

4Q20 & 2020 RESULTS

March 5, 2021

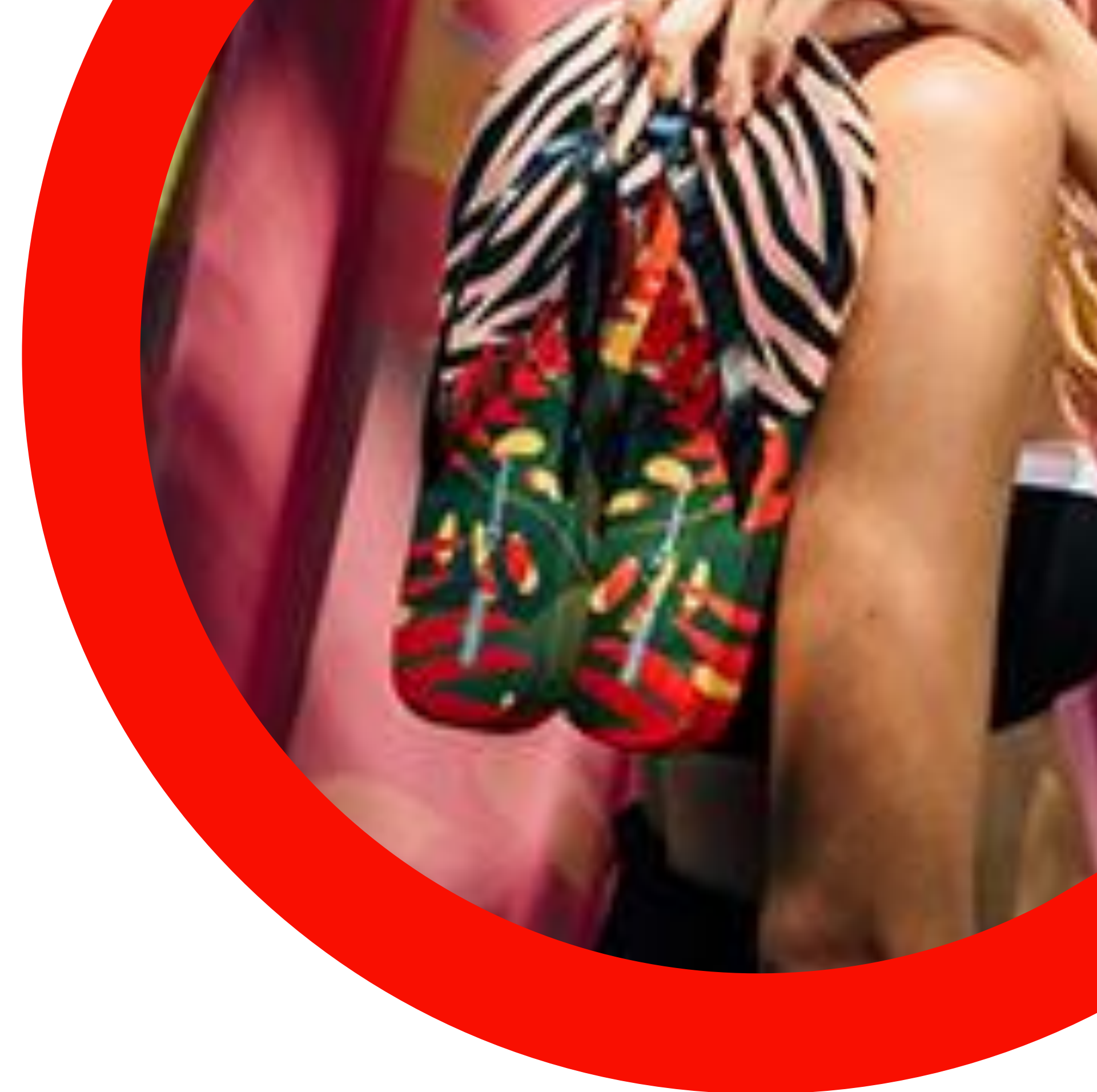
10:30 a.m. (Brasilia time)



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Disclaimer

This presentation contains statements that can represent expectations about future events or results. These statements are based on certain suppositions and analyses made by the company in accordance with its experience, with the economic environment and market conditions, and expected future developments, many of which are beyond the company's control. Important factors could lead to significant differences between real results and the statements on expectations about future events or results, including the company's business strategy, Brazilian and international economic conditions, technology, financial strategy, developments in the footwear industry, conditions of the financial market, and uncertainty on the company's future results from operations, plans, objectives, expectations and intentions – among other factors. In view of these aspects, the company's results could differ significantly from those indicated or implicit in any statements of expectations about future events or results.



DIVIDENDS 2019

Allocation of Net profit (2019)	Disclosed	Adjustment	Re-presented
	R\$	R\$	R\$
Net profit for the year	494,953,972.30	324,263,571.61	819,217,543.91
(-) Reserve for tax incentives	(204,744,469.88)	(49,758,751.54)	(254,503,221.42)
Basis for calculation of the legal reserve	290,209,502.42	274,504,820.07	564,714,322.49
(-) Legal reserve	(14,510,475.12)	(13,725,241.00)	(28,235,716.12)
Dividends relating to the profit of the business year	275,699,027.30	260,779,579.07	536,478,606.37
Total of dividends proposed by management	275,699,027.30	260,779,579.07	536,478,606.37
<i>Obligatory dividend – 25%</i>	<i>68,924,756.83</i>	<i>65,194,894.76</i>	<i>134,119,651.59</i>
<i>Dividend in addition to the minimum mandatory amount</i>	<i>206,774,270.47</i>	<i>195,584,684.31</i>	<i>402,358,954.78</i>
<i>Sum</i>	<i>275,699,027.30</i>	<i>260,779,579.07</i>	<i>536,478,606.37</i>

Dividends will be paid “ad referendum” the AGM that considers the balance sheet and financial statements for 2020.

DIVIDENDS 2020

Allocation of Net profit (2020)	R\$
Net profit for the year	405,205,580.69
(-) Reserve for tax incentives	(174,122,030.13)
Basis for calculation of the legal reserve	231,083,550.56
(-) Legal reserve	(11,554,177.53)
Dividends relating to the profit of the business year	219,529,373.03
Total of dividends proposed by management	219,529,373.03
<i>Obligatory dividend – 25%</i>	<i>54,882,343.26</i>
<i>Dividend in addition to the minimum mandatory amount</i>	<i>164,647,029.77</i>
<i>Sum</i>	<i>219,529,373.03</i>

Dividends will be paid "ad referendum" the AGM that considers the balance sheet and financial statements for 2020.

DESTINATION OF DIVIDENDS AND I.E. PROPOSED

Total of dividends proposed by management	R\$
(+) Balance for the 2019 fiscal year	260,779,579.07
(+) Dividend for the 2020 fiscal year	219,529,373.03
Sum	480,308,952.10
(-) Dividend distributed in advance for 2020 fiscal year	(21,521,546.57)
Balance available to distribute	458,787,405.53
Balance to be distributed in the form of dividends	348,787,405.53
Balance to be distributed in the form of interest on equity (I.E.)	110,000,000.00
(-) Income tax at source (15%)	(16,500,000.00)
(=) Interest on equity net of income tax at source	93,500,000.00

DIVIDEND AND INTEREST ON EQUITY (I.E.)

PROPOSED (R\$)

Dividend & I.E. proposed ^{1 & 2}							
Dividend	Date approved	Ex- date	Date of start payment	Gross amount R\$	Gross amount per share R\$	Net amount R\$	Net amount per share R\$
Dividend ¹	Oct. 29, 2020	Nov. 6, 2020	Nov. 18, 2020	21,521,546.57	0.023872975	21,521,546.57	0.023872975
Dividend ^{1 & 2}	Mar. 4, 2021	Apr. 23, 2021	May 12, 2021	348,787,405.53	0.386895657	348,787,405.53	0.386895657
I.E. ^{1 & 2}	Mar. 4, 2021	Apr. 23, 2021	May 12, 2021	110,000,000.00	0.122018518	93,500,000.00	0.103715740
Sum				480,308,952.10	0.532787150	463,808,952.10	0.514484372

¹ Dividends & I. E. approved "ad referendum" the AGM that considers the balance sheet and financial statements for 2020 fiscal year.

² Value of the dividends & I. E. per share, subject to alteration depending on the balance of shares in treasury on the cutoff date (Apr. 22, 2021).



HIGHLIGHTS OF 4Q20 (YOY)

VOLUMES	GROSS REVENUE	RECURRING EBIT	RECURRING NET PROFIT
62.1 million pairs ↑ 26.8% Domestic market 51.8 mn Export market 10.3 mn	R\$ 1,029.4 million ↑ 29.5% Domestic market R\$ 849.9 mn Export market R\$ 179.5 mn	R\$ 227.8 million ↑ 47.2% Recurring Ebit margin 27.2%	R\$ 314.6 million ↑ 47.7% Recurring Net margin: 37.6%

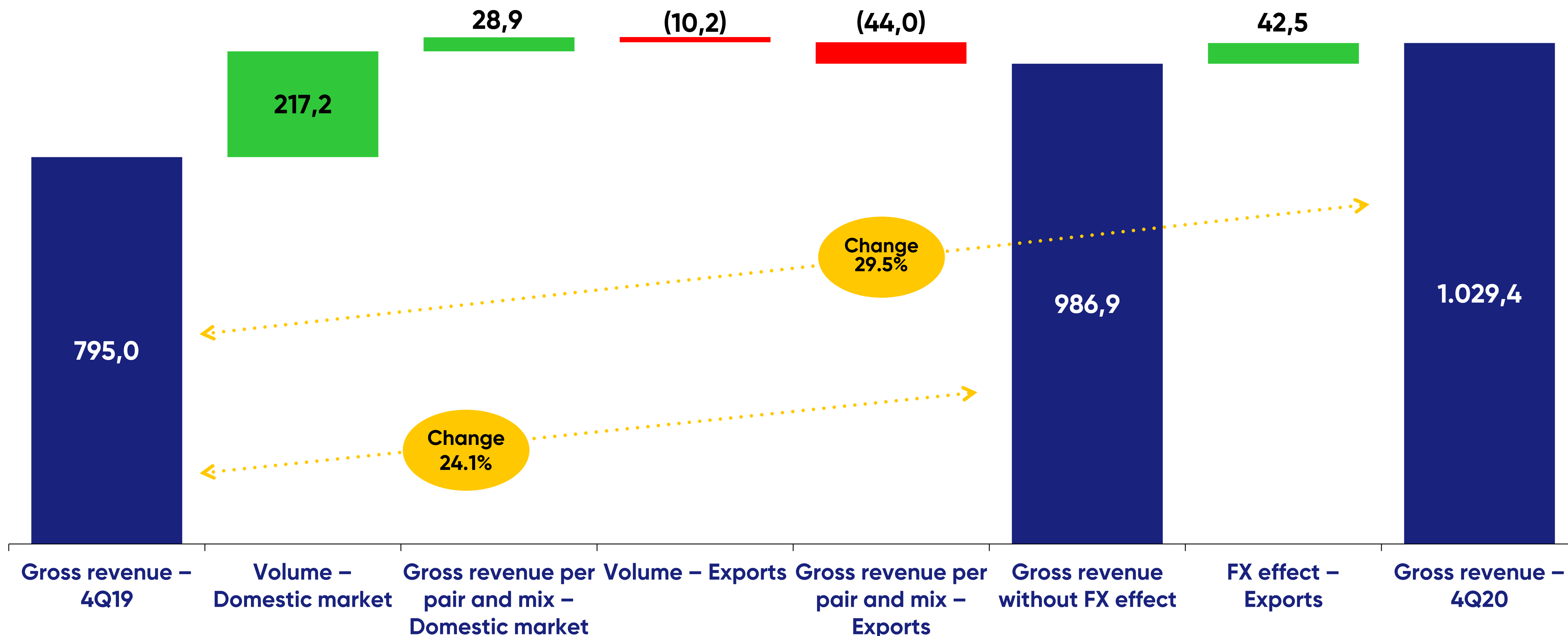
4Q20 : PROFIT AND LOSS ACCOUNT

R\$'000	4Q19	% Net sales	4Q20	% Net sales	Change %	Change R\$
Gross revenue	795,021		1,029,362		29.5%	234,341
Domestic Market	603,802		849,886		40.8%	246,084
Export Market	191,219		179,476		(6.1%)	(11,743)
Net sales revenue	665,730	100.0%	837,088	100.0%	25.7%	171,358
COGS	(328,034)	(49.3%)	(421,654)	(50.4%)	28.5%	(93,620)
Raw material	(148,132)	(22.3%)	(219,294)	(26.2%)	48.0%	(71,162)
Labor	(114,330)	(17.2%)	(128,383)	(15.3%)	12.3%	(14,053)
Other manufacturing costs	(65,572)	(9.8%)	(73,977)	(8.8%)	12.8%	(8,405)
Gross profit	337,696	50.7%	415,434	49.6%	23.0%	77,738
Operational expenses	(187,390)	(28.1%)	(194,253)	(23.2%)	3.7%	(6,863)
Selling expenses	(159,603)	(24.0%)	(166,996)	(19.9%)	4.6%	(7,393)
General and Administrative expenses	(20,953)	(3.1%)	(22,309)	(2.7%)	6.5%	(1,356)
Other operational revenues	1,442	0.2%	3,617	0.4%	150.8%	2,175
Other operational expenses	(8,276)	(1.2%)	(8,570)	(1.0%)	3.6%	(294)
Equity accounting	-	-	5	-	-	5
Operational profit (Accounting Ebit)	150,306	22.6%	221,181	26.4%	47.2%	70,875
Operational profit (Recurring Ebit)	154,802	23.3%	227,837	27.2%	47.2%	73,035
Net Financial Revenue (expenses)	46,745	7.0%	91,475	10.9%	95.7%	44,730
Revenue from cash investments	29,273	4.4%	19,809	2.4%	(32.3%)	(9,464)
Fair value of equity financial instruments	-	-	47,404	5.7%	-	47,404
Net gain (loss) on FX variations	6,484	1.0%	7,217	0.9%	11.3%	733
Profit (loss) on other financial assets – SCPs	-	-	8,020	1.0%	-	8,020
Adjustments to presente value	12,464	1.9%	8,136	1.0%	(34.7%)	(4,328)
Other financial transactions	(1,475)	(0.2%)	889	0.1%	-	2,364
Net profit for the period	209,207	31.4%	308,999	36.9%	47.7%	99,792
Recurring net profit for the period	213,017	32.0%	314,640	37.6%	47.7%	101,623

GROSS REVENUE

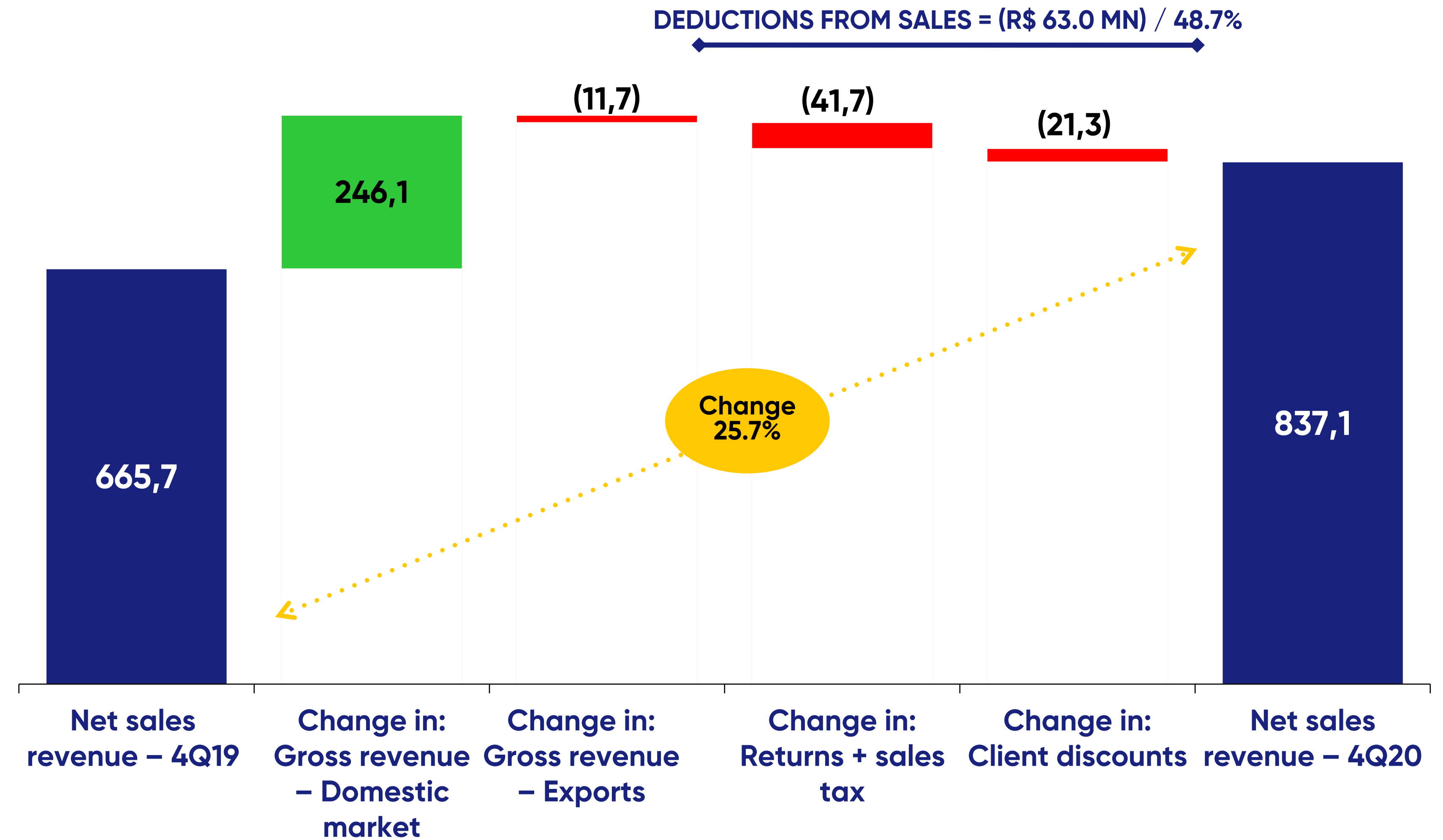
DOMESTIC MARKET AND EXPORTS (R\$ MILLION)

Changes in revenue due to changes in (i) volume and (ii) gross revenue per pair and mix

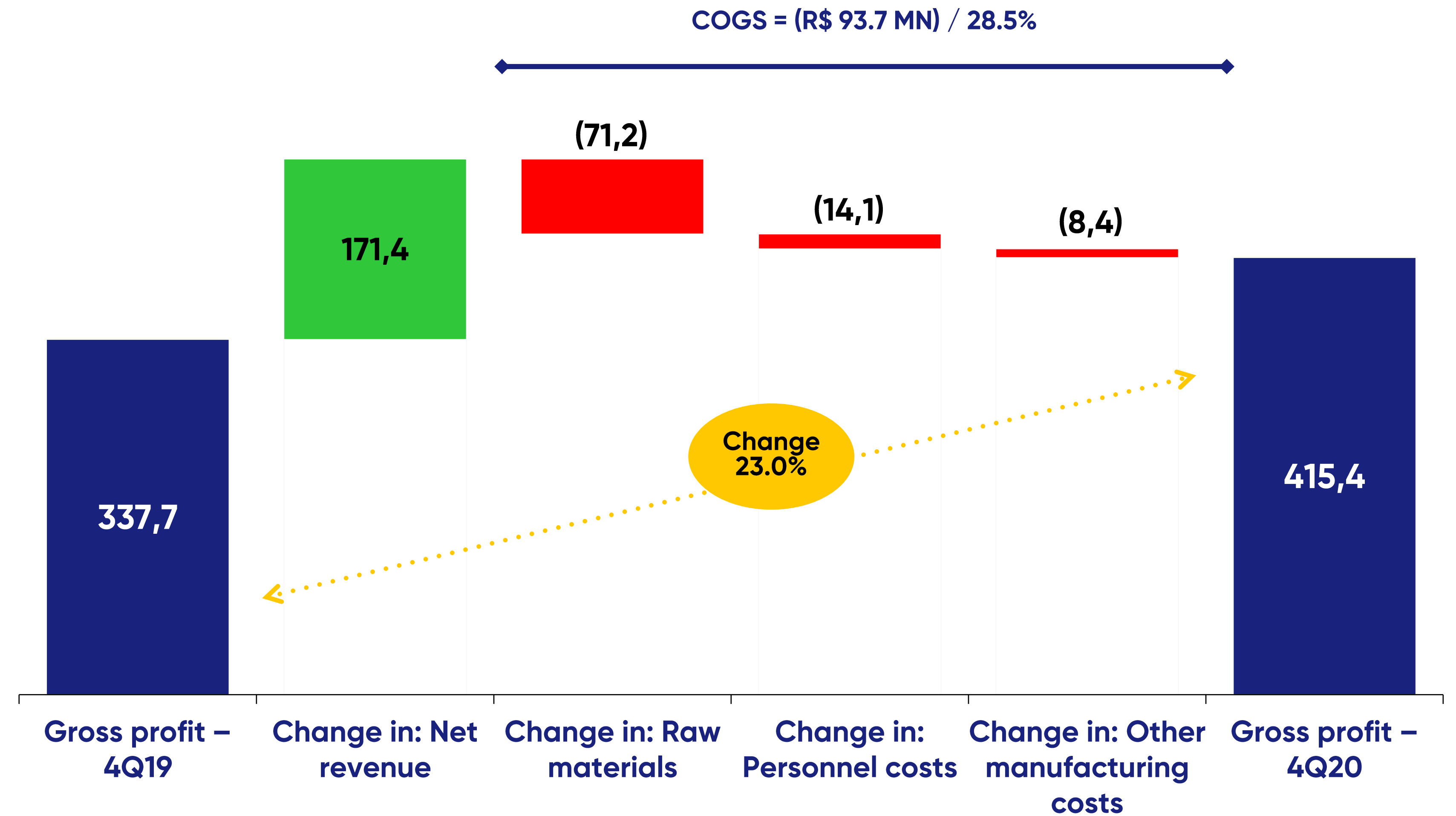


Average US dollar exchange rate: 4Q19 = R\$ 4.1173 / 4Q20 = R\$ 5.3964 – Δ 31.1%

NET REVENUE CONSOLIDATED DATA (R\$ MILLION)



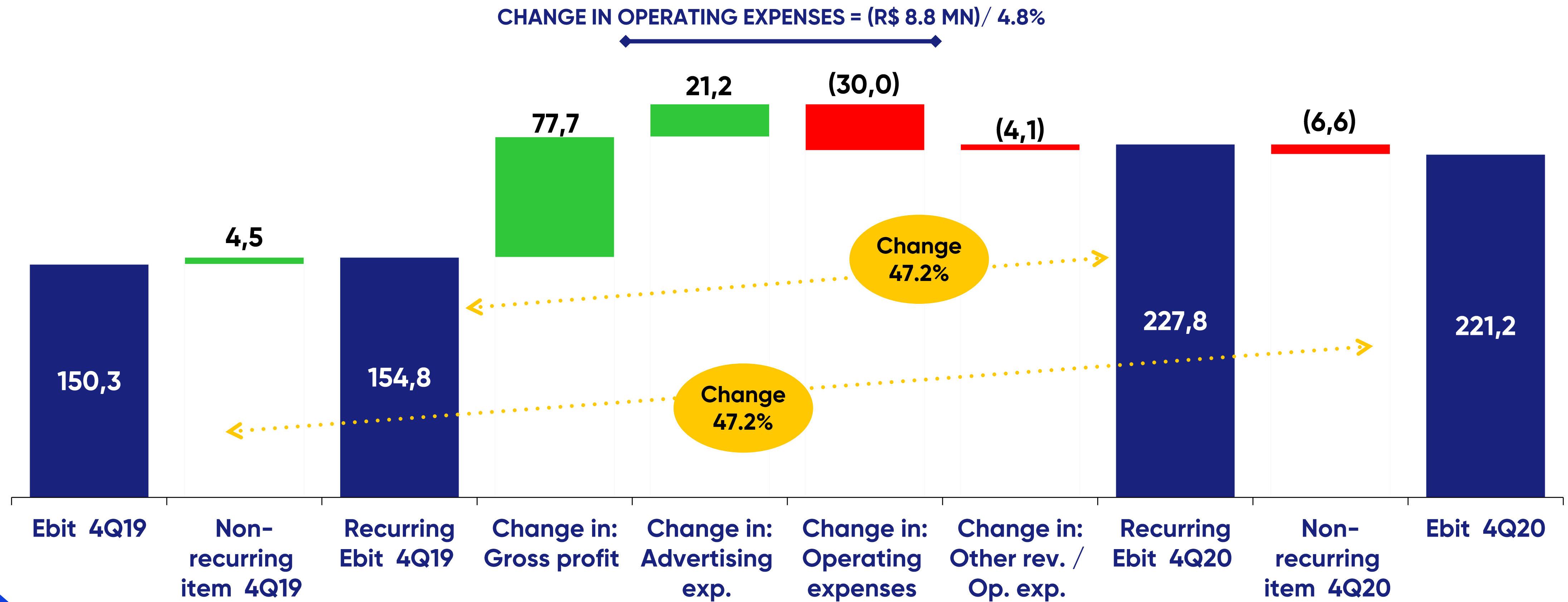
GROSS PROFIT CONSOLIDATED DATA (R\$ MILLION)



EBIT

CONSOLIDATED DATA

(R\$ MILLION)



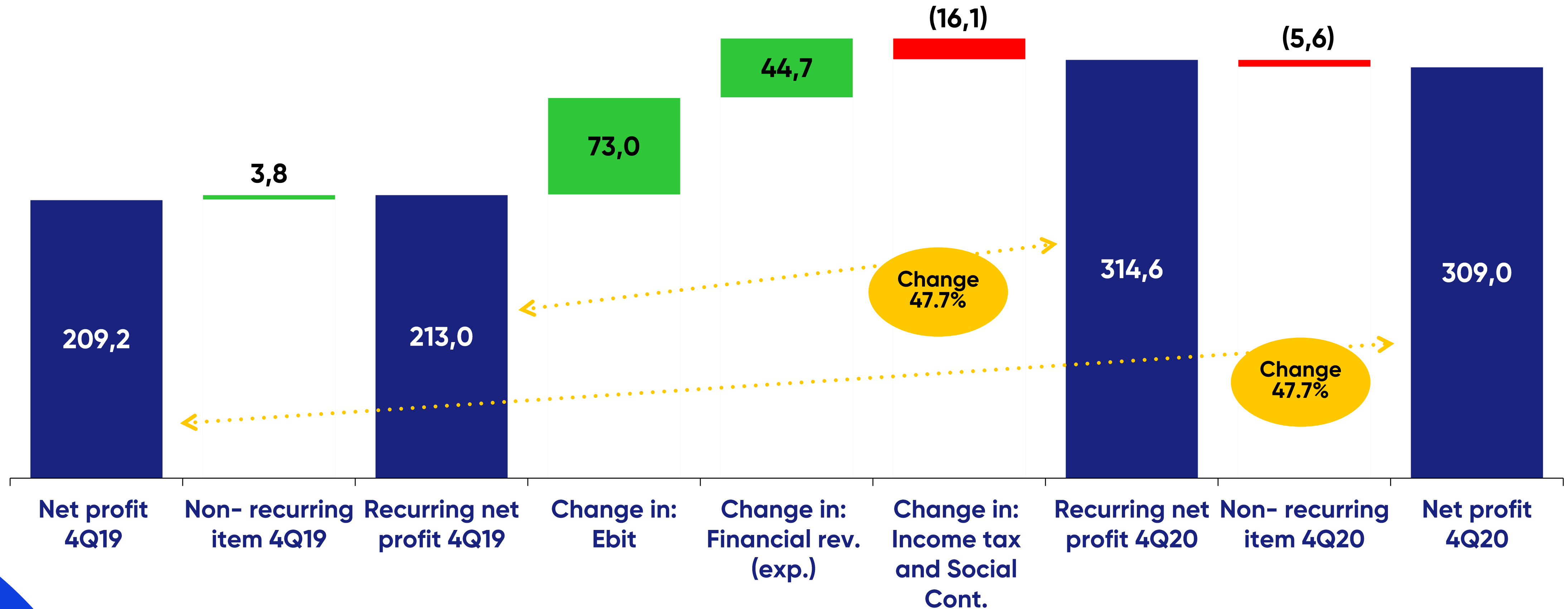
4Q20 : FINANCIAL REVENUE (EXPENSES)

R\$'000	4Q19	4Q20	Change %	Change R\$
CDI Rate – % p.a.	5.0%	1.9%	(3.1 p.p.)	
USD / BRL exchange rate (average)	4.1173	5.3964	31.1%	1.2791
Cash and cash equivalents + Cash investments – average	2,127,510	2,081,793	(2.1%)	(45,718)
Revenue from cash investments	29,273	19,809	(32.3%)	(9,464)
Revenue from cash investments	29,273	19,809	(32.3%)	(9,464)
Fair value of equity financial instruments	–	47,404	–	47,404
Fair value of equity financial instruments	–	47,404	–	47,404
Net gain (loss) on FX variations	6,484	7,217	11.3%	733
Net gain (loss) on FX derivatives transactions – BM&F	9,242	16,272	76.1%	7,030
Net gain (loss) from FX variations	(2,758)	(9,055)	228.3%	(6,297)
Profit (loss) on other financial assets – SCP's	–	8,020	–	8,020
Profit (loss) on other financial assets – SCP's	–	8,020	–	8,020
Other financial transactions	(1,475)	889	–	2,364
Interest received	3,793	7,658	101.9%	3,865
Interest received from clients	665	509	(23.5%)	(156)
Borrowing costs	(2,196)	(2,218)	1.0%	(22)
PIS and Cofins taxes on financial revenues	(1,590)	(1,231)	(22.6%)	359
Other financial revenues (expenses)	(2,147)	(3,829)	78.3%	(1,682)
Adjustments to present value	12,464	8,136	(34.7%)	(4,328)
Adjustments to present value	12,464	8,136	(34.7%)	(4,328)
Net financial revenue (expenses)	46,746	91,475	95.7%	44,729

NET PROFIT

CONSOLIDATED DATA

(R\$ MILLION)



HIGHLIGHTS OF 2020 (YOY)

VOLUMES	GROSS REVENUE	RECURRING EBIT	RECURRING NET PROFIT
145.4 million pairs ↓ (3.6%) Domestic market 119.4 mn Export market 26.0 mn	R\$ 2,334.8 million ↓ (7.1%) Domestic market R\$ 1,903.6 mn Export market R\$ 431.2 mn	R\$ 372.2 million ↑ 10.9% Recurring Ebit margin 19.6%	R\$ 468.6 million ↓ (2.1%) Recurring Net margin: 24.7%

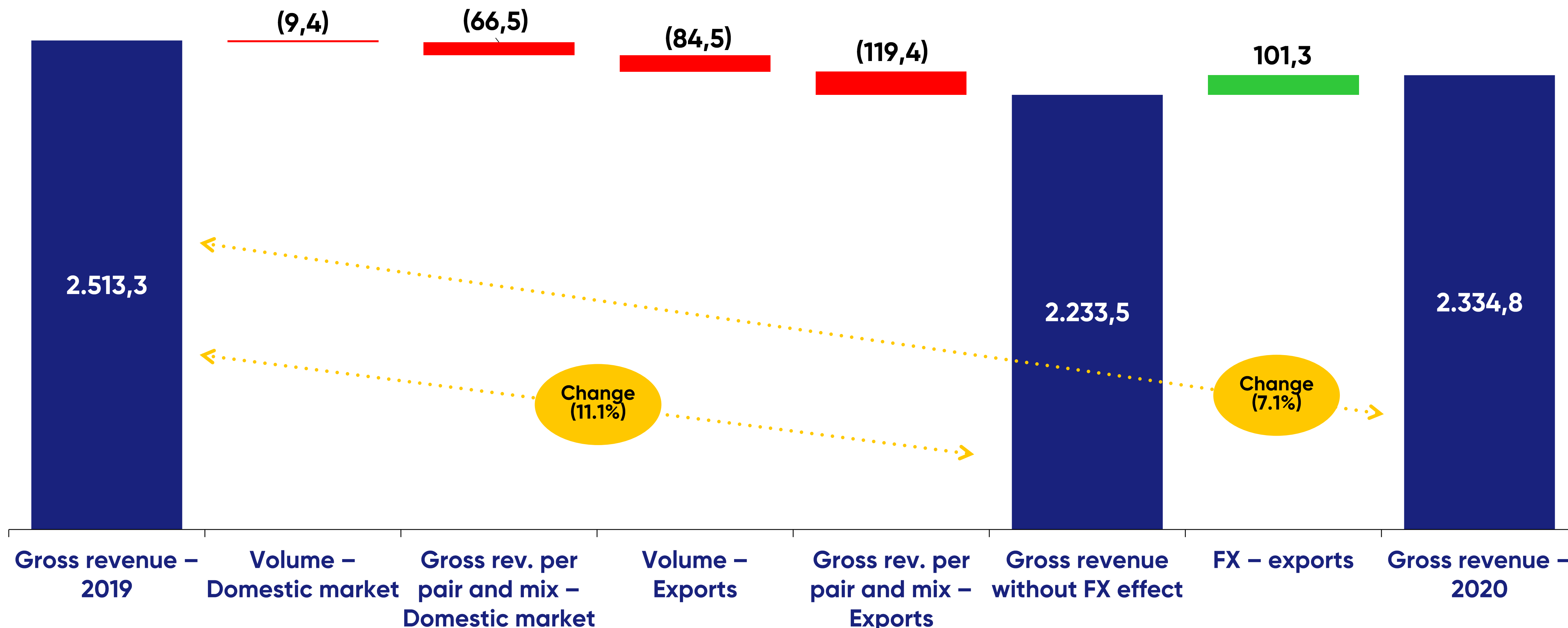
2020 : PROFIT AND LOSS ACCOUNT

R\$'000	2019	% Net sales	2020	% Net sales	Change %	Change R\$
Gross revenue	2,513,301		2,334,797		(7.1%)	(178,504)
Domestic Market	1,979,515		1,903,565		(3.8%)	(75,950)
Export Market	533,786		431,232		(19.2%)	(102,554)
Net sales revenue	2,071,034	100.0%	1,896,785	100.0%	(8.4%)	(174,249)
COGS	(1,126,511)	(54.4%)	(1,022,330)	(53.9%)	(9.2%)	104,181
Raw material	(475,164)	(22.9%)	(485,324)	(25.6%)	2.1%	(10,160)
Labor	(430,779)	(20.8%)	(340,563)	(18.0%)	(20.9%)	90,216
Other manufacturing costs	(220,568)	(10.7%)	(196,443)	(10.3%)	(10.9%)	24,125
Gross profit	944,523	45.6%	874,455	46.1%	(7.4%)	(70,068)
Operational expenses	(375,162)	(18.1%)	(573,256)	(30.2%)	52.8%	(198,094)
Selling expenses	(530,825)	(25.6%)	(431,846)	(22.8%)	(18.6%)	98,979
General and Administrative expenses	(87,631)	(4.2%)	(77,471)	(4.1%)	(11.6%)	10,160
Other operational revenues	291,576	14.1%	7,906	0.4%	(97.3%)	(283,670)
Other operational expenses	(48,282)	(2.3%)	(23,870)	(1.3%)	(50.6%)	24,412
Non-recurring expenses (COVID-19)	-	-	(47,980)	(2.5%)	-	(47,980)
Equity accounting	-	-	5	-	-	5
Operational profit (Accounting Ebit)	569,361	27.5%	301,199	15.9%	(47.1%)	(268,162)
Operational profit (Recurring Ebit)	335,552	16.2%	372,154	19.6%	10.9%	36,602
Net Financial Revenue (expenses)	374,408	18.1%	137,413	7.2%	(63.3%)	(236,995)
Revenue from cash investments	144,839	7.0%	83,806	4.4%	(42.1%)	(61,033)
Fair value of equity financial instruments	-	-	76,418	4.1%	-	76,418
Net gain (loss) on FX variations	5,169	0.2%	(52,864)	(2.8%)	-	(58,033)
Profit (loss) on other financial assets – SCPs	-	-	8,020	0.4%	-	8,020
Adjustments to presente value	42,470	2.1%	27,916	1.5%	(34.3%)	(14,554)
Other financial transactions	181,930	8.8%	(5,883)	(0.3%)	-	(187,813)
Net profit for the year	819,217	39.6%	405,206	21.4%	(50.5%)	(414,011)
Recurring net profit for the year	478,789	23.1%	468,598	24.7%	(2.1%)	(10,191)

GROSS REVENUE

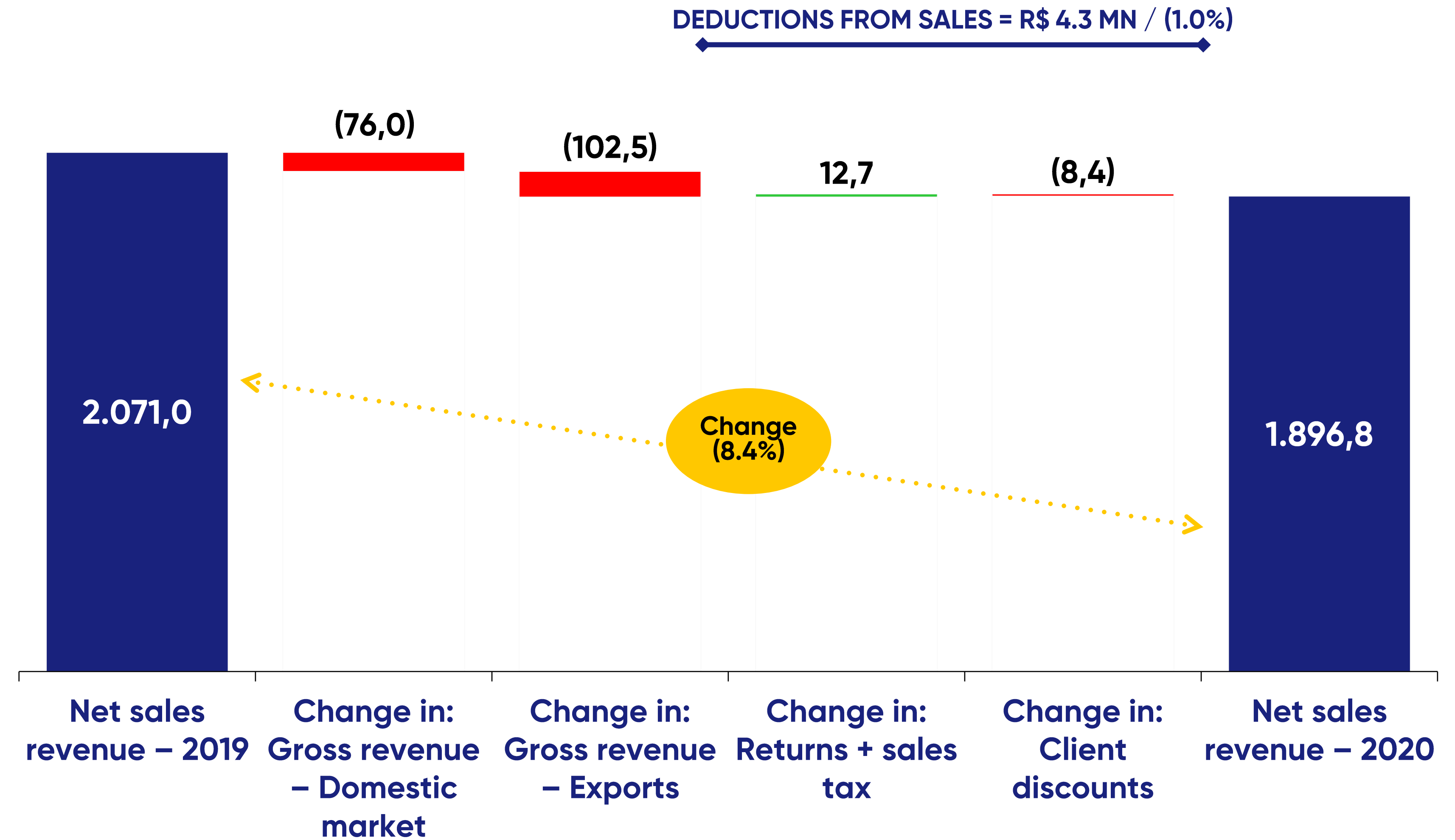
DOMESTIC MARKET AND EXPORTS (R\$ MILLION)

Changes in revenue due to changes in (i) volume and (ii) gross revenue per pair and mix

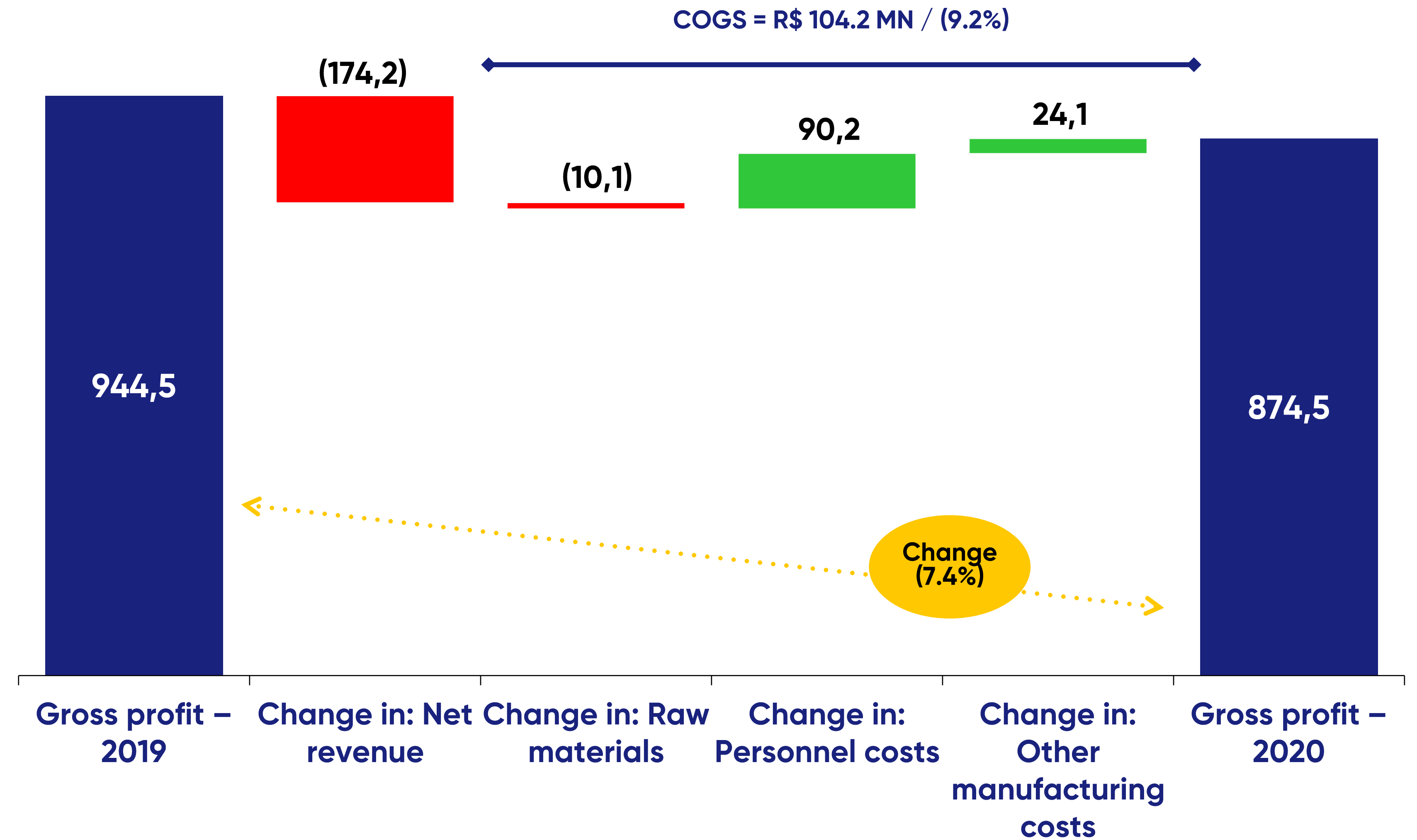


Average US dollar exchange rate: 2019 = R\$ 3.9451 / 2020 = R\$ 5.1558 – Δ 30.7%

NET REVENUE CONSOLIDATED DATA (R\$ MILLION)



GROSS PROFIT CONSOLIDATED DATA (R\$ MILLION)



2020 : FINANCIAL REVENUE (EXPENSES)

R\$'000	2019	2020	Change %	Change R\$
CDI Rate – % p.a.	5.9%	2.8%	(3.1 p.p.)	
USD / BRL exchange rate (average)	3.9451	5.1558	30.7%	1.2108
Cash and cash equivalents + Cash investments – average	2,052,708	2,064,665	0.6%	11,957
Revenue from cash investments	144,839	83,806	(42.1%)	(61,033)
Revenue from cash investments	144,839	83,806	(42.1%)	(61,033)
Fair value of equity financial instruments	–	76,418	–	76,418
Fair value of equity financial instruments	–	76,418	–	76,418
Net gain (loss) on FX variations	5,169	(52,864)	–	(58,033)
Net gain (loss) on FX derivatives transactions – BM&F	6,377	(67,346)	–	(73,723)
Net gain (loss) from FX variations	(1,208)	14,482	–	15,690
Profit (loss) on other financial assets – SCP's	–	8,020	–	8,020
Profit (loss) on other financial assets – SCP's	–	8,020	–	8,020
Other financial transactions	181,930	(5,883)	–	(187,813)
Interest received	214,770	11,370	(94.7%)	(203,400)
Interest received from clients	2,128	1,937	(9.0%)	(191)
Borrowing costs	(9,007)	(7,891)	(12.4%)	1,116
PIS and Cofins taxes on financial revenues	(16,024)	(4,902)	(69.4%)	11,122
Other financial revenues (expenses)	(9,937)	(6,397)	(35.6%)	3,540
Adjustments to present value	42,470	27,916	(34.3%)	(14,554)
Adjustments to present value	42,470	27,916	(34.3%)	(14,554)
Net financial revenue (expenses)	374,408	137,413	(63.3%)	(236,995)

SUSTAINABILITY

WE FILLED *THE CARBON DISCLOSURE PROJECT* QUESTIONNAIRE FOR THE
1ST TIME

THE SURVEY DISCLOSES ENVIRONMENTAL DATA OF COMPANIES TO INTERNATIONAL INVESTORS

LAUNCH OF *RIDER R4* PROGRAM

PRODUCTS IN THIS COLLECTION HAVE THE LEAST ENVIRONMENTAL IMPACT IN THE HISTORY OF THE BRAND

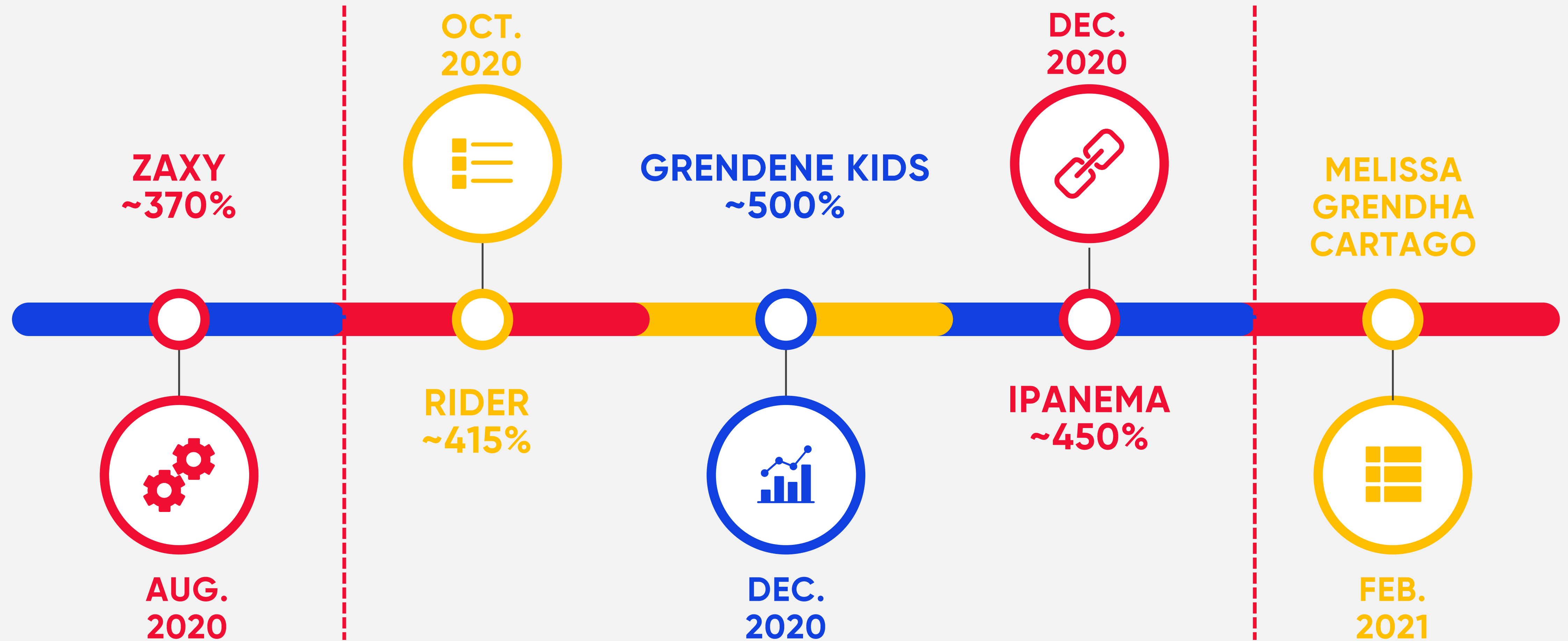
ACHIEVEMENT OF THE ABVTEX *GOLD SEAL*

ABVTEX'S AUDIT ATTESTS GOOD PRACTICES THROUGHOUT OUR PRODUCTION CHAIN.

LAUNCH OF *MELISSA FOX LIMITED EDITION*

SANDALS ARE MANUFACTURED FROM OTHER *MELISSA* SANDALS DISCARDED BY CONSUMERS

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CONSOLIDATED GROWTH OF ~ **400%** SINCE THE
MIGRATION OF ON-LINE STORES.

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