

1Q22 RESULTS

April 29, 2022

10:30 a.m. (Brasília time)

Simultaneous translation in English

[Click here to join.](#)

Grendene®

melissa

GRENDHA

zaxy

Ipanema

Grendene kids

rider

CARTAGO

PEGA FORTÉ



1Q22 RESULTS

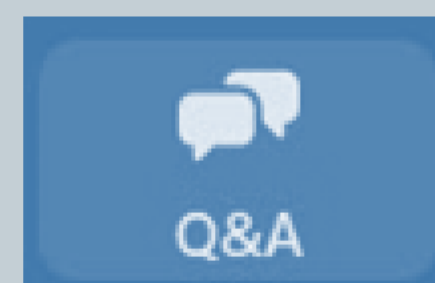
WARNING



Language: This videoconference will be in Portuguese, with simultaneously translated to english.

English questions will be received by text only

To ask a question:



- Select the “**Q&A**” icon at the bottom of the screen and enter your question.

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.

ESG – ENVIRONMENTAL, SOCIAL & GOVERNANCE

OUR FOOTWEAR IS PART OF THE SOLUTION

- PVC 100% RECYCLABLE;
- UP TO 30% PRE-CONSUMPTION RECYCLED MATERIAL – WASTE GENERATED INSIDE THE FACTORY (PVC);
- REGISTERED AS VEGAN BY VEGAN SOCIETY IN THE UK;
- PVC CAN BE USED INNUMERABLE TIMES;
- CIRCULAR ECONOMY – MORE THAN 400 COLLECTION POINTS TO RECEIVE OLD SHOES, SINCE 2019;

WE ARE BRINGING BIOMATERIALS TO OUR PRODUCTS (RENEWABLE SOURCES), IN REPLACEMENT FOR FOSSIL MATERIALS.



ADDITION TO 26 OTHER PRODUCTS ALREADY LAUNCHED SINCE 2019 THAT
USE LOW IMPACT MATERIALS AND OVER 40 INITIATIVES IN PROGRESS.

GRENDENE GLOBAL BRANDS

CONSTRUCTION OF INFRASTRUCTURE TO SUPPORT MEDIUM- AND LONG-TERM GROWTH - PEOPLE, SYSTEMS AND PROCESSES;

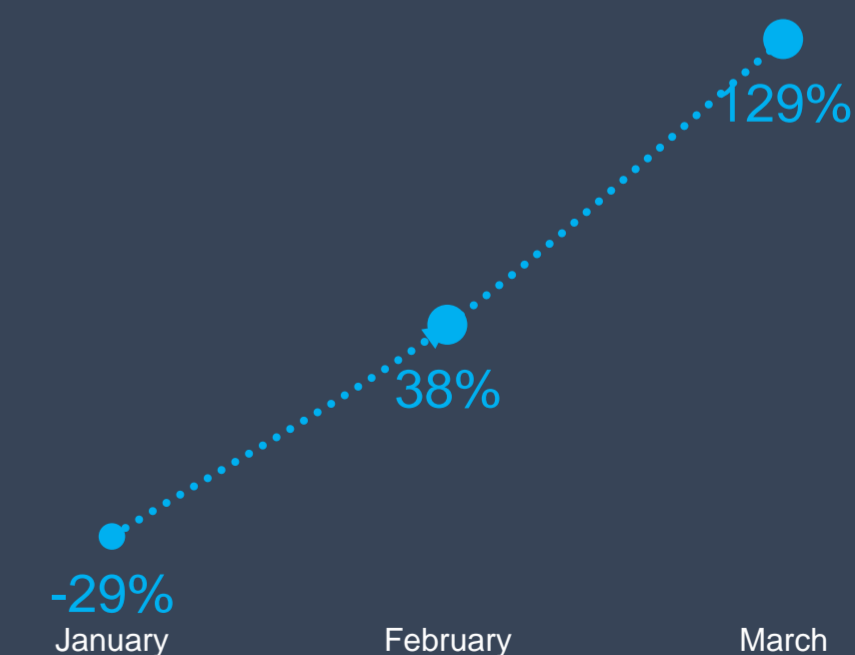
USA - OWN DISTRIBUTION OF ALL GRENDENE BRANDS – IN TRANSITION WITH GRENDENE USA;

RE-LAUNCH OF MELISSA'S E-COMMERCE IN THE UNITED STATES, WITH ~130% GROWTH VS. 1Q21;

CHINA DISTRIBUTION – LOCKDOWN IS DELAYING STRUCTURE CONSTRUCTION;

ACQUISITION OF THE MELISSA STORE IN THE TMALL IN CHINA;

MELISSA' SALES E-COMMERCE -
ACCUMULATED IN USD



1Q22 RESULTS

E-COMMERCE



+ 300% GMV BRAZIL (VS. 1Q21);

E-COMMERCE REPRESENTED 3.7% OF SALES IN BRAZIL;

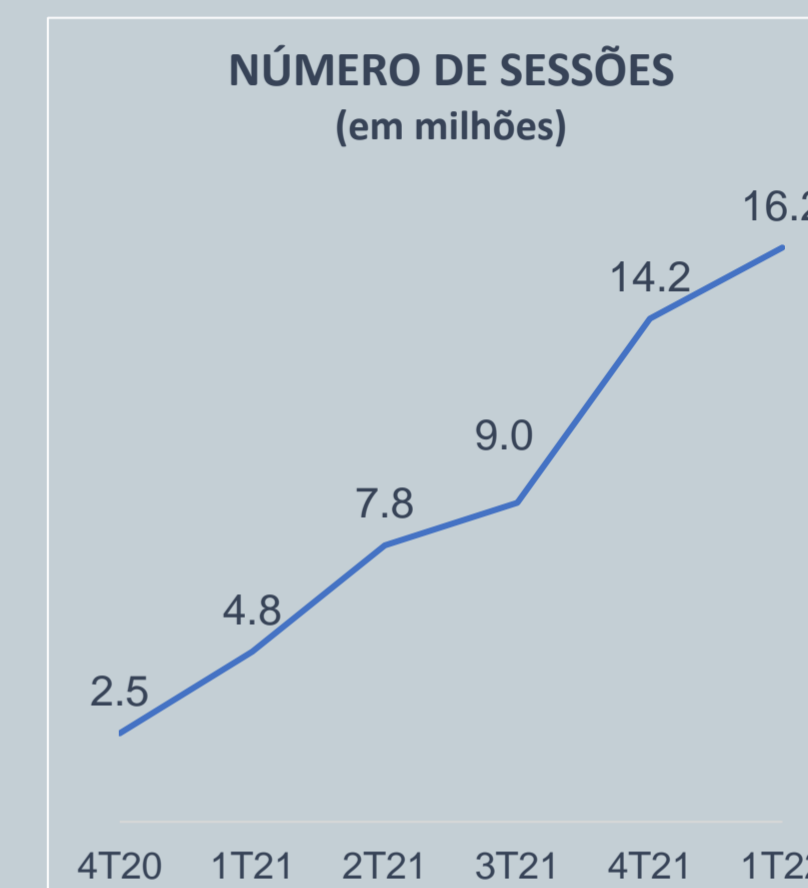
+ 16 MILLION ONLINE SESSIONS (+240% VS. 1Q21);

+ 170,000 PAIRS SOLD;

+ 4,000 CITIES served (+31% VS. 1Q21);

MELISSA SAME DAY DELIVERY IN SÃO PAULO;

INTEGRATION WITH **MERCADO LIVRE**;



NEXT STEPS...



MELISSA APP DEVELOPMENT FROM 2Q22;

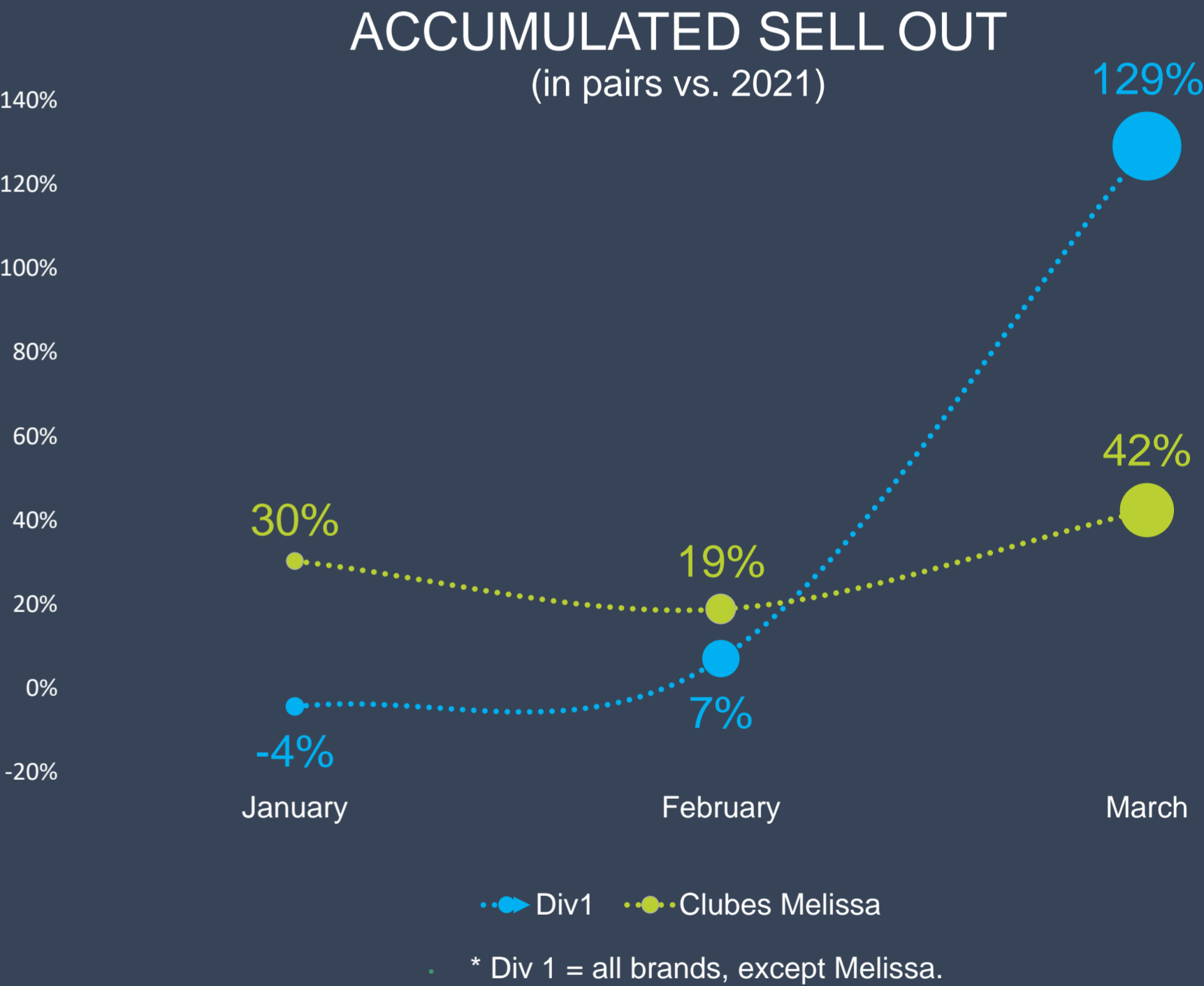


INTEGRATION WITH **NEW MARKETPLACES**:

- 2Q22: NETSHOES, ZATTINI, VIA VAREJO AND DAFITI;
- 3Q22: RENNER

DOMESTIC MARKET

- THE YEAR STARTED **HARD...**
- HIGH INFLATION, HIGH INTEREST RATES AND HIGH LEVEL OF UNEMPLOYMENT;
- LOWER CLASS CONSUMER WITH **STRAINED INCOME**;
- CLASSES “A” AND “B” WITH **INTEREST TO CONSUME**;
- CONSUMPTION SCENARIO **IMPROVED** THROUGHOUT 1Q22;
- LOOKS LIKE **THE WORST HAS PASSED**





1Q22 RESULTS

EXPORT MARKET



POSITIVE ENVIRONMENT FOR BUSINESS;



SEARCH FOR SUPPLIER **DIVERSIFICATION**;



HIGH COSTS OF INTERNATIONAL FREIGHT FROM ASIAN COUNTRIES;



WIDESPREAD RECOVERY OF MARKETS, ESPECIALLY NORTH AMERICA;



STRONG DEMAND FOR **PRIVATE LABEL**;



Grendene[®]

melissa

GRENDA

ZAXY

Ipanema

Grendene kids

rider

CARTAGO

PEGA FORTE



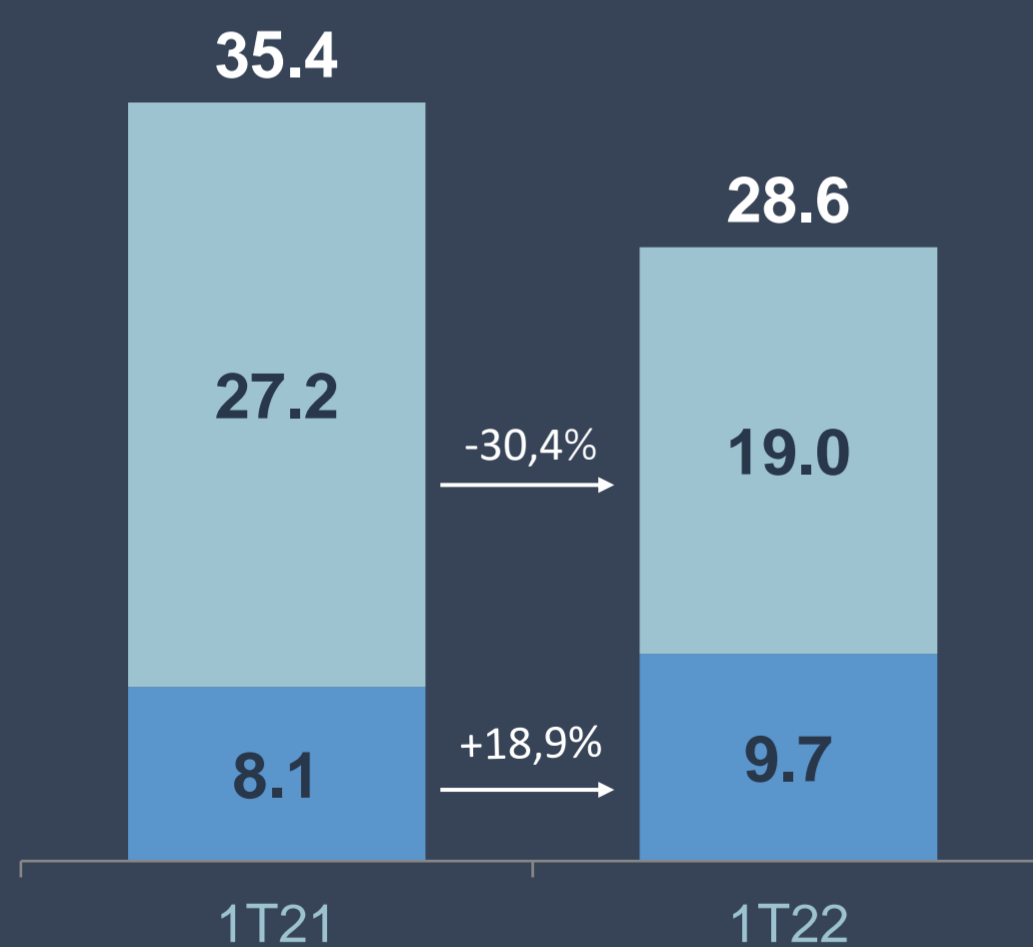
1Q22 HIGHLIGHTS YOY

VOLUME

28.6

MILLION

↓ - 19.1% vs. 1Q21



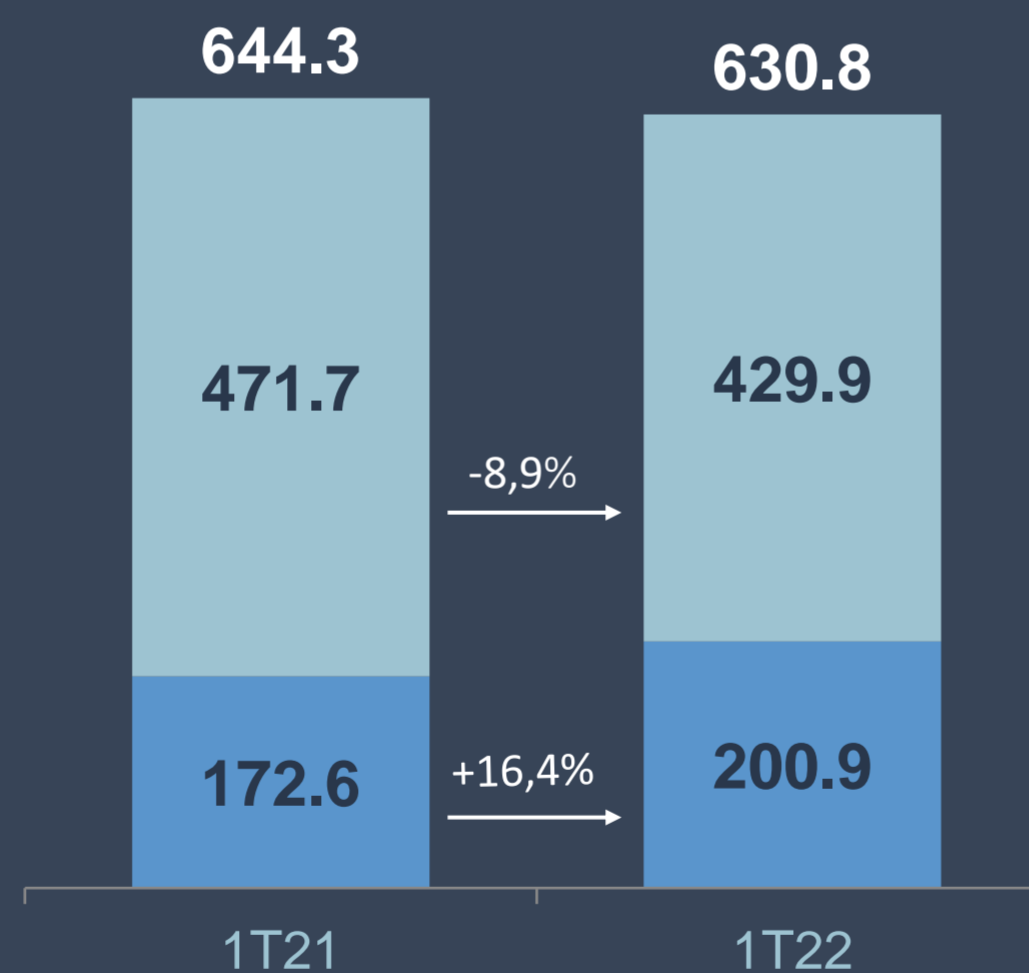
■ Export market ■ Domestic market

GROSS REVENUE

R\$ 630.8

MILLION

↓ - 2.1% vs. 1Q21



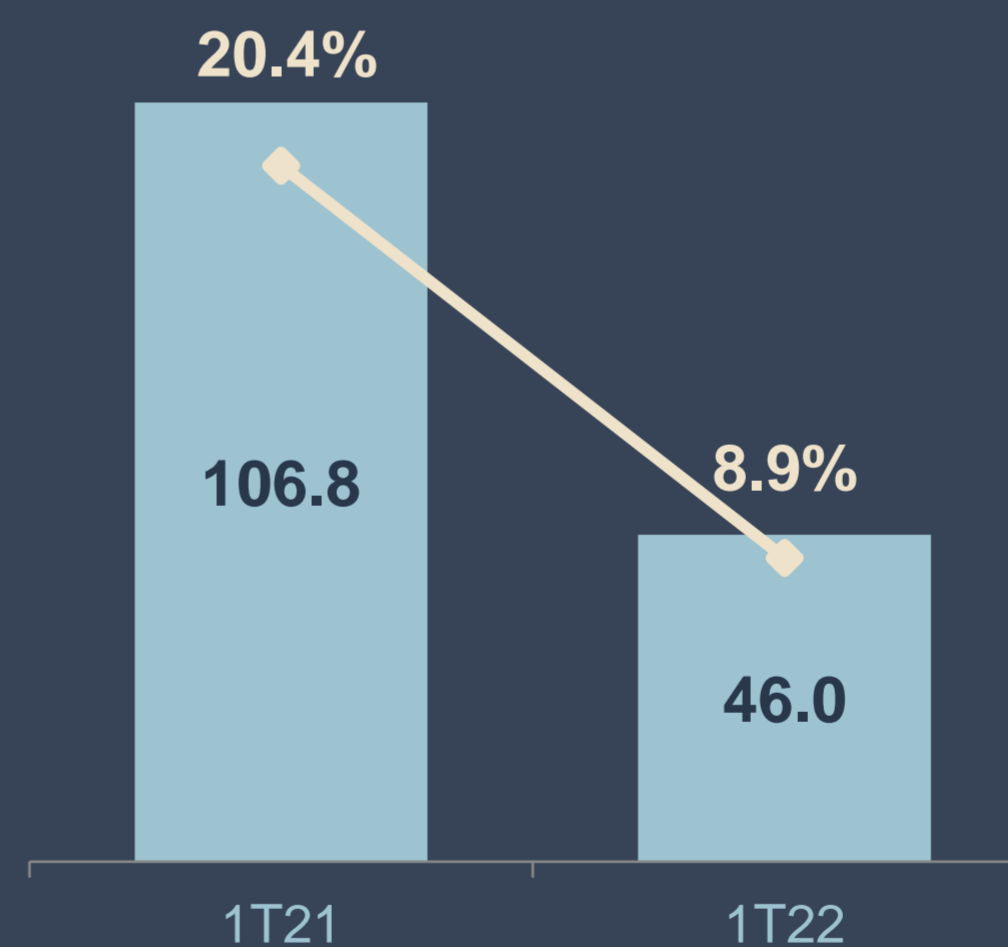
■ Export market ■ Domestic market

RECURRING EBIT

R\$ 46.0

MILLION

↓ - 57.0% vs. 1Q21



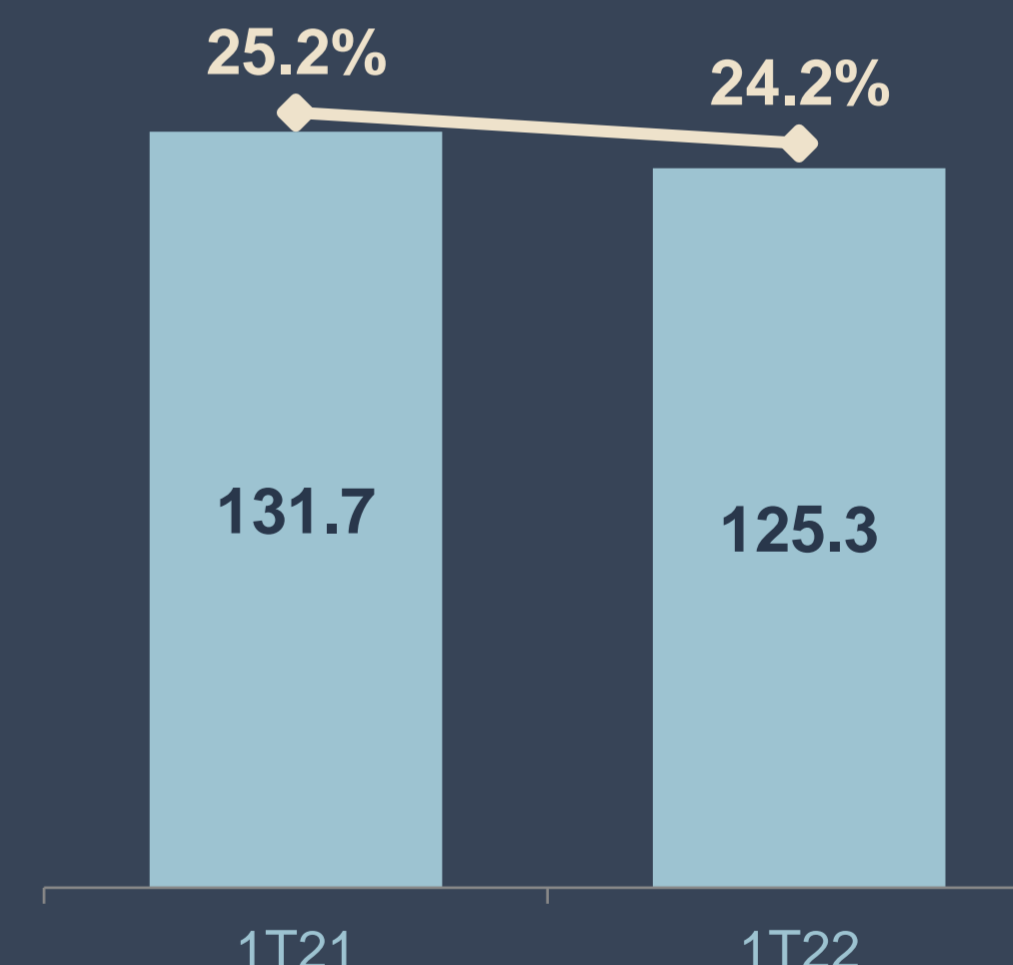
■ Recurring Ebit ◆ Recurring Ebit margin

RECURRING NET PROFIT

R\$ 125.3

MILLION

↓ - 4.9% vs. 1Q21



■ Recurring net profit ◆ Recurring net margin



CONSOLIDATED PROFIT AND LOSS ACCOUNT

GROSS REVENUE / PAIR

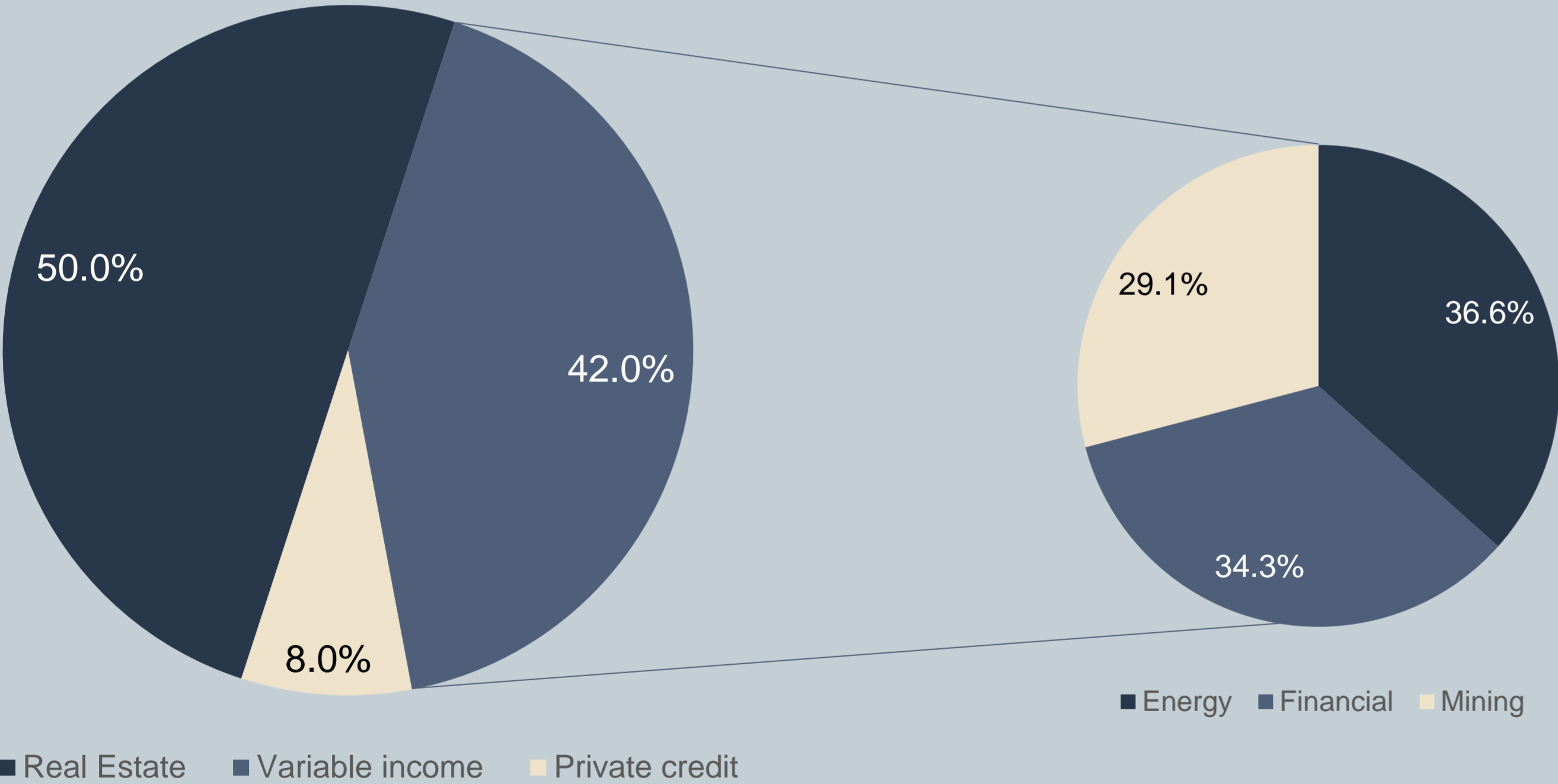
- TOTAL (R\$ 22.05)
+ 21.0% VS 1Q21
- DOMESTIC MARKET (R\$ 22.68)
+ 31.0% VS 1Q21
- EXPORT MARKET (R\$ 20.80)
- 2.1% VS 1Q21
- EXPORT MARKET (US\$ 3.97)
+ 2.2% VS 1Q21

| (R\$ '000) | 1Q21 | % OF NET SALES | 1Q22 | % OF NET SALES | CHANGE % 1Q22 / 1Q21 |
|--------------------------------------|-----------|----------------|-----------|----------------|-------------------------|
| GROSS REVENUE | 644,350 | | 630,821 | | (2.1%) |
| DOMESTIC MARKET | 471,745 | | 429,876 | | (8.9%) |
| EXPORT MARKET | 172,605 | | 200,945 | | 16.4% |
| NET SALES REVENUE | 523,301 | 100.0% | 517,908 | 100.0% | (1.0%) |
| COGS | (287,071) | (54.9%) | (321,685) | (62.1%) | 12.1% |
| RAW MATERIAL | (133,972) | (25.6%) | (150,147) | (29.0%) | 12.1% |
| LABOR | (100,478) | (19.2%) | (111,215) | (21.5%) | 10.7% |
| OTHER MANUFACTURING COSTS | (52,621) | (10.1%) | (60,323) | (11.6%) | 14.6% |
| GROSS PROFIT | 236,230 | 45.1% | 196,223 | 37.9% | (16.9%) |
| OPERATIONAL EXPENSES | (132,394) | (25.3%) | (150,090) | (29.0%) | 13.4% |
| SELLING EXPENSES | (104,544) | (20.0%) | (124,997) | (24.1%) | 19.6% |
| GENERAL AND ADMINISTRATIVE EXPENSES | (20,408) | (3.9%) | (24,628) | (4.8%) | 20.7% |
| OTHER OPERATIONAL REVENUES | 2,208 | 0.4% | 4,277 | 0.8% | 93.7% |
| OTHER OPERATIONAL EXPENSES | (9,664) | (1.8%) | (4,930) | (1.0%) | (49.0%) |
| EQUITY ACCOUNTING | 14 | 0.0% | 188 | 0.0% | 1,242.9% |
| OPERATIONAL PROFIT (ACCOUNTING EBIT) | 103,836 | 19.8% | 46,133 | 8.9% | (55.6%) |
| OPERATIONAL PROFIT (RECURRING EBIT) | 106,877 | 20.4% | 45,978 | 8.9% | (57.0%) |
| NET FINANCIAL REVENUE (EXPENSES) | 42,616 | 8.1% | 88,787 | 17.1% | 108.3% |
| NET PROFIT FOR THE PERIOD | 129,158 | 24.7% | 125,470 | 24.2% | (2.9%) |
| RECURRING NET PROFIT FOR THE PERIOD | 131,735 | 25.2% | 125,339 | 24.2% | (4.9%) |
| TOTAL VOLUME (THOUSAND PAIRS) | 35,367 | 100.0% | 28,613 | 100.0% | (19.1%) |
| DOMESTIC MARKET (DM) | 27,246 | 77.0% | 18,954 | 66.2% | (30.4%) |
| EXPORT MARKET | 8,121 | 23.0% | 9,659 | 33.8% | 18.9% |

“INVESTMENT COMMITTEE” PORTFOLIO

BALANCE: R\$ 688.2 MILLION

SHARE BY SECTOR, %
(March 31, 2022)



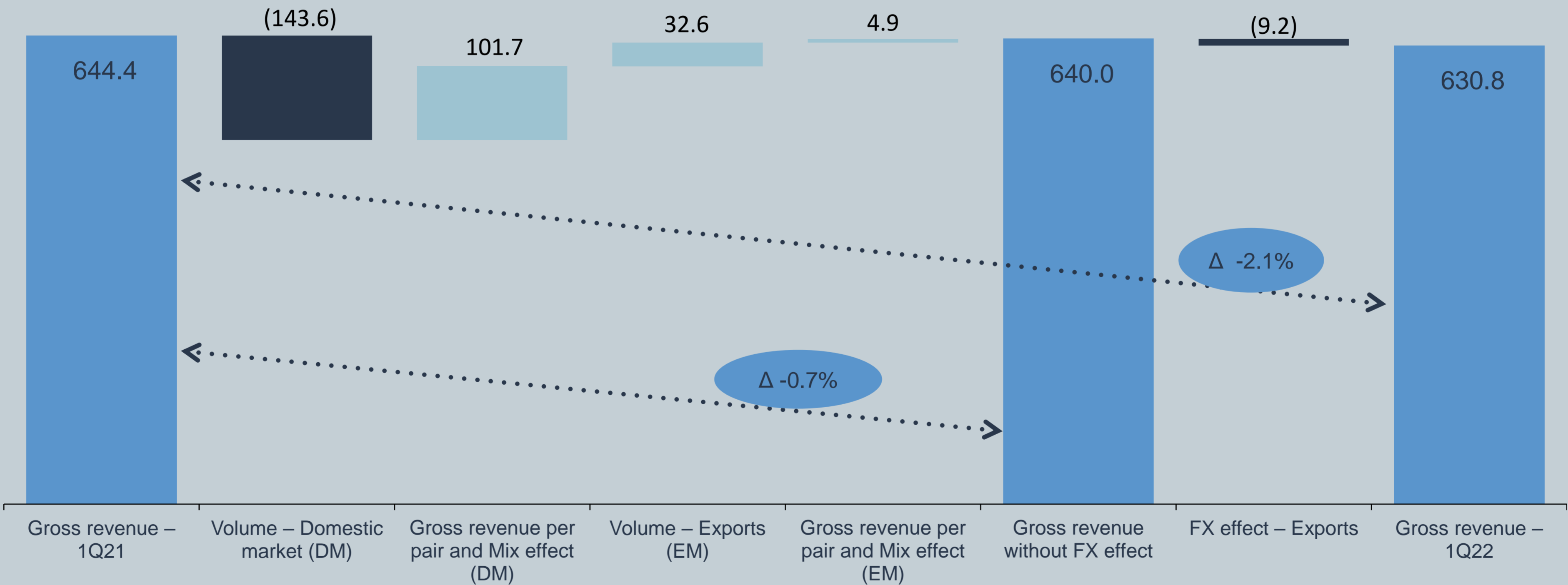
The “Investment Committee” portfolio presents a return of **76.15%** (equivalent to **578.1% CDI**) since the beginning of the allocation of resources.



GROSS REVENUE – DOMESTIC MARKET AND EXPORTS

R\$ MILLION

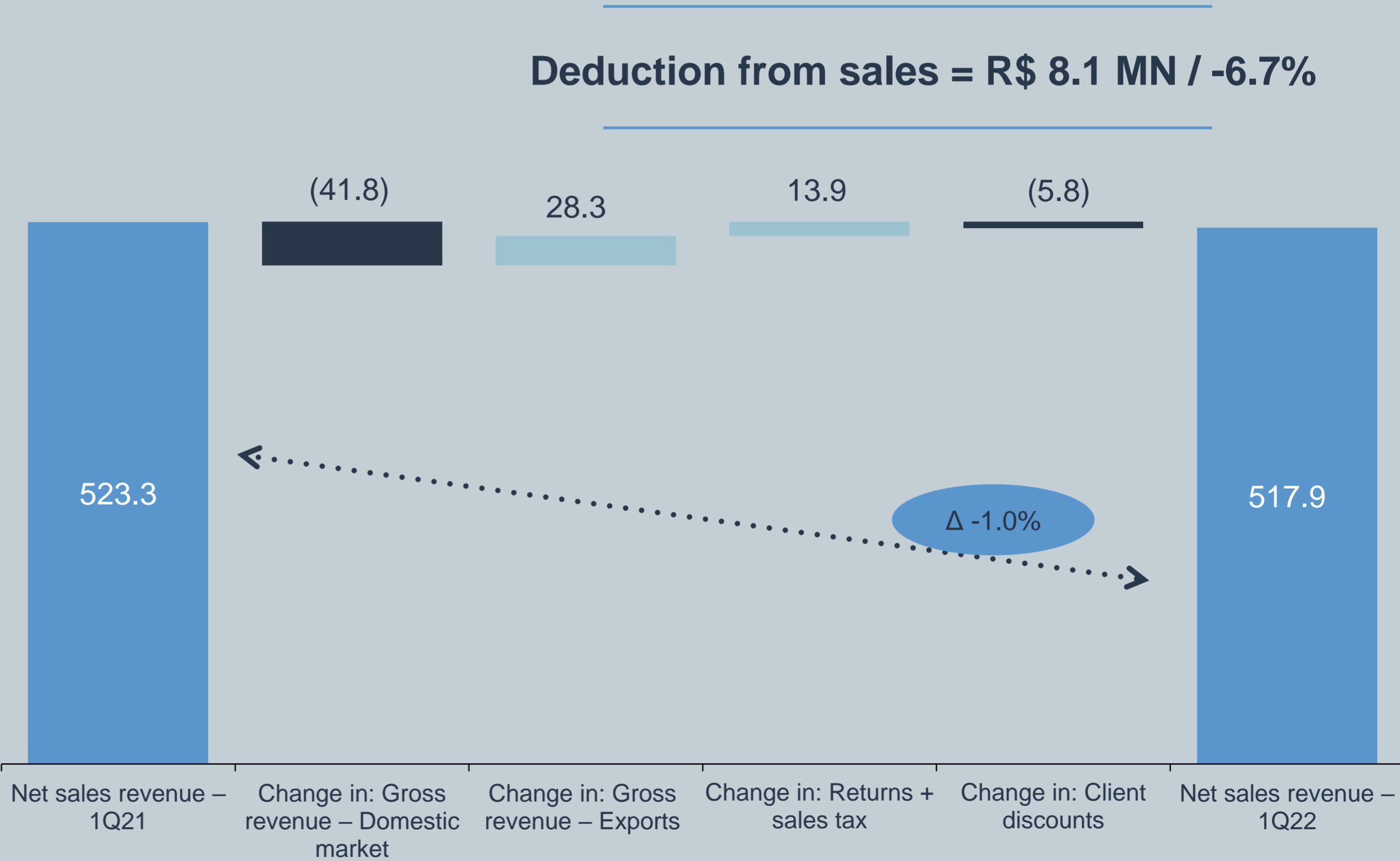
CHANGES IN REVENUE DUE TO CHANGES IN (I) VOLUME AND (II) GROSS REVENUE PER PAIR AND MIX



AVERAGE US DOLLAR EXCHANGE RATE: 1Q21 = R\$ 5.4729 / 1Q22 = R\$ 5.2330 – Δ -4.4%

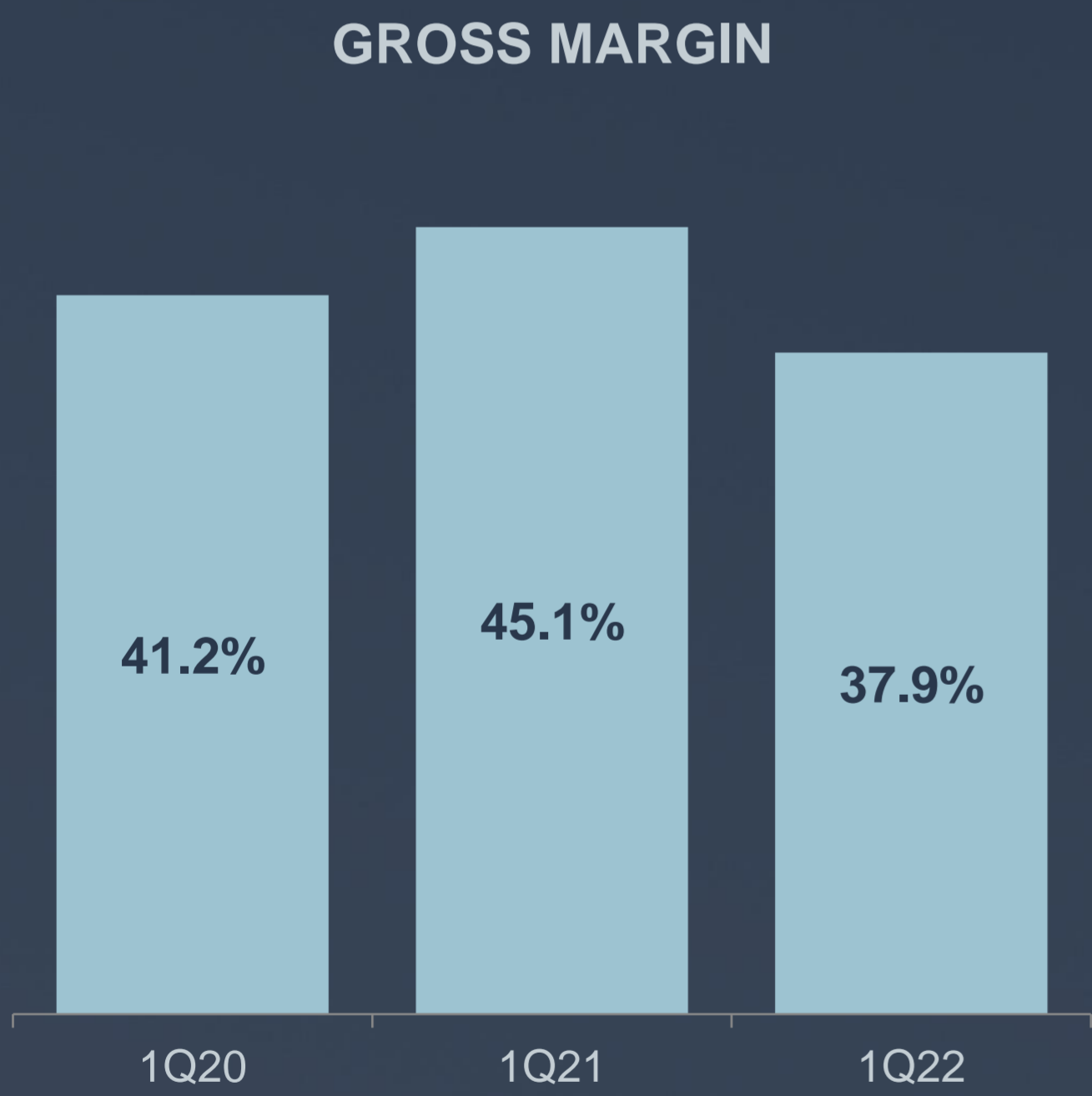
NET REVENUE
CONSOLIDATED DATA

R\$ MILLION



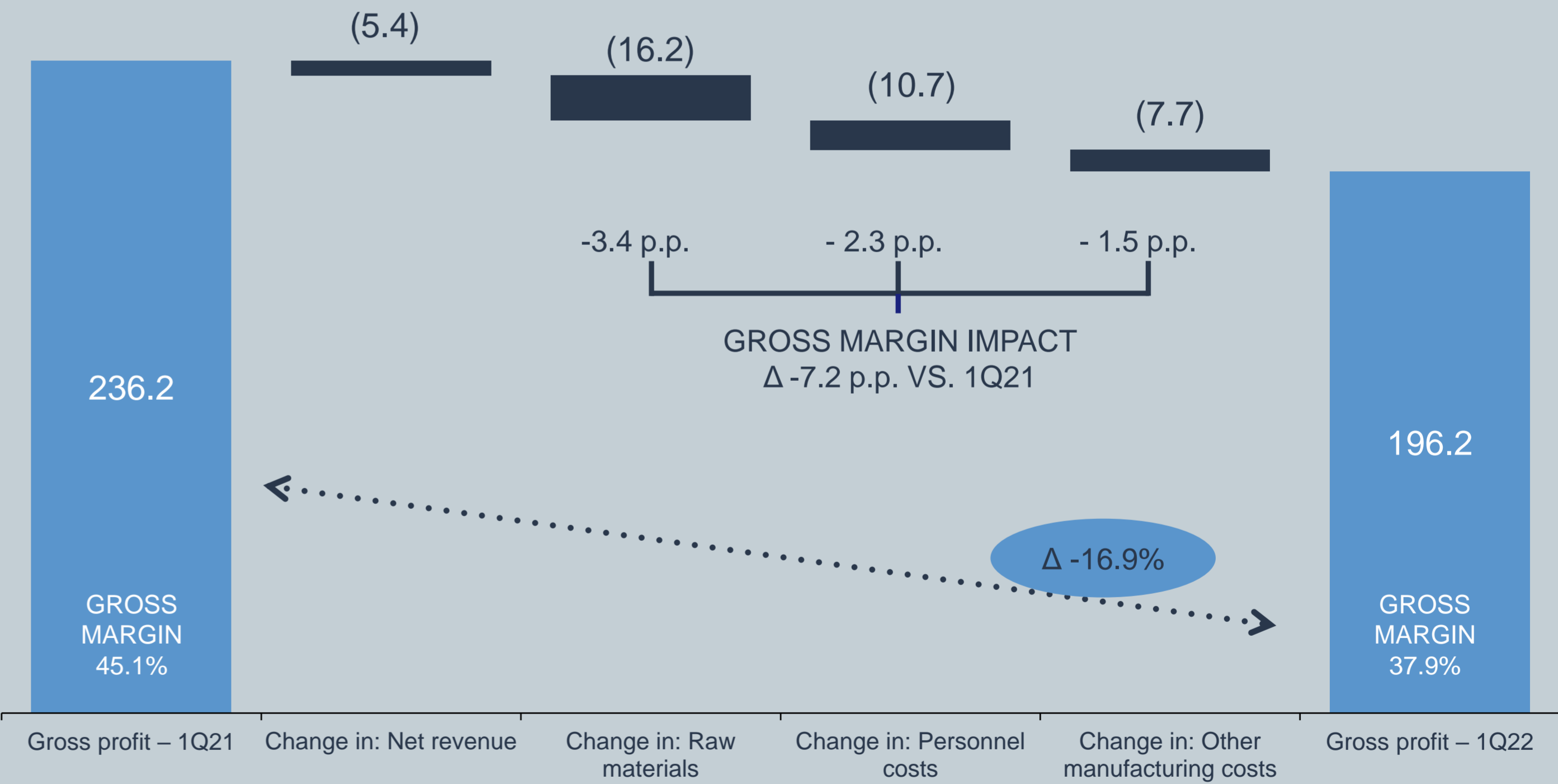
GROSS PROFIT CONSOLIDATED DATA

R\$ MILLION



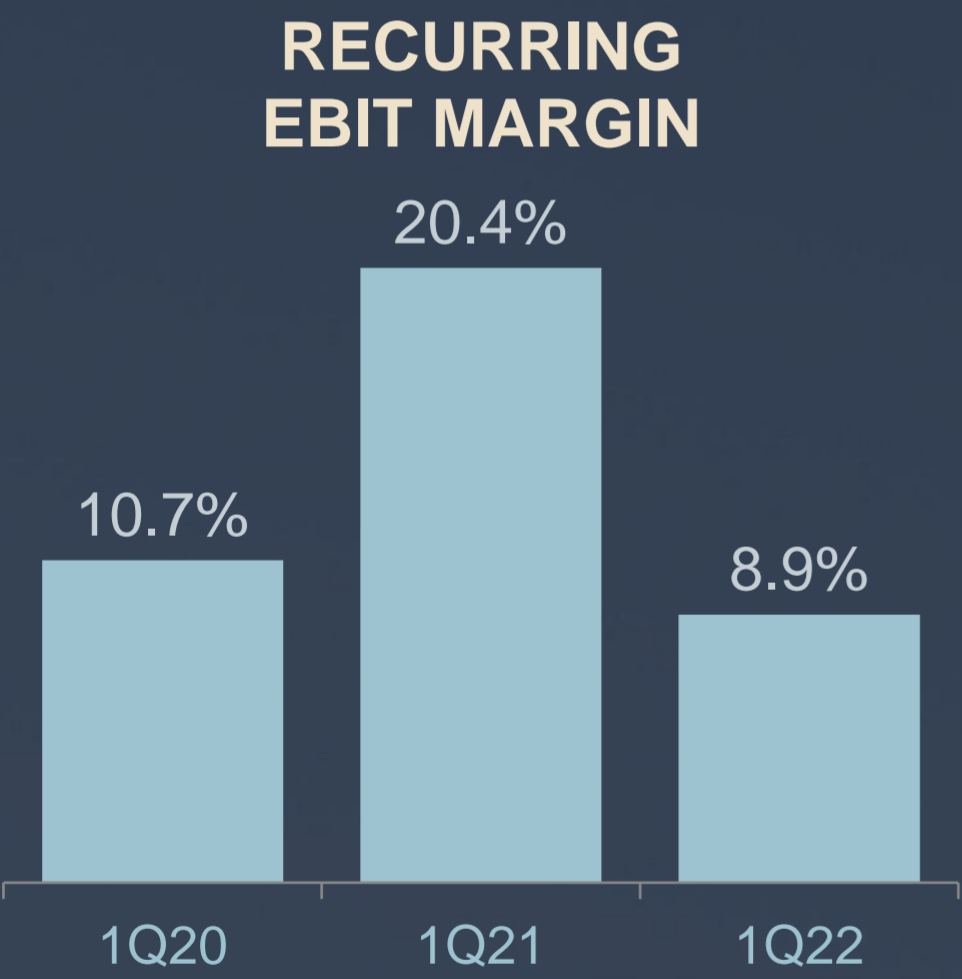
IN THE QUARTER, THE COSTS OF RAW MATERIALS (+12.1%), PERSONEL COSTS (+10.7%) AND OTHER MANUFACTURING COSTS (+14.6%) INCREASED MORE THAN NET REVENUE (-1.0%), REPRESENTING A LARGER SHARE OF THAT ONE.

COGS = (R\$ 34.6 MN) / 12.1%

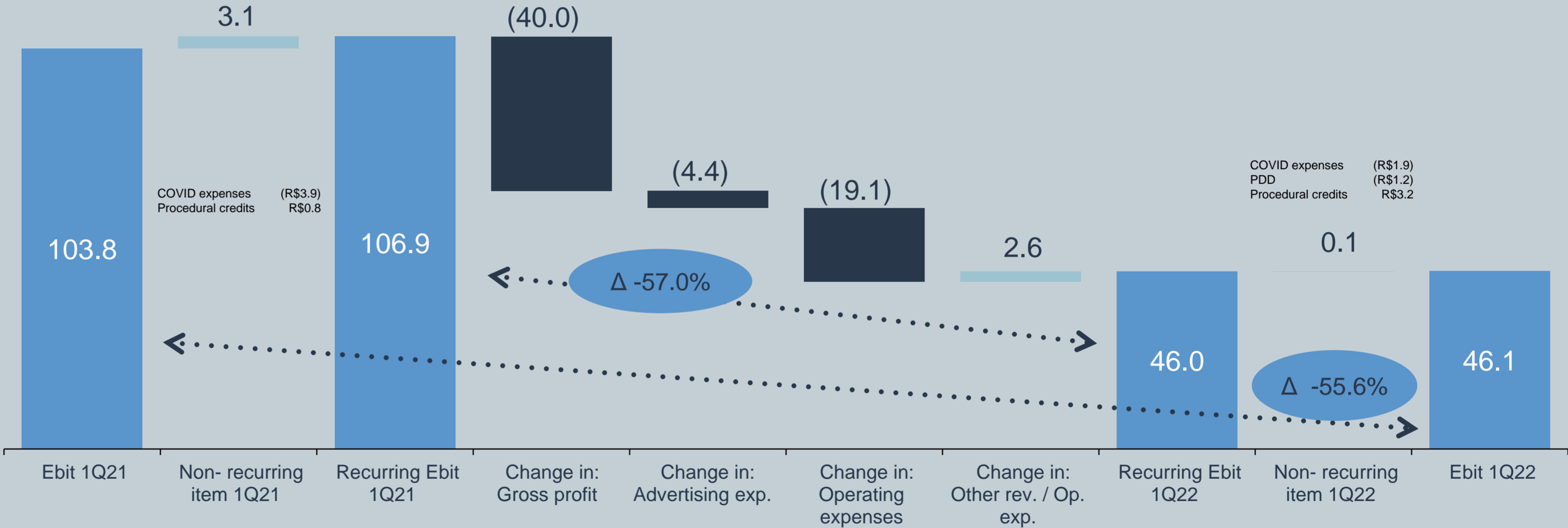


EBIT
CONSOLIDATED
DATA

R\$ MILLION



CHANGE IN OPERATING
EXPENSES = (R\$ 20.9 MN) / 16.2%

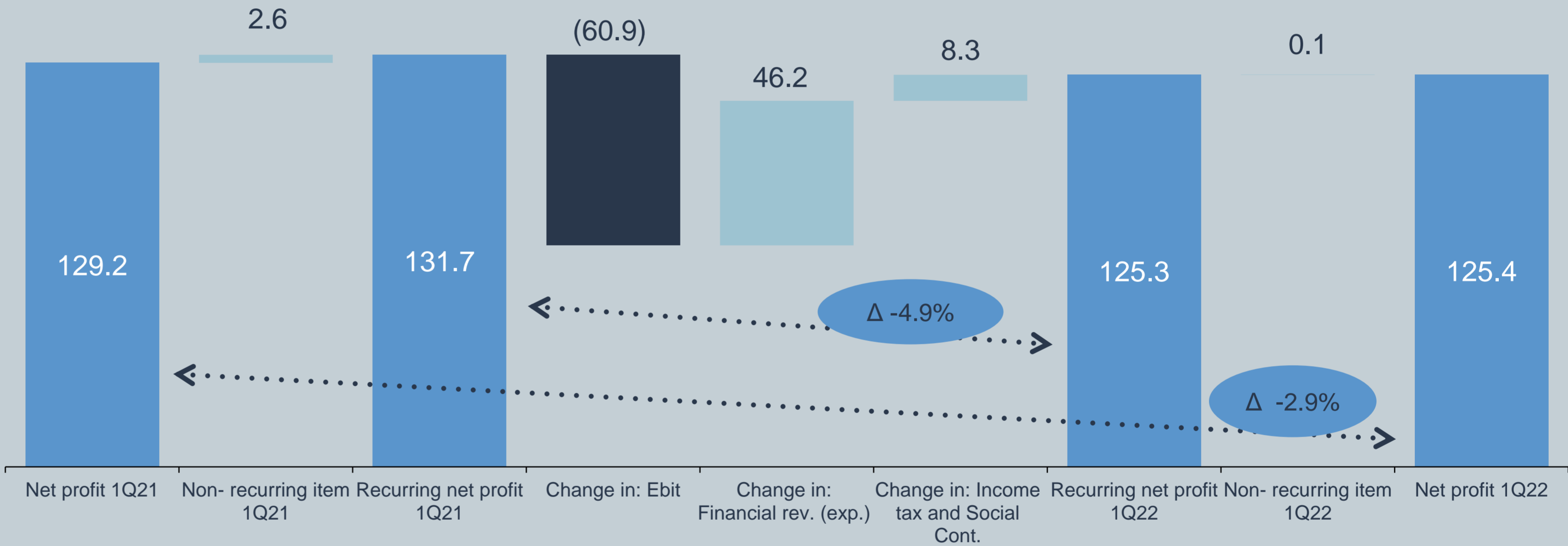
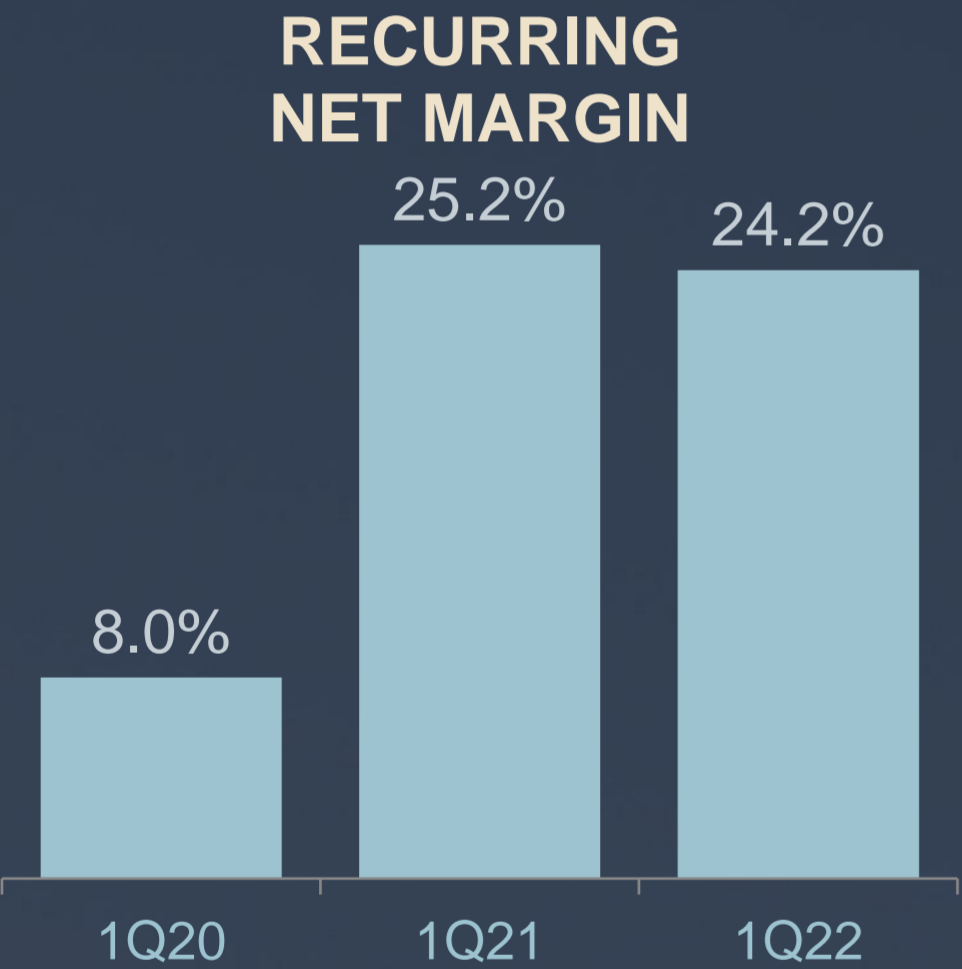




1Q22 RESULTS

NET PROFIT CONSOLIDATED DATA

R\$ MILLION



Grendene®

melissa

GRENHA

ZAXY

Ipanema

Grendene kids

rider

CARTAGO

PEGA FORTÉ

DESTINATION OF PROPOSED DIVIDENDS AND INTEREST ON EQUITY (I.E.)

| Allocation of Net profit for 1Q22 | R\$ |
|--|-----------------|
| Net profit for the period | 125,470,406.06 |
| (-) Tax incentives reserve | (37,369,343.82) |
| Basis for calculation of the legal reserve | 88,101,062.24 |
| (-) Legal reserve | (4,405,053.12) |
| Dividends relating to the profit of the 1Q22 / Basis for calculation of the minimum mandatory dividend | 83,696,009.12 |
| Minimum obligatory dividend – 25% | 20,924,002.28 |
| Dividend in addition to the minimum mandatory amount | 62,772,006.84 |
| Sum | 83,696,009.12 |

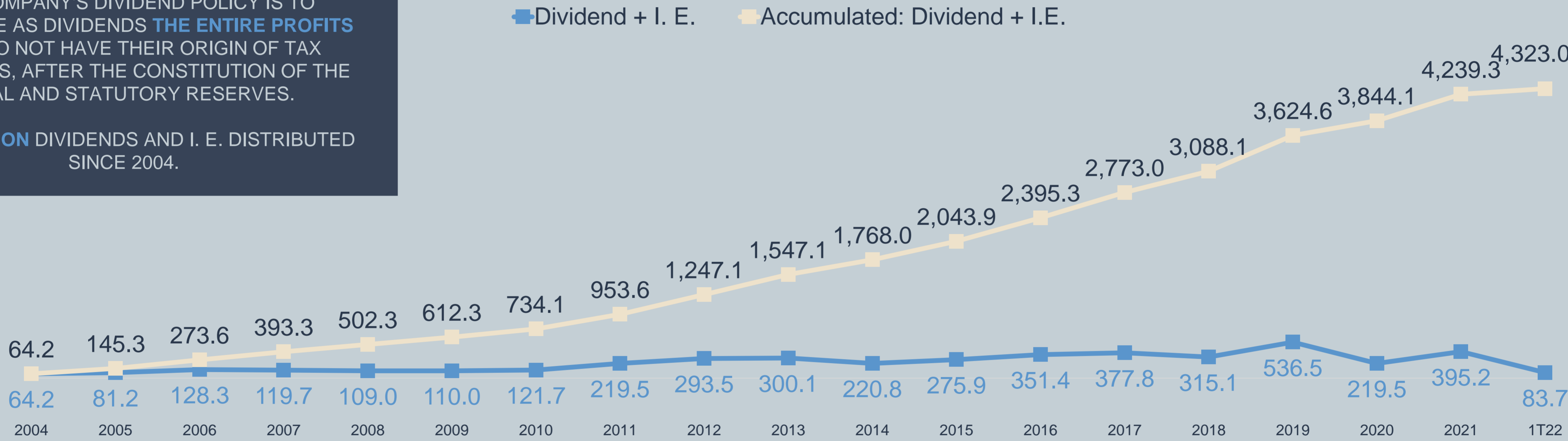
| Dividend / I.E. | Approval date | Ex-dividend date | Payment start date | Gross value R\$ | Gross value per share R\$ | Net value R\$ | Net value per share R\$ |
|-----------------------|----------------|------------------|--------------------|-----------------|---------------------------|---------------|-------------------------|
| Dividend ¹ | April 28, 2022 | May 10, 2022 | May 25, 2022 | 46,696,009.12 | 0.051760415 | 46,696,009.12 | 0.051760415 |
| I. E. ¹ | April 28, 2022 | May 10, 2022 | May 25, 2022 | 37,000,000.00 | 0.041012827 | 31,450,000.00 | 0.034860903 |
| | | | Soma | 83,696,009.12 | 0.092773242 | 78,146,009.12 | 0.086621318 |

¹ Dividend and I.E. approved "ad referendum" of the Annual General Meeting that examines the balance sheet and financial statements for the 2022 business year.

DIVIDEND AND INTEREST ON EQUITY (I.E.) ACCUMULATED SINCE 2004

THE COMPANY'S DIVIDEND POLICY IS TO DISTRIBUTE AS DIVIDENDS **THE ENTIRE PROFITS** THAT DO NOT HAVE THEIR ORIGIN OF TAX INCENTIVES, AFTER THE CONSTITUTION OF THE LEGAL AND STATUTORY RESERVES.

R\$ 4,3 BILLION DIVIDENDS AND I. E. DISTRIBUTED SINCE 2004.



| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 1T22 |
|---------------------|-------|--------|--------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Payout (*) | 96.4% | 101.3% | 100.4% | 100.3% | 45.9% | 40.7% | 39.8% | 74.8% | 71.1% | 71.8% | 46.1% | 48.6% | 53.1% | 55.2% | 52.0% | 65.7% | 51.6% | 63.0% | 64.5% |
| Dividend yield (**) | 2.0% | 4.0% | 6.6% | 5.2% | 7.0% | 5.9% | 4.7% | 8.5% | 8.4% | 5.0% | 4.8% | 5.2% | 6.3% | 4.7% | 4.0% | 6.7% | 2.7% | 4.5% | 4.0% |

(*) Payout: (Dividend plus net Interest on Equity), divided by (Net profit after constitution of the legal reserves).
(**) Dividend yield: (Dividend per share + net Interest on Equity per share in the period) divided by (weighted average price of the share in the period, annualized).



Q&A

THANK YOU

Grendene®

melissa

GRENDA

ZAXY

Ipanema

Grendene kids

rider

CARTAGO

PEGA FORTÉ