger, it is also worth noting the significant increase in permanent assets (R\$834.1 million) coupled with investments, which include intangible assets and goodwill deriving from the transaction, to be amortized over the coming years.

Income from operations	1Q21 Adjusted	1Q21 Reported	1Q20	1Q19	Δ 21 x 20 (%)	Δ 21 x 19 (%)
EBIT (LTM)	194.382	89.191	230.433	195.631	(15,6%)	(0,6%)
+ IR e CS (LTM)	8.675	7.319	(51.846)	(29.206)	(116,7%)	(129,7%)
NOPAT	203.057	96.510	178.587	166.425	13,7%	22,0%
Working Capital¹	380.665	336.333	476.612	374.410	(20,1%)	1,7%
Accounts Receivable	477.929	477.929	400.136	394.770	19,4%	21,1%
Inventory	341.931	348.041	253.412	162.613	34,9%	110,3%
Suppliers	(376.757)	(376.757)	(178.376)	(148.825)	111,2%	153,2%
Others	(62.438)	(112.880)	1.440	(34.148)	(4.436,0%)	82,8%
Permanent assets	345.380	1.179.922	433.430	344.181	(20,3%)	0,3%
Other long-term assets²	48.188	48.188	38.647	39.990	24,7%	20,5%
Invested capital	774.233	1.564.443	948.689	758.581	(18,4%)	2,1%
Average invested capital³	861.461	1.256.566	853.635		0,9%	
ROIC⁴	23,6%	7,7%	20,9%			

(1) Working Capital: Current assets less cash, cash equivalents and financial investments, minus 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 previous year.

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

Investments - CAPEX

In 1Q21, Arezzo & Co invested R\$12.5 million in CAPEX, highlighting:

- AR&CO integration - investments in the new architectural model of stores and investments in IT infrastructure;
- In the “Corporate” line, we point out investments in digital transformation related to squads, software and apps, likewise in previous year.

Summary of Investments	1Q21	1Q20	Δ 20 x 19 (%)
Total CAPEX	12.545	14.075	(10,9%)
Stores - expansion and refurb	3.805	3.952	(3,7%)
Corporate	7.972	7.886	1,1%
Other	768	2.237	(65,7%)

Cash Position and Indebtedness

The Company ended 1Q21 with a net debt of R\$93.1 million. During the period, we highlight:

- Cash position of R\$570.7;
- Total indebtedness of R\$663.9 million, vs. R\$634.3 million in 4Q20.
- It is worth noting that the Company's debt level changed in 1Q20 due to the preventive funding of lines of credit - these debts were lengthened in 3Q20.
- Net Debt / EBITDA ratio of 0.6x.

Cash position and Indebtedness	1Q21	4Q20	1Q20
Cash	570.746	561.165	619.181
Total debt	663.892	634.269	615.959
Short-term	364.786	239.483	307.081
% total debt	54,9%	37,8%	49,9%
Long-term	299.106	394.786	308.878
% total debt	45,1%	62,2%	50,1%
Net debt	(93.146)	(73.104)	3.222
Net Debt/EBITDA	0,6x	0,4x	0,0x

Balance Sheet

Assets	1Q21	4Q20	1Q20
Current assets	1.523.157	1.564.868	1.416.747
Cash and Banks	222.598	38.297	7.597
Financial Investments	348.148	522.868	611.584
Trade accounts receivables	477.929	598.824	400.136
Inventory	348.041	290.896	253.412
Taxes recoverable	90.134	86.034	121.500
Other credits	36.307	27.949	22.518
Non-current assets	1.312.474	1.267.677	488.433
Long-term receivables	132.552	118.494	55.003
Trade accounts receivables	3.855	2.564	9.377
Deferred income and social contribution	84.364	80.632	16.356
Other credits	44.333	35.298	29.270
Investments property	2.275	3.016	3.074
Property, plant and equipment	313.409	316.300	354.778
Intangible assets	864.238	829.867	75.578
Total assets	2.835.631	2.832.545	1.905.180

Liabilities	1Q21	4Q20	1Q20
Current liabilities	983.446	911.418	628.035
Loans and financing	364.786	239.483	307.081
Lease	50.749	52.890	47.995
Suppliers	376.757	399.189	178.376
Other liabilities	191.154	219.856	94.583
Non-current liabilities	480.772	572.530	521.650
Loans and financing	299.106	394.786	308.878
Related parties	0	0	1.937
Other liabilities	15.939	17.274	9.607
Lease	161.669	160.470	201.228
Other amounts payable	4.058	0	0
Shareholder's Equity	1.371.413	1.348.597	755.495
Capital	808.715	967.924	352.715
Capital reserve	208.866	49.229	48.634
Profit reserves	107.895	107.895	122.118
Tax incentive reserve	227.937	227.937	213.880
Other comprehensive income	-11.776	-4.388	-7.740
Accumulated Profit	29.776	0	25.888
Total liabilities and shareholders' equity	2.835.631	2.832.545	1.905.180

Income Statement

Income Statement - IFRS	1Q21	1Q20	Var.%
Net operating revenue	499.952	375.471	33,2%
Cost of goods sold	(250.027)	(203.099)	23,1%
Gross profit	249.925	172.372	45,0%
Operating income (expenses):	(208.824)	(128.354)	62,7%
Selling	(155.629)	(117.123)	32,9%
Administrative and general expenses	(53.433)	(39.358)	35,8%
Other operating income, net	238	28.127	-99,2%
Income before financial result	41.101	44.018	-6,6%
Financial income	(8.616)	(772)	1016,1%
Income before income taxes	32.485	43.246	-24,9%
Income tax and social contribution	(2.709)	(17.358)	-84,4%
Current	(6.441)	(18.032)	-64,3%
Deferred	3.732	674	453,7%
Net income for period	29.776	25.888	15,0%

Cash Flow

Cash Flow	1Q21	1Q20
Operating activities		
Net Income	29.776	25.888
Ajustes para conciliar o resultado às dispon. geradas pelas atividades operacionais:	55.611	91.708
Depreciation and amortization	24.865	20.279
Income from financial investments	(1.559)	(2.561)
Interest and exchange rate	18.324	48.381
Income tax and social contribution	2.709	17.358
Other	11.272	8.251
Decrease (increase) in assets		
Trade accounts receivables	117.398	12.802
Inventory	(64.383)	(77.295)
Recoverable taxes	(10.302)	(30.811)
Change in other current assets	(14.644)	(25.944)
Judicial deposits	(10.370)	(4.235)
(Decrease) increase in liabilities		
Suppliers	(17.206)	46.591
Labor liabilities	(12.469)	(22.073)
Fiscal and social liabilities	(11.592)	(1.299)
Variation in other liabilities	(20.252)	4.784
Payment of income tax and social contribution	(603)	(12.882)
Lease	(2.813)	(1.418)
Net cash flow from operating activities	38.151	5.816
Investing activities		
Sale of fixed and intangible assets	175	(318)
Acquisition of fixed and intangible assets	(12.545)	(14.075)
Financial Investments	(457.467)	(778.819)
Redemption of financial investments	634.097	433.314
Payment of capital by subsidiaries	-	-
Acquisition of subsidiary, net cash obtained on acquisition	(11.328)	-
Dividend receipt	-	-
Net cash used in investing activities	152.932	(359.898)
Financing activities with third parties		
Increase in loans	65.612	405.241
Payments of loans	(51.508)	(17.028)
Instalment Lease	(21.886)	(15.470)
Net cash used in financing activities with third parties	(7.782)	372.743
Financing activities with shareholders		
Interest on equity	-	(22.675)
Receivables (payables) with shareholders	1.000	435
Issuing of shares	-	-
Repurchase of shares	-	(2.632)
Net cash used in financing activities	1.000	(24.872)
Increase (decrease) in cash and cash equivalents	184.301	(6.211)
Cash and cash equivalents		
Foreign exchange effect on cash and cash equivalents	-	-
Cash and cash equivalents - Initial balance	38.297	13.808
Cash and cash equivalents - Closing balance	222.598	7.597
Increase (decrease) in cash and cash equivalents	184.301	(6.211)

AREZZO &CO



AREZZO BAMBINI CAMPAIGN

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