



Grendene®

melissa

GRENDA

ZAXY

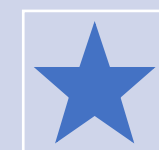
Ipanema

Grendene kids

rider

CARTAGO

PEGA FORTÉ



4Q23 & 2023 Results



Date: March 1, 2024



Time: 10h30 a.m. (Brasilia time)

INSTRUCTIONS

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.



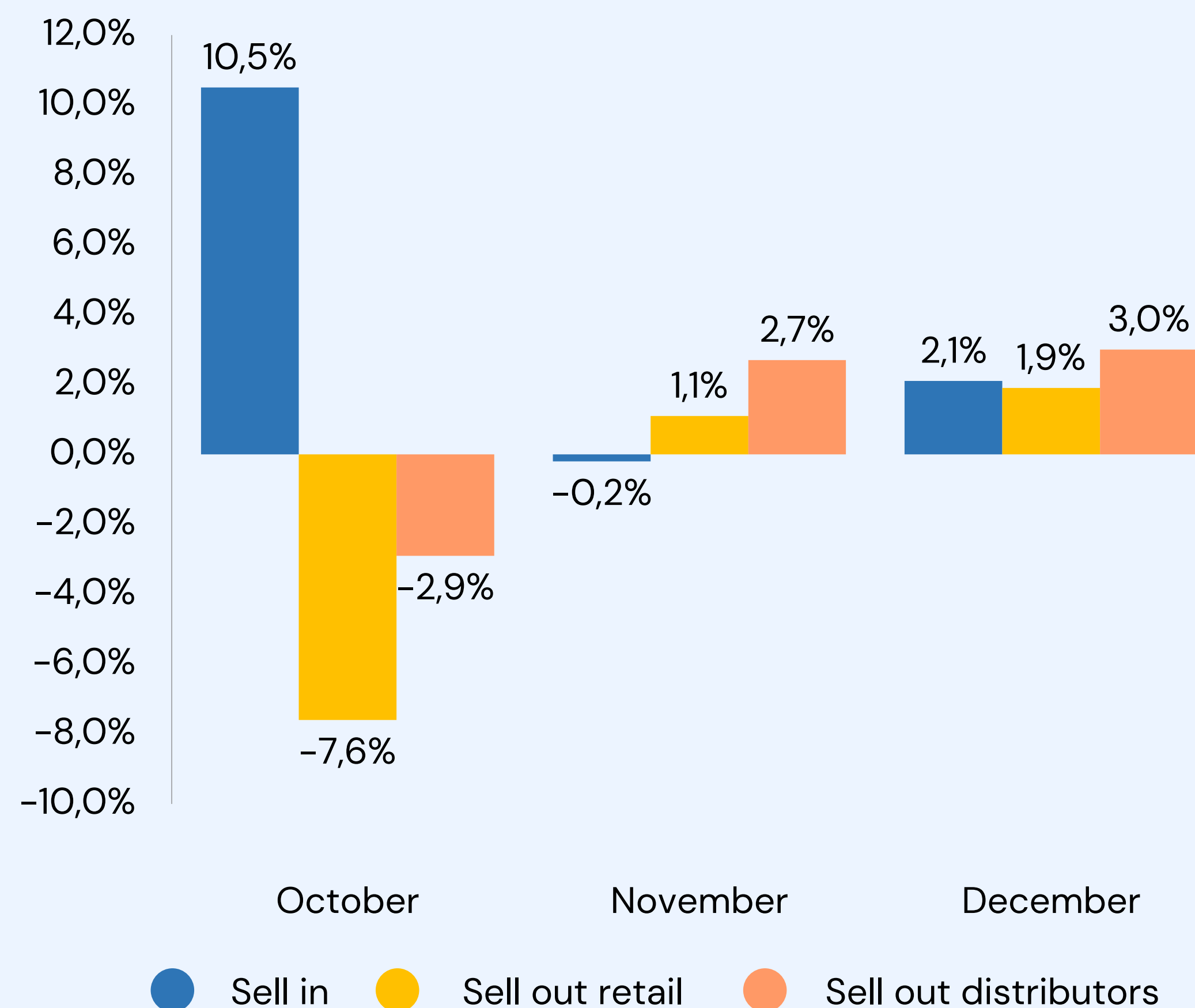
DISCLAIMER

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.



DOMESTIC MARKET – DIVISION 1

Sell in x Sell out
(Δ % accumulated in pairs vs. 4Q22)



Sell out retail = estimated based on sampling representing ~20% of the retail channel volume, through an internal tool, in partnership with clients (Vision Project).
 Sell out distributors = estimated based on sampling representing ~70% of the distributor volume, through an internal tool, in partnership with clients (Vision Project).
 Sell In = considers B2B, B2C sales (brands' e-commerce of Division 1 and Rider's proprietary store).
 * Regarding the Gross Revenue of the domestic market of Division 1.

Sell in vs. 4Q22

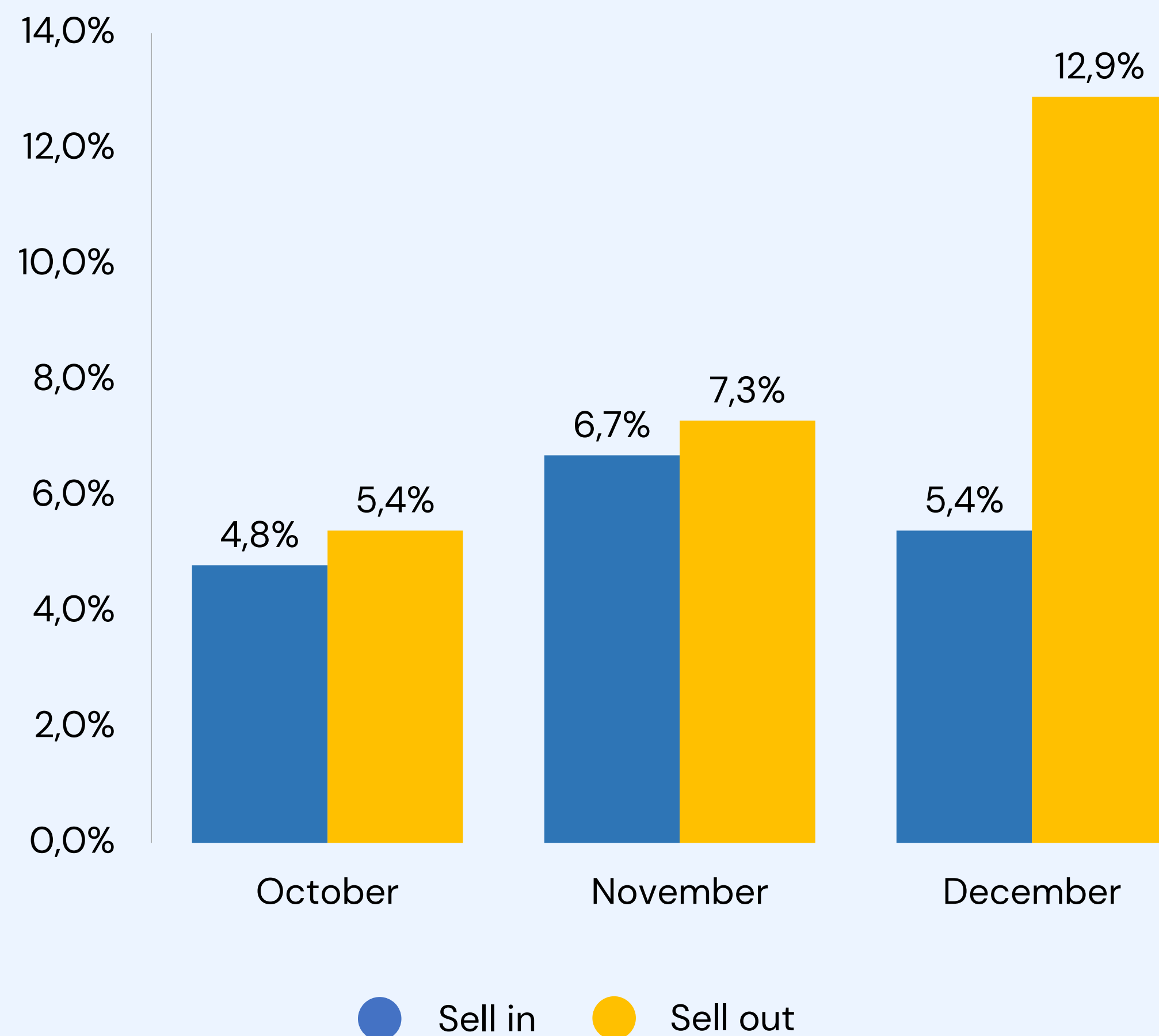
+6.5%	+2.1%	+4.3%
Gross revenue	Volume	Gross revenue per pair
	1.8%	+42.3%
	Penetration E-commerce *	Gross revenue E-commerce

- **Female, Kids and Male** protagonists in 4Q23.
- The **Female** segment´s growth was achieved across three brands: **Grendha, Zaxy and Azaleia**.
- The **male** segment's growth was achieved across three brands: **Cartago, Rider, and Mormaii**.
- **Ipanema** with inferior performance compared to 4Q22.
- The **self-service** channels and **magazines** with **positive** performance, while **retail** and **indirect** channels presented a slightly **negative** performance.

Grendene®

DOMESTIC MARKET – MELISSA

Sell in x Sell out
(Δ % accumulated in pairs vs. 4Q22)



Sell in vs. 4Q22

+9.8%
Gross revenue

+5.4%
Volume

+4.2%
Gross revenue
per pair

+27.2%
Gross revenue
E-commerce

12.2%
Penetration
E-commerce*

- **+8 new stores**, totaling **414** Clubes Melissa Clubs in Dec./23.
- **Excellent reception** of the 2023/2024 Spring/Summer Collection.
- Clubes Melissa with inventory levels **below** historical average.
- Over **200,000** active users on the Melissa app.
- App accounted for **33.3%*** of Melissa's online sales in 4Q23.

* in Gross revenue – Melissa

MERCADO EXTERNO

International Scenario

Sell in vs. 4Q22

- 1. Global economic slowdown:
 - High inflation and interest rates.
 - Shift in consumer habits.
- 2. Latin America:
 - Slow recovery from political-economic crises.
 - Reduced purchasing power of the population.
 - Climate impacts (El Niño), increased rainfall volume.
 - Competition from Chinese products.
- 3. USA overall retail sector suffering.
 - Retailers with high inventory levels.
 - Difficulty entering new networks.
- 4. Europe:
 - Weak sell-out summer/23 in the northern hemisphere affecting stock replenishment (sell-in).
 - Above-average rainfall.
- 5. Africa:
 - Political tensions and energy problems in South Africa;
 - Currency devaluation in Angola;
 - Difficulties in sending dollars in North Africa;
- 6. Middle East:
 - Regional conflicts regionais (was between Israel and Hamas) impacting the region as a whole;

-28.8% Gross revenue – Export (R\$)	-19.7% Volume	-11.4% Gross revenue – Export / per pair (R\$)
	63 Destination countries	27,2% Share of Brazilian exports

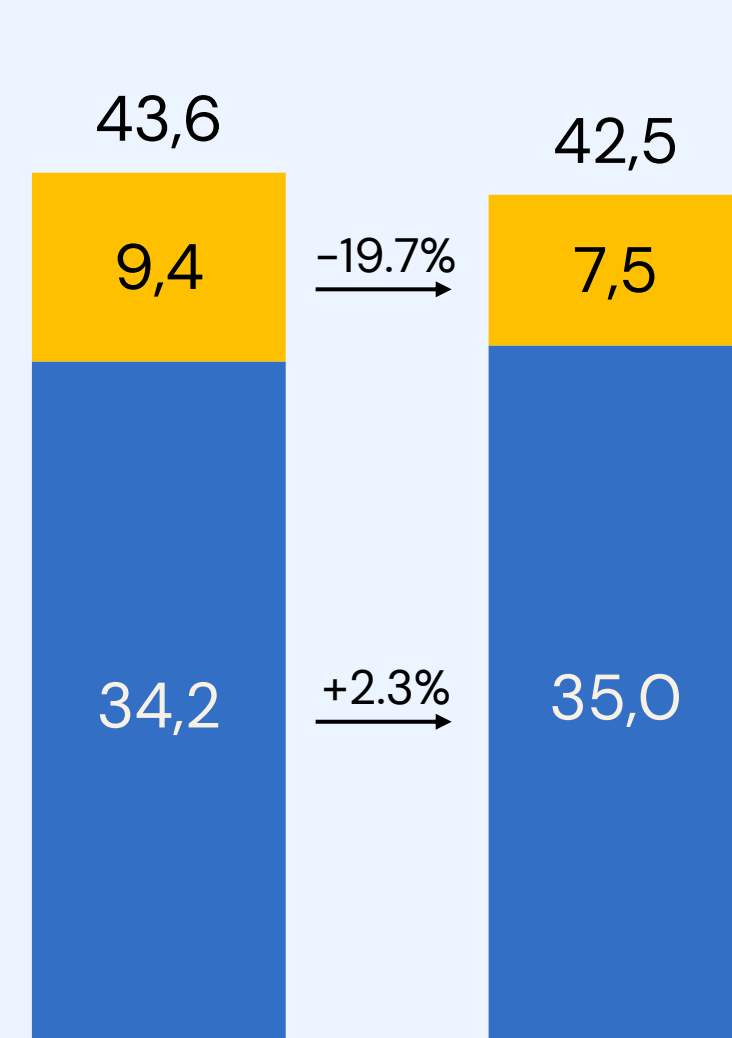
HIGHLIGHTS 4Q23 YOY

VOLUME

42.5

MILLION

-2.4% vs. 4Q22



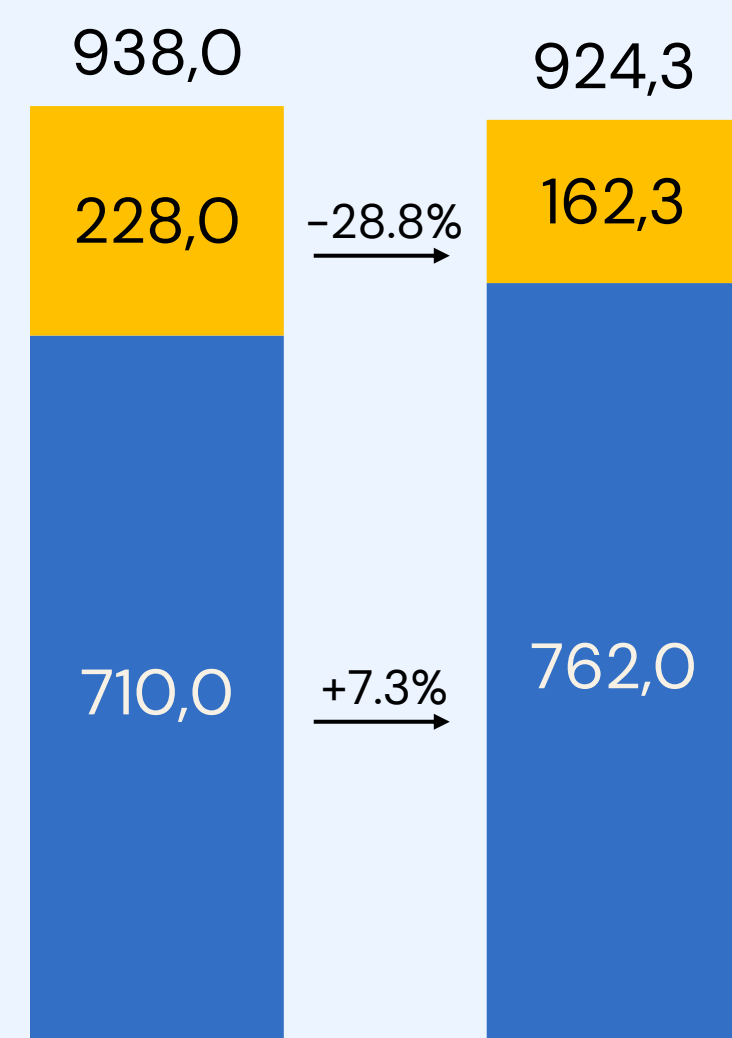
■ Export market
■ Domestic market

GROSS REVENUE

R\$ 924.3

MILLION

-1.5% vs. 4Q22



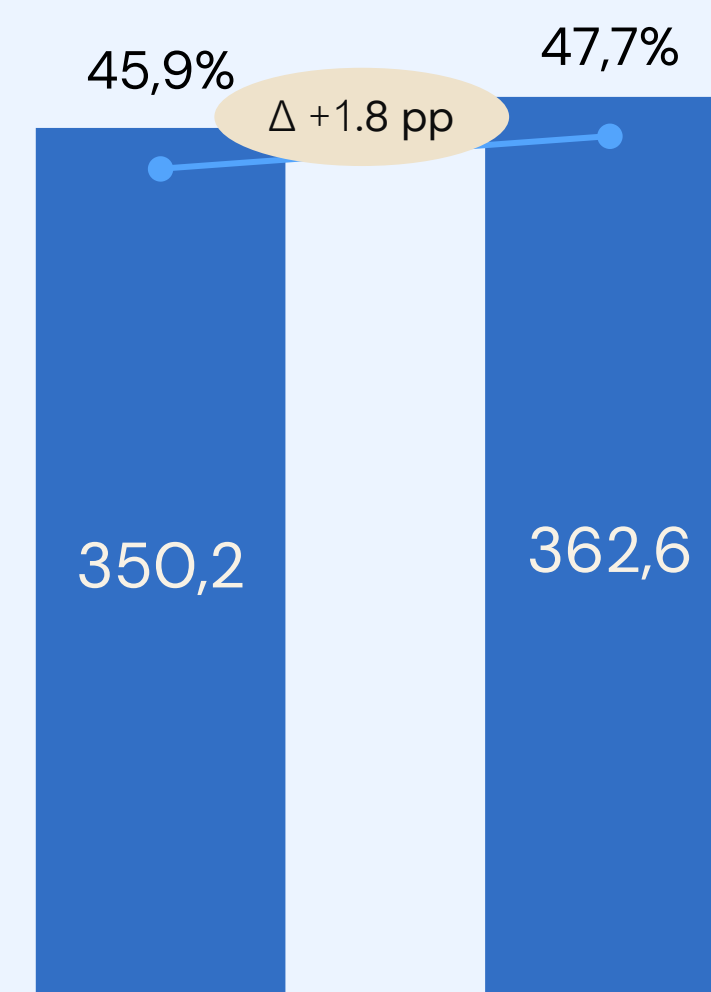
■ Export market
■ Domestic market

GROSS PROFIT

R\$ 362.6

MILLION

+3.6% vs. 4Q22



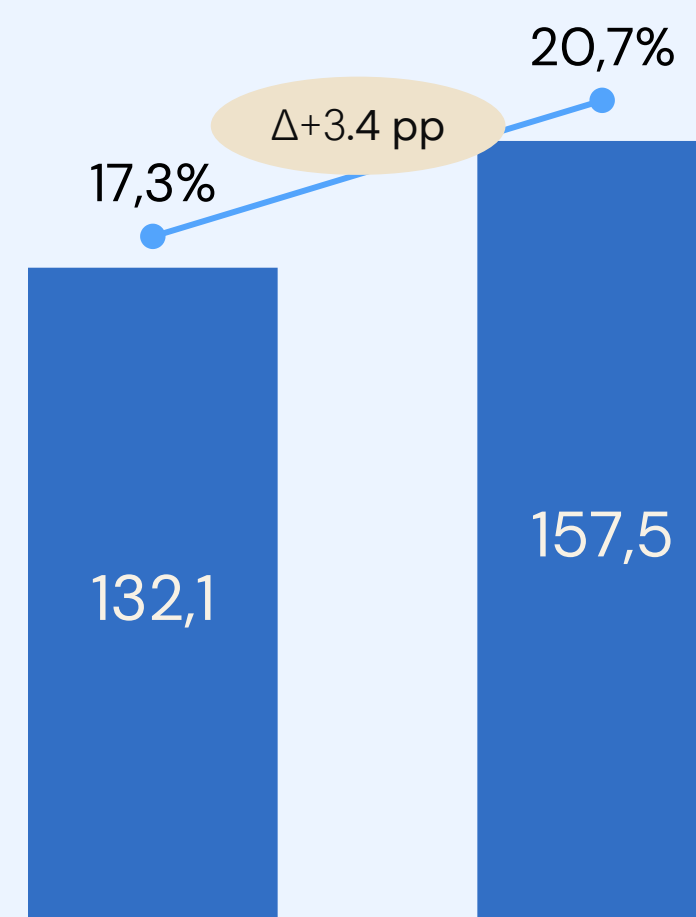
■ Gross profit
● Gross margin

RECURRING EBIT

R\$ 157.5

MILLION

+19.2% vs. 4Q22



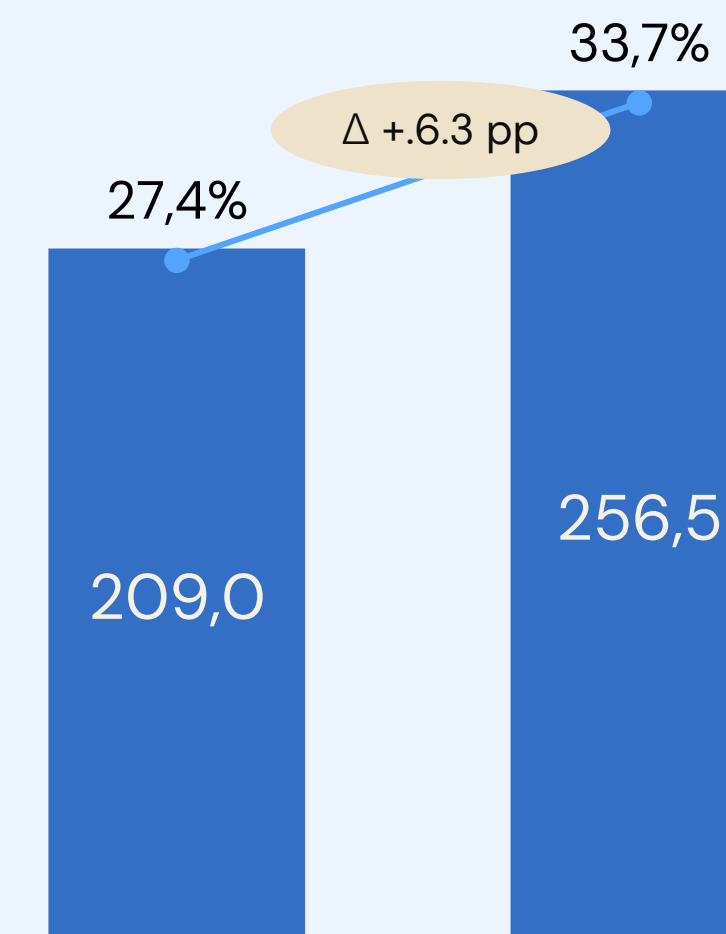
■ Recurring Ebit
● Recurring Ebit margin

RECURRING NET PROFIT

R\$ 256.5

MILLION

+22.7% vs. 4Q22

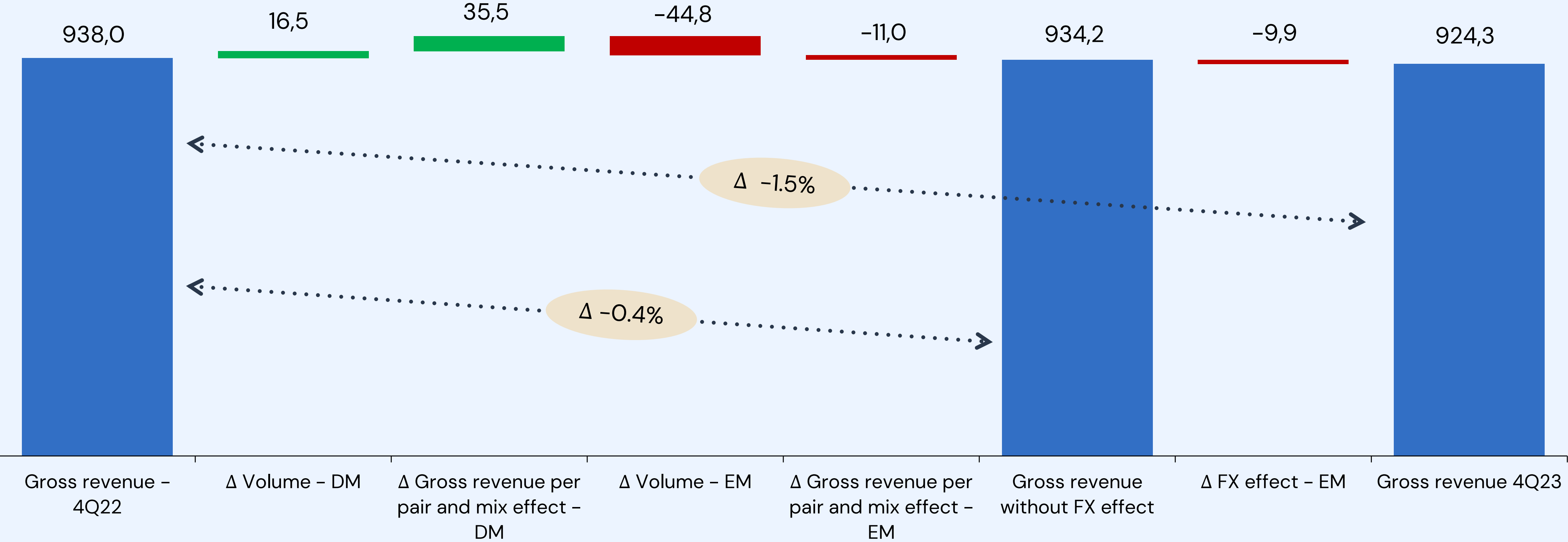


■ Recurring Net profit
● Recurring Net margin

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GROSS REVENUE

R\$ million



AVERAGE US DOLLAR: 4Q22 = R\$ 5.2558 / 4Q23 = R\$ 4.9534 – Δ -5.8%

COST OF GOODS SOLD

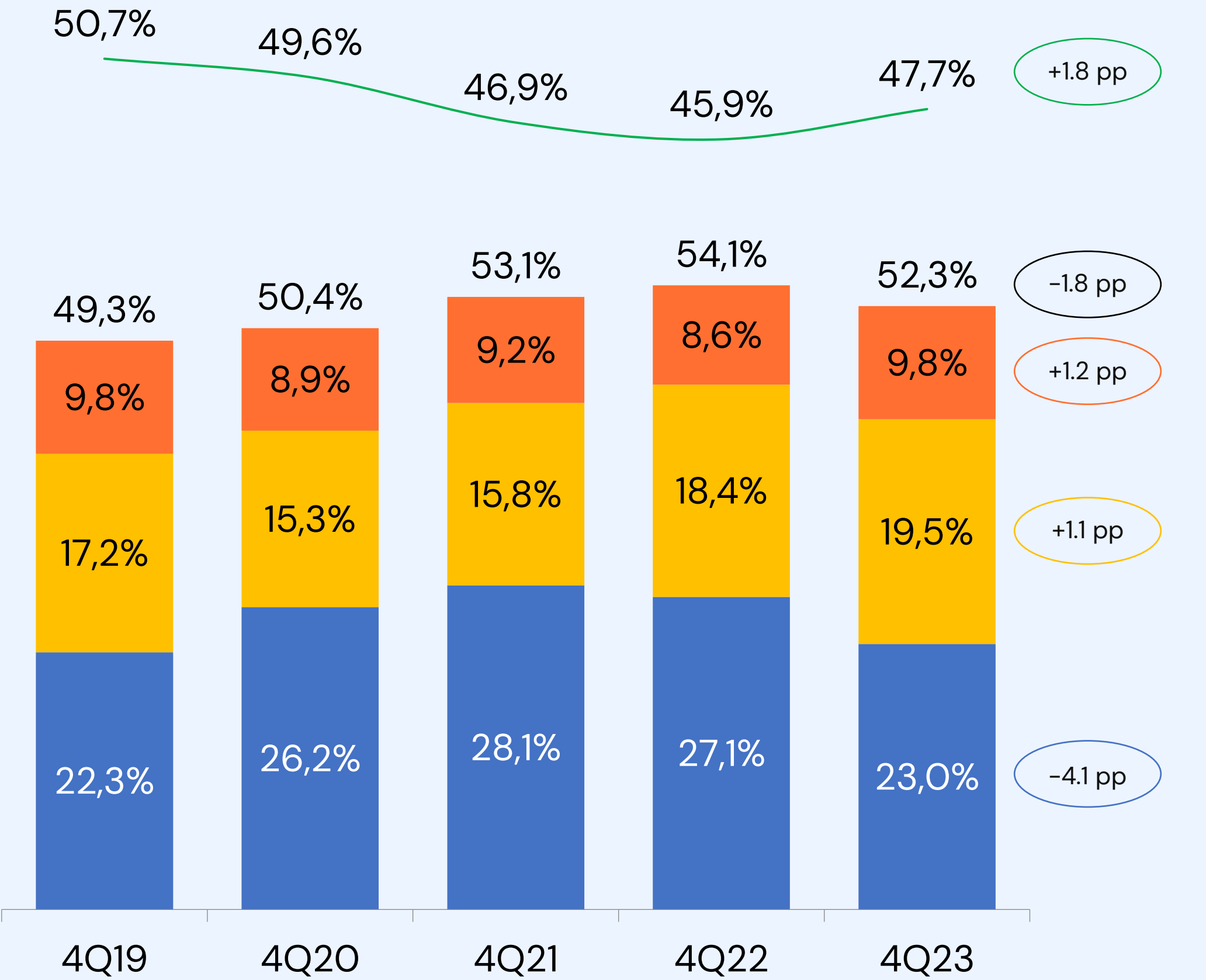
R\$ million

GROSS MARGIN AND COGS

(% NET SALES REVENUE)

Δ%

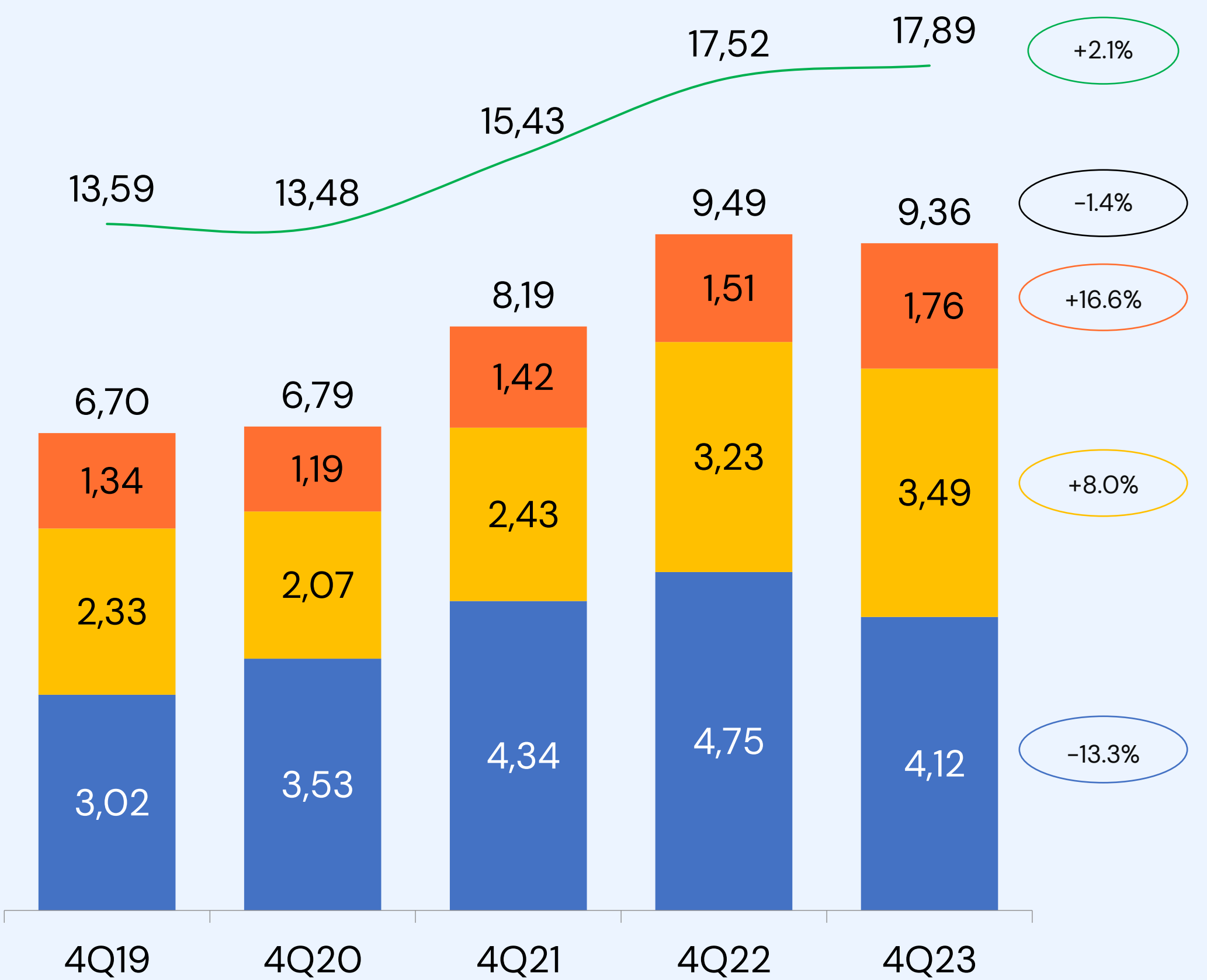
4Q22 VS 4Q23



NET SALES AND COGS PER PAIR

Δ%

4Q22 VS 4Q23



● OMC ● Labor ● Raw material ● Gross margin

● OMC ● Labor ● Raw material ● Net sales revenue

Grendene®

PEGA FORTE

SCARTAGO

rider

Grendene kids

Ipanema

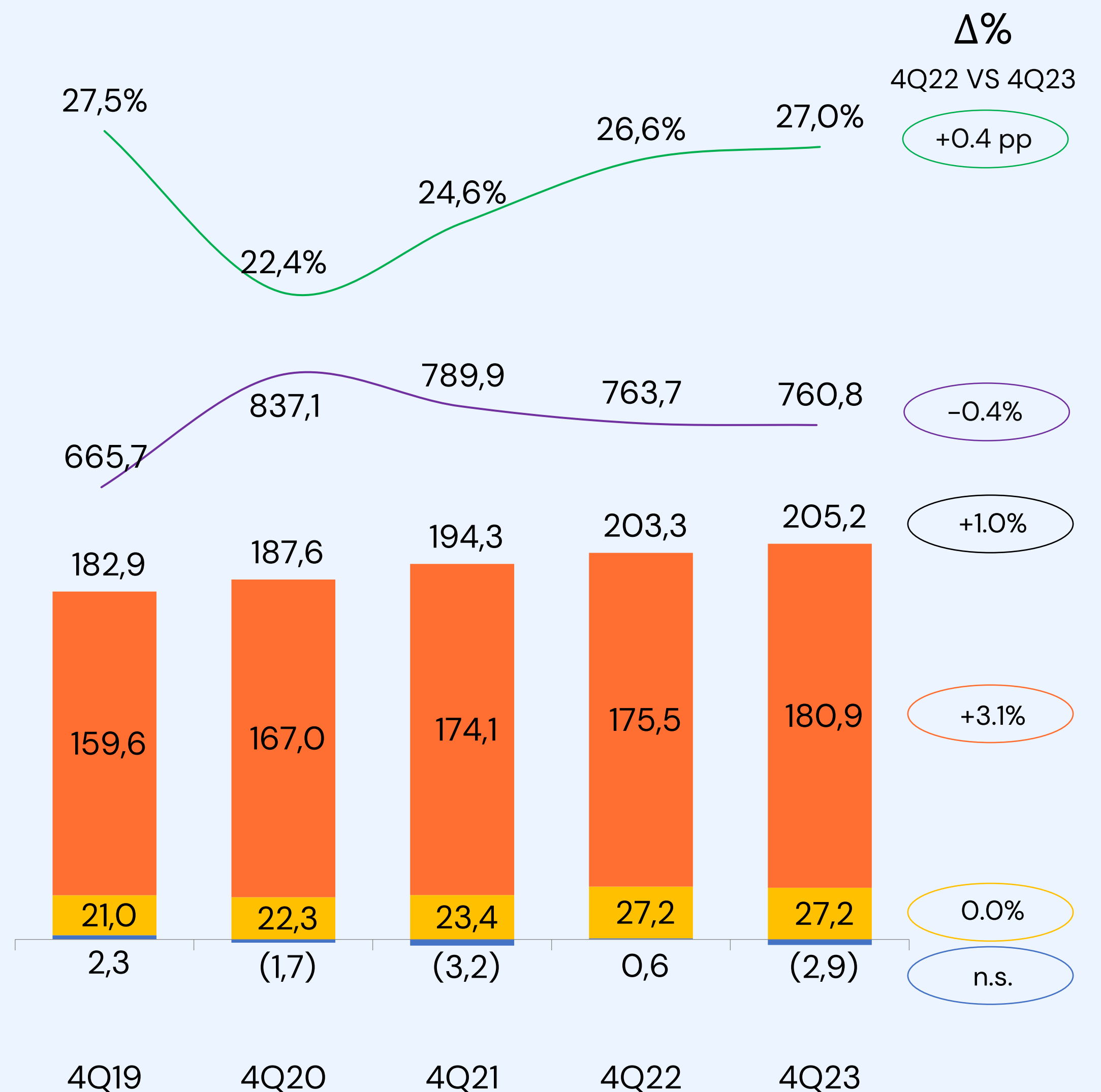
ZAXY

GRENDHA

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RECURRING OPERATIONAL EXPENSES

R\$ million



Recurring Selling expenses

	4Q22	% Net Sales	4Q23	% Net sales	Change %	Change R\$
Variable	(91.5)	(12.0%)	(86.8)	(11.4%)	(5.1%)	4.7
Advertising and publicity	(36.1)	(5.1%)	(42.0)	(5.5%)	15.4%	(5.6)
Personnel expenses	(18.1)	(2.4%)	(20.9)	(2.7%)	15.5%	(2.8)
Outsourced services	(5.7)	(0.7%)	(4.3)	(0.6%)	(23.7%)	1.4
Travel and accommodation	(1.9)	(0.3%)	(2.1)	(0.3%)	8.1%	(0.2)
Conventions	(0.2)	(0.0%)	(0.6)	(0.1%)	159.6%	(0.4)
Footwear samples	(3.2)	(0.4%)	(4.5)	(0.6%)	39.4%	(1.3)
Other	(18.5)	(2.4%)	(19.6)	(2.6%)	6.4%	(1.1)
Subtotal	(47.6)	(6.4%)	(52.1)	(6.8%)	9.4%	(4.5)
TOTAL	(175.5)	(23.0%)	(180.8)	(23.8%)	3.1%	(5.3)

Recurring G&A expenses

	4Q22	% Net sales	4Q23	% Net sales	Change %	Change R\$
Personnel expenses	(19.8)	(2.6%)	(20.3)	(2.7%)	2.7%	(0.5)
Outsourced services	(3.2)	(0.4%)	(2.8)	(0.4%)	(11.8%)	0.4
Travel and accommodation	(0.1)	(0.0%)	(0.3)	(0.0%)	102.7%	(0.2)
Tax expenses	(1.7)	(0.2%)	(1.5)	(0.2%)	(12.0%)	0.4
Other	(2.4)	(0.3%)	(2.3)	(0.3%)	(4.3%)	0.1
TOTAL	(27.2)	(3.6%)	(27.2)	(3.6%)	(0.0%)	0.0

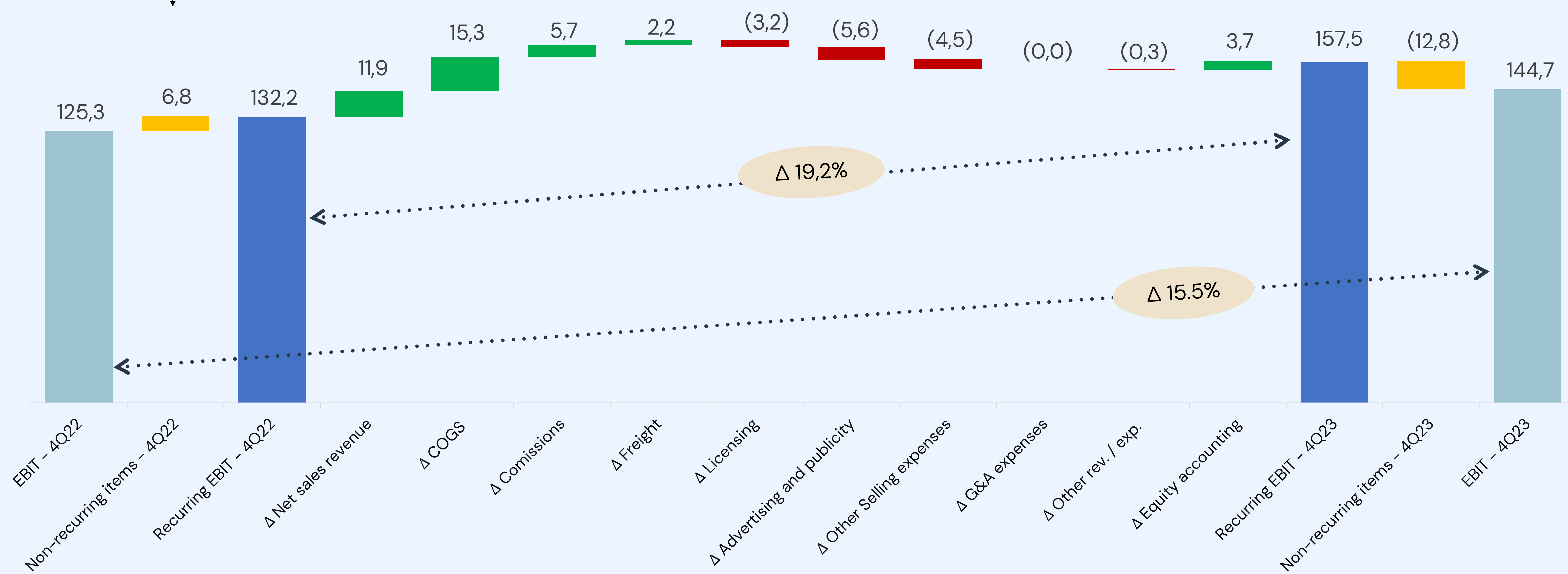
Other G&A Exp Selling exp. Net sales revenue % Net sales revenue

EBIT RECORRENTE

R\$ million

Non-recurring items 4Q22	R\$ million
Inventory write-off – foreign subsidiaries	4.5
IFranchise management	3.8
Equity Earnings (GGB)	10.1
Retail results – Foreign market	3.3
Non-recurring revenue	(14.8)
TOTAL	6.8

Non-recurring items 4Q23	R\$ million
Legal Advisory	0.8
Procedural credits	(8.1)
Closure of Melissa Gallery NY, LA Store and Grendene UK	3.4
Legal proceedings	1.9
Franchise management	2.7
Estimated provision for doubtful debts	(1.8)
Equity Earnings (GGB)	13.9
TOTAL	12.8

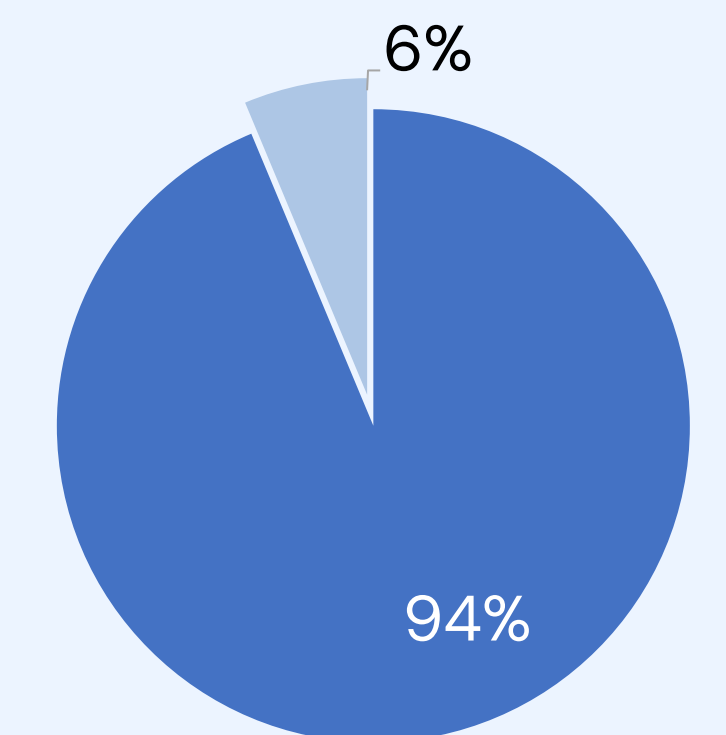


NET FINANCIAL REVENUE

In thousands of R\$. unless otherwise indicated

Account	4Q22	4Q23	Change % / Change p.p.	Change R\$
CDI - % p.a.	13.6%	12.2%	(1.4 pp)	-
Average US dollar - R\$	5.2558	4.9534	(5.8%)	(0.3024)
Cash and equivalents + financial investments - average - R\$	1,746,153	1,197,818	(31.4%)	(548,335)
Revenue from cash investments	39,008	22,340	(42.7%)	(16,668)
Gain on equity financial instruments	16,001	8,109	(49.3%)	(7,892)
Net gain (loss) on FX variations	5,096	6,838	34.2%	1,742
Profit/loss on Other financial assets - SCP's	(33,341)	14,063	n.S	47,404
Other financial transactions (*)	1,608	3,812	137.1%	2,204
Gains on adjustments to presente value - AVP	28,574	37,108	29.9%	8,534
Net financial revenue	56,946	92,270	62.0%	35,324

Portfolio Allocation - Dec. 31. 2023
Balance: R\$ 485.5 million



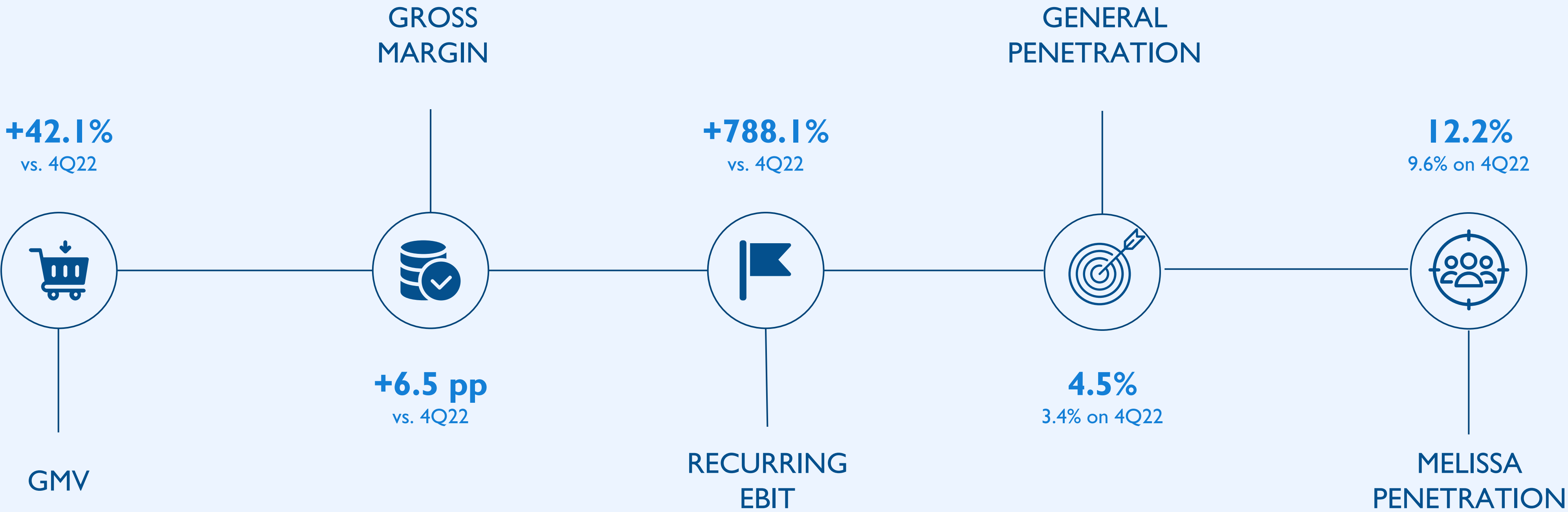
■ Real Estate ■ Private credit

Historical Profitability

Date:: Jan. 31, 2024	Nominal	% CDI
Real Estate	65.2%	165.6%
Private credit	82.8%	205.5%
Variable income	194.3%	582.8%
Total	100.2%	235.6%

(*) 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 4Q23



GRENDENE GLOBAL BRANDS

GGB AFTER 2 YEARS OF OPERATION...

- ❖ Focus on **people and brands**.
- ❖ Team of **over 50** high-level **professionals**. Attractive culture and environment with low employee turnover.
- ❖ E-commerce with **9x growth**.
- ❖ **~US\$20M invested in marketing**, increasing the relevance of our brands to local consumers.
- ❖ Hiring of **influential figures** in local cultures (Shakira and Rosy Zhao).
- ❖ **Reintroduction** of Ipanema and Cartago in the United States.
- ❖ Number of **active customers** in the USA grew by +70%.
- ❖ **Brands' return** to Amazon (now the 2nd largest client).
- ❖ **17 new** exclusive Melissa **stores** in China.
- ❖ Complete **distribution structure in China**, with a 100% local team.

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一起绒绒



Rosy Zhao

Ipanema



Shakira

GRENDENE GLOBAL BRANDS

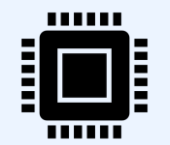
Data for 2023 and variations vs. 2022



Net sales revenue: US\$31.4 million, +126%.



Volume : +59%.



Online Sales USA and China: up 237%
(shopmelissa.com, Amazon and Tmall).



Shopmelissa.com USA: growth of +2.4x.



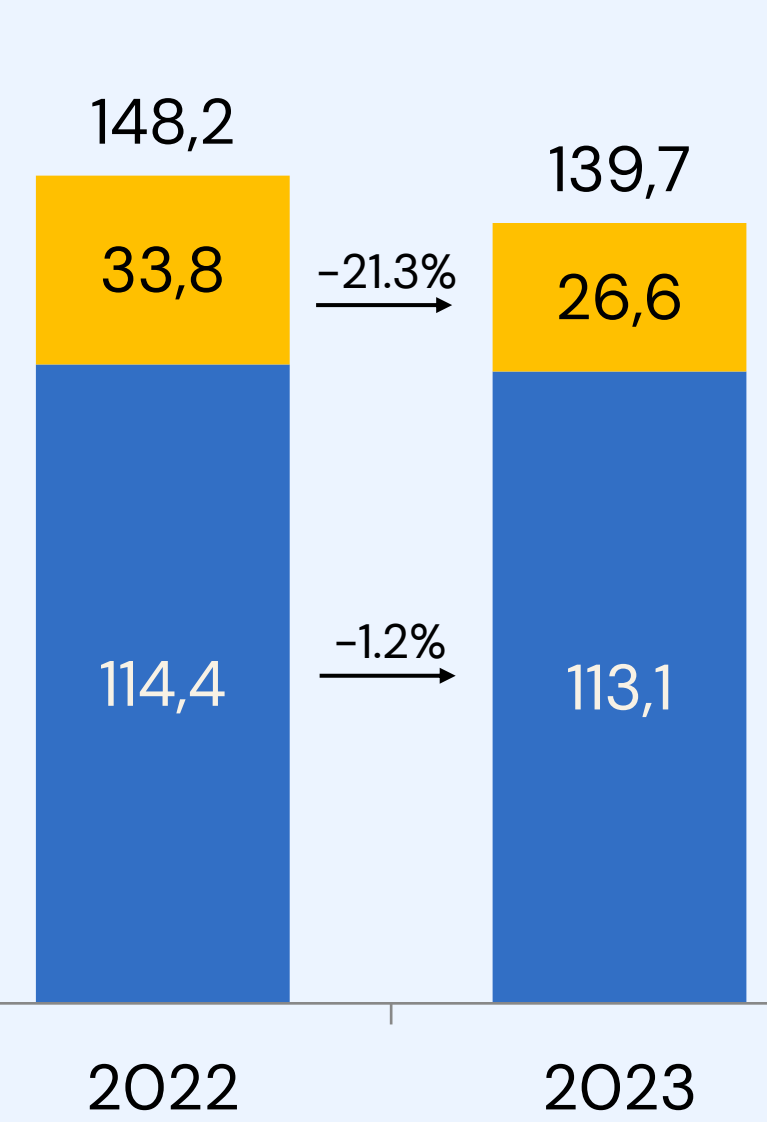
USA: wholesale 6% below and retail 13% above.



HIGHLIGHTS 2023 YOY

VOLUME

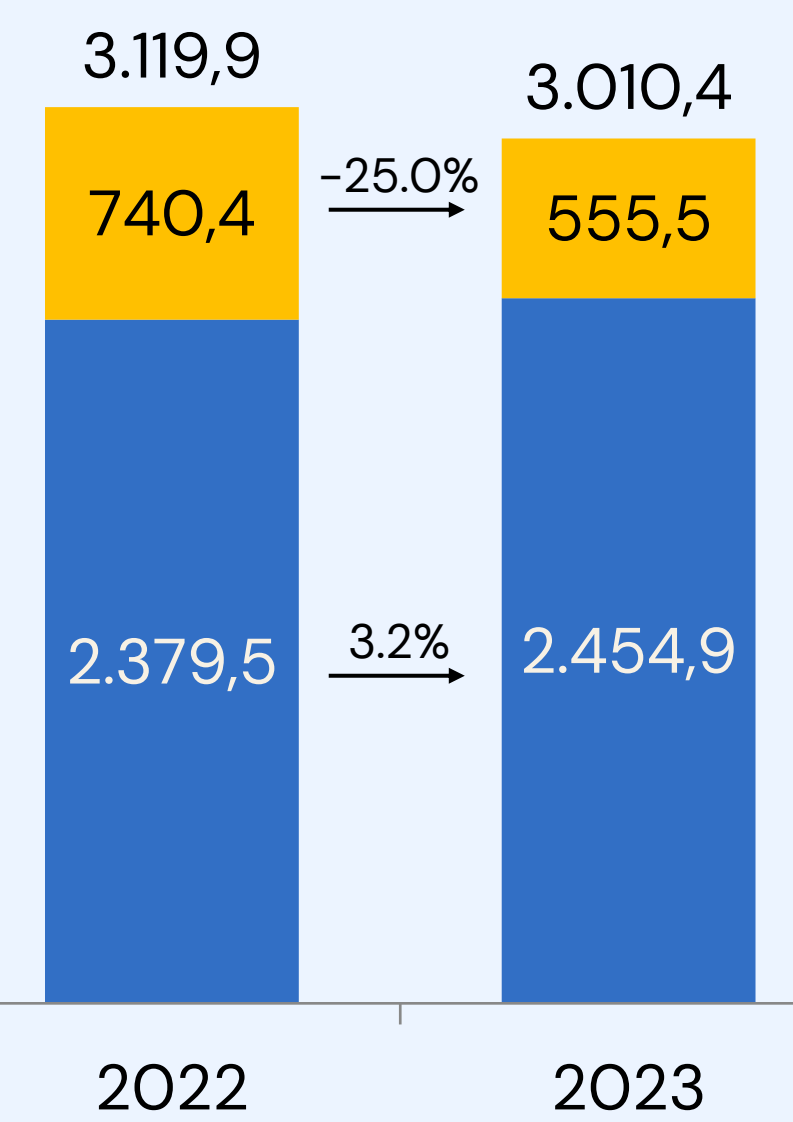
139.7
MILLION
-5.8% vs. 2022



■ Export market
■ Domestic market

GROSS REVENUE

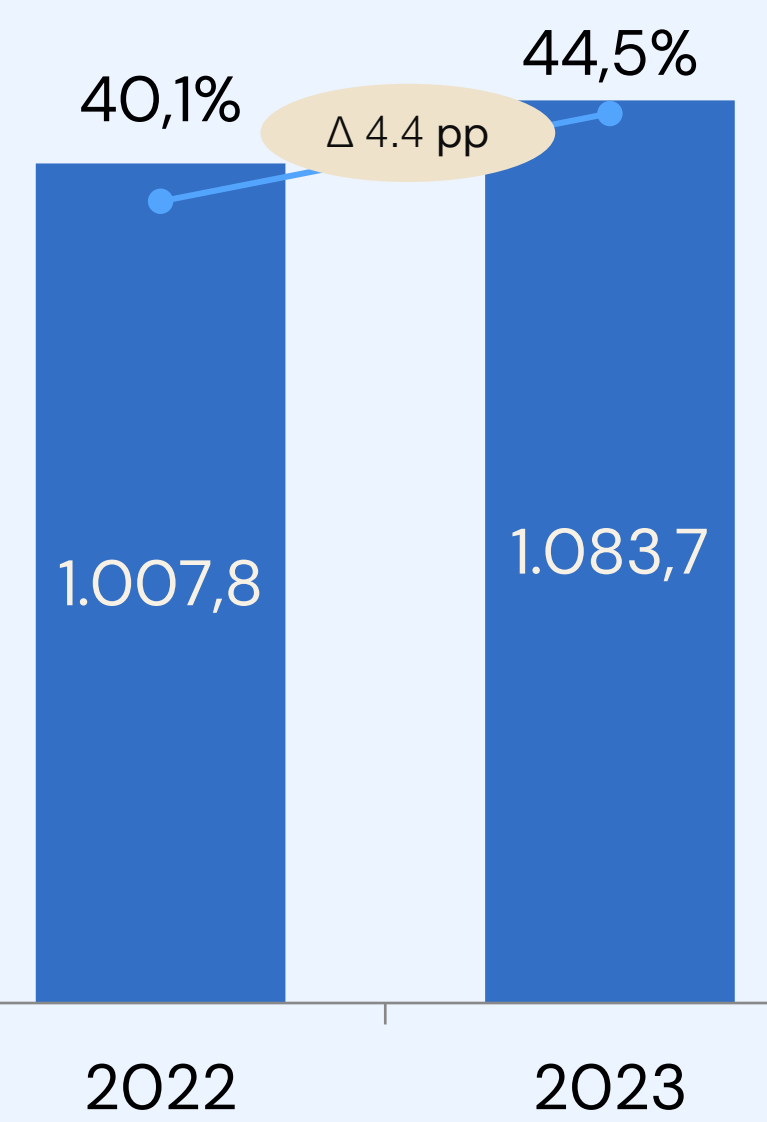
R\$ 3.010.4
MILLION
-3.5% vs. 2022



■ Export market
■ Domestic market

GROSS PROFIT

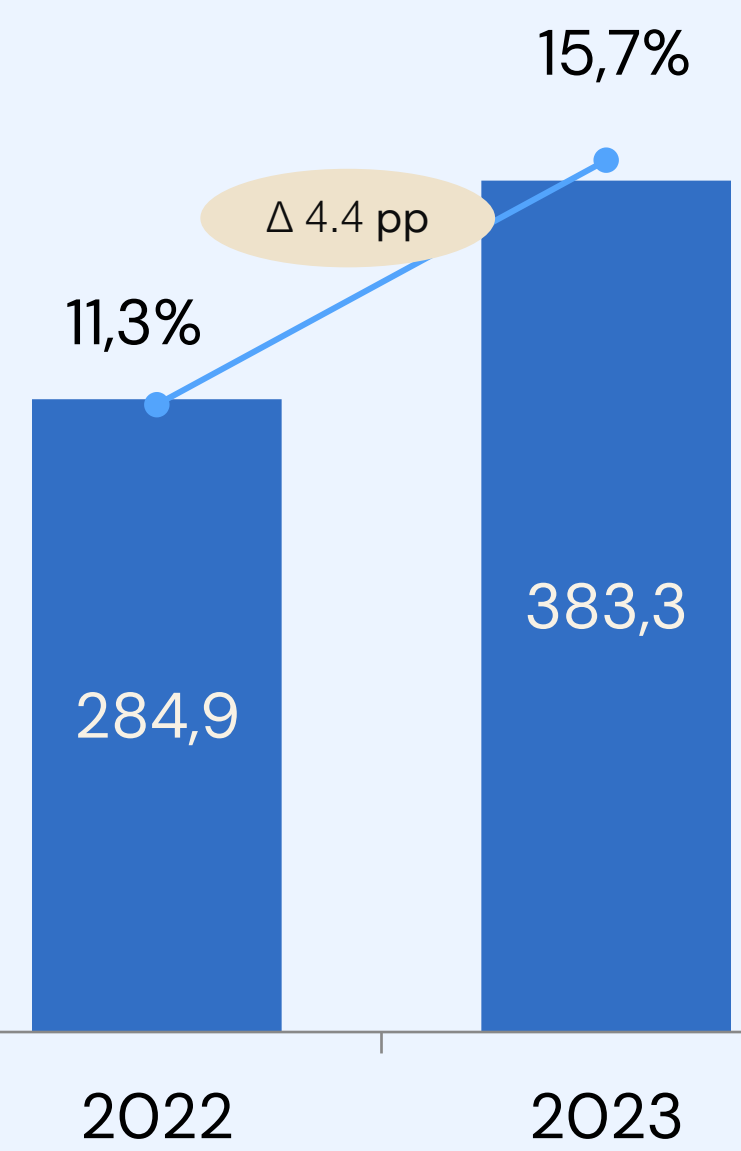
R\$ 1,083.7
MILLION
7.5% vs. 2022



■ Gross profit
● Gross margin

RECURRING EBIT

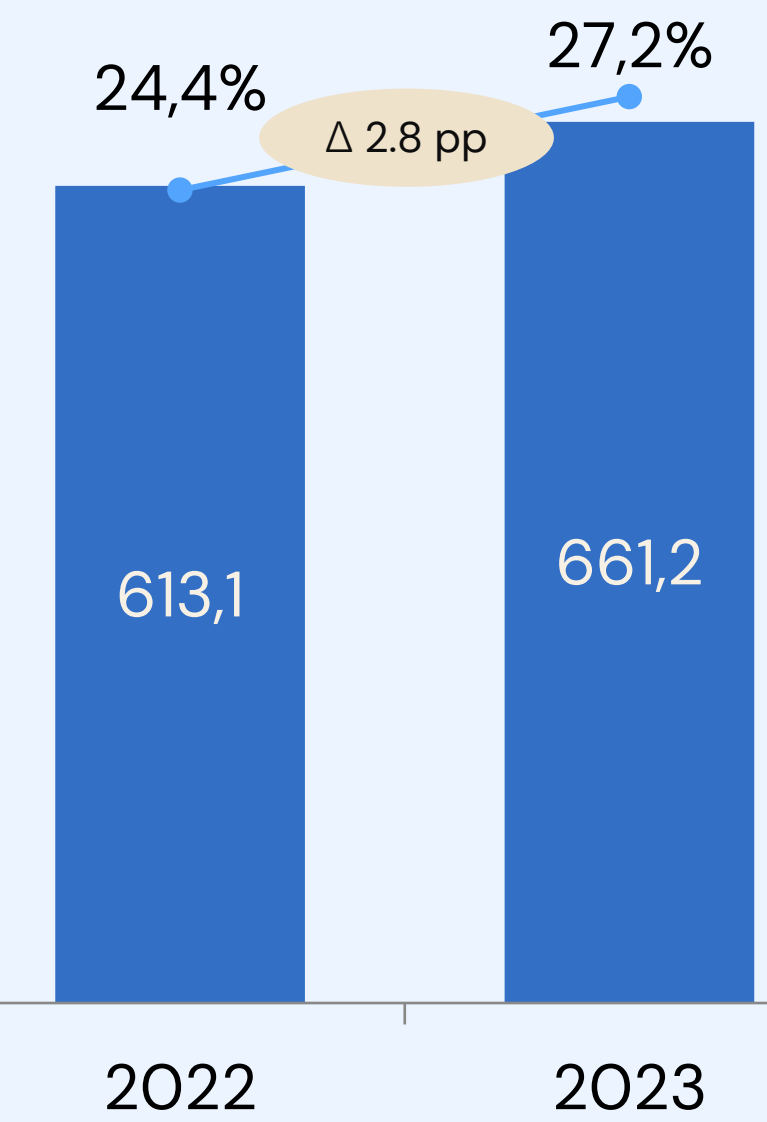
R\$ 383.3
MILLION
34.5% vs. 2022



■ Recurring Ebit
● Recurring Ebit margin

RECURRING NET PROFIT

R\$ 661.2
MILLION
7.8% vs. 2022



■ Recurring Net profit
● Recurring Net margin

DESTINATION OF DIVIDENDS

Grendene (holding company)	R\$
Net profit	557,670,992.91
(-) Tax incentive reserve	(274,688,369.97)
Basis for calculation of the Legal Reserve	282,982,622.94
(-) Legal Reserve *	-
Amount of dividend for 2023 / calculation basis of the minimum mandatory dividend	282,982,622.94
(+) Prescribed dividends **	4,791.44
Total of the dividend proposed by management	282,987,414.38
(-) Dividends + I.E. gross paid in advance (1Q23 and 2Q23 and 3Q23)	(137,171,550.08)
Balance available for distribution	145,815,864.30

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 their register. (Shareholders lose the right to receive these dividends after 3 years.)

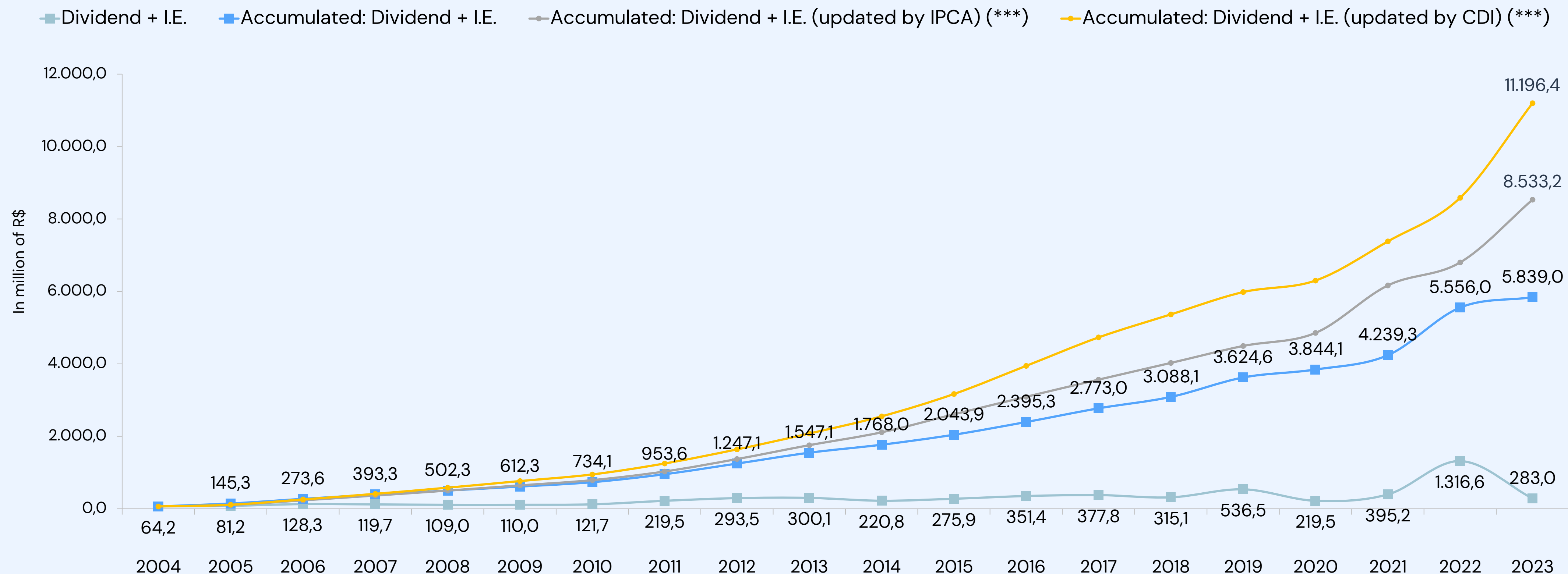
PROPOSED DIVIDENDS AND INTEREST ON EQUITY (I.E.)

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
Dividend ¹	Aug. 10. 2023	Aug. 22. 2023	Sep. 6. 2023	17.136.560.23	0.018995091	17.136.560.23	0.018995091
Dividend ¹	Nov. 9, 2023	Nov. 22, 2023	Dec. 6, 2023	31,913,520.53	0.035374673	31,913,520.53	0.035374673
I.E. ¹	Nov. 9, 2023	Nov. 22, 2023	Dec. 6, 2023	20,000,000.00	0.022169082	17,000,000.00	0.018843720
Dividend ^{1 and 2}	Fev. 29, 2024	May 3, 2024	May 15, 2024	50,815,864.30	0.056327054	50,815,864.30	0.056327054
I.E. ^{1 and 2}	Fev. 29, 2024	May 3, 2024	May 15, 2024	95,000,000.00	0.105303141	80,750,000.00	0.089507669
			Total	282,987,414.38	0.313678564	265,737,414.38	0.294557730

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

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



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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%	47.6%
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%	4.2%

(*) 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.

(***) Values updated from the date of payment of the proceeds.

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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