



Grendene®

melissa

GRENDA

zaxy

Ipanema

Grendene kids

rider

CARTAGO

PEGA FORTÉ

1Q23 Results

Date: May 12, 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.



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.

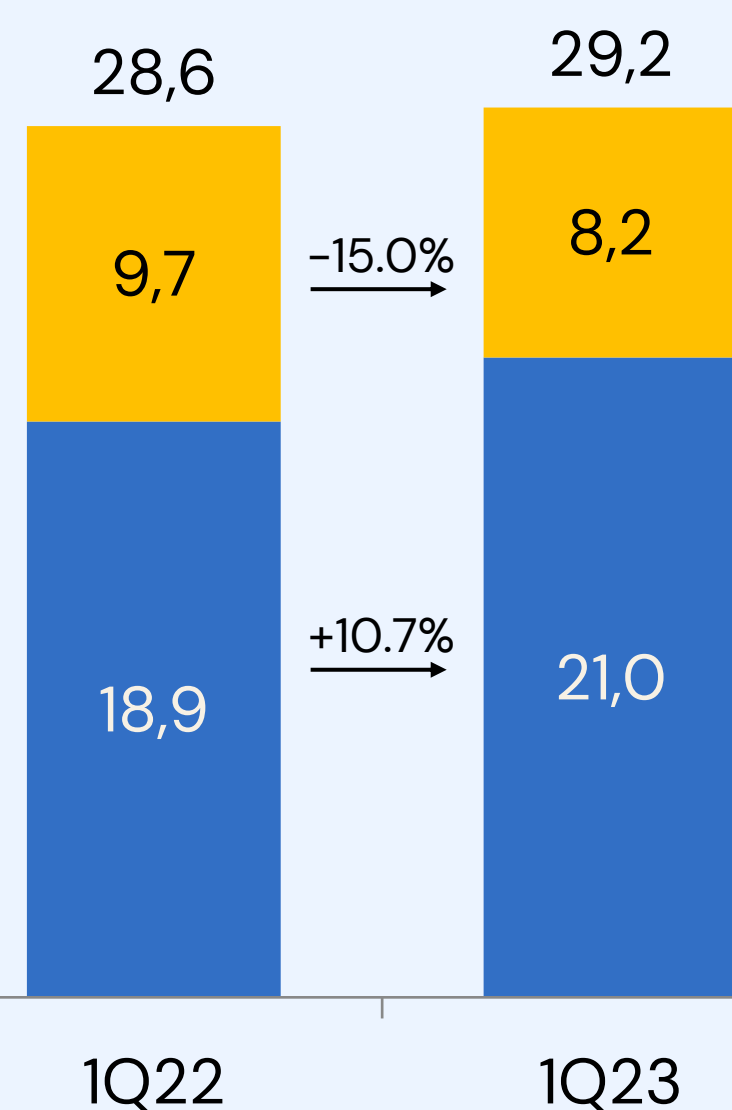


HIGHLIGHTS 1Q23 YOY

VOLUME

29.2

MILLION
+2.1% vs. 1Q22

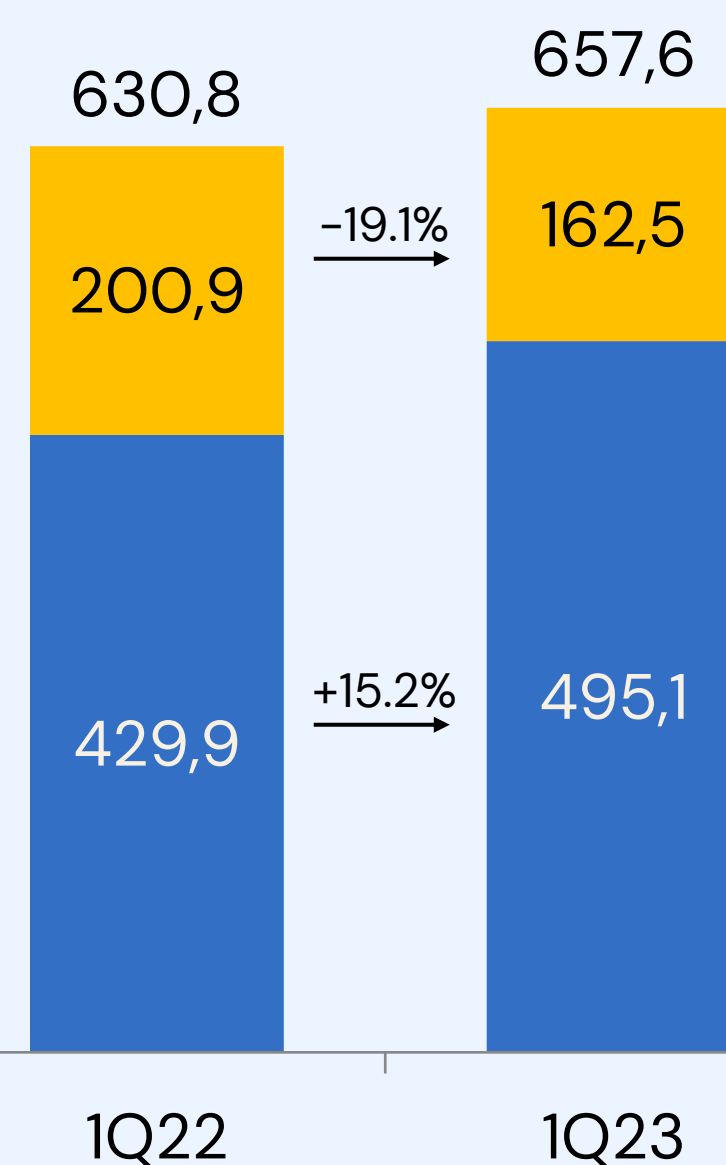


■ Export market
■ Domestic market

GROSS REVENUE

R\$ 657.6

MILLION
+4.2% vs. 1Q22

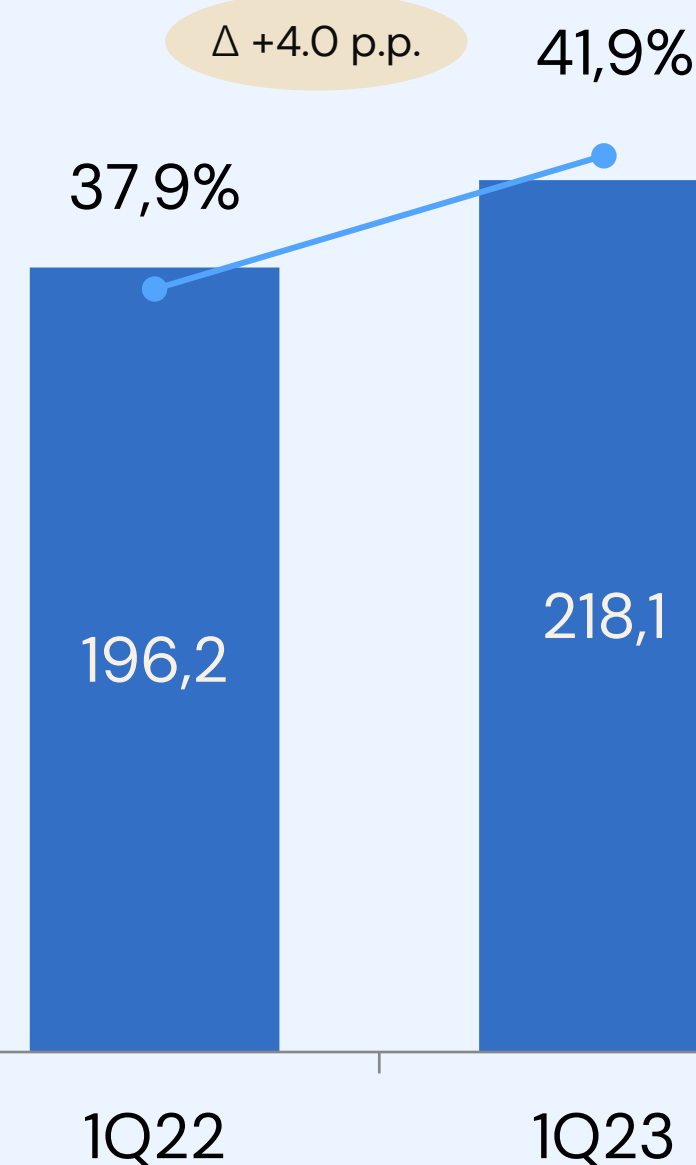


■ Export market
■ Domestic market

GROSS PROFIT

R\$ 218.1

MILLION
+11.2% vs. 1Q22

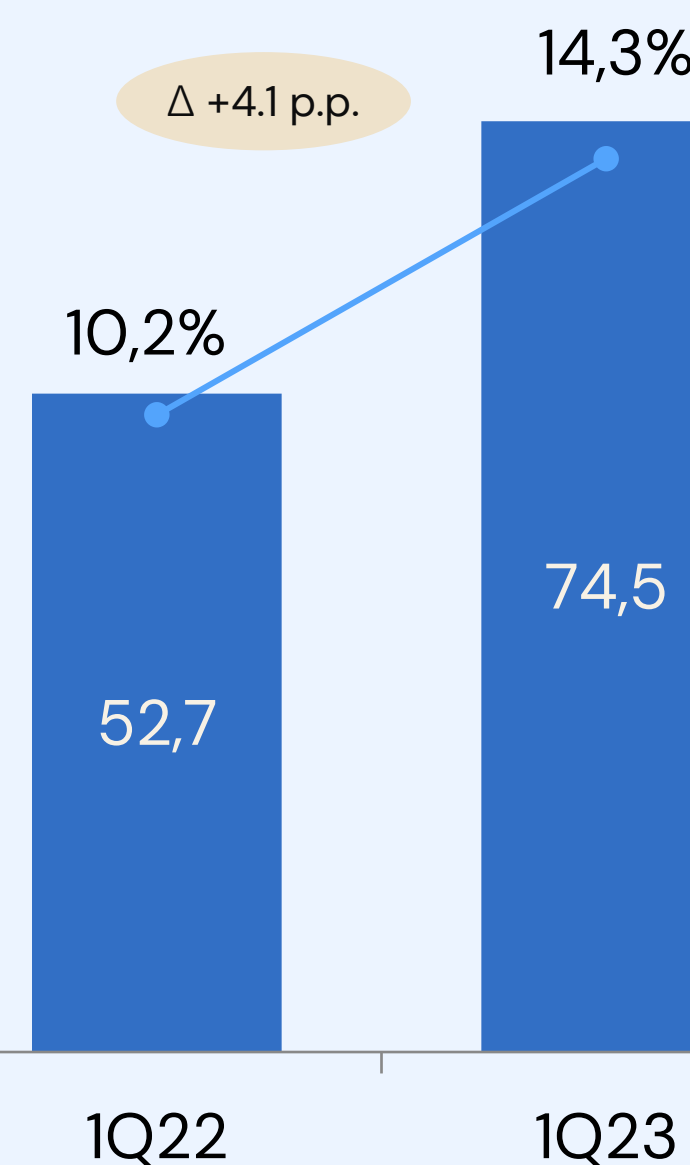


■ Gross profit
● Gross margin

RECURRING EBIT

R\$ 74.5

MILLION
+41.6% vs. 1Q22

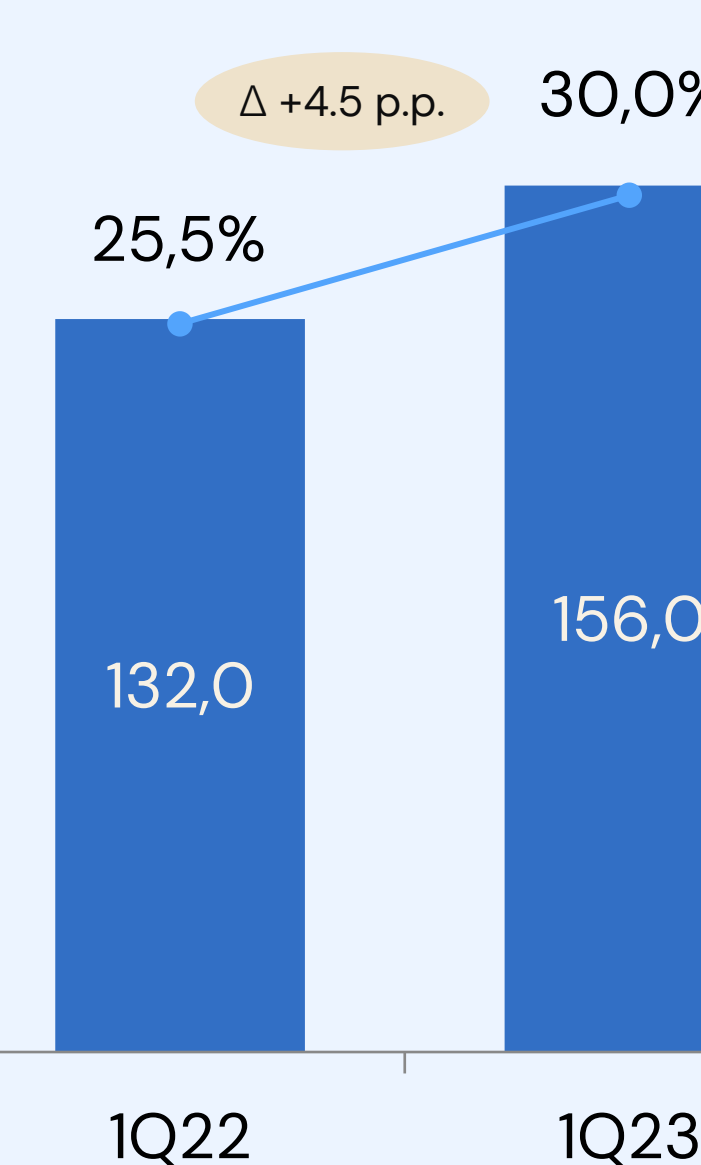


■ Recurring Ebit
● Recurring Ebit margin

RECURRING NET PROFIT

R\$ 156.0

MILLION
+18.1% vs. 1Q22

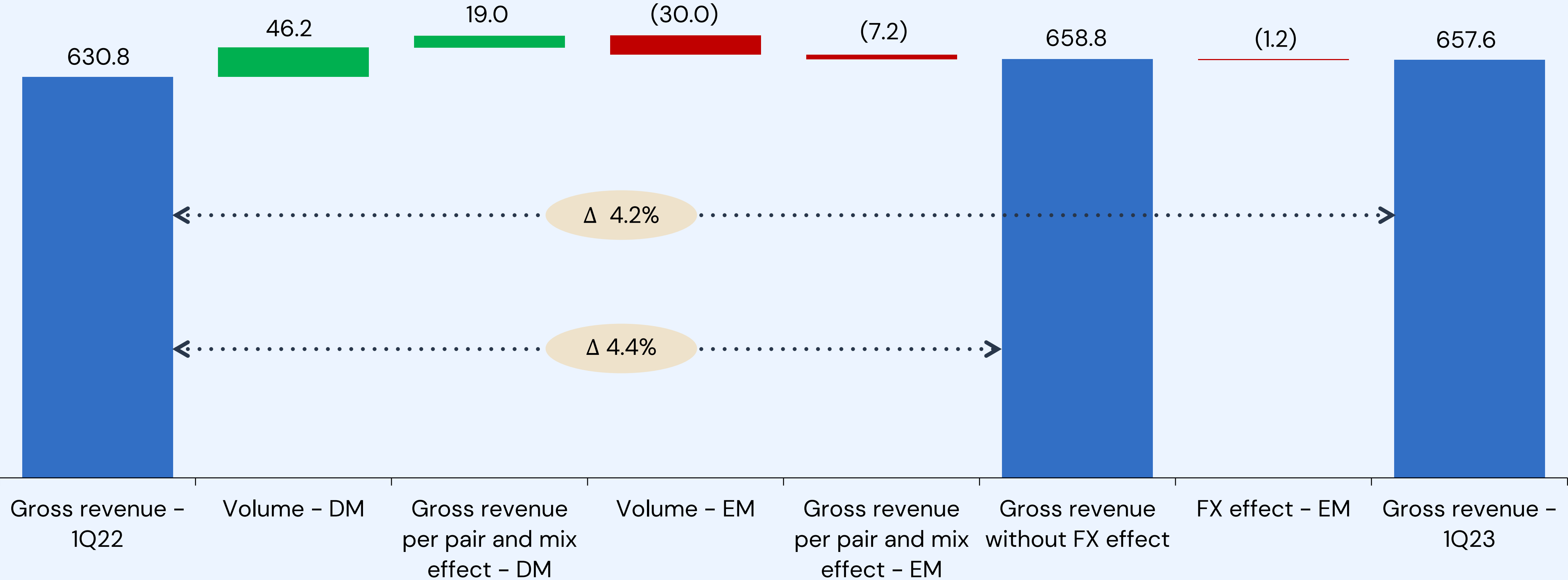


■ Recurring Net profit
● Recurring Net margin

Grendene®

GROSS REVENUE

R\$ million



Average US dólar: 1Q22 = R\$ 5.2330 / 1Q23 = R\$ 5.1946 – Δ (0.7%)

COST OF GOODS SOLD

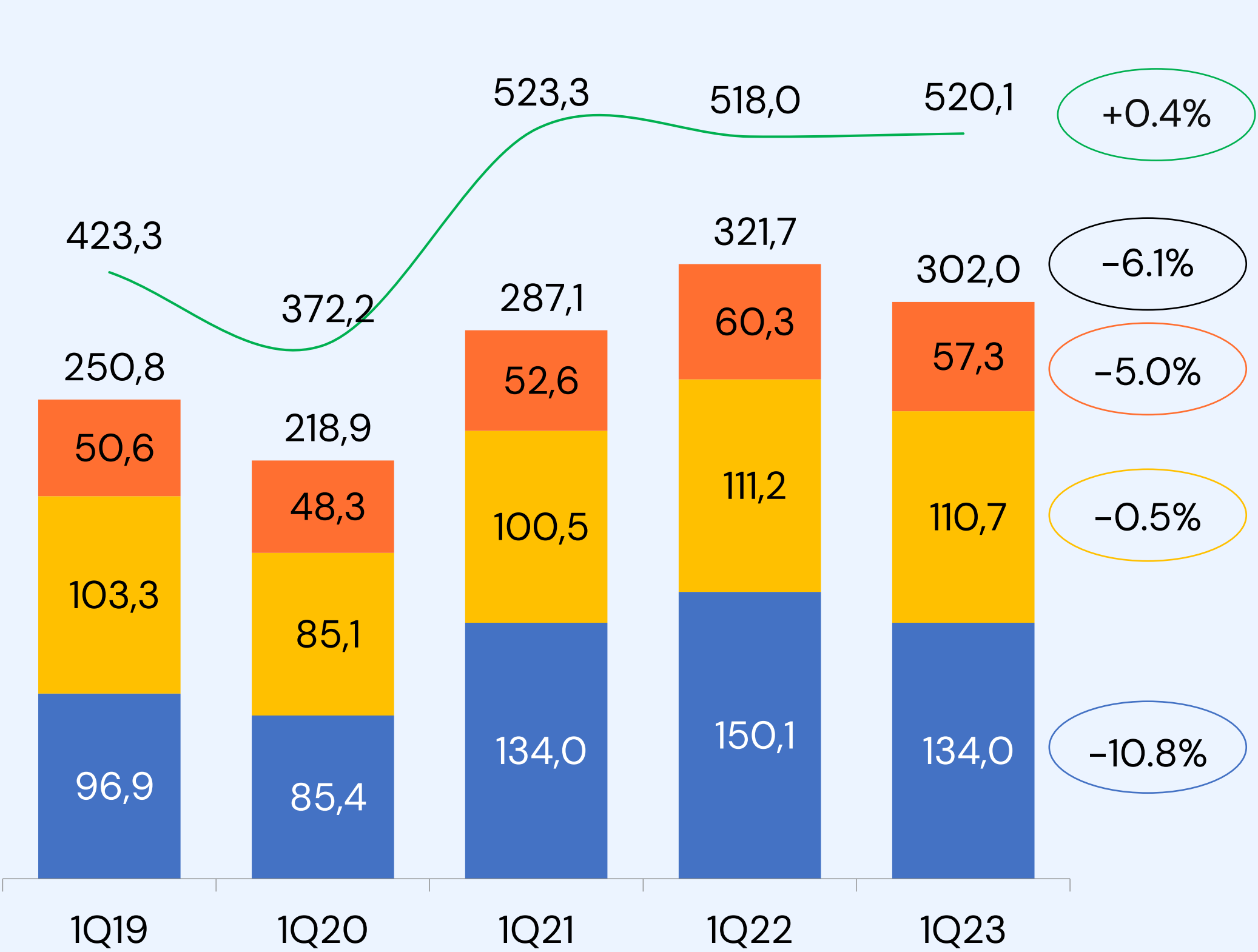
R\$ million

NET SALES AND COGS

(R\$ MILLION)

Δ%

1Q22 VS 1Q23



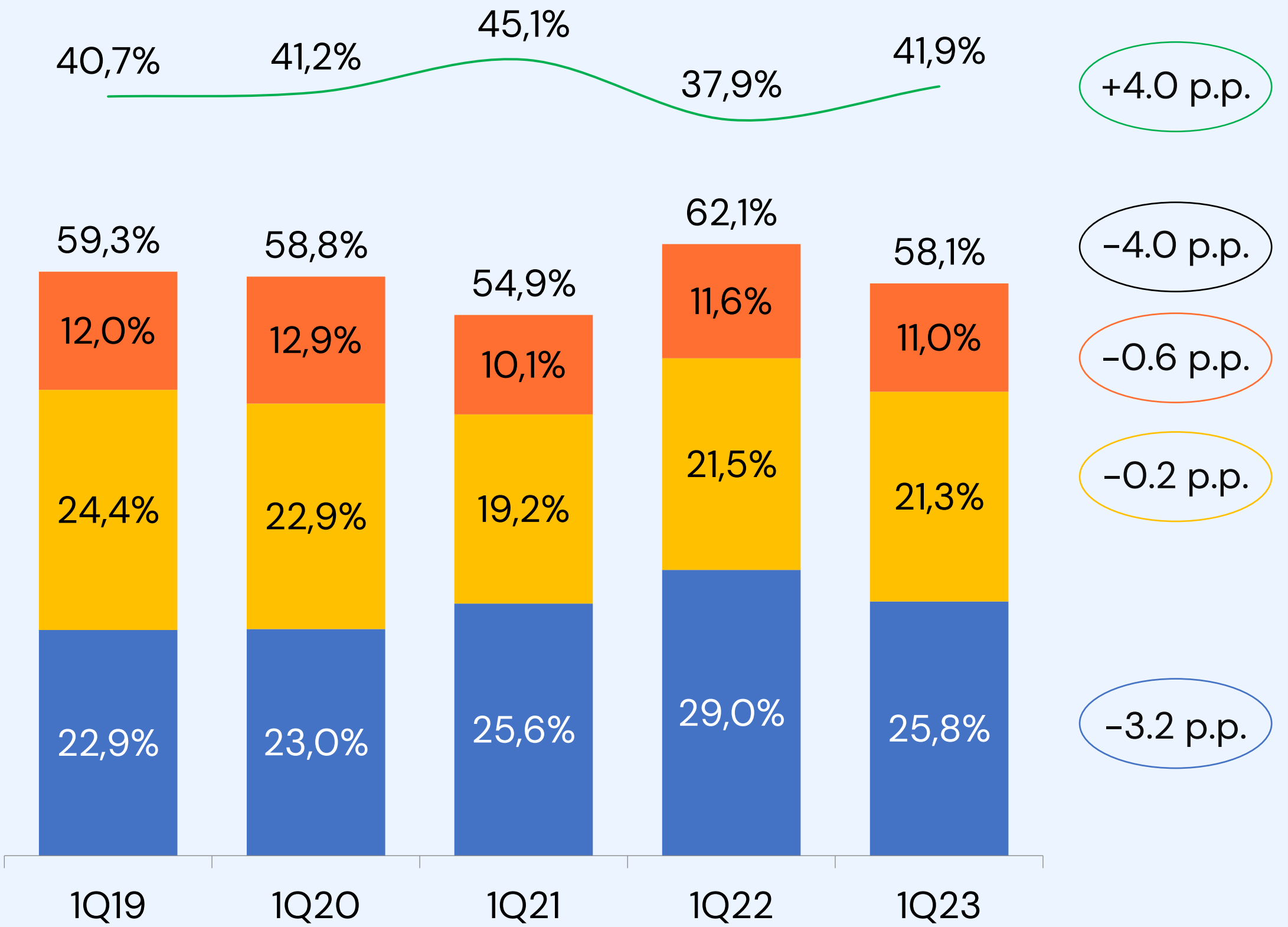
OGF Labor Raw material Net sales

GROSS MARGIN AND COGS

(% NET SALES REVENUE)

Δ%

1Q22 VS 1Q23



OGF Labor Raw material Gross margin

Grendene®

PEGA FORTE

CARTAGO

rider

Grendene Kids

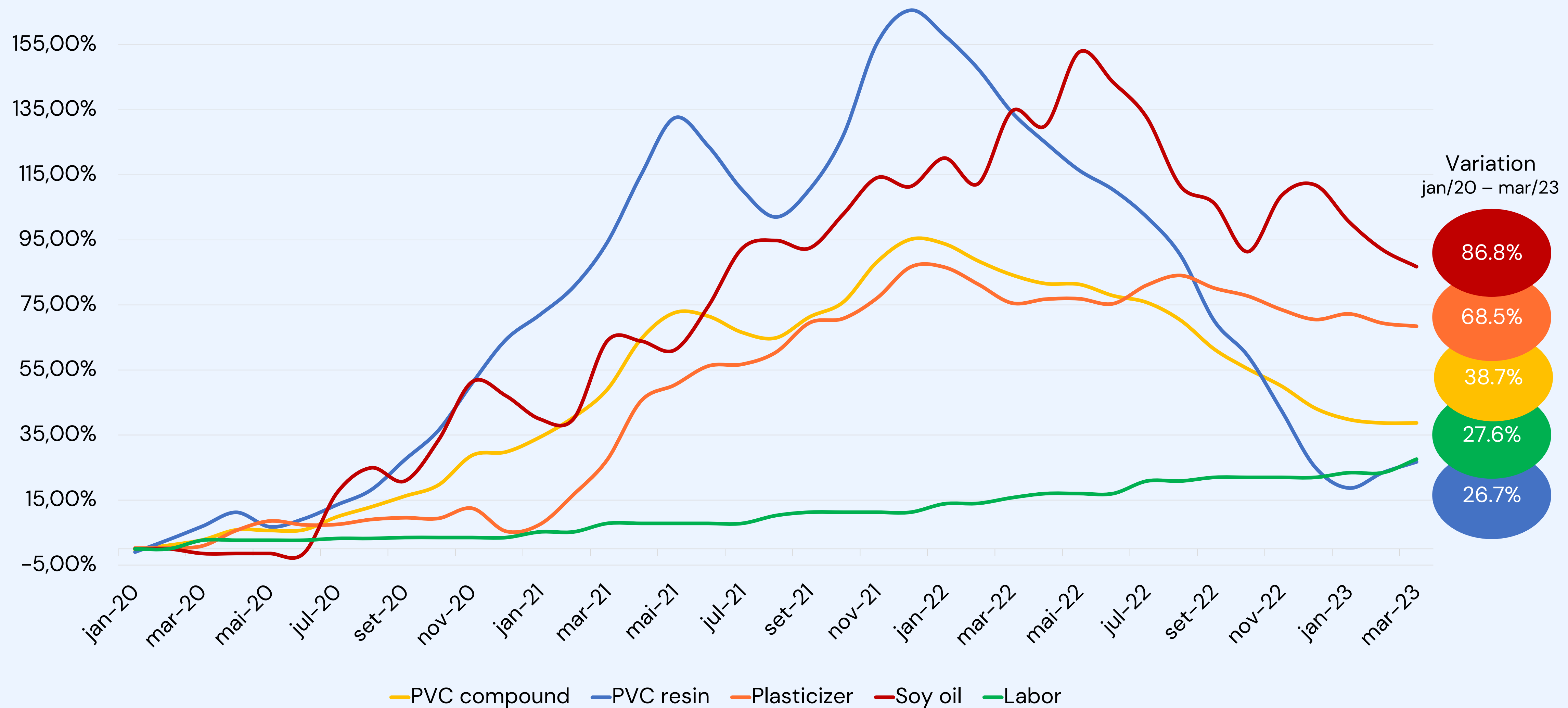
Ipanema

ZAXY

GRENDA

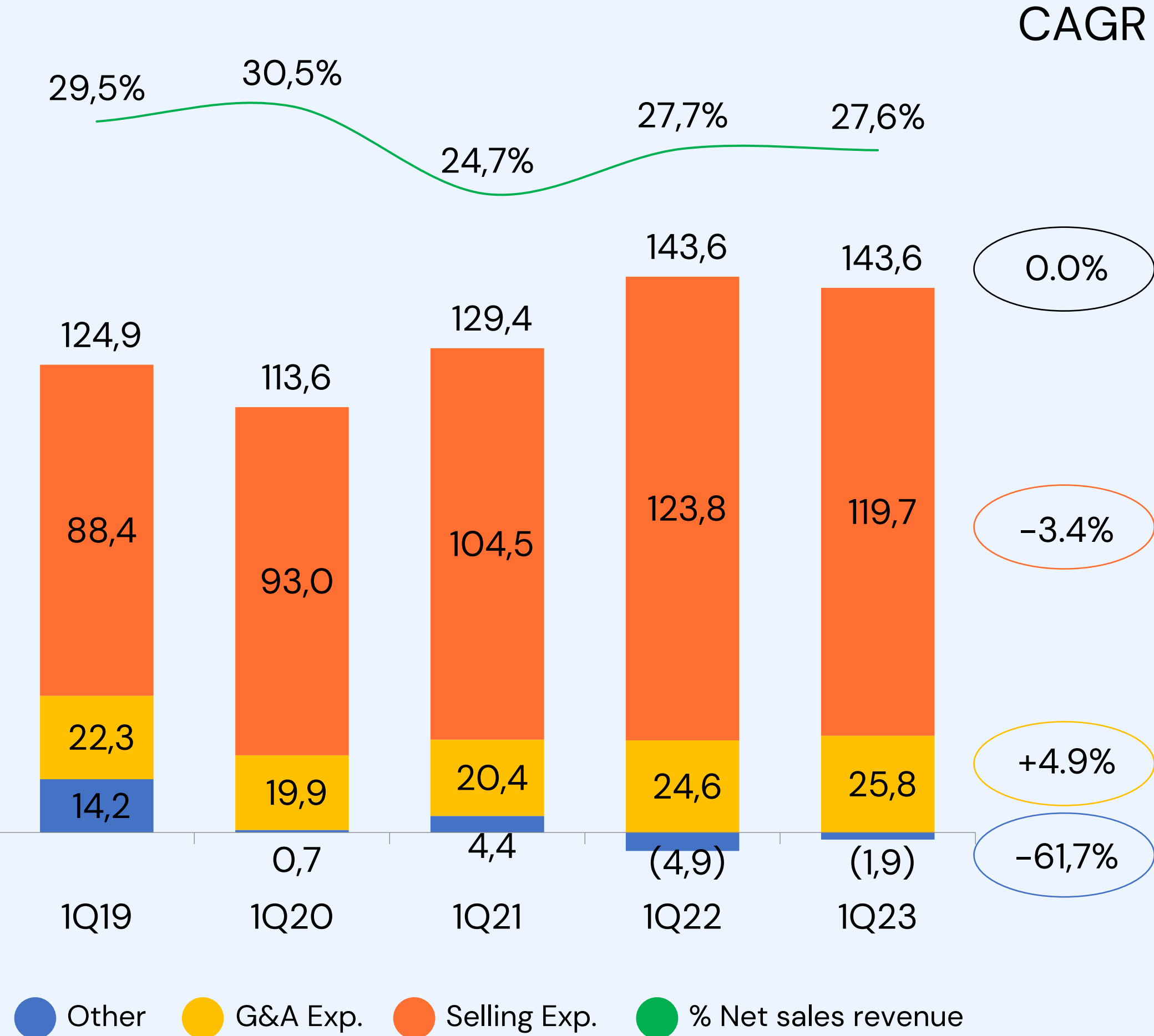
melissa

VARIATION OF THE MAIN COMPONENTS OF COGS



RECURRING OPERATIONAL EXPENSES

R\$ million



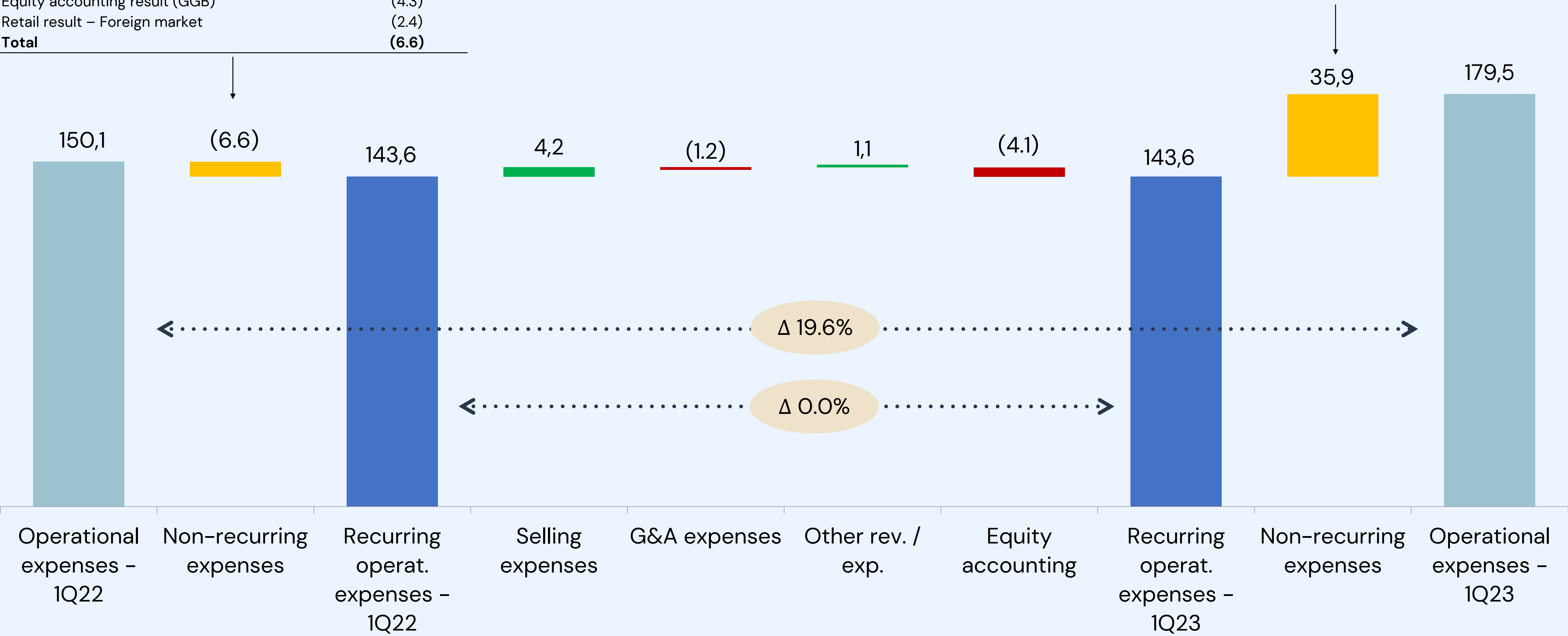
Non-recurring items	R\$ million
Legal advice	(0.6)
Expense for inventory recycling – Grendene USA	(0.9)
Franchise management	(4.7)
Indemnity to representatives	(1.3)
Estimated losses on doubtful debtors	(13.4)
Equity accounting result (GGB)	(15.0)
TOTAL	(35.9)

OPERATIONAL EXPENSES

R\$ million

Non-recurring items 1Q22	R\$ million
IRRF process credit – Services	3.2
Expenses related to Covid-19	(1.9)
Estimated losses on doubtful debtors	(1.1)
Equity accounting result (GGB)	(4.3)
Retail result – Foreign market	(2.4)
Total	(6.6)

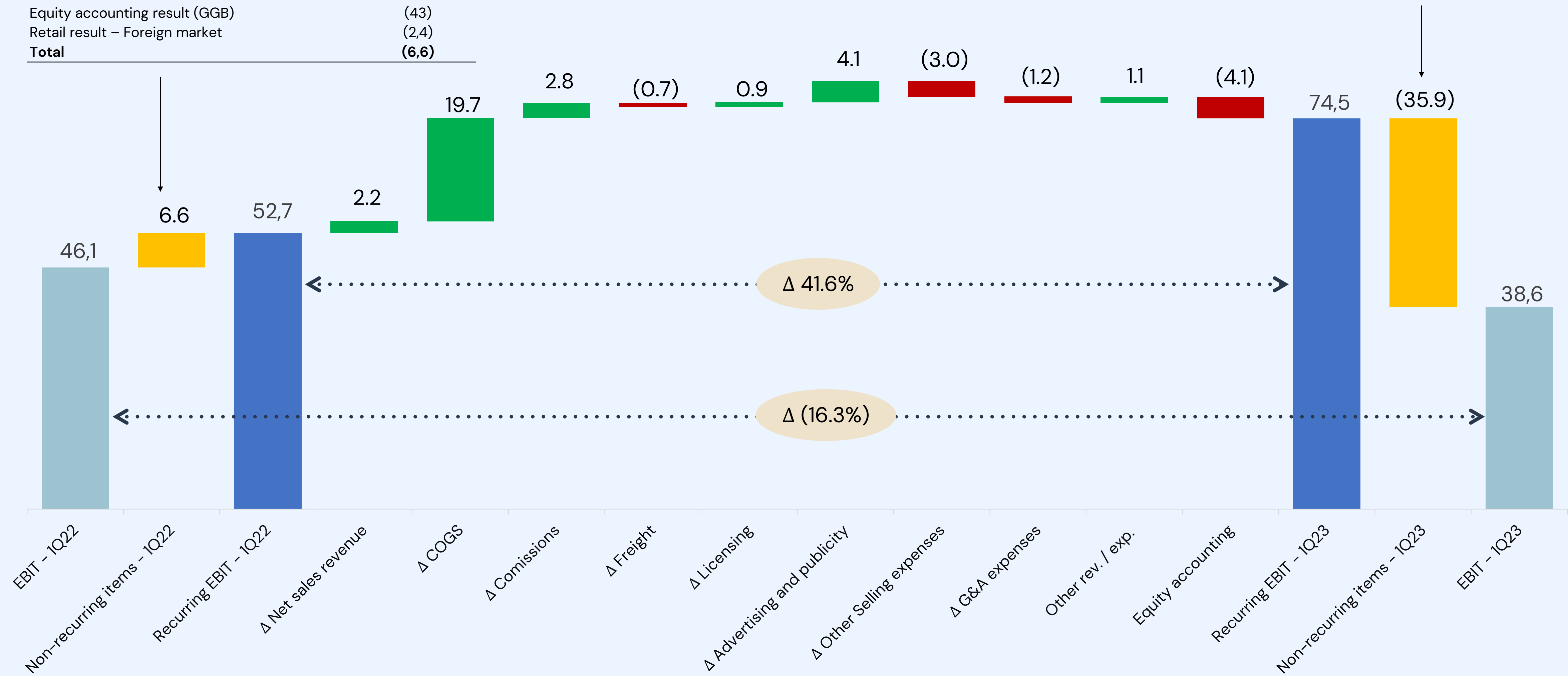
Non-recurring items 1Q23	R\$ million
Legal advice	(0.6)
Expense for inventory recycling – Grendene USA	(0.9)
Franchise management	(4.7)
Indemnity to representatives	(1.3)
Estimated losses on doubtful debtors	(13.4)
Equity accounting result (GGB)	(15.0)
Total	(35.9)



EBIT
R\$ million

Non-recurring items 1Q22	R\$ million
IRRF process credit – Services	3,1
Expenses related to Covid-19	(1,9)
Estimated losses on doubtful debtors	(1,1)
Equity accounting result (GGB)	(43)
Retail result – Foreign market	(2,4)
Total	(6,6)

Non-recurring items 1Q23	R\$ million
Legal advice	(0.6)
Expense for inventory recycling – Grendene USA	(0.9)
Franchise management	(4.7)
Indemnity to representatives	(1.3)
Estimated losses on doubtful debtors	(13.4)
Equity accounting result (GGB)	(15.0)
Total	(35.9)



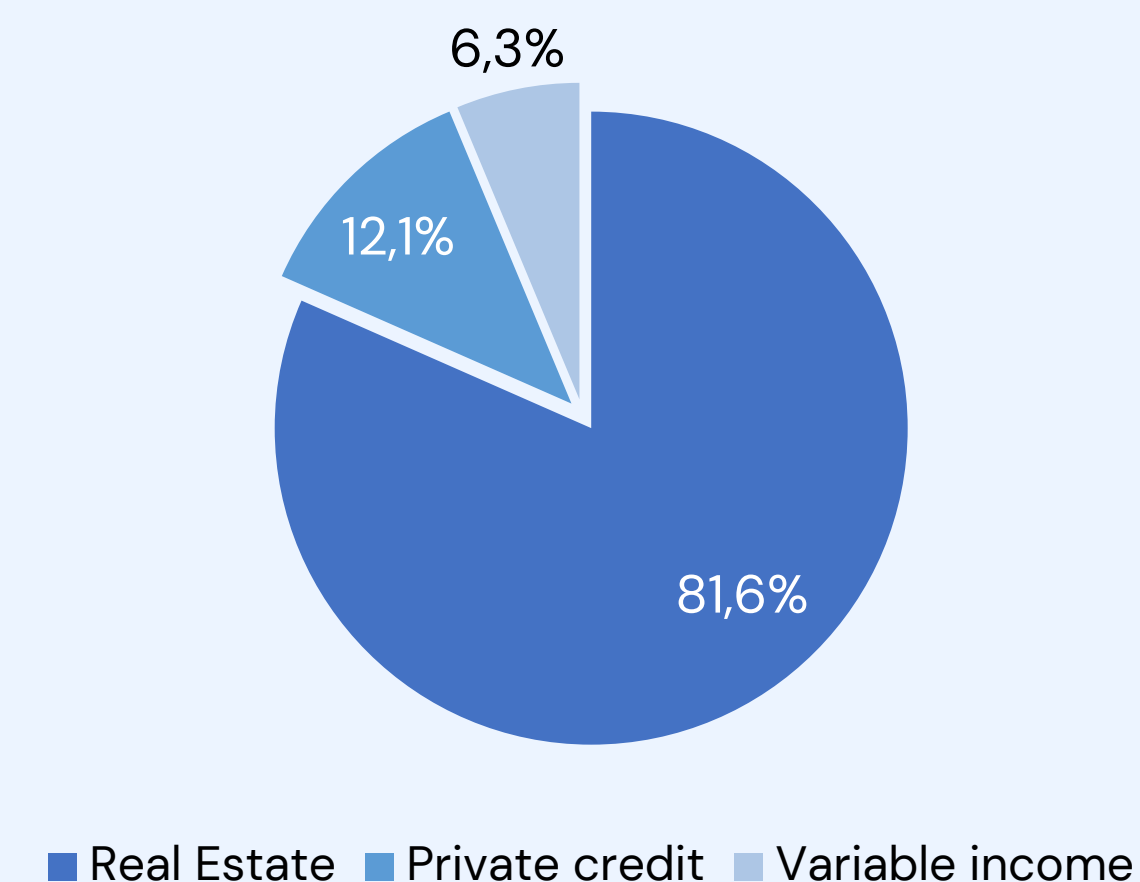
NET FINANCIAL REVENUE

In thousands of R\$, unless otherwise indicated

Account	1Q22	1Q23	Change % / Change p.p.	Change R\$
CDI - % p.a.	10.3%	13.6%	3.3 p.p.	-
Average US dollar - R\$	5.2330	5.1946	(0.7%)	(0.0384)
Cash and equivalents + financial investments - average - R\$	1,724,211	1,991,937	15.5%	267,726
Revenue from cash investments	39,911	55,105	38.1%	15,194
Gain on equity financial instruments	51,638	(5,315)	-	(56,953)
Net gain (loss) on FX variations	(19,072)	6,780	-	25,852
Profit/loss on Other financial assets - SCP's	1,659	8,290	399.7%	6,631
Result of Structured Operations Certificate - COE	-	8,239	-	8,239
Result of Debentures	2,303	-	(100.0%)	(2,303)
Other financial transactions (*)	4,608	656	(85.8%)	(3,952)
Gains on adjustments to presente value - AVP	7,740	28,134	263.5%	20,394
Net financial revenue	88,787	101,889	14.8%	13,102

Portfolio Allocation - March 31, 2023

Balance: R\$ 576.9 million



Historical Profitability of the
"Investment Committee" Portfolio

	Nominal	% CDI
Real Estate	57.0%	232.1%
Private credit	60.6%	211.6%
Variable income	195.2%	601.7%
TOTAL	94.0%	333.0%

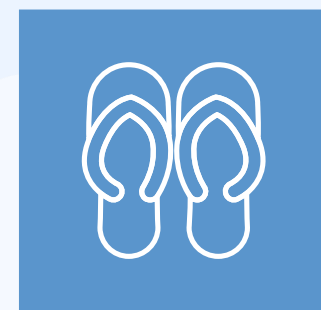
(*) Main item - Interest on lawsuits: Proceeding to exclude ICMS from the PIS and Cofins calculation base and update SELIC undue tax IRPJ/CSLL.

E-COMMERCE



R\$ 23.2 MM

GMV
+43% vs. 1Q22



269,000

Pairs sold
+33% vs. 1Q22



~ 18.5 MM

Session
+14% vs. 1Q22



4.5%

General penetration
3.7% in 1Q22



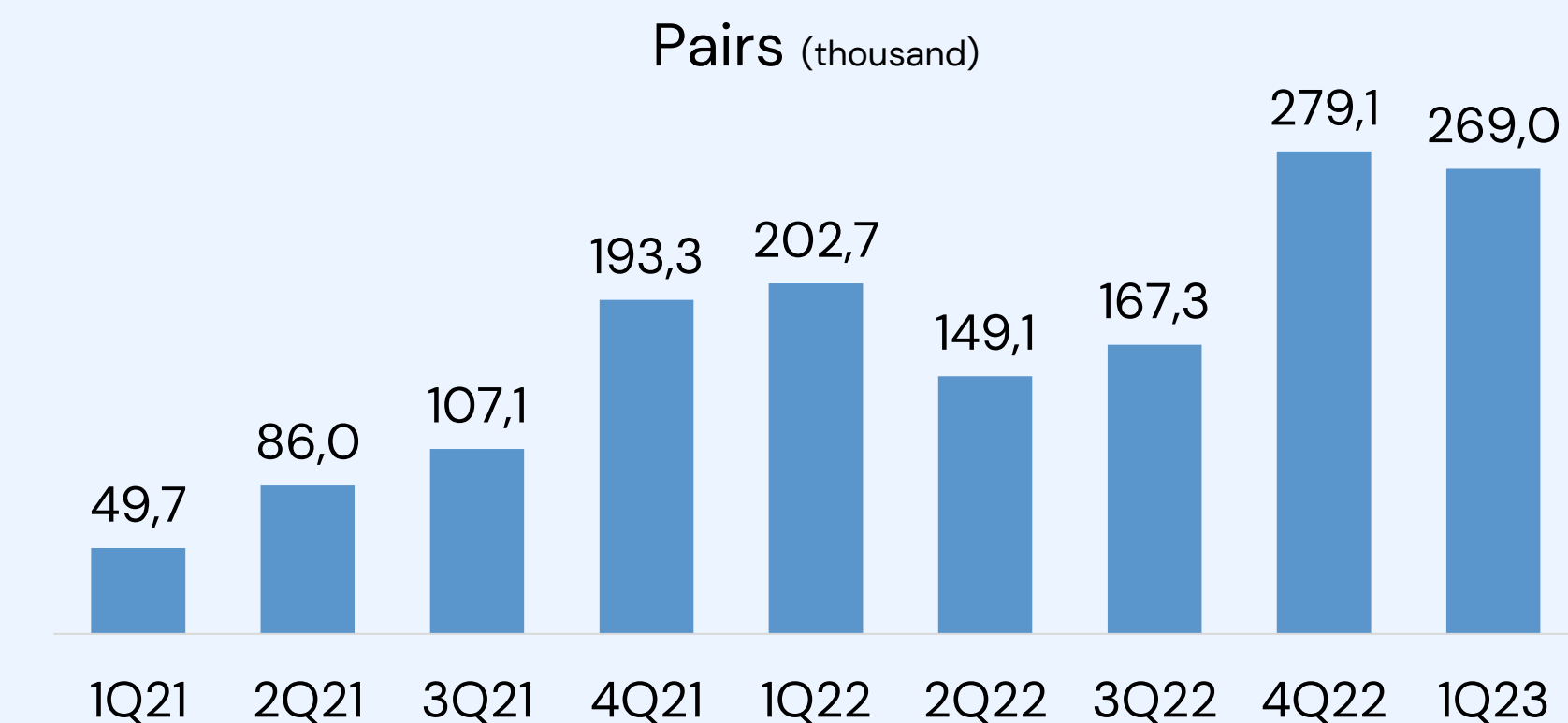
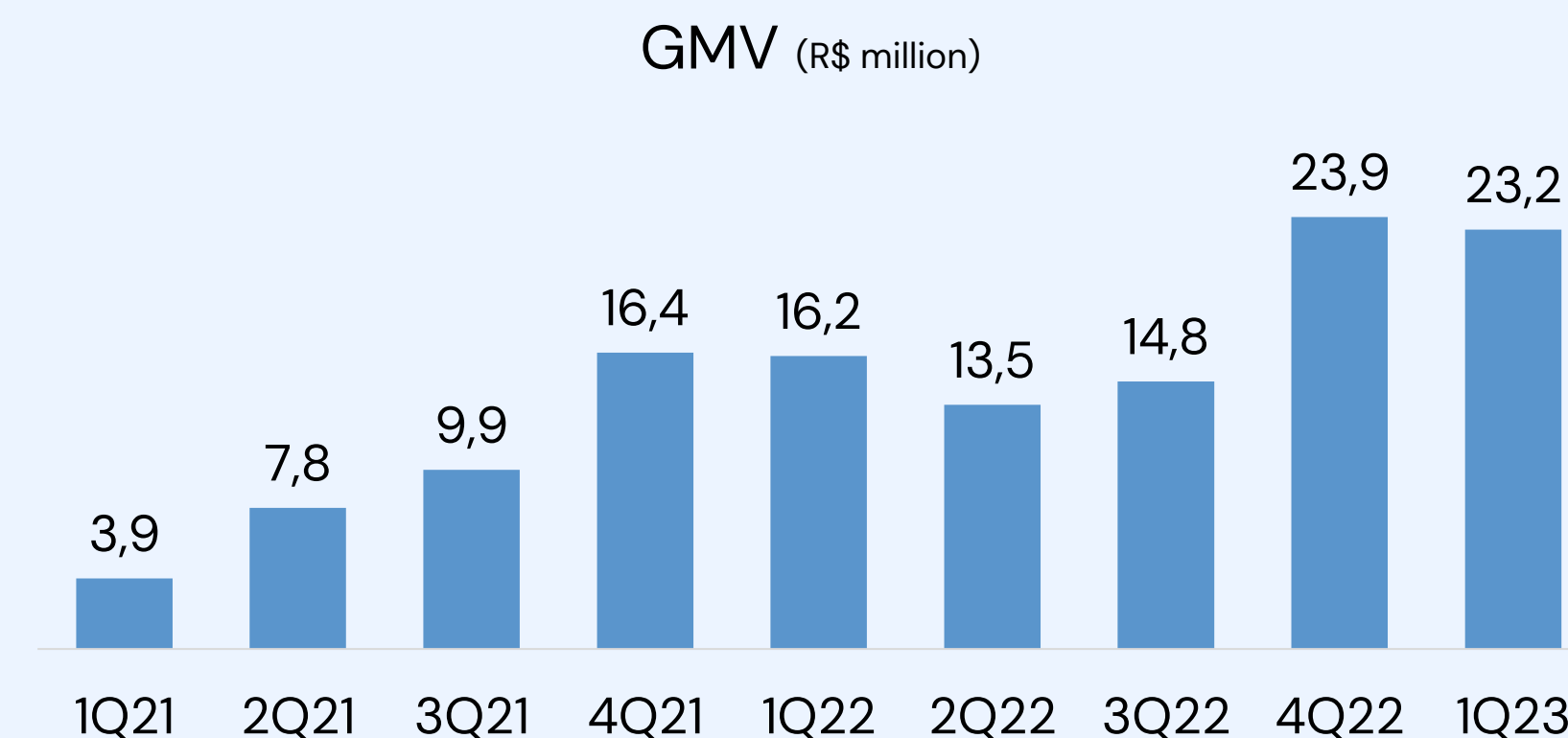
13.5%

Melissa penetration
8.6% in 1Q22



+4.2 p.p.

Recurring Ebit
margin



GRENDENE GLOBAL BRANDS (GGB)

Sell-out Total (Revenue) **+117.9%** vs 1Q22;

\$3.2 MM (1Q22) vs \$7.0 MM (1Q23);

E-commerce Melissa **+6X** vs 1Q22;

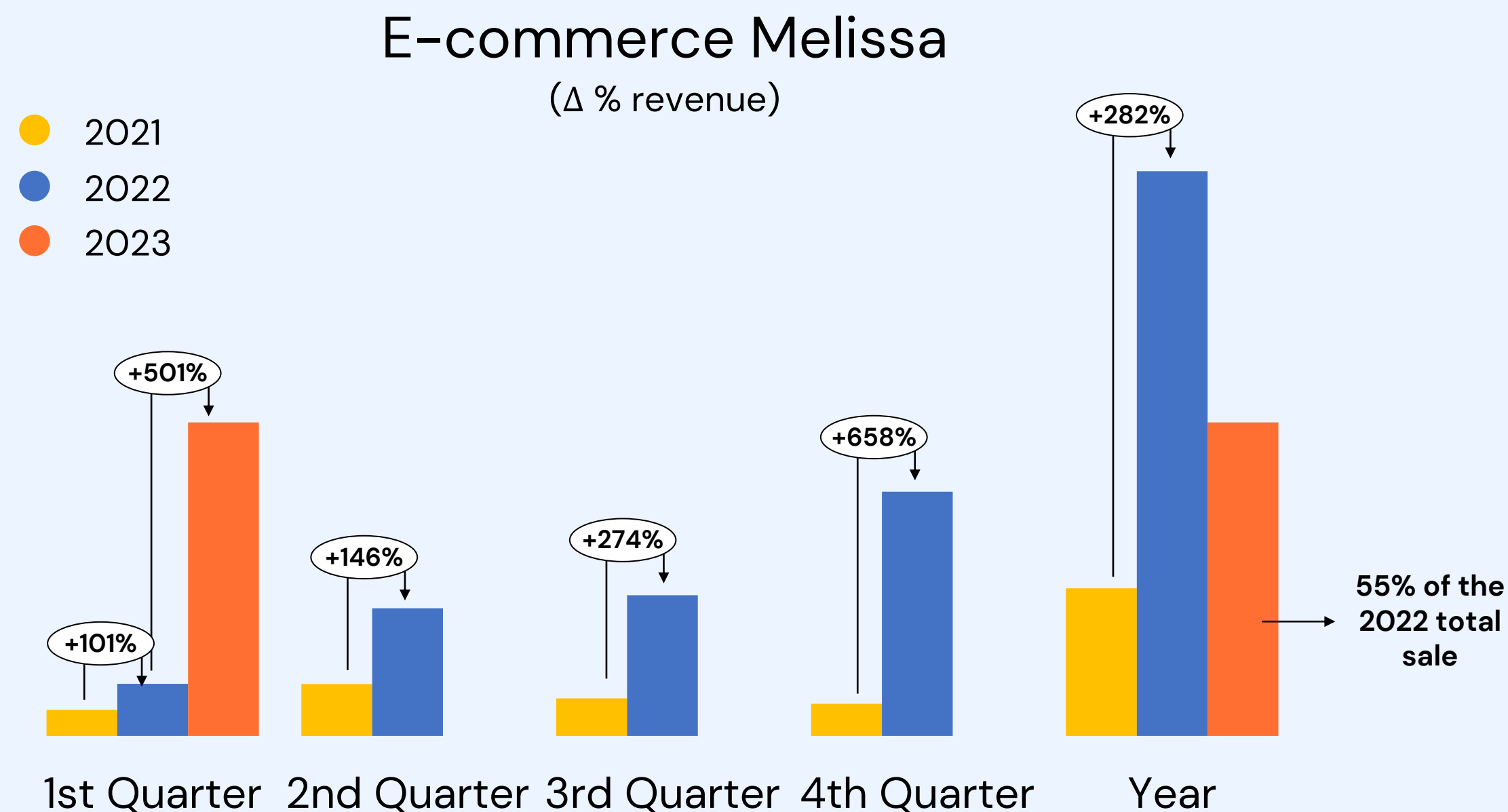
\$366,000 (1Q22) vs \$2.2 MM (1Q23);

Reconstruction of the distribution of **Ipanema**;

Launch of the *influencers* program;



- **Melissa** consistent growth (**100%** vs 1Q22), even against a strong comparison base, due to sales promotion to clean up inventories in 1Q22;
- Accelerated return of **Ipanema distribution** in physical retail, a channel that represents 60% of the footwear market in the US;
- **Ipanema** present in the main retailers, with a focus on **sandals and flip-flops**;
- **Amazon** with robust growth, with **Ipanema** sales in 1Q23 **4.6X** higher than sales in the store's launch quarter (2Q22);
- Relaunch of the **Ipanema website**;
- **Integrated online operation** with the largest US retailers, in line with the strategy of large retailers to focus on digital platforms;



GRENDENE GLOBAL BRANDS (GGB)



- Structured local team;
- **Melissa's** performance accelerating month after month;
- Launch of **Melissa's** national campaign with actress **Rosy Zhao**, the brand's "ambassador":
 - Emerging celebrity with high retention and fan loyalty for sales conversion;
 - Followers: close to **30 MM** on Weibo and over **15 MM** on Red;
- Big Brand Day;
- Opening of 7 new Melissa stores, totaling 26 exclusive stores;

Rosy Zhao "ambassador"



Austin Lee Livestream:

- Melissa featured for **7 minutes**;
- **9 million** people watching;
- More than **10,000 pairs** sold.



DESTINATION OF DIVIDENDS

Grendene (holding company)	R\$
Net profit	123,117,444.10
(-) Tax incentive reserve	(54,997,258.63)
Basis for calculation of the Legal Reserve	68,120,185.47
(-) Legal Reserve	-
Amount of dividend for 1Q23 / calculation basis of the minimum mandatory dividend	68,120,185.47
(+) Prescribed dividends	1,283.85
Total of the dividend proposed by management	68,121,469.32

Dividends approved “*ad referendum*” of the Annual General Meeting that considers the Financial Statements for 2023 business year.

* The balance of the legal reserve reached 20% of the share capital, with no need to set up an additional reserve.

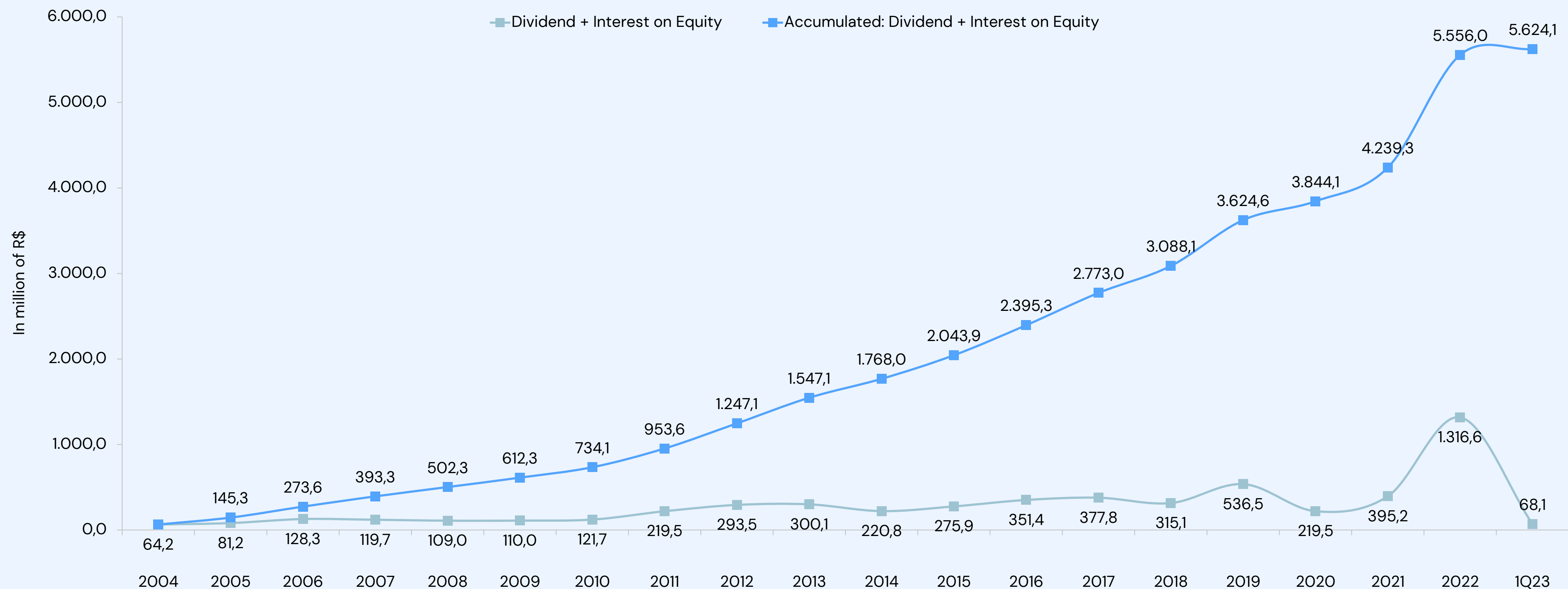
** Deliberate earnings that were not paid, as shareholders did not update the register. (Shareholders lose the right to receive these proceeds after 3 years.)

DIVIDEND PROPOSED

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	May 11, 2023	May 23, 2023	Jun. 7, 2023	68,121,469.32	0.075509523	68,121,469.32	0.075509523
			Total	68,121,469.32	0.075509523	68,121,469.32	0.075509523

¹ Dividends approved “ad referendum” of the Annual General Meeting that considers the Financial Statements for 2023 business year.

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



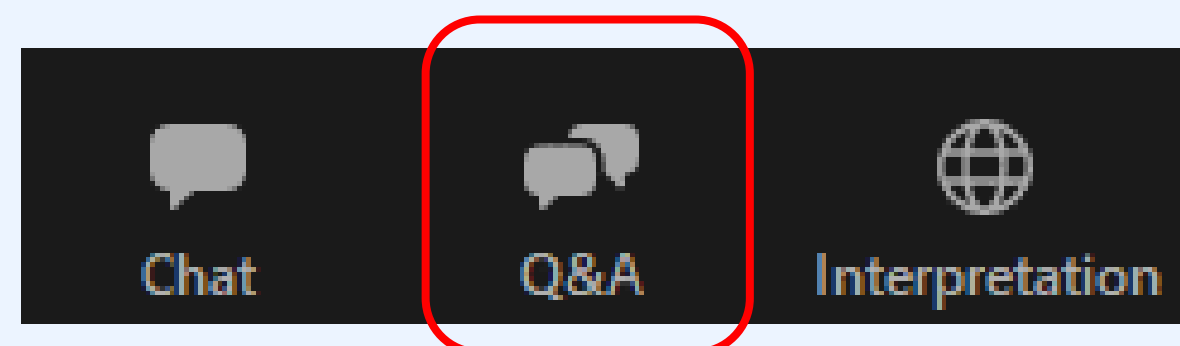
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	1Q23
Payout (*)	96,4%	101,3%	100,4%	100,3%	45,9%	40,7%	39,8%	74,8%	71,1%	71,8%	46,1%	48,6%	53,1%	55,2%	52,0%	65,7%	51,6%	63,0%	233,4%	55,3%
Dividend yield (**)	2,0%	4,0%	6,6%	5,2%	7,0%	5,9%	4,7%	8,5%	8,4%	5,0%	4,8%	5,2%	6,3%	4,7%	4,0%	6,7%	2,7%	4,5%	17,9%	4,5%

(*) Payout: [Dividend plus net interest on equity], divided by [net profit after constitution of the Legal Reserves].

(**) Dividend yield: [Dividend per share plus net interest on equity per share in the period] divided by [weighted average price of the share in the period], annualized.

Q&A

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



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