

**GRENDENE S.A.**

Publicly Held Company - CNPJ/ME n.º 89.850.341/0001-60 - NIRE Nº. 23300021118-CE

**NOTICE TO THE MARKET**

Grendene S.A. (GRND3; “Grendene” or “Company”), in compliance with article 157, paragraph 4, of Law No. 6.404, of 1976, and with CVM Instruction No. 358, of 2002, as amended, hereby informs its shareholders and the market in general that it received it from B3 SA – Brasil, Bolsa, Balcão, on July 2, 2021, the Letter B3 961/2021-SLS (“Letter”) with the following content:

"July 2, 2021  
**961/2021-SLS**

**Grendene S.A.**

At. Alceu Demartini of Albuquerque  
 Investor Relations Officer

**Ref.: Request for clarification on atypical oscillation**

Dear sir,

In view of the last fluctuations registered with the securities issued by this company, the number of trades and the amount traded, as below, we request that you be informed, until 07/05/2021, if there is any fact known to you. that can justify them.

Shares ON									
Price (R\$ per share)									
Date	Opening	Minimum	Maximum	Average	Last	Oscil. %	Nº neg.	Quantit.	Volume (R\$)
21/06/2021	9,66	9,61	9,83	9,71	9,78	1,34	5.692	1.413.800	13.724.455,00
22/06/2021	9,75	9,62	9,88	9,76	9,88	1,02	2.951	793.300	7.739.176,00
23/06/2021	9,90	9,62	9,99	9,75	9,69	-1,92	3.613	1.305.000	12.724.305,00
24/06/2021	9,74	9,71	9,95	9,87	9,95	2,68	3.614	1.271.500	12.544.595,00
25/06/2021	9,92	9,83	10,15	9,99	9,93	-0,20	6.492	2.368.900	23.655.505,00
28/06/2021	9,96	9,85	10,23	10,13	10,22	2,92	4.692	1.876.400	19.012.680,00
29/06/2021	10,22	9,90	10,22	10,01	10,05	-1,66	3.891	1.350.300	13.509.866,00
30/06/2021	10,03	9,82	10,04	9,95	10,03	-0,19	4.722	1.606.100	15.985.715,00
01/07/2021	10,07	9,83	10,10	9,92	9,93	-0,99	5.694	1.979.900	19.649.197,00
02/07/2021*	9,98	9,97	10,63	10,34	10,62	6,94	8.093	3.393.500	35.102.706,00

\*Updated until 3:56 pm."

In response to the aforementioned Letter, the Company clarifies that it found that, on July 2, 2021, there was an atypical fluctuation in the shares issued by several publicly-held companies in the Company's sector, including the Company itself. Neither the Company nor its managers and/or persons with access to relevant acts or facts (duly consulted, for the purposes set out in CVM Instruction 358) are aware of any information that may justify such fluctuations on that date.

On the date the atypical fluctuations were identified, the Company was negotiating with 3G Radar Gestora de Recursos Ltda. (“3G Radar”) on the potential constitution of a joint venture between Grendene and 3G Radar for the distribution and sale of Grendene's products in certain international markets. However, at that time, there were only confidential negotiations in progress and there was no document signed between the parties, binding or not, delineating the rights and obligations of the parties and/or the potential transaction.

Due to the atypical fluctuation in the Company's shares and after receiving the Letter from B3, the parties engaged and accelerated the negotiations, so that it was possible to enter into, on an exclusive basis, a Non-Binding Memorandum of Understanding on the night of July 4, 2021 ("MOU"). With the execution of said MOU, it was then possible to disclose to the market concrete information about the potential transaction, even if not definitive or binding, instead of mere speculation by the parties that could mislead investors. In fact, the MOU was disclosed to the market on July 5, 2021, before the opening of the market's trading session, through a Material Fact and, therefore, immediately after verification by the Company of the atypical fluctuations found at the end of July 2, 2021.

The Company clarifies that it has no reason to believe that the information about the negotiations with 3G Radar has gotten out of control before the publication of said Material Fact or that it caused the atypical fluctuation mentioned above.

The Company will keep its shareholders and the market in general informed about the potential transaction disclosed through the Material Fact published on this date and other events that may influence the price of its securities or the decision of investors to buy, sell, hold or exercise any rights inherent to the condition of holder of securities issued by the Company or referenced to them, pursuant to CVM Instruction 358.

Sobral - CE, July 5, 2021.

Alceu Demartini de Albuquerque  
Investor Relations Officer  
Grendene S.A.