

4Q22 & 2022 RESULTS

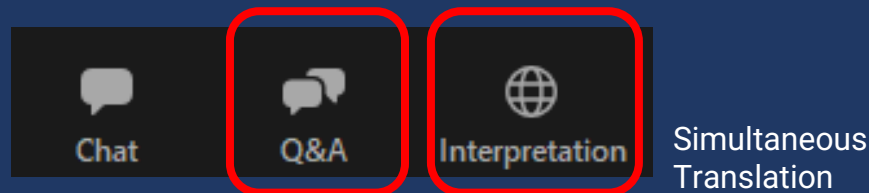
Date March 3rd, 2023 – Time: 10:30 a.m.



This videoconference will be in Portuguese , with simultaneous translation into English.

Language settings: to enable the English simultaneous translation, click on the **Interpretation** button, at the bottom right of the screen, and choose the “English” option.

To ask questions: please click on the **Q&A** icon and write your question. If announced, a request to activate your microphone will show up on your screen; then, you should enable your audio to ask your question. We kindly ask you to make all questions at once.

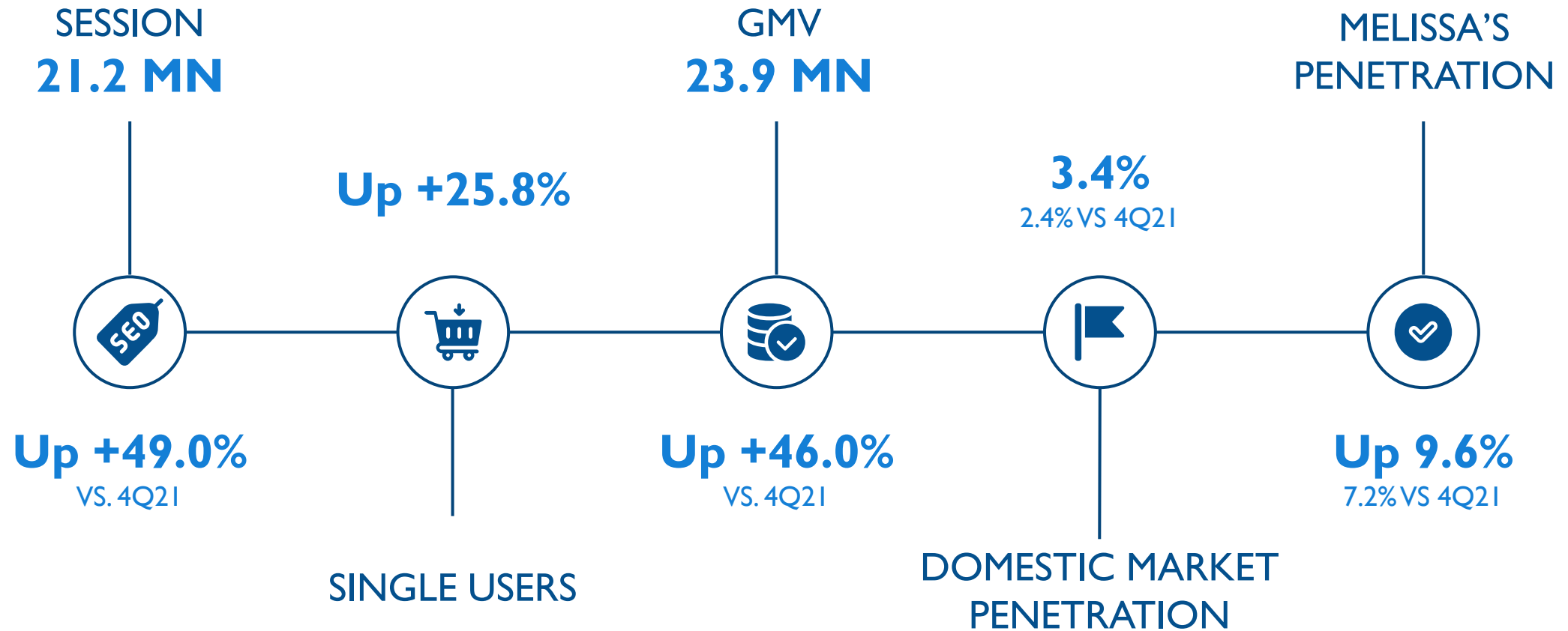


Ask your question

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.

4Q22 E-COMMERCE



E-COMMERCE 2022

~ 490 THOUSAND
CLIENTS



UP 90%

~ 800 THOUSAND
PAIRS



UP 85%

R\$ 69.3MN
GMV



UP 80%

4,842
CITIES COVERED



UP 15%

GENERAL PENETRATION

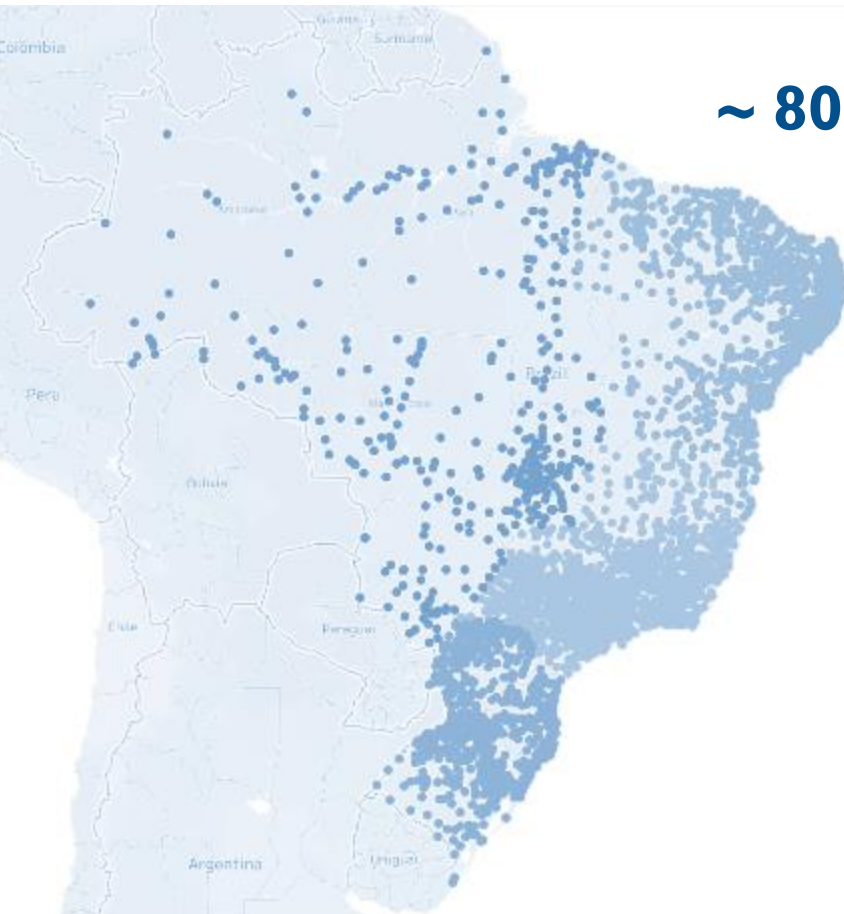
2.9%

vs. 1.8% 2021

MELISSA PENETRATION

9.2%

vs. 8.4% 2021



CLUBES MELISSA STORE



OF STORES

407

CLUBES

CHANNEL

~60%

SELL IN
DOMESTIC MARKET

E-COMMERCE

9.6% 4Q22

PENETRATION
DOMESTIC MARKET

INTERNALIZATION PROJECT FRANCHISE NETWORK MANAGEMENT

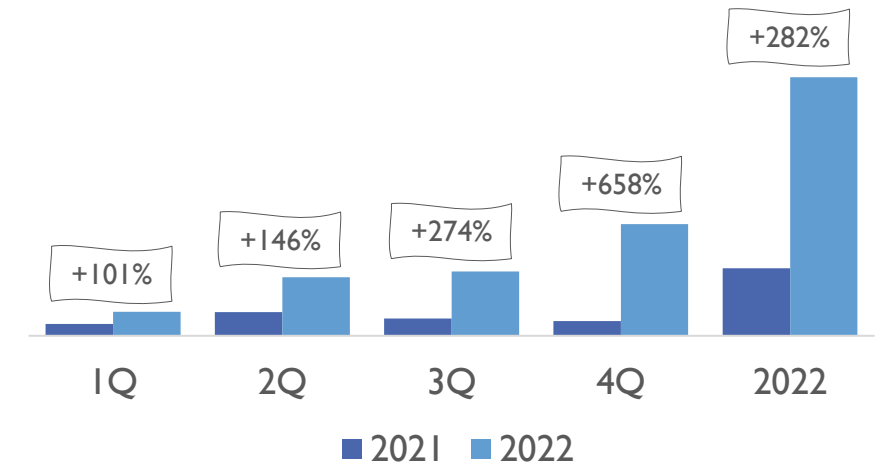
~102

EMPLOYEES

GRENDENE GLOBAL BRANDS

- 2022 THE **YEAR FOR THE DEVELOPMENT OF:**
 - GOVERNANCE** AND ESTABLISHED **PROCESSES;**
 - INTEGRATED TEAMS IN THE USA, CHINA AND BRAZIL THAT ARE **STRUCTURED** AND HAVE **DEFINED GOALS;**
 - MARKETING INVESTMENTS STARTED;
 - EXPANSION OF THE DISTRIBUTION** OF OUR PRODUCTS IN THE USA.

Melissa E-commerce USA



OPPORTUNITIES

- NEW MELISSA RETAIL;
- IPANEMA E-COMMERCE;
- IPANEMA KIOSKS;
- INTENSIFIED MARKETING: MELISSA AND IPANEMA.

CHALLENGES

- USA AND CHINA ECONOMIC SCENARIO;
- RETAILERS WITH HIGH INVENTORY;
- MELISSA WHOLESALE AND RETAIL PERFORMANCE;
- RETAILERS TRYING TO TRANSFER INVENTORY RISK TO MANUFACTURERS.

WEBSITE TRAFFIC

+183%

VS. 4Q21

CONVERSION RATE

+1,8 p.p.

VS. 4Q21

VOLUME

+710%

VS. 4Q21

ORDES

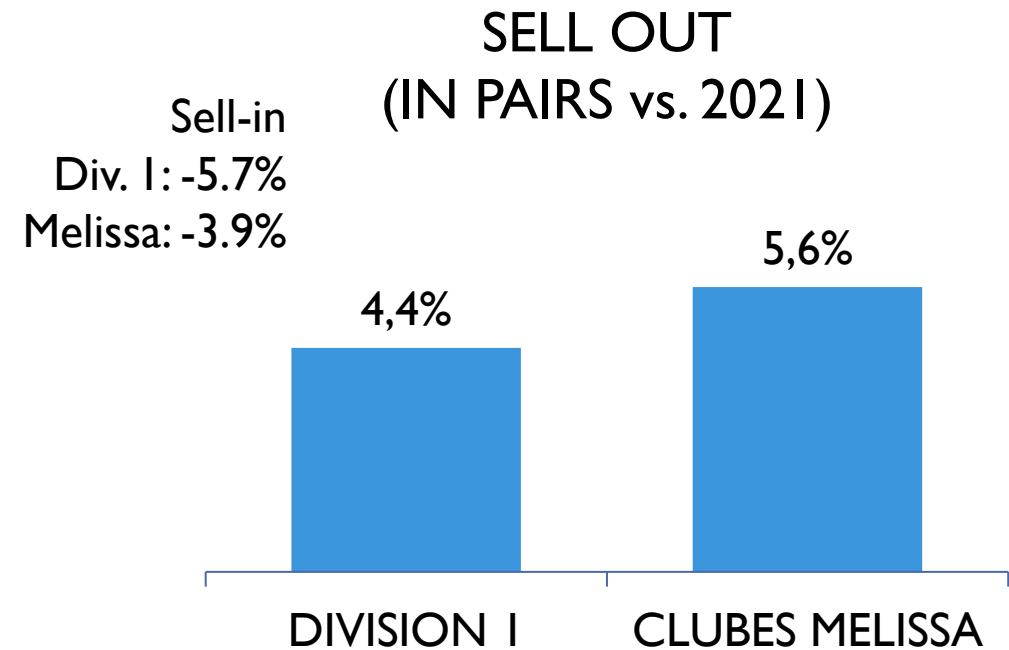
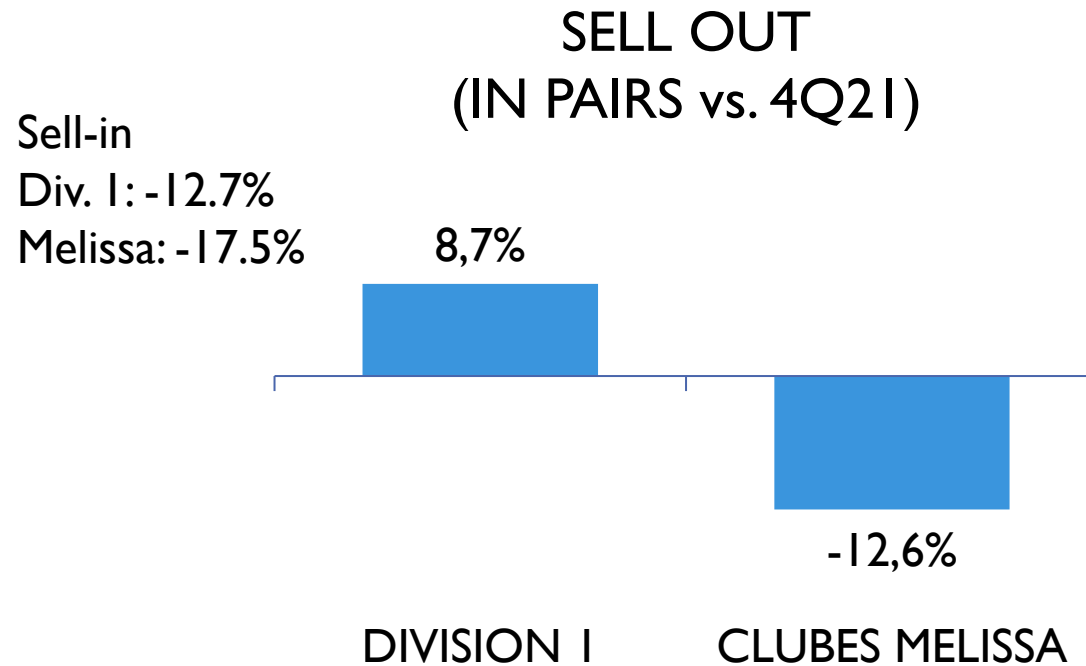
+691%

VS. 4Q21

SELL-OUT MONTHLY VARIATION

(VOLUME)

DOMESTIC MARKET COMPARISON IN RELATION TO THE SAME PERIOD LAST YEAR



BETTER SELL OUT PERFORMANCE THAN SELL IN IN DIVISION I AND MELISSA.

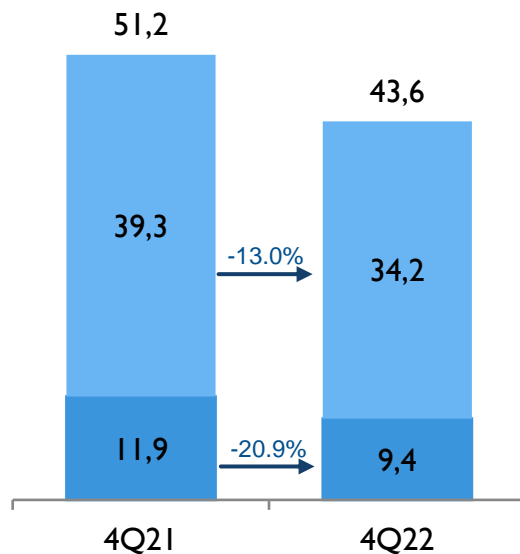
HIGHLIGHTS 4Q22 YOY

VOLUME

43.6

MILLION

(14.9%) vs. 4Q21



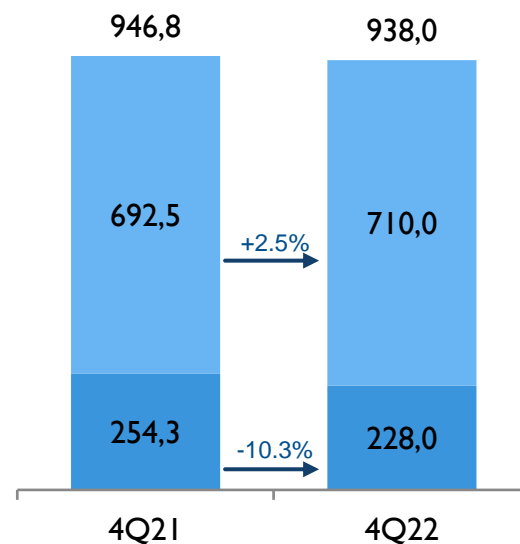
■ Domestic market
■ Export market

GROSS REVENUE

R\$ 938.0

MILLION

(0.9%) vs. 4Q21



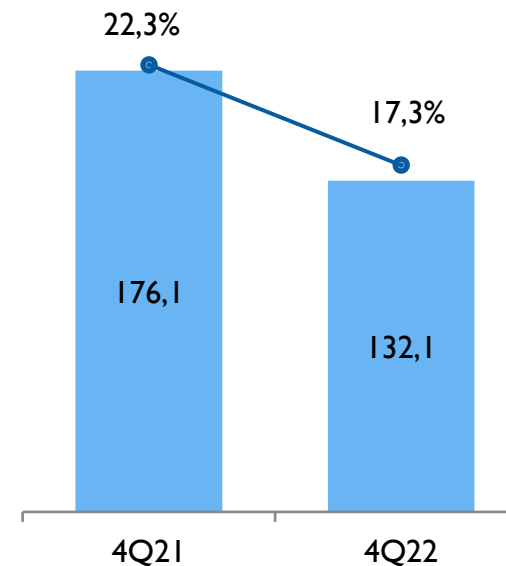
■ Domestic market
■ Export market

RECURRING EBIT

R\$ 132.1

MILLION

(25.0%) vs. 4Q21



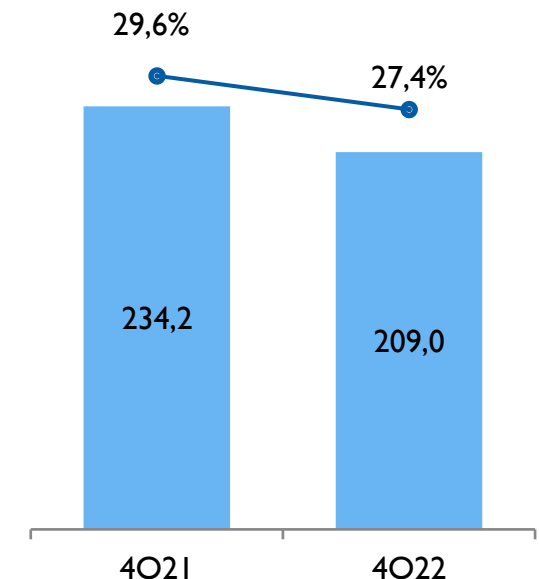
■ Recurring Ebit
● Recurring Ebit margin

RECURRING NET PROFIT

R\$ 209.0

MILLION

(10.8%) vs. 4Q21



■ Recurring Net profit
● Recurring Net margin

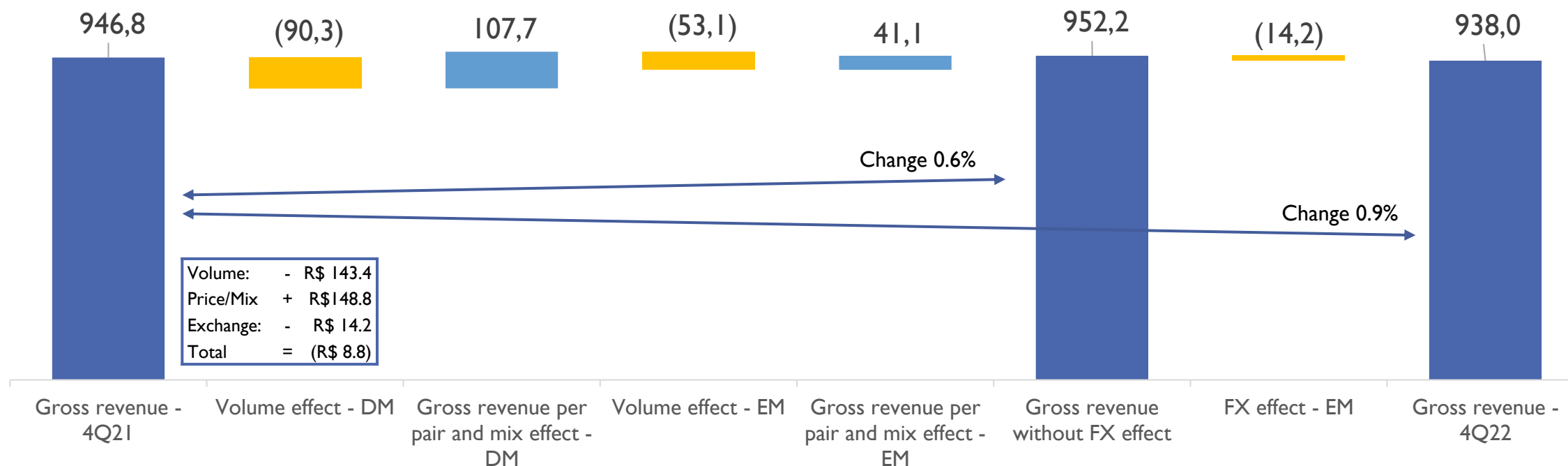
CONSOLIDATED PROFIT AND LOSS ACCOUNT 4Q22/4Q21

IN THOUSAND OF R\$	4Q21	% OF NET SALES	4Q22	% OF NET SALES	CHANGE, % YoY	CHANGE, R\$ / PAIRS
GROSS REVENUE	946.815		938.032		(0.9%)	(8.783)
DOMESTIC MARKET (DM)	692.553		710.001		2.5%	17.448
EXPORT MARKET (EM)	254.262		228.031		(10.3%)	(26.231)
NET SALES REVENUE	789.851	100.0%	763.673	100.0%	(3.3%)	(26.178)
COST OF GOODS SOLD (COGS)	(419.437)	(53.1%)	(413.506)	(54.1%)	(1.4%)	5.931
GROSS PROFIT	370.414	46.9%	350.167	45.9%	(5.5%)	(20.247)
OPERATIONAL EXPENSES	(198.475)	(25.1%)	(224.843)	(29.4%)	13.3%	(26.368)
SELLING EXPENSES	(174.058)	(22.0%)	(175.457)	(23.0%)	0.8%	(1.399)
GENERAL AND ADMINISTRATIVE EXPENSES	(23.413)	(3.0%)	(27.177)	(3.6%)	16.1%	(3.764)
OTHER OPERATIONAL REVENUES	1.813	0.2%	19.061	2.5%	951.4%	17.248
OTHER OPERATIONAL EXPENSES	(2.814)	(0.4%)	(28.210)	(3.7%)	902.5%	(25.396)
EQUITY ACCOUNTING	(3)	-	(13.060)	(1.7%)	435,233.3%	(13.057)
OPERATIONAL PROFIT – EBIT	171.939	21.8%	125.324	16.4%	(27.1%)	(46.615)
OPERATIONAL PROFIT – RECURRING EBIT	176.152	22.3%	132.163	17.3%	(25.0%)	(43.989)
NET FINANCIAL REVENUE (EXPENSES)	54.845	6.9%	56.946	7.5%	3.8%	2.101
NET PROFIT	230.609	29.2%	202.607	26.5%	(12.1%)	(28.002)
RECURRING NET PROFIT	234.180	29.6%	208.974	27.4%	(10.8%)	(25.206)
VOLUME (THOUSAND PAIRS)	51.188	100.0%	43.584	100.0%	(14.9%)	(7.604)
DOMESTIC MARKET	39.340	76.9%	34.210	78.5%	(13.0%)	(5.130)
FOREIGN MARKET	11.848	23.1%	9.374	21.5%	(20.9%)	(2.474)

GROSS REVENUE

DOMESTIC MARKET AND EXPORT MARKET

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

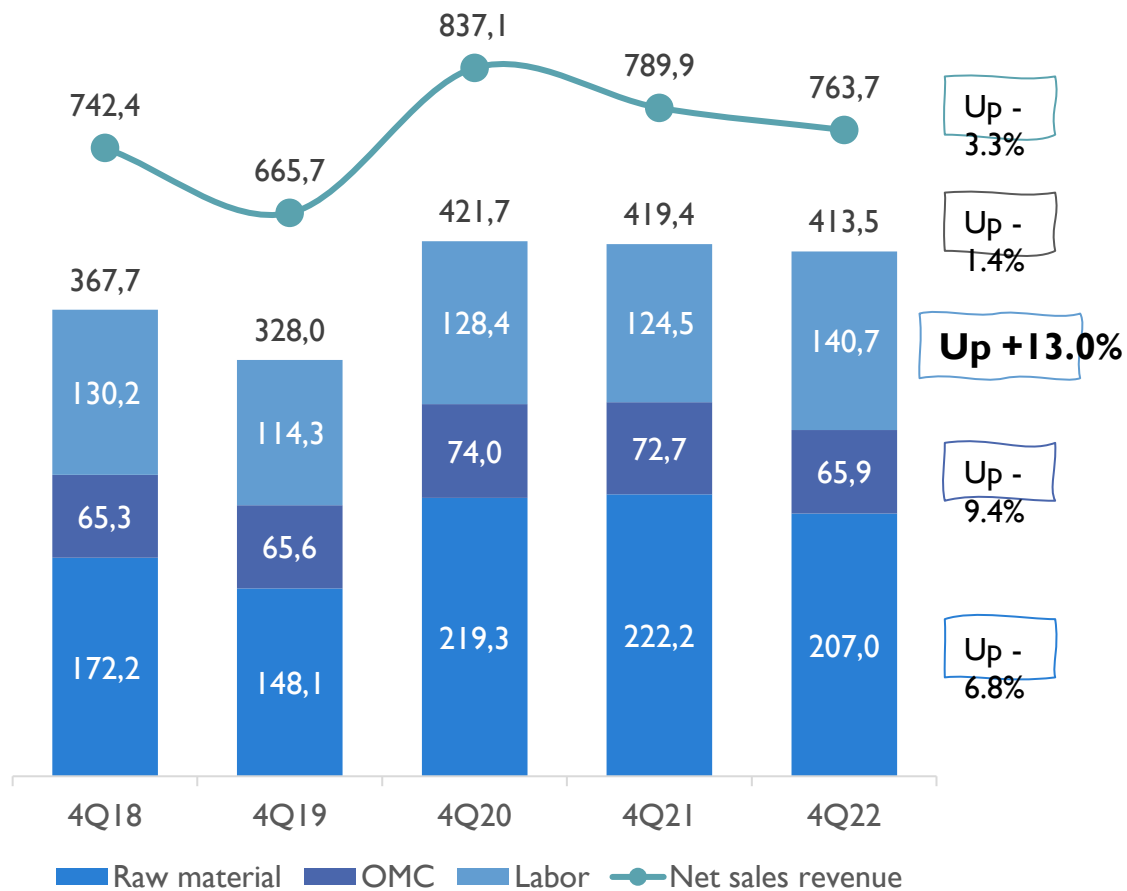


Average US dollar: 4Q21 = R\$ 5.5828 / 4Q22 = R\$ 5.2558- (5.9%)

COST OF GOODS SOLD

COGS & NET SALES REVENUE

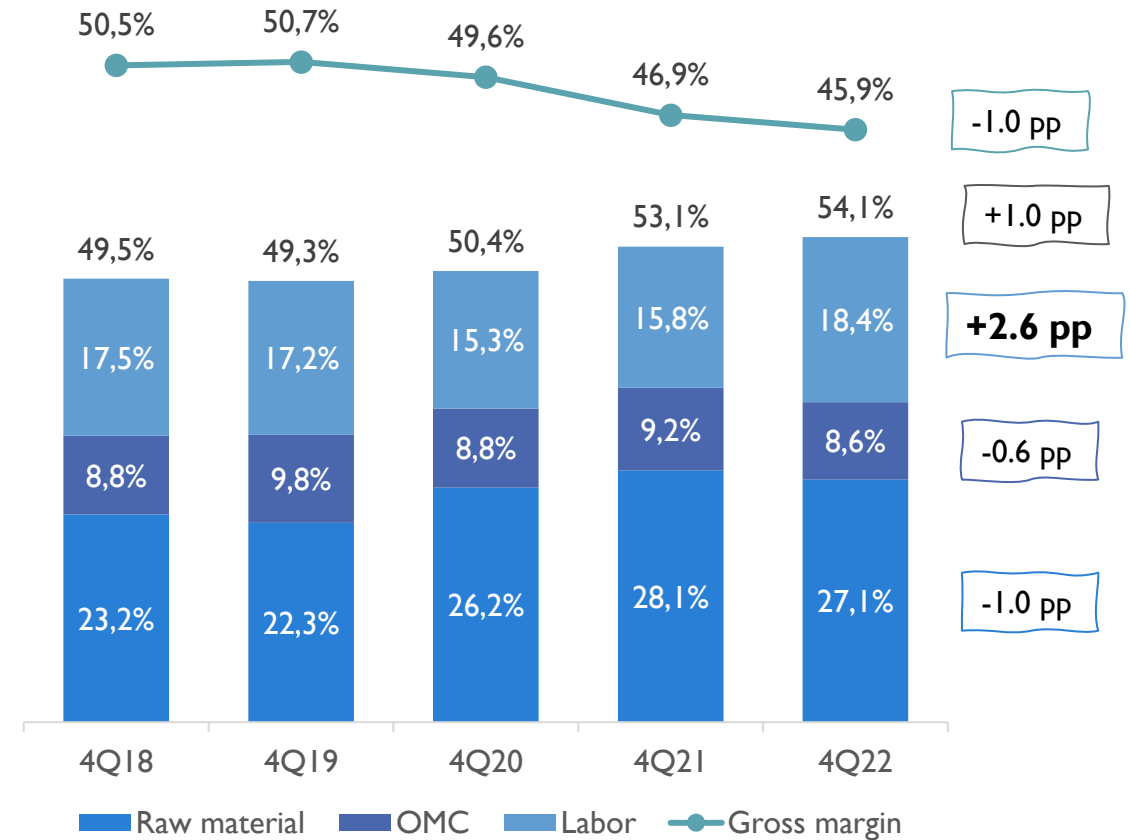
(IN THOUSANDS OF R\$)



OMC = Other manufacturing costs

GROSS MARGIN & COGS

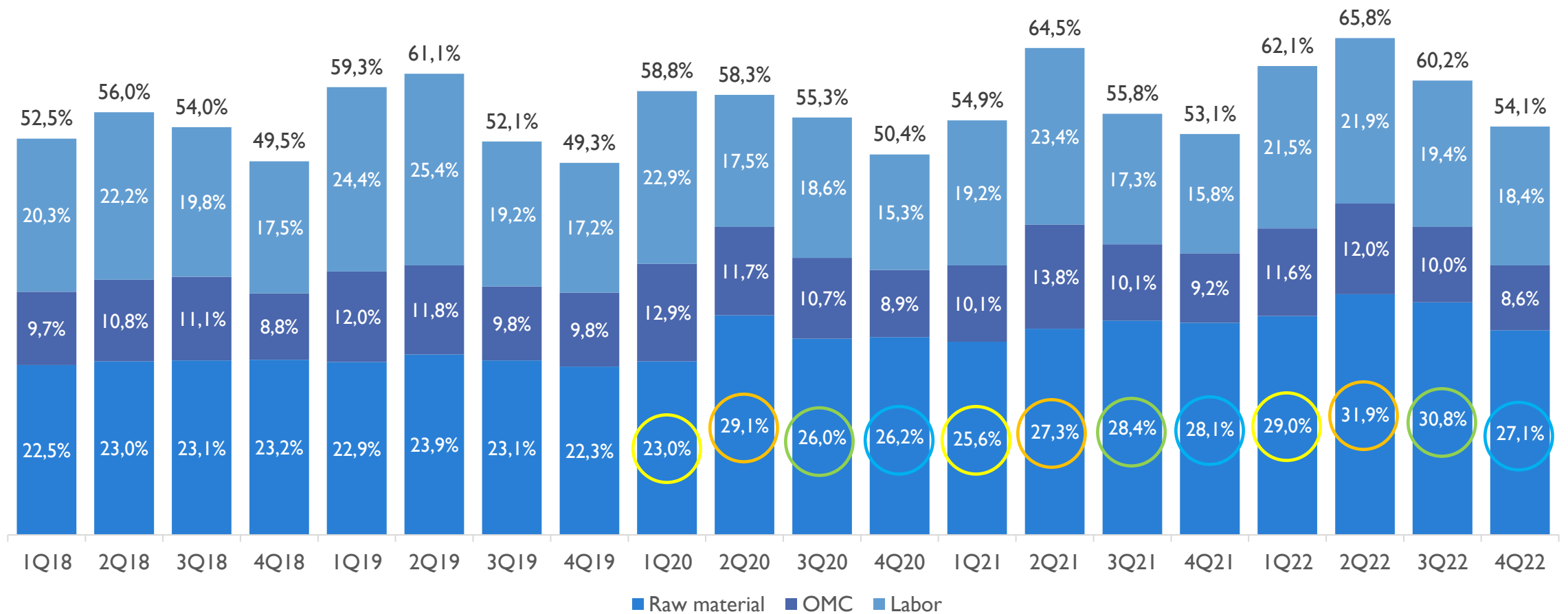
(% OF NET SALES REVENUE)



COST OF GOODS SOLD

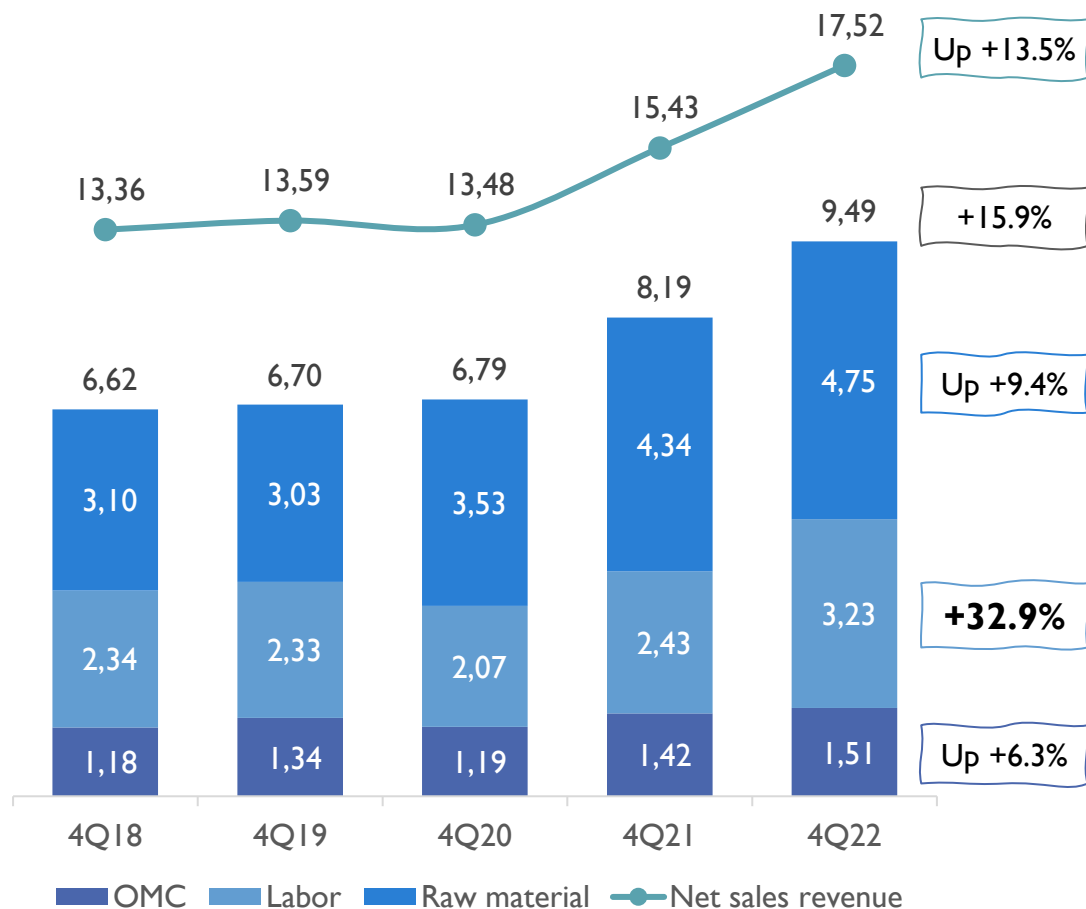
% of Net sales

COGS% OF NET SALES



COST OF GOODS SOLD PER PAIR

NET SALES AND COGS PER PAIR

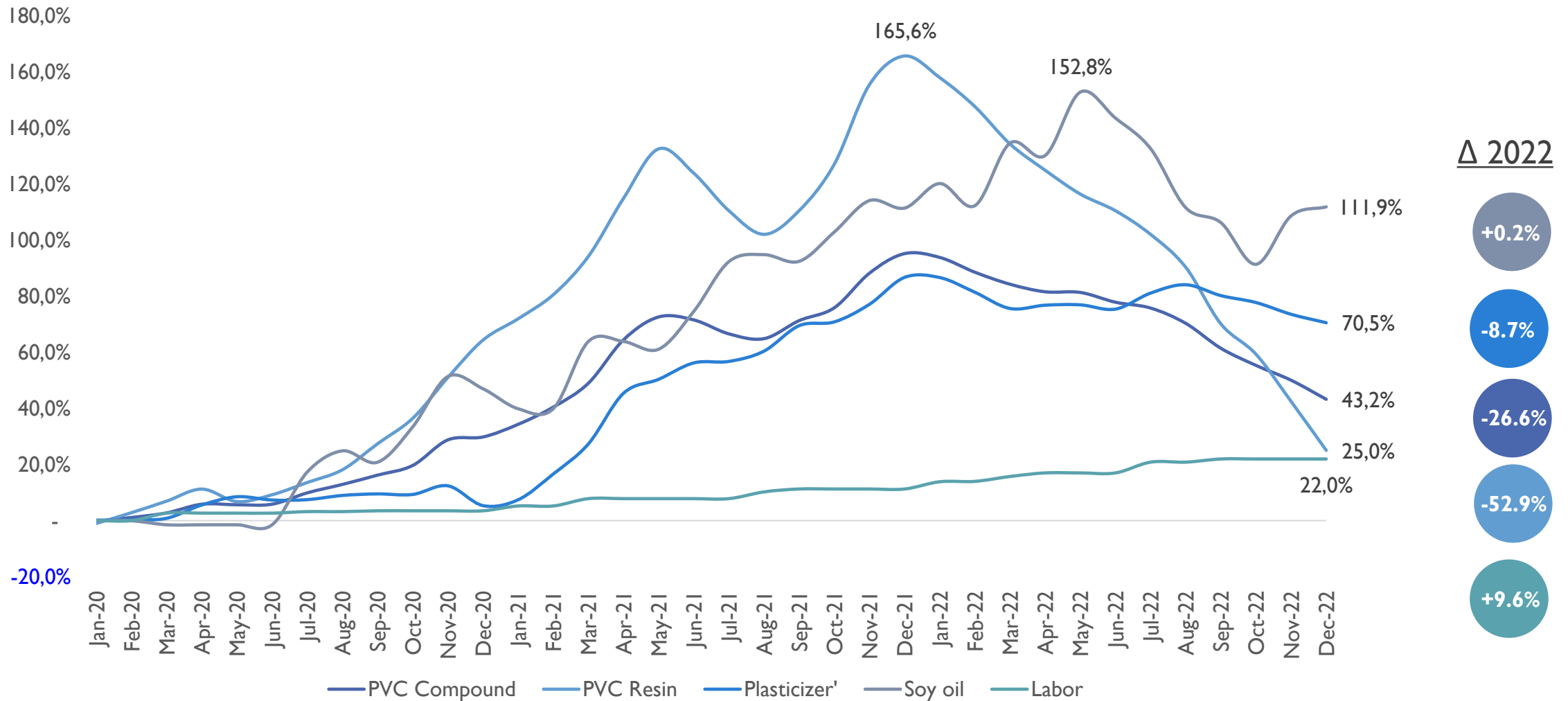


LABOR VARIANCE / PAR

	4Q21	4Q22	VARIANCE %	VARIATION VARIANCE
Direct labor	1.07	1.34	25.2%	R\$ 0.27
Support labor	0.96	1.24	29.2%	R\$ 0.28
Indirect labor	0.41	0.64	56.1%	R\$ 0.23
Total labor	2.43	3.23	32.9%	R\$ 0.80

- During the 4Q22 we laid off around 1,900 plant personnel in order to change the production structure to the weaker demand scenario.
 - ~1.250 employees were terminated due to the end of the temporary contract
 - ~650 due to the adaptation of the structure to gain efficiency
- The adjustment negatively impacted the labor COGS by R\$0.13 in 4Q22.

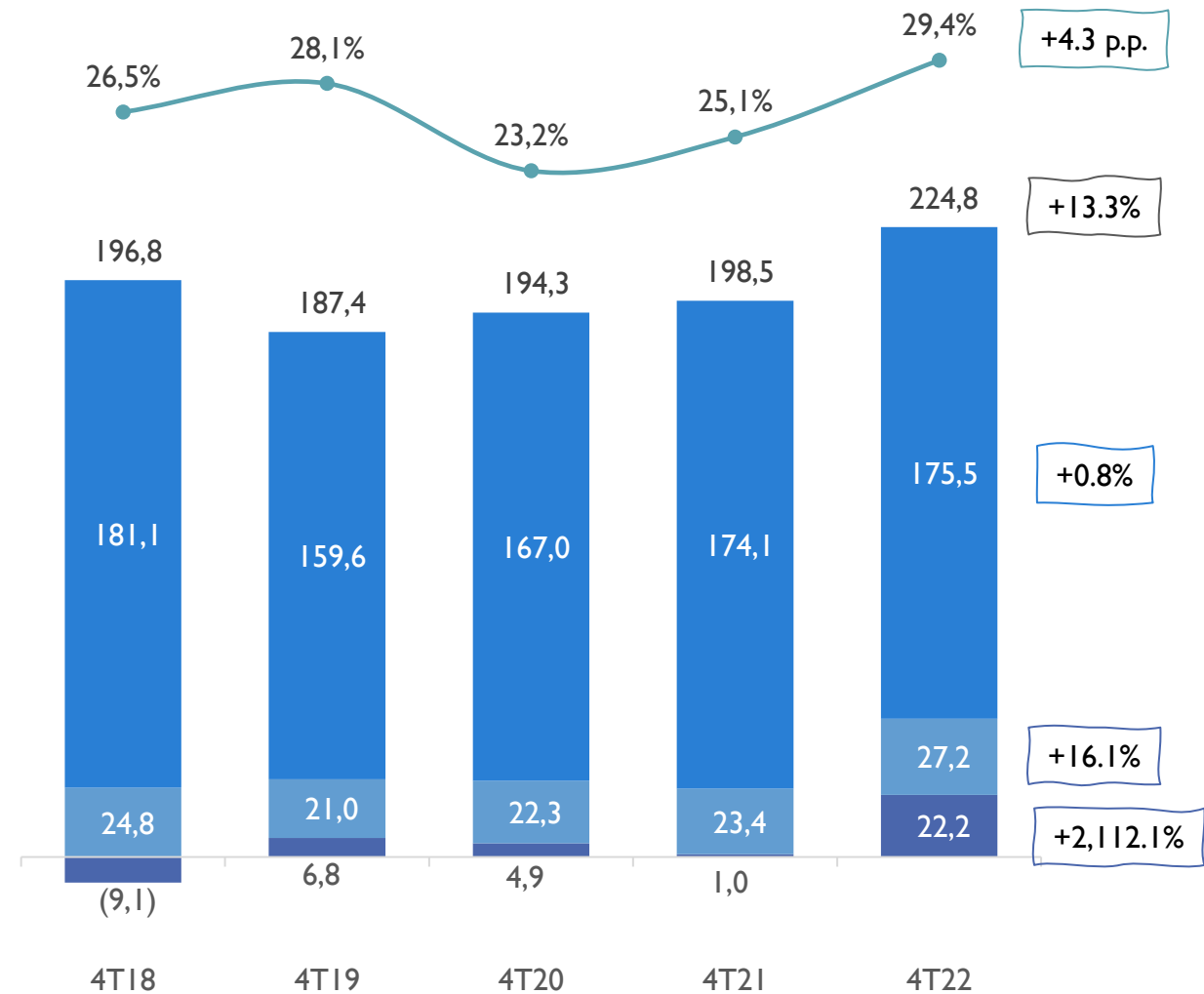
VARIATION OF THE MAIN COMPONENTS OF COGS



OPERATIONAL EXPENSES

IN MILLION OF R\$

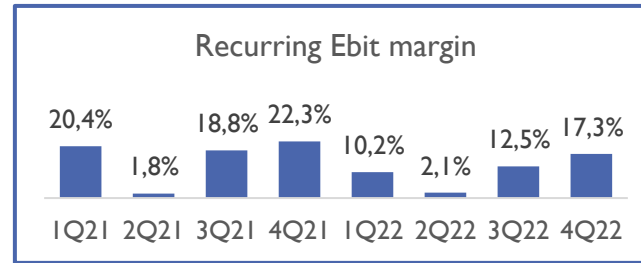
- General & Administrative
- Other operating income and expenses, and equity equivalence
- Commercial Expenses
- % of Net Revenue



EBIT

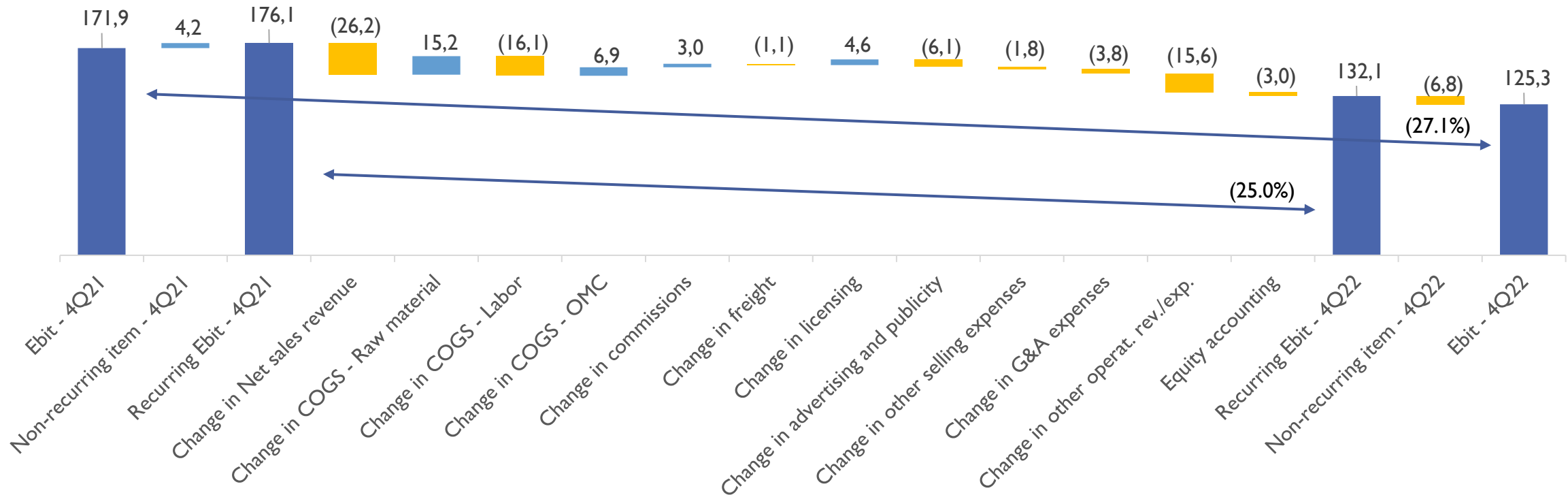
IN MILLION OF R\$

COVID-19	+	R\$ 2.3
JV legal advisory	+	R\$ 0.8
INCRA lawsuit	+	R\$ 1.1
Total	=	R\$ 4.2



Result EM retail stores	+	R\$ 0.5
Equity accounting – GGB	+	R\$ 10.0
Write-off of EM inventories	+	R\$ 3.4
Franchise management	+	R\$ 3.8
Grendene Shanghai Operational Result	+	R\$ 2.8
Grendene UK footwear donation	+	R\$ 1.1
Non-recurring revenues	-	(R\$ 14.8)
Total	=	R\$ 6.8

Change Operational expenses = (R\$23.8 MN) / 12.2%



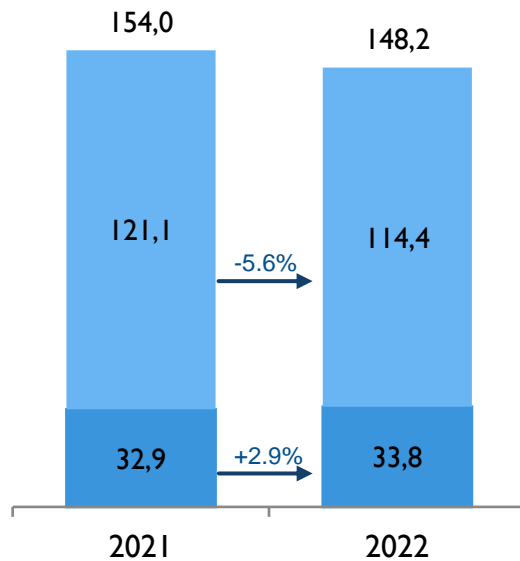
HIGHLIGHTS 2022 YOY

VOLUME

148.2

MILLION

(3.8%) vs. 2021



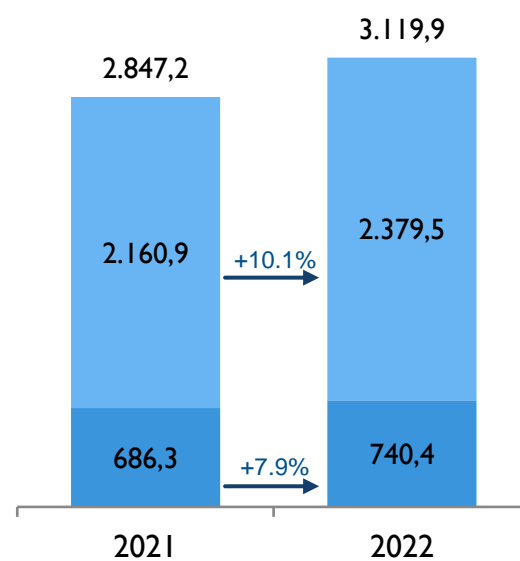
■ Export market ■ Domestic market

GROSS REVENUE

R\$ 3,119.9

MILLION

9.6% vs. 2021



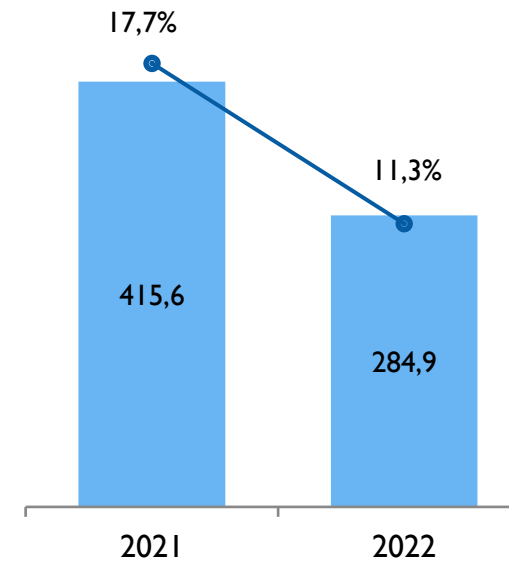
■ Export market ■ Domestic market

RECURRING EBIT

R\$ 284.9

MILLION

(31.5%) vs. 2021



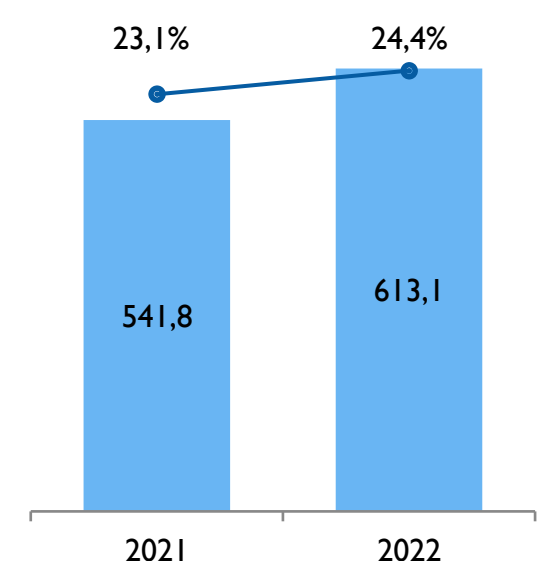
■ Recurring Ebit
● Recurring Ebit margin

RECURRING NET PROFIT

R\$ 613.1

MILLION

13.2% vs. 2021



■ Recurring Net profit
● Recurring Net margin

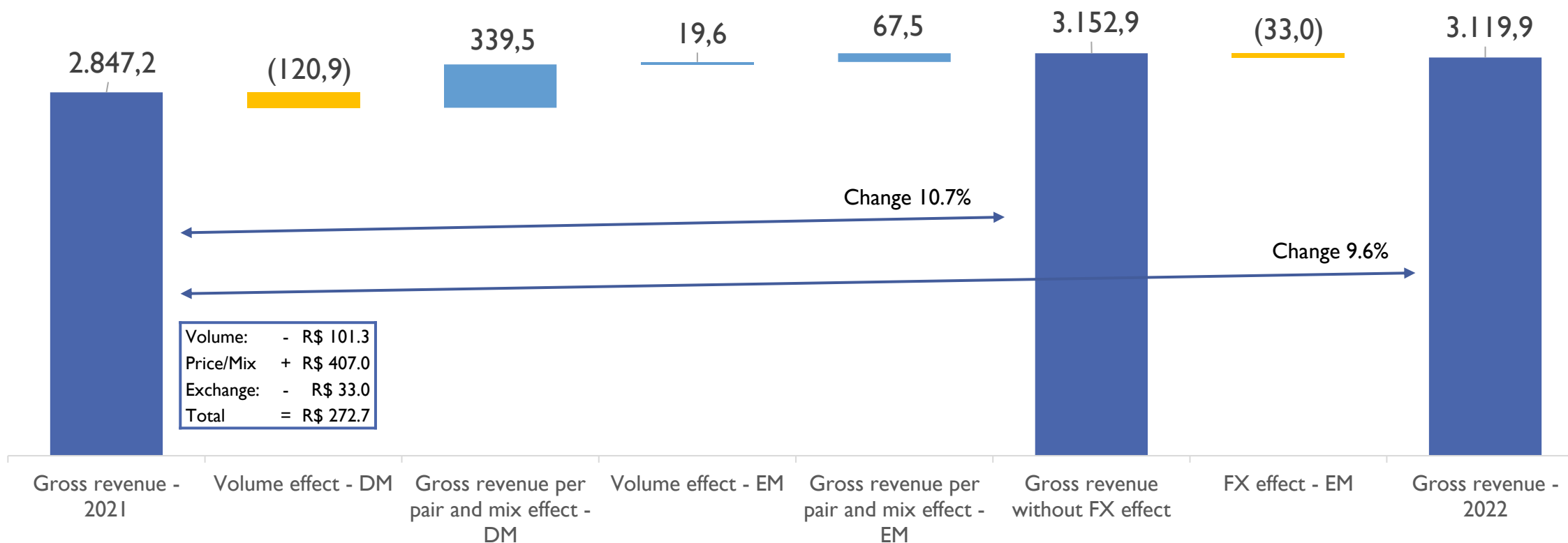
CONSOLIDATED PROFIT AND LOSS ACCOUNT 2022 VS 2021

IN THOUSAND OF R\$	2021	% OF NET SALES	2022	% OF NET SALES	CHANGE, % YoY	CHANGE, R\$ / PAIRS
GROSS REVENUE	2,847,221		3,119,947		9.6%	272.726
DOMESTIC MARKET (DM)	2,160,905		2,379,525		10.1%	218.620
EXPORT MARKET (EM)	686.316		740.422		7.9%	54.106
NET SALES REVENUE	2,342,546	100.0%	2,512,656	100.0%	7.3%	170.110
COST OF GOODS SOLD (COGS)	(1,312,479)	(56.0%)	(1,504,894)	(59.9%)	14.7%	(192.415)
GROSS PROFIT	1,030,067	44.0%	1,007,762	40.1%	(2.2%)	(22.305)
OPERATIONAL EXPENSES	(636.545)	(27.2%)	(768.642)	(30.6%)	20.8%	(132.097)
SELLING EXPENSES	(534.203)	(22.8%)	(619.503)	(24.7%)	16.0%	(85.300)
GENERAL AND ADMINISTRATIVE EXPENSES	(89.462)	(3.8%)	(103.748)	(4.1%)	16.0%	(14.286)
OTHER OPERATIONAL REVENUES	16.220	0.7%	27.652	1.1%	70.5%	11.432
OTHER OPERATIONAL EXPENSES	(29.012)	(1.2%)	(45.257)	(1.8%)	56.0%	(16.245)
EQUITY ACCOUNTING	(88)	0.0%	(27.786)	(1.1%)	31,475.0%	(27.698)
OPERATIONAL PROFIT – EBIT	393.522	16.8%	239.120	9.5%	(39.2%)	(154.402)
OPERATIONAL PROFIT – RECURRING EBIT	415.590	17.7%	284.878	11.3%	(31.5%)	(130.712)
NET FINANCIAL REVENUE (EXPENSES)	159.207	6.8%	336.197	13.4%	111.2%	176.990
NET PROFIT	601.005	25.7%	568.027	22.6%	(5.5%)	(32.978)
RECURRING NET PROFIT	541.761	23.1%	613.084	24.4%	13.2%	71.323
VOLUME (THOUSAND PAIRS)	154.046	100.0%	148.210	100.0%	(3.8%)	(5.836)
DOMESTIC MARKET	121.160	78.7%	114.384	77.2%	(5.6%)	(6.776)
FOREIGN MARKET	32.886	21.3%	33.826	22.8%	2.9%	940

GROSS REVENUE

DOMESTIC MARKET AND EXPORT MARKET

In million of R\$ / Change in revenue due to change in (i) volume and (ii) gross revenue per pair and mix

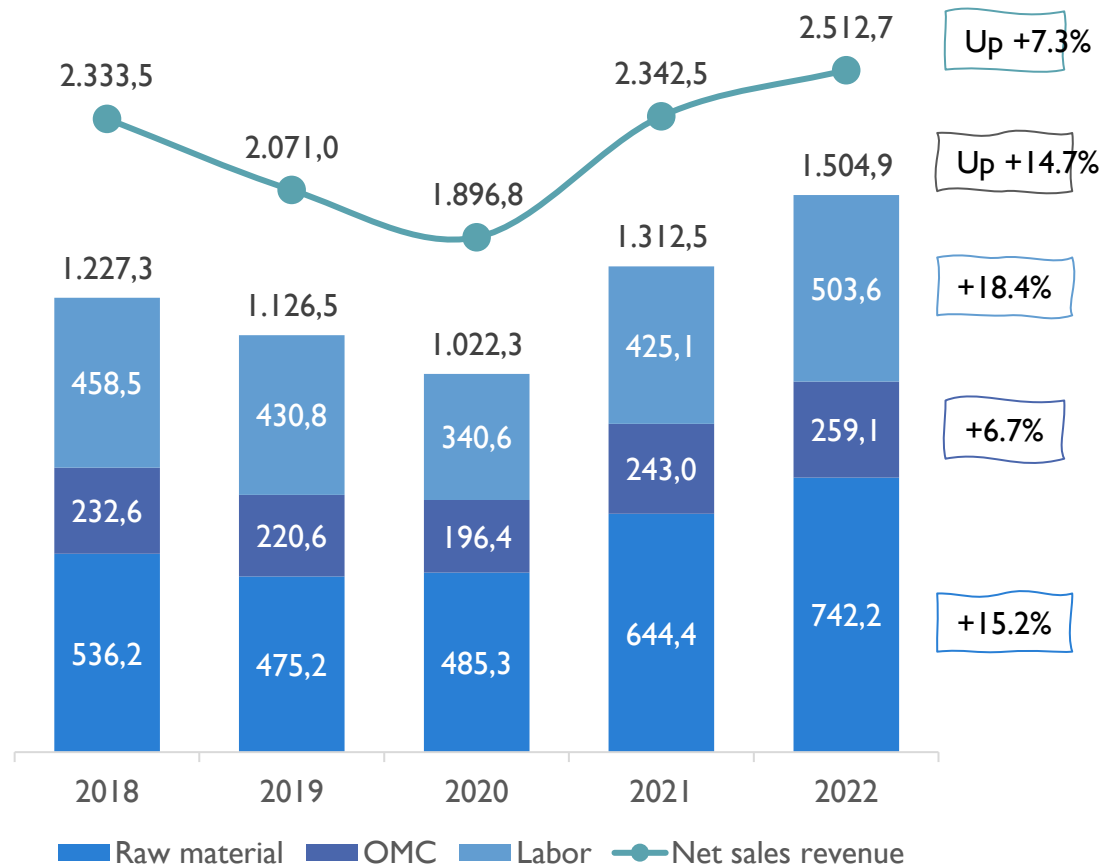


Average US dollar: 2021 = R\$ 5.3950 / 2022 = R\$ 5.1648 - Δ (4.3%)

COST OF GOODS SOLD

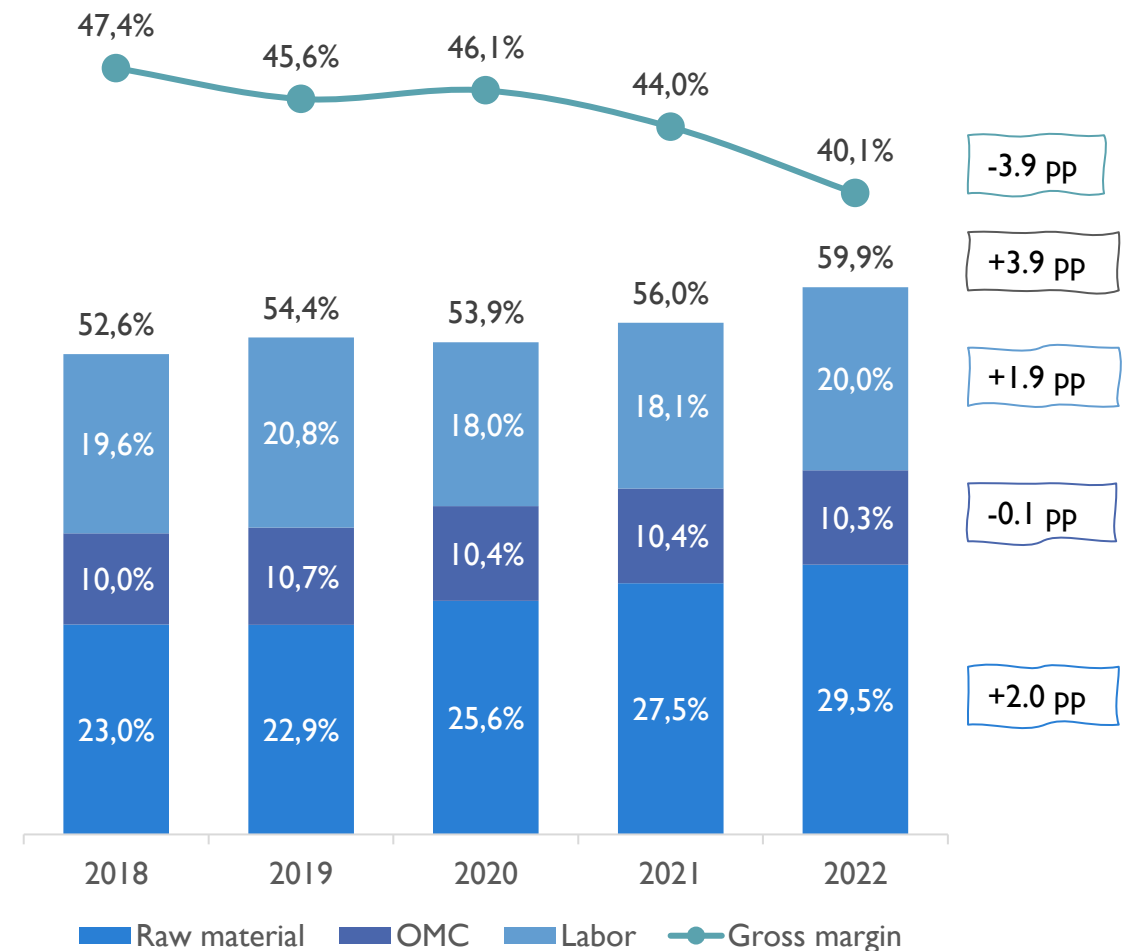
COGS & NET SALES REVENUE

(IN THOUSANDS OF R\$)



GROSS MARGIN & COGS

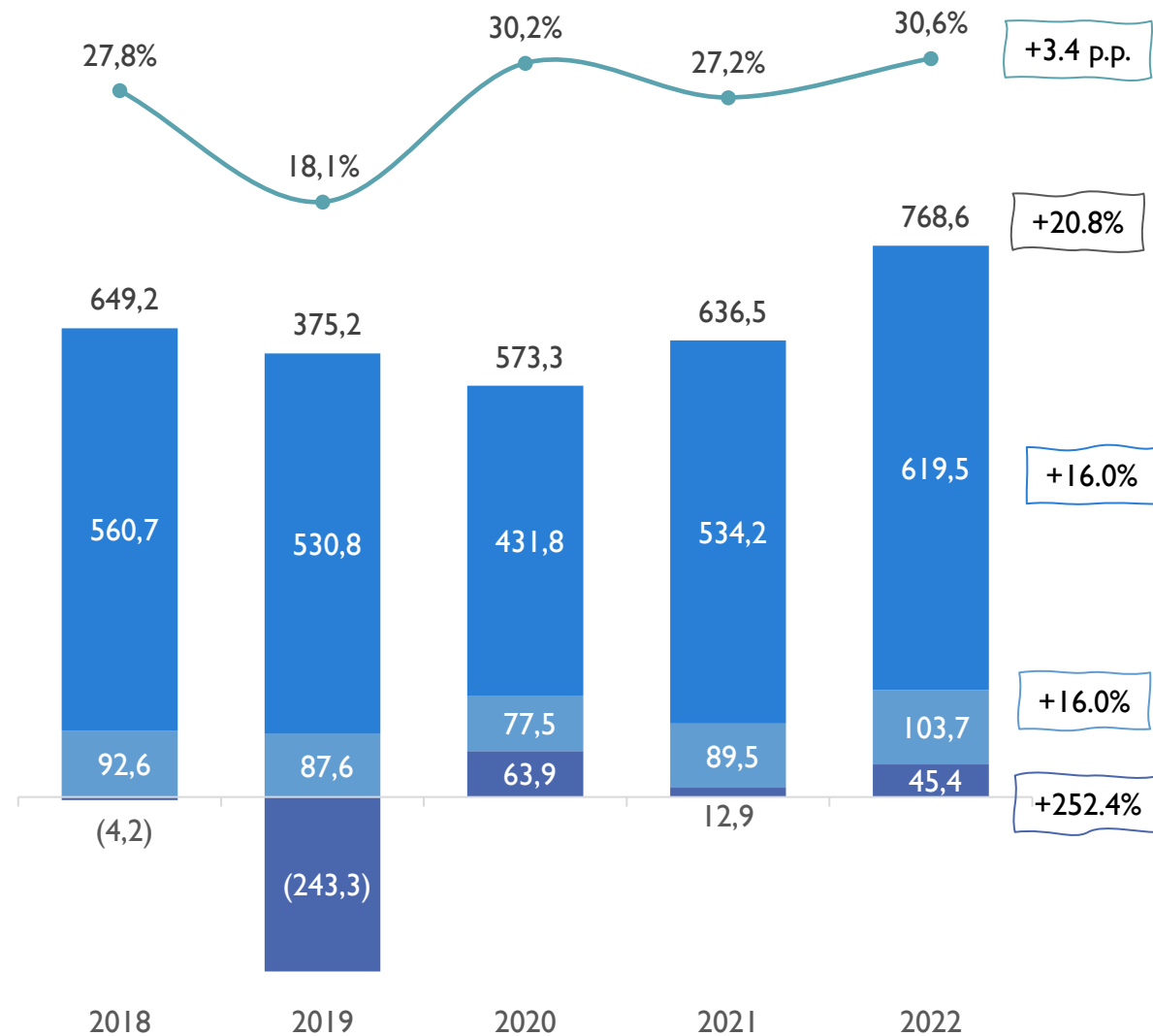
(% OF NET SALES REVENUE)



OPERATIONAL EXPENSES

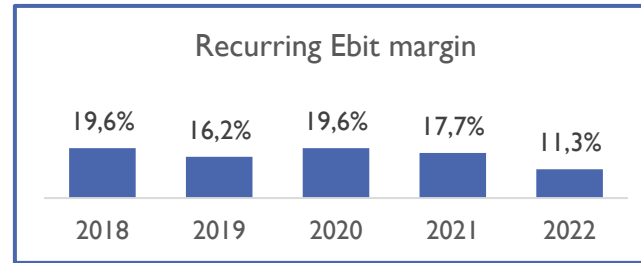
IN MILLION OF R\$

- General & Administrative
- Other operating income and expenses, and equity equivalence
- Commercial Expenses
- % of Net Revenue

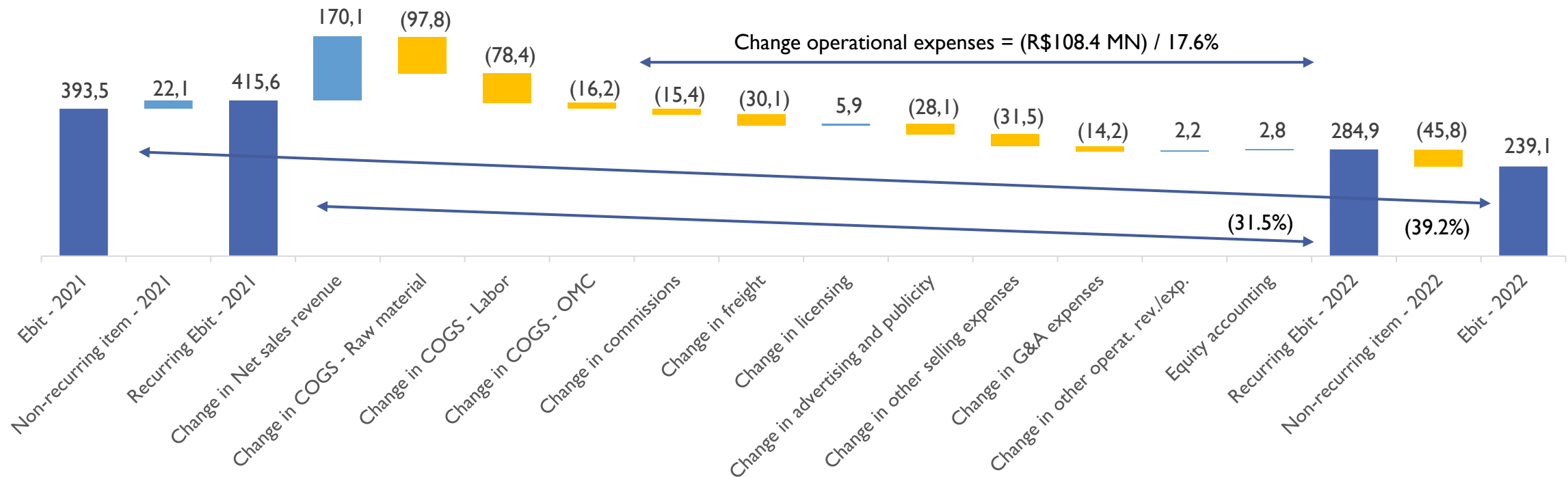


EBIT

IN MILLION OF R\$



COVID-19	+	R\$ 3.8
Write-off of EM inventories	+	R\$ 6.3
Write-off of Grendene USA fixed assets	+	R\$ 1.2
Result EM retail stores	+	R\$ 15.8
Equity accounting – GGB	+	R\$ 30.5
Franchise management	+	R\$ 5.3
Civil indemnities	+	R\$ 0.9
Procedural credits	-	(R\$ 3.2)
Non-recurring revenues	-	(R\$ 14.8)
Total	=	R\$ 45.8

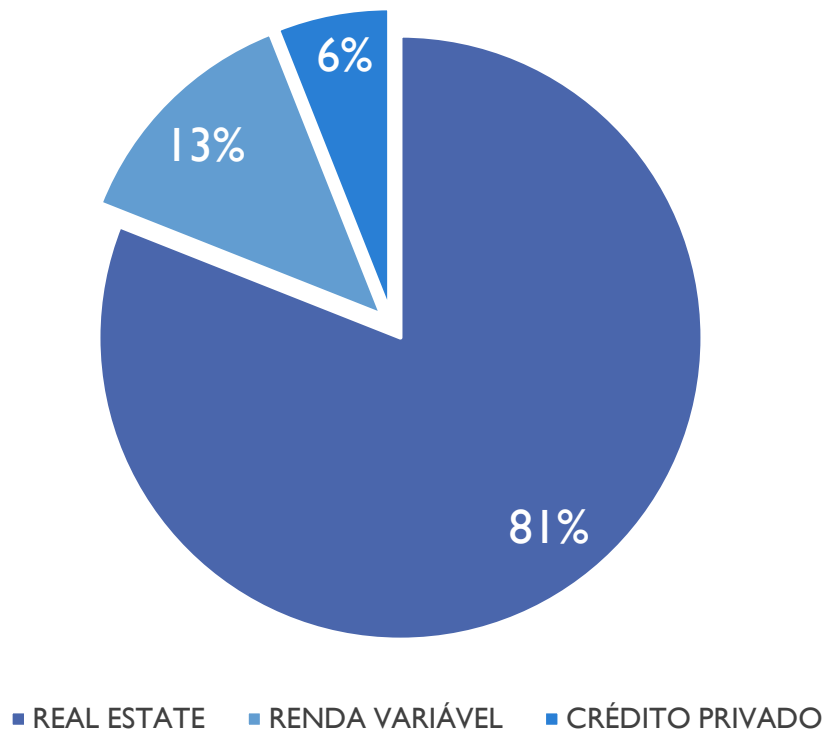


COVID-19	+	R\$ 13.9
Estimated losses with doubtful debtors	+	R\$ 13.9
JV legal advisory	+	R\$ 0.8
INCRA lawsuit	+	R\$ 2.1
Write-off of fixed assets of Grendene UK	+	R\$ 2.1
PIS/Cofins credits on ICMS inputs	-	(R\$ 9.9)
Procedural credits	-	(R\$ 0.8)
Total	=	R\$ 22.1

INVESTMENT COMMITTEE PORTFOLIO

PORTFOLIO BALANCE: R\$ 581,0 MILLION

PORTFOLIO ALLOCATION
DECEMBER 31, 2022



HISTORICAL PROFITABILITY OF THE PORTFOLIO
"INVESTMENT COMMITTEE"

	NOMINAL	% CDI
REAL ESTATE	59.9%	270.8%
PRIVATE CREDIT	50.0%	217.9%
VARIABLE INCOME	219.8%	1,133.9%
TOTAL	94.8%	392.1%

DESTINATION OF THE ICMS TAX INCENTIVES (PROVIN)

On December 19, 2022, we disclosed a Relevant Fact, informing that on December 16, 2022, a favorable ruling by the Federal Regional Court of the 5th Region, which recognized the right of Grendene **not to include amounts corresponding to ICMS (Tax on the Movement of Goods and Services) granted by the state of Ceará in the IRPJ (Corporate Tax on Legal Persons) and CSLL (Social Contribution on Net Profit) calculation base**, and removed the restrictions imposed by federal legislation, which conditioned the non-taxation of such amounts to their maintenance in a profit reserve account, which could only be used to absorb losses or increase in share capital.

The practical effect of this decision is that **past and future profits related to tax benefits granted by the State of Ceará can now be distributed to shareholders without restrictions or risk of being taxed by the IRPJ and CSL.**

	Provin/ICMS	Proapi/Exports	Total
Balance of state tax incentive reserves	1,584,018	235,437	1,819,455
Proposed allocation of state incentives - dividends (2Q21)	(2,000)		
Proposed allocation of state incentives - dividends (Dec/22)	(1,004,547)		
Balance of the state tax incentive reserves after allocation	577,471	235,437	812,908

Although it is possible to argue that the ruling also applies to other tax benefits, we cannot rule out the possibility that the tax authorities may contest such a position. For this reason, as a precautionary measure, our legal advisors **recommend filing a new lawsuit in order to have the right to the other benefits expressly recognized.**

DESTINATION OF DIVIDENDS AND INTEREST ON EQUITY (IOE)

Basis for distribution of dividends

Dividends approved “ad referendum” of the Annual General Meeting that considers the Financial Statements for 2022 business year.

Grendene (holding company)	R\$
Net profit	568,027,378.53
(-) Tax incentives reserve	(234,722,655.28)
Basis for calculation of the legal reserve	333,304,723.25
(-) Legal Reserve	(16,665,236.16)
Amount of the dividend for the fiscal year 2022 / Calculation basis of the minimum mandatory dividend	316,639,487.09
(+) Destination of ICMS tax incentive	1,004,546,897.71
(-) Legal Reserve	(4,546,897.71)
Amount of the dividend proposed by management	1,316,639,487.09
(-) Distribution of interim dividends	(202,408,465.07)
Balance available for distribution for the year 2022	1,114,231,022.02

DESTINATION OF DIVIDENDS AND INTEREST ON EQUITY (IOE)

Basis for distribution of dividends

Dividends approved “ad referendum” of the Annual General Meeting that considers the Financial Statements for 2022 business year.

Grendene (Holding company)	R\$
Balance available for distribution	1,114,231,022.02
- As dividend	1,004,231,022.02
- Interest on Equity (IOE)	110,000,000.00
(-) Income tax withheld at source (15%)	(16,500,000.00)
(-) Interest on Equity net of taxes	93,500,000.00
Mandatory minimum dividend for the year 2022 – 25%	79,159,871.77
Dividend proposed in excess of the mandatory minimum	237,479,615.32
Sum	316,639,487.09
Destination of ICMS tax incentive (net)	1,000,000,000.00
Total	1,316,639,487.09

DIVIDEND AND INTEREST ON EQUITY (IOE) DISTRIBUTED / PROPOSED

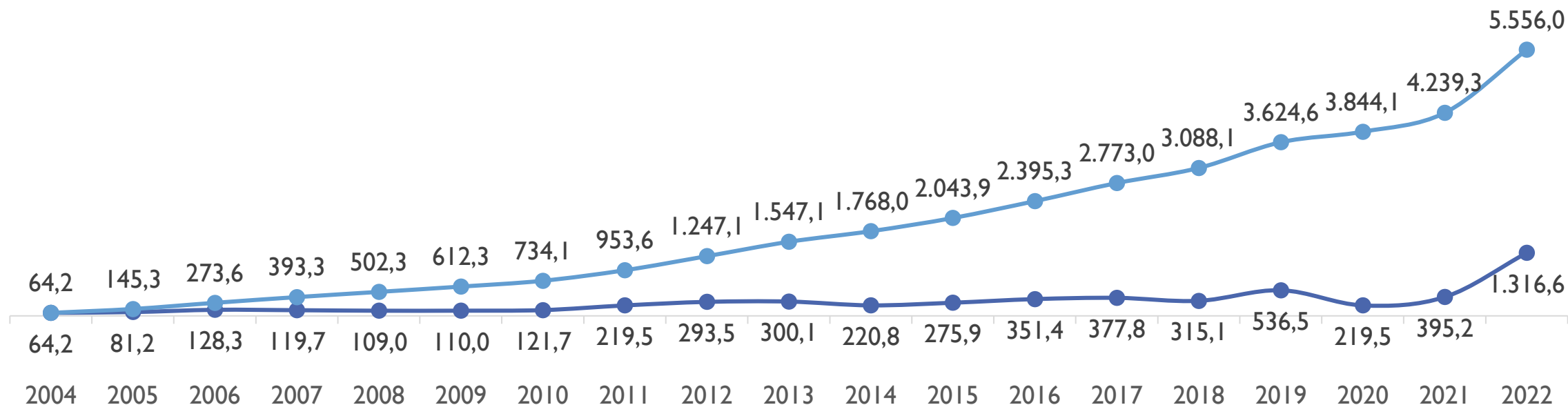
1. Dividends approved “ad referendum” the Annual General Meeting of Stockholders that considers the financial statements for 2022 business year.
2. Value of the dividends and Interest on Equity per share, subject to alteration depending on the balance of shares in treasury on the cutoff date (May 2, 2023). The value of dividends and Interest on Equity per share is shown at base date December 31, 2022.

Dividend	Date approved	Ex-date	Date of start of payment	Gross value R\$	Gross value per share R\$	Net value R\$	Net value per share R\$
Dividend ¹	Apr. 28, 2022	May 10, 2022	May 25, 2022	46,696,009.12	0.051760415	46,696,009.12	0.051760415
I.E. ¹	Approval 28, 2022	May 10, 2022	May 25, 2022	37,000,000.00	0.041012827	31,450,000.00	0.034860903
Dividend ¹	Aug. 4, 2022	Aug. 12, 2022	Aug. 31, 2022	7,644,683.71	0.008478151	7,644,683.71	0.008478151
I.E. ¹	Aug. 4, 2022	Aug. 12, 2022	Aug. 31, 2022	18,000,000.00	0.019962463	15,300,000.00	0.016968093
Dividend ¹	Oct. 27, 2022	Nov. 4, 2022	Nov. 23, 2022	59,067,772.24	0.065507678	59,067,772.24	0.065507678
I.E. ¹	Oct. 27, 2022	Nov. 4, 2022	Nov. 23, 2022	34,000,000.00	0.037706874	28,900,000.00	0.032050843
Dividend ¹ and ²	Mar. 2, 2023	May 3, 2023	May 17, 2023	1,004,231,022.02	1.113718024	1,004,231,022.02	1.113718024
I.E. ¹ and ²	Mar. 2, 2023	May 3, 2023	May 17, 2023	110,000,000.00	0.121992828	93,500,000.00	0.103693904
			Total	1,316,639,487.09	1.460139260	1,286,789,487.09	1.427038011

DIVIDEND AND INTEREST ON EQUITY ACCUMULATED SINCE 2004

R\$5.6 billion in dividends and I.E. distributed since 2004.

● Dividend + I.E. ● Accumulated: Dividend + I.E.



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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%	233.4%
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%	17.9%

(*) 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).

To ask questions: please click on the **Q&A** icon and write your question. If announced, a request to activate your microphone will show up on your screen; then, you should enable your audio to ask your question. We kindly ask you to make all questions at once.

Q&A

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