

melissa

GRENDHA

ZAXY

Ipanema

Grendene kids

rider

CARTAGO

PEGA FORTÉ



**PRESS
RELEASE
4Q23 & 2023**

Net revenue: R\$ 760.8 million, down 0.4% YoY
Recurring EBIT: R\$ 157.5 million, up 19.2% YoY
Recurring net profit: R\$ 256.5 million, up 22.7% YoY

Sobral, Brazil, February 29, 2024 – GRENDENE (B3: *Novo Mercado* - GRND3) publishes results for 4Q23 and 2023. IFRS (International Financial Reporting Standards)-compliant consolidation and presentation of financial data.

Results Highlights: 4Q23 vs. 4Q22



Net revenue
R\$ 760.8 million, down
0.4% YoY



Net revenue per pair
R\$17.89, up 2.1%



Volume of pairs
R\$ 42.5 million, down
2.4% YoY



Gross margin 47.7%, up 1.8 pp



Recurring EBIT
R\$157.5 million, up 19.2%



Recurring EBIT margin 20.7%, up
3.4 pp



Recurring net profit
R\$265.5 million, up 22.7%



Recurring Net margin 33.7%, up
6.3 pp

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**Videoconferencing with
simultaneous translation into
English**

**March 01, 2024, at 10h30 a.m.
Brasilia Time (BRT)**

[Click here](#) to participate.

Number of common shares: 902,160,000
Number of treasury shares: 2,671
Price (December 31, 2023): R\$ 7.07 per share
Market capitalization: R\$ 6.4 billion / US\$ 1.3 billion

Main Economic and Financial Indicators

R\$ million	4Q22	4Q23	Change 4Q23/4Q22	2022	2023	Change 2023/2022
Gross revenue	938.0	924.3	(1.5%)	3,119.9	3,010.4	(3.5%)
Domestic market	710.0	762.0	7.3%	2,379.5	2,454.9	3.2%
Exports	228.0	162.3	(28.8%)	740.4	555.5	(25.0%)
Exports (US\$)	43.4	32.8	(24.5%)	143.4	111.2	(22.4%)
Net revenue	763.7	760.8	(0.4%)	2,512.7	2,433.6	(3.1%)
COGS	(413.5)	(398.2)	(3.7%)	(1,504.9)	(1,349.9)	(10.3%)
Gross profit	350.2	362.6	3.6%	1,007.8	1,083.7	7.5%
Operational Expenses	(224.8)	(217.9)	(3.1%)	(768.6)	(808.8)	5.2%
EBIT	125.3	144.7	15.5%	239.1	274.9	15.0%
Recurring EBIT	132.1	157.5	19.2%	284.9	383.3	34.5%
EBITDA	149.2	168.2	12.7%	332.9	370.7	11.4%
Recurring EBITDA	156.1	181.0	16.0%	378.6	479.0	26.5%
Net financial revenue	56.9	92.3	62.0%	336.2	317.0	(5.7%)
Net profit	202.6	243.0	20.0%	568.0	557.7	(1.8%)
Recurring net profit	209.0	256.5	22.7%	613.1	661.2	7.8%

Millions of pairs	4Q22	4Q23	Change 4Q23/4Q22	2022	2023	Change 2023/2022
Total volume	43.6	42.5	(2.4%)	148.2	139.7	(5.8%)
Domestic market	34.2	35.0	2.3%	114.4	113.1	(1.2%)
Exports	9.4	7.5	(19.7%)	33.8	26.6	(21.3%)

R\$ per pair	4Q22	4Q23	Change 4Q23/ 4Q22	2022	2023	Change 2023/2022
Total gross revenue	21.52	21.73	1.0%	21.05	21.56	2.4%
Domestic market	20.75	21.77	4.9%	20.80	21.72	4.4%
Exports	24.33	21.55	(11.4%)	21.89	20.86	(4.7%)
Exports (US\$)	4.63	4.35	(6.0%)	4.24	4.18	(1.4%)
Net revenue	17.52	17.89	2.1%	16.95	17.43	2.8%
COGS	(9.49)	(9.36)	(1.4%)	(10.15)	(9.67)	(4.7%)

Margins (%)	4Q22	4Q23	Change 4Q23/ 4Q22	2022	2023	Change 2023/2022
Gross	45.9%	47.7%	1.8 pp	40.1%	44.5%	4.4 pp
EBIT	16.4%	19.0%	2.6 pp	9.5%	11.3%	1.8 pp
Recurring EBIT	17.3%	20.7%	3.4 pp	11.3%	15.7%	4.4 pp
EBITDA	19.5%	22.1%	2.6 pp	13.2%	15.2%	2.0 pp
Recurring EBITDA	20.4%	23.8%	3.4 pp	15.1%	19.7%	4.6 pp
Net	26.5%	31.9%	5.4 pp	22.6%	22.9%	0.3 pp
Recurring net margin	27.4%	33.7%	6.3 pp	24.4%	27.2%	2.8 pp

US dollar (USD 1.00 = R\$)	4Q22	4Q23	Change 4Q23/ 4Q22	2022	2023	Change 2023/2022
US\$ at end of period	5.2177	4.8413	(7.2%)	5.2177	4.8413	(7.2%)
Average US\$	5.2558	4.9534	(5.8%)	5.1648	4.9950	(3.3%)

Management Discussion and Analysis

In the fourth quarter of the year, the macroeconomic environment remained unfavorable for consumption. The labor market remained constrained, high interest rates, and substantial levels of debt continued to have a negative effect on household consumption.

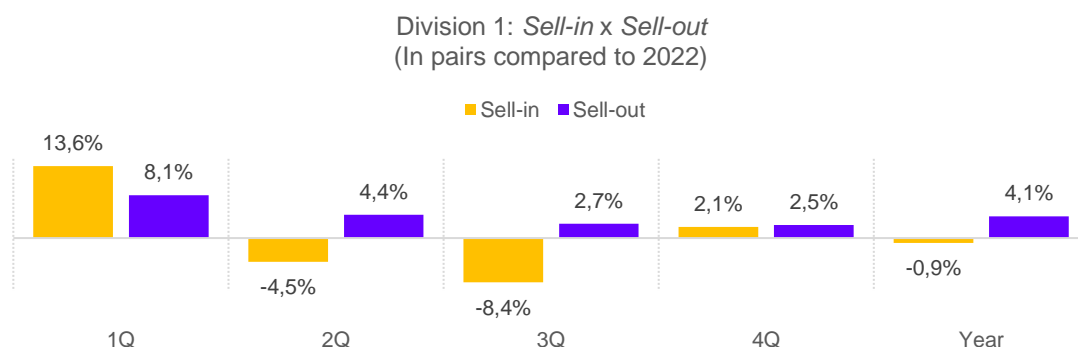
In the absence of an improvement in the economic climate, Grendene's sales patterns during the 4Q23 mirrored those witnessed during the initial nine months of the year: a more resilient domestic market characterized by revenue and volume growth, contrasted with a challenging external market.

Even with the stability of total sales, we observed a robust growth in margins, returning to historical levels and demonstrating the Company's ability to adapt and operate in adverse situations.

Gross revenue reached R\$924.3 million in 4Q23, slight decrease of 1.5% compared to 4Q22, while the volume of shipped pairs reached 2.4 million, a decrease of 2.4% compared to the same period last year. Gross revenue per pair remained stable at R\$21.73 (+1.0%).

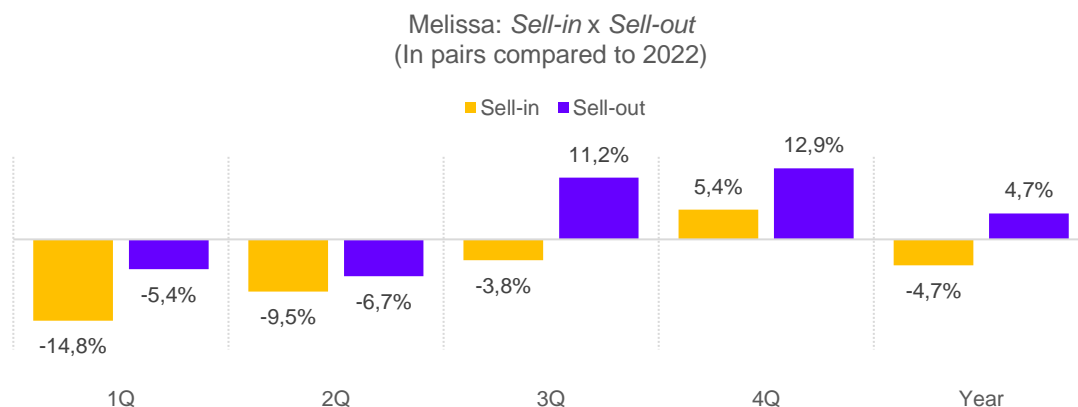
In the accumulated year, reported gross revenue was 3.5% lower than in 2022, totaling R\$ 3 billion. We shipped 139.7 million pairs during the year, a decrease of 5.8% compared to the previous year.

On the contrary to the negative sales performance observed in the Brazilian retail sector, Division 1 brands sustained the growth of the sell-out documented in prior quarters, growing by 2.5% and 4.1% in the quarter and year, respectively.



This result positively influenced the sell-in performance of Division 1, which increased 6.5% in revenue and 2.1% in volume between October and December compared to the same period in 2022.

In the case of Melissa, an improvement in sell-out rates was observed as early as 3Q23, after a challenging initial semester. This trend was further validated in 4Q23, when there was a 12.9% growth in the final three months of the year compared to 4Q22. Thus, the indicators of sell-in recovery, because of the sell-out improvement, were confirmed over the last quarter with a growth of 9.8% in revenue and 5.4% in volume.



As a result of the normalization of sell-in and sell-out dynamics, domestic market gross revenue increased by 7.3% to R\$762.0 million in comparison to the fourth quarter of 2022. Additionally, the volume of pairs shipped increased by 2.3% to 35.0 million, which corresponds to a 4.9% increase in gross revenue per pair.

Gross domestic sales increased 3.2% from 2022 to R\$2.4 billion in 2023, despite a 1.2% decline in the quantity of shipped pairs.

In Brazil, the Kids line and the female and male segments, along with the Melissa brand, were the primary contributors to favorable results in Brazil, where revenue and volume increased substantially in comparison to the same period last year. In contrast, Ipanema and Pega Forte brands faced a decline in this period, indicating a decline in their respective sales performances.

Upon analyzing the performance of Division 1 by macro channel, the operations in the self-service channels and magazines stand out as the most significant, increasing in volume by 32% and 11.4%, respectively, since 4Q22.

Melissa's performance was driven by the excellent performance of the second half product collection and a well-executed marketing strategy. The favorable reception and consistent positive sell-out of the spring/summer 2024 collection influenced franchisees' confidence, thereby stimulating increased investment in working capital.

This balanced dynamic of sell-out and sell-in creates a virtuous cycle, with products from the new collection experiencing higher turnover and being promoted at full price, restoring profitability for franchisees.

Despite the difficulties for investments in franchises in the year, we closed with 414 stores, an increase of eight operations compared to January 2023.

In the international market, we continue to face a challenging environment. Sales in Latin America were impacted by the weak political-economic recovery and climate-related factors such as El Niño. In the United States, the retail sector faces issues such as large inventories, supplier reductions, and the shift of inventory risk to distributors. In the Middle East, regional conflicts such as the war between Israel and Hamas have also impacted the market.

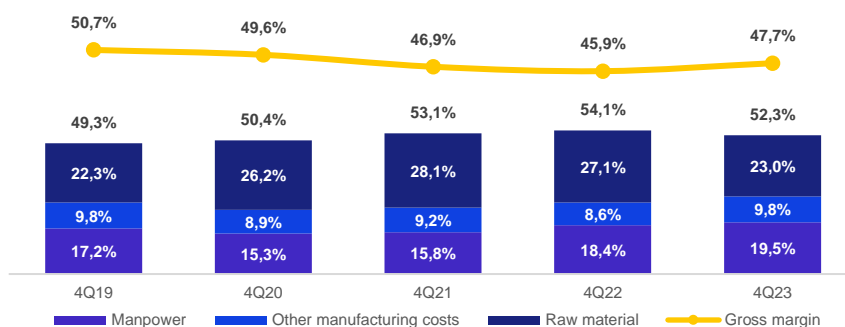
As a result, gross revenue from exports was R\$162.3 million, equivalent to USD 32.8 million in the quarter, down 28.8% and 24.5%, respectively. 7.5 million pairs were shipped, representing a 19.7% decrease compared to 4Q22.

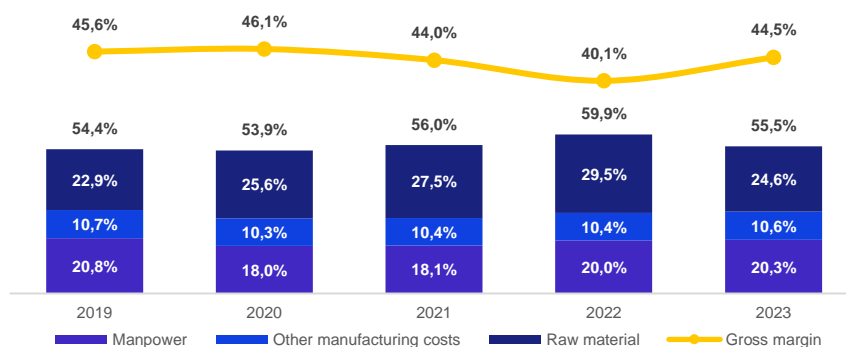
The reported net revenue amounted to R\$760.8 million in 4Q23, nearly stable compared to the R\$763.7 million recorded in 4Q22. For the full year, the net revenue totaled R\$2.4 billion, below the R\$2.5 billion from the previous year.

Since the commencement of 2022, the Company has experienced a decline in the costs of its primary raw materials, which has had a positive impact on production expenses. Consequently, COGS decreased by 3.7% during the quarter, surpassing the decline of 0.4% in net revenue.

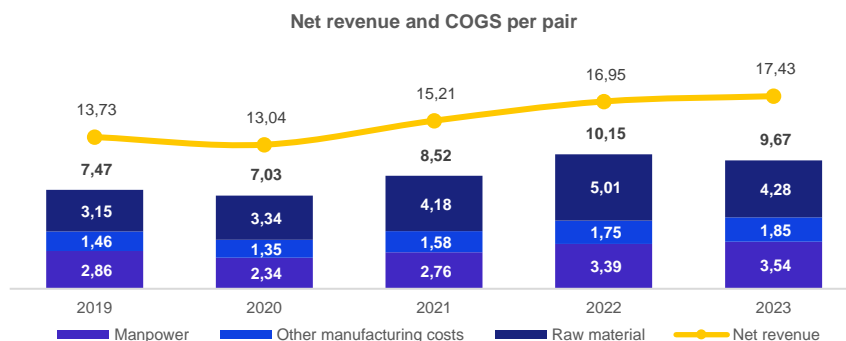
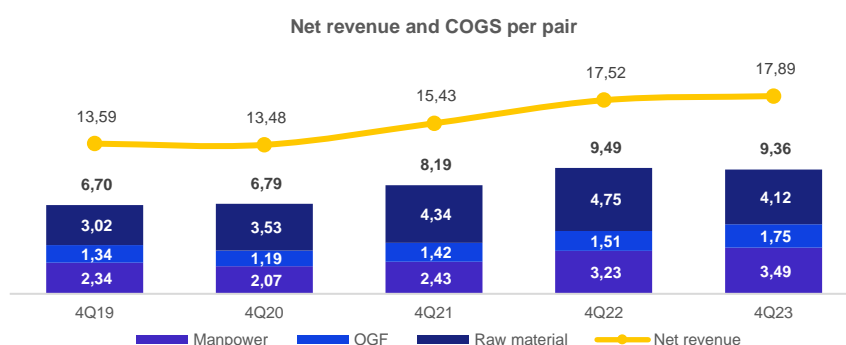
In comparison to 4Q22, Grendene's gross profit increased by 3.6% to R\$362.6 million, on account of stable net revenue and decreased COGS. The increase in gross margin from 45.9% in 4Q22 to 47.7% in 4Q23 accounted for an increase of 1.8 percentage points.

The year ended with a gross profit of R\$1.08 billion, reflecting an increase of 7.5% in comparison to the previous year. The gross margin reached 44.5%, reflecting a 4.4 percentage point increase when compared to 2022.





Comparing 4Q23 to 4Q22, COGS/pair decreased 1.4%, reflecting the reduction in the cost of acquiring raw materials, as previously mentioned. Net revenue per pair increased 2.1%.



Strict control was exercised over operating expenses during the three months ending in December, resulting in a 3.1% decline. These expenses amounted to R\$217.9 million and constituted 28.6% of the quarter's net revenue, representing a 0.8 percentage point reduction when compared to the corresponding period of the prior year.

Excluding non-recurring events as described subsequently, recurring operating expenses increased by 1.0% to R\$205.1 million from R\$203.2 million in 4Q22, which was below the rate of inflation for the period. These figures illustrate the Company's dedication to ongoing efforts to enhance the expense structure.

- I. GGB Equity: -R\$13.9 million
- II. Closing of Grendene USA, Melissa NY Gallery and LA Store: -R\$3.4 million
- III. Procedural Credits (PIS and Cofins): +R\$ 8.1 million
- IV. Legal proceedings: -R\$ 1.9 million
- V. Franchise management: -R\$ 2.7 million
- VI. Other non-recurring items: +R\$ 1.0 million



In conjunction with rigorous control of operating expenses, the decrease in COGS contributed to an increase of R\$25.3 million, from R\$132.2 million in the Company's recurring EBIT to R\$157.5 million in 4Q23, representing an increase of 19.2% compared to 4Q22. The recurring EBIT margin was 20.7% in 4Q23, an increase of 3.4 percentage points compared to 4Q22.

The quarterly financial result amounted to R\$92.3 million, reflecting 62.0% growth when compared to the 4Q22 period.

We ended the quarter with a recurring net profit of R\$256.5 million, an increase of 22.7% compared to the same period in 2022. In comparison to 4Q22, the recurring net margin increased by 6.3 percentage points to 33.7%. Annual recurring net income amounted to R\$661.2 million, indicating a net margin of 27.2%; this figure represents a 2.8 percentage point growth when compared to 2022.

We closed the year with a sense of pride regarding our performance: recurring EBIT and net profit increased by 34.5% and 7.8%, respectively, despite the major challenges we experienced throughout the year.

We have consistently adhered to our strategic approach and prioritized the realization of the Company's purpose: to produce sustainable and cost-effective footwear in a creative manner while placing a high value on relationships. We demonstrated resilience in productivity, perceived by the growth of the Company's margins, which approached or even exceeded historical levels.

Despite the difficulties posed by the macroeconomic environment, we maintain a positive outlook for 2024, which has already begun in a favorable fashion.

Highlights

Grendene Global Brands (GGB) – After two years since the launch of GGB, the joint venture (JV) between Grendene and Radar produced net revenues of US\$31.4 million in 2023, a 126% increase over the same time in 2022, while the number of pairs sold increased by 59%.

This strong performance reflects the numerous initiatives implemented since the GGB's creation. Our largest investments have been in people and brands. Today, we have over 50 highly trained individuals based in the United States, China, and Brazil.

Marketing initiatives such as communication changes, assortment refinement, media/PR, and recruiting influencers who understand local cultures have boosted our brands' relevance in the areas where GGB operates. Melissa, for example, was named the most prominent Brazilian brand on Tmall in China. We had an excellent year in media and public relations, with exposure in aspirational venues (e.g., Vogue, Elle, Cosmo), 76 published articles, and an estimated 465 million printed pages.

We reintroduced Ipanema and Cartago to the United States. We greatly increased the distribution base for our brands. In China, for example, 17 unique Melissa stores have opened since the GGB operation began. We resumed selling our brands on Amazon, which is now our second largest customer in the country (100% under the 3P model). We established a complete direct distribution structure in China, with a 100% local team.

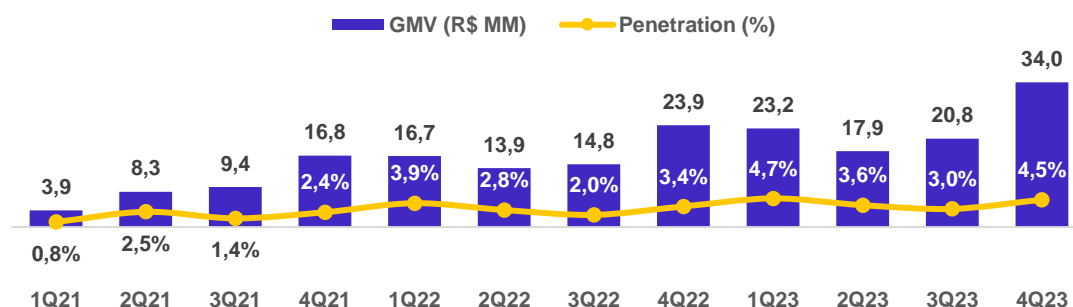
These are only a few of the efforts taken so far to help GGB grow, despite a challenging context for international retail, particularly in the United States, where huge retail chains are wary of new companies.

The wholesale channel, which typically generates the biggest volume of sales, had a challenging year due to the same problems noted in prior quarters: inflation, high interest rates, and excessive levels of retailer inventory. The industry as a whole achieved poor results.

The online channels of Melissa in the USA and China (*shopmelissa.com*, *Amazon*, and *Tmall*) experienced significant growth this year (+160% compared to 2022). When considering the performance of all brands, the increase was 237%.

In 2024, we plan to continue focusing on marketing strategies to strengthen our brands' local significance.

Digital Commerce: Sales from digital channels increased 42.1% compared to 4Q22, reaching R\$34.0 million in GMV, while the volume of pairs sold in e-commerce increased by 9.5% to 311 thousand pairs.



We experienced a 29.8% rise in gross income per pair sold in online retailers as a result of lowering the average percentage of discounts offered, adjusting prices at the beginning of the year, and increasing the value-added mix.

928.7 thousand pairs were sold in 2023 (+16% vs. 2022), for a total GMV of R\$95.8 million, up 38.2% from the previous year.

The rise in gross revenue per pair, combined with improvements in all COGS components, allowed the gross margin to increase by 6.5 percentage points when compared to the same quarter in 2022.

The lower number of markdowns, along with falling raw material prices and lower operational expenditures, resulted in Digital Commerce's highest quarterly EBIT since the channel's inception.

The main figures for the quarter are presented below:

- +42.1% GMV Brazil vs. 4Q22

- 311 thousand pairs sold (+9.5% vs. 4Q22)
- recurring EBIT +788% vs. 4Q22
- penetration of the online channel over sales to the domestic market reached 4.5%, with Melissa's penetration standing at 12.2% (+2.6 p.p. vs. 4Q22) of the brand's sales.

E-commerce continues to be the most popular sales method in online stores, accounting for 89% of all transactions, followed by omnichannel sales (8%) and marketplaces (3%).

The Melissa App, launched in April 2023, has been increasing its percentage of the brand's online sales on a monthly basis. During the year, the app accounted for 22.6% of Melissa's total online sales. The app currently has over 200,000 active users. Customers who bought using the app had a greater conversion rate than those who bought through Melissa's website, as well as more pairs per order and a higher average price.

Melissa and Cosmo Rio

Two brands with a distinct Brazilian identity, Melissa and CosmoRio, collaborated to create a capsule collection that embodied the spirit of the *Carioca* summer. This partnership honored solar energy and the freedom of expression, which are defining features of the respective brands' DNA. Beyond the beaches, the *Um Dia Típico de Verão Carioca* (A Typical Carioca Summer Day) campaign investigated a variety of locations in the magnificent city that exemplify the genuine way of life of today, going beyond the beach lifestyle. The collaboration symbolized the celebration of authenticity and female empowerment.



**Melissa Patty Orla
+ Cosmo**

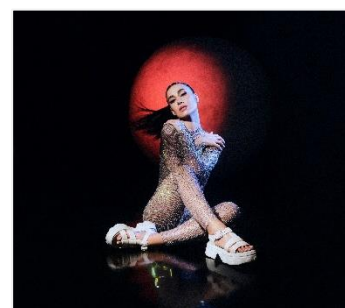
Melissa#PraOndeASuaEssenceTeLeva (ToWhereYourEssenceLeadsYou)



After traversing Rio de Janeiro's Light Rail, the tutti-frutti fragrance of Melissa wafted its way to São Paulo. From November 29 to December 25, 2023, passengers on line 9-Esmeralda or at Pinheiros station on line 4-Amarela were able to smell the distinctive aroma of the brand. A campanha *A nossa essência é tutti-frutti, e a sua?* (Our essence is tutti-frutti; what is yours?) #PraOndeASuaEssenceTeLeva brought Melissa's aroma and special decorations to the railway wagons for 27 days, providing an engaging experience with Melissa. The goal of the initiative was to establish a connection between individuals and the brand's identity, imprinting the brand not only on the products but also on the passengers' memories.

Melissa – Happy Holidays Collection

"Happy Holidays," Melissa's holiday collection, was introduced alongside brand ambassador Bianca Andrade. Bianca, who currently has a following of more than nineteen million individuals, personifies the essence of empowerment that Melissa aspires to manifest in her designs. The collection featured styles such as Melissa Ella, Melissa Town Sandal, and Melissa Possession. The disclosure occurred through retail locations and social media platforms, emphasizing a creative installation at the Galeria Melissa in São Paulo that drew attention to the brand's connection with fashion and artistic expressions.





Ipanema + Calma

A collaboration has been established between Ipanema and the gender-fluid clothing brand Calma, which emphasizes liberties and happiness. The incorporation of four iconic Calma prints into Ipanema sandals led to the creation of limited-edition merchandise. The collaboration expands the brand's market presence and fosters innovation, thereby increasing consumer interest.



Cartago – Steps that create pathways.

Cartago launched its year-end campaign, *Passos que criam caminhos* (Steps that create pathways), in collaboration with renowned chef Rodrigo Mocotó. The campaign aimed to encourage people to share inspiring stories, emphasizing the creation of their unique personal trajectories. The partnership with Chef Mocotó reflects our commitment to joining forces with strategic partners that enrich our brand and reinforce our market position.

The campaign highlighted five Cartago products: Vancouver II, Coimbra II, Aegean III, Naples IV and Malaga Sport.



Cartago Vancouver II.



Cartago Coimbra II.



Aegean Carthage III.



Cartago Naples IV.



Cartago Málaga Sport

Zaxy celebrated her 15th birthday in 2023, signing her commitment to foster authentic connections and offering affordable fashion to all. The brand celebrated this remarkable date by launching the Zaxy Bags collection and reintroducing classics such as Zaxy Partner and Zaxy Pop Up, reinforcing its tradition of innovation and inclusion in the fashion world.



Grendene Kids stands out for its inventive design and use of high-quality materials to develop shoes that are comfortable, safe, and enjoyable for children. Every detail is designed to combine imagination and reality, from vibrant colors to the favorite characters of the little ones, to provide a one-of-a-kind and memorable experience at every step.



Grendene Kids Barbie Model Babuche



Grendene Kids Justice League Wellies



Grendene Kids Hot Wheels Race Slipper



Grendene Kids Sonic Spike Slide



Grendene Kids Turma da Mônica Gibi Baby Sandals

Awards and Recognitions

Gold Seal of the Brazilian GHG Protocol Program

Grendene received the Gold Seal of the Getulio Vargas Foundation's Brazilian GHG Protocol Program for the second year in a row, recognizing transparency in greenhouse gas (GHG) emission inventories. This seal represents the highest rating and demonstrates our commitment to environmental sustainability and our efforts to mitigate adverse impacts.



ÍNDICE DE TRANSPARÊNCIA DA MODA BRASIL

Ipanema and Melissa – Fashion Transparency Index Brazil

Ipanema and Melissa recorded progress on the Fashion Transparency Index Brazil. They advanced from 52% to 55%, an increase of three percentage points. The Fashion Transparency Index Brazil, an integral element of the Fashion Revolution initiative, evaluates the level of transparency exhibited by major corporations regarding financial reporting, environmental practices, corporate policies, and management.

Rider – Design for a Better World

In November, Rider was recognized with the Design for a Better World (DFBW) award in the Product, Service and Packaging Design category. The award was given for the Rider NX R4 + Ponto Firme project. The DFBW Award recognizes contributions that are constructive in nature, adhering to the Sustainable Development Goals (SDGs) and incorporating ESG (Environmental, Social, and Governance) principles.



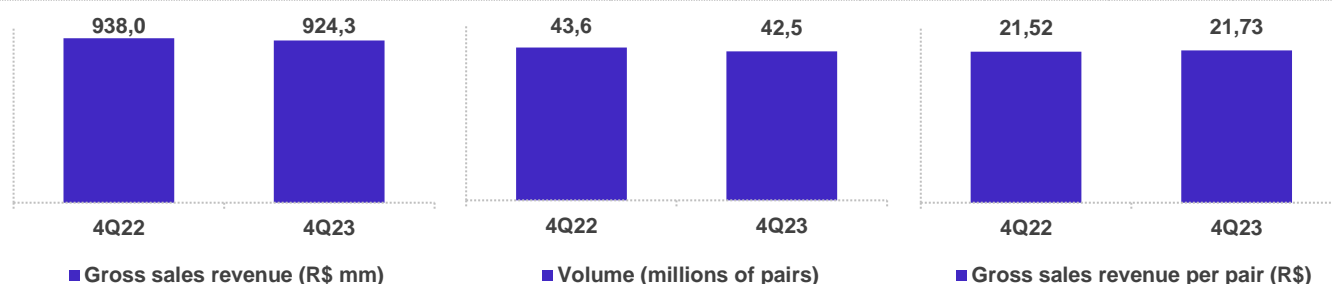
Rider NX R4 + Ponte Firme

Analysis of 4Q23 & 2023 operations (IFRS consolidated data)

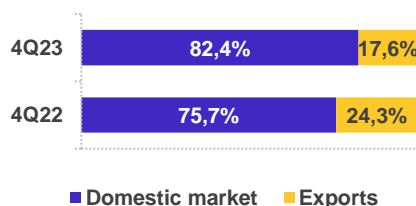
Gross Sales Revenue

Comparing 4Q23 to 4Q22, gross revenue slight decreased by 1.5% to R\$924.3 million, while volume decreased by 2.4% to 42.5 million pairs due to the aforementioned factors affecting demand. Gross revenue per pair remained stable at R\$21.73 (+1.0%) compared to 4Q22.

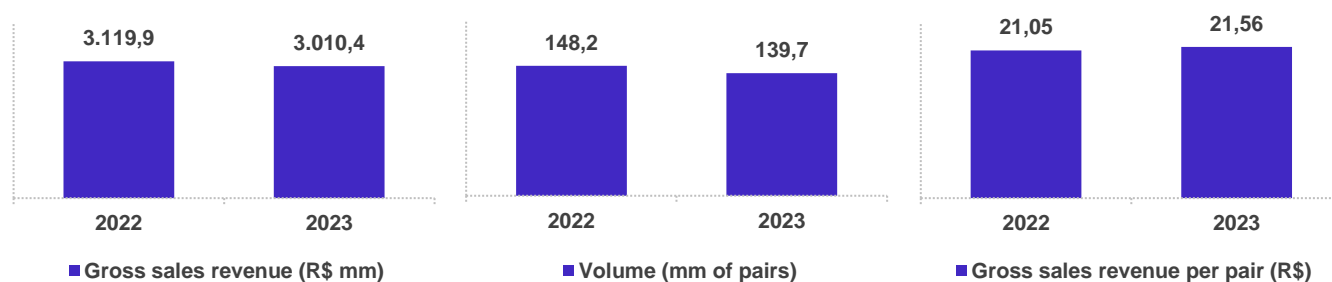
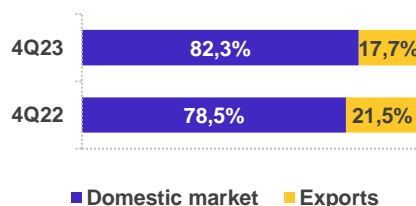
	4Q22	4Q23	Change 4Q23/4Q22	2022	2023	Change 2023/2022
Gross revenue (R\$ mm)	938.0	924.3	(1.5%)	3,119.9	3,010.4	(3.5%)
Volume (mm of pairs)	43.6	42.5	(2.4%)	148.2	139.7	(5.8%)
Gross revenue per pair (R\$)	21.52	21.73	1.0%	21.05	21.56	2.4%



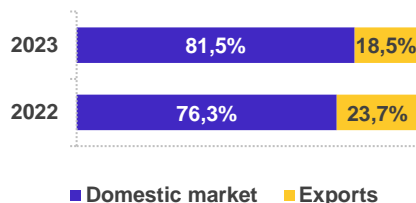
Share % Gross Revenue



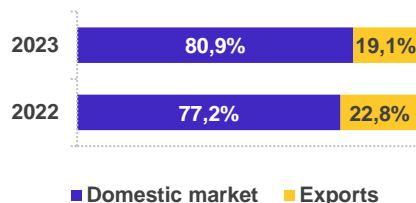
Share % Volume



Share % Gross Revenue



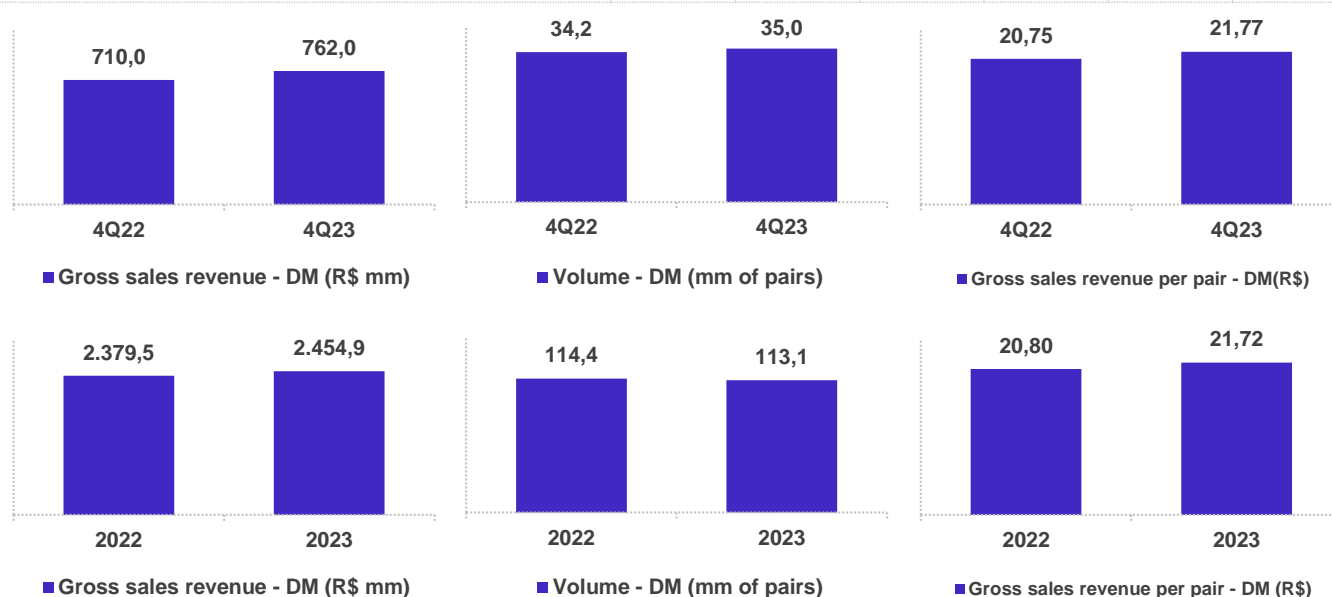
Share % Volume



Gross Sales Revenue – Domestic Market (DM)

Compared to 4Q22, gross revenue on the domestic market increased by 7.3% in 4Q23, while pair volumes increased by 2.3% and price adjustments implemented at the start of the year contributed to a 4.9% increase in gross revenue per pair. The Kid's, Women's, Men's, and Melissa segments generated the most interest and contributed significantly to the revenue and volume growth.

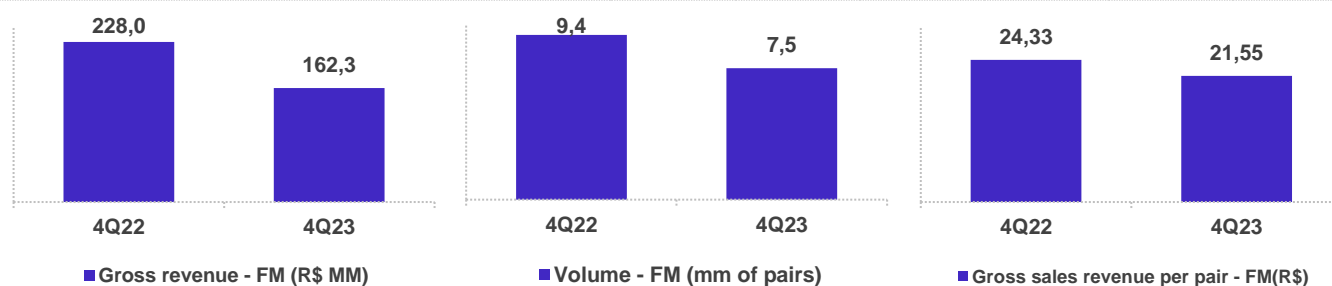
	4Q22	4Q23	Change 4Q23/4Q22	2022	2023	Change 2023/2022
Gross revenue – DM (R\$ mm)	710.0	762.0	7.3%	2,379.5	2,454.9	3.2%
Volume – DM (mm of pairs)	34.2	35.0	2.3%	114.4	113.1	(1.2%)
Gross revenue per pair – DM (R\$)	20.75	21.77	4.9%	20.80	21.72	4.4%

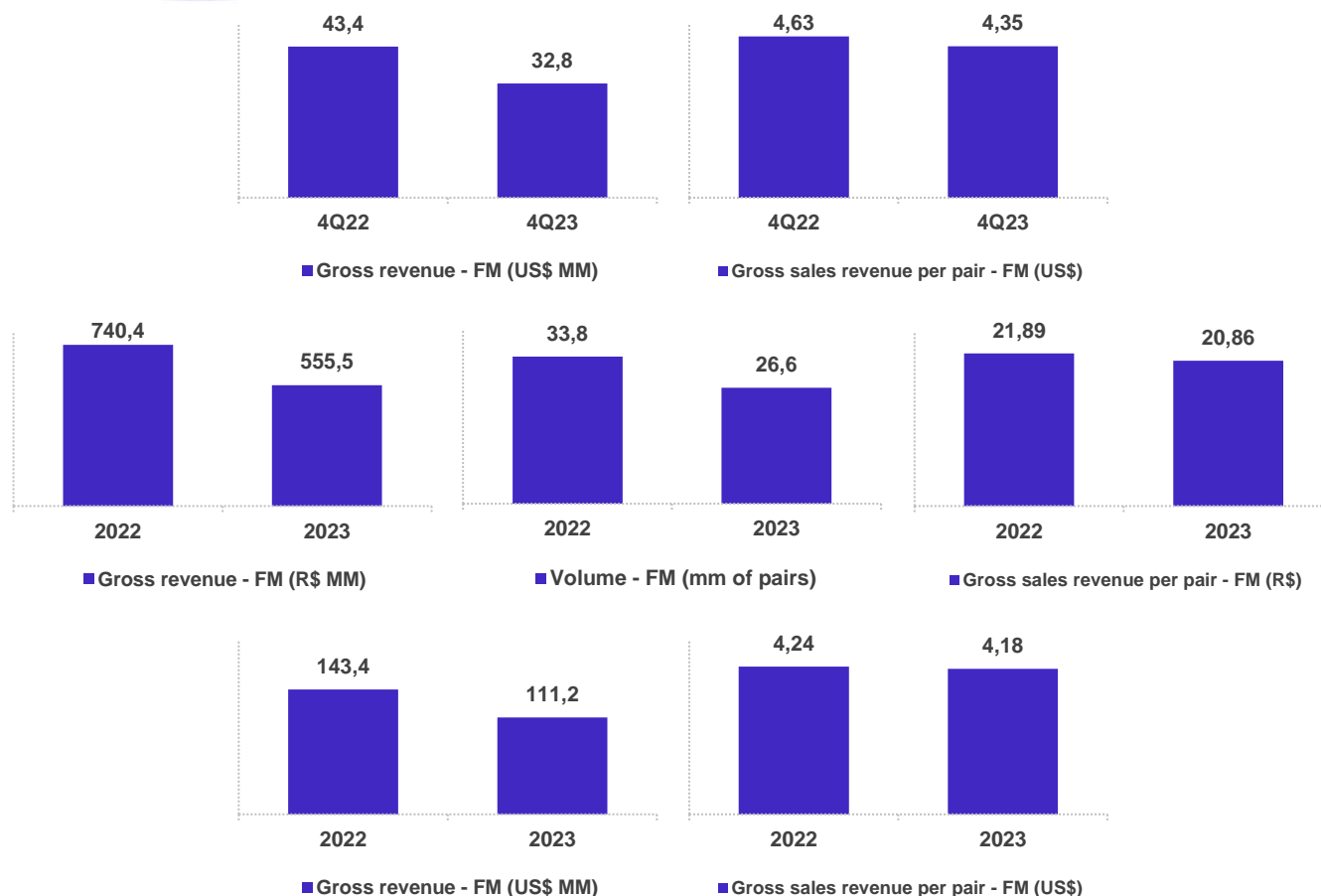


Gross sales revenue – Exports (FM)

In the foreign market, the environment remains challenging. The global economy's slowdown, high interest rates, a retail sector that remains with high stocks, among other reasons, have harmed the performance of exports. Gross revenue from exports for the quarter amounted to R\$162.3 million, which is equivalent to \$32.8 million in US dollars (a decline of -28.8% and -24.5%, respectively). The total quantity of pairs delivered decreased by 19.7% to 7.5 million in comparison to 4Q22.

	4Q22	4Q23	Change 4Q23/4Q22	2022	2023	Change 2023/2022
Gross revenue – FM (R\$ mm)	228.0	162.3	(28.8%)	740.4	555.5	(25.0%)
Gross revenue – FM (US\$ mm)	43.4	32.8	(24.5%)	143.4	111.2	(22.4%)
Volume – FM (mm of pairs)	9.4	7.5	(19.7%)	33.8	26.6	(21.3%)
Gross revenue per pair – FM (R\$)	24.33	21.55	(11.4%)	21.89	20.86	(4.7%)
Gross revenue per pair – FM (US\$)	4.63	4.35	(6.0%)	4.24	4.18	(1.4%)



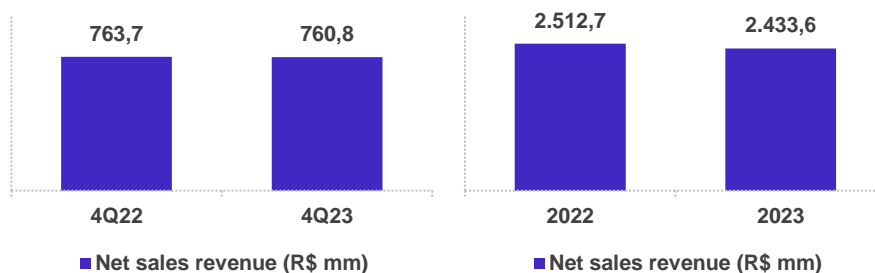


Data from the MDIC/SECEX/ABICALÇADOS (Ministry of Development, Industry and Foreign Trade/Brazilian Foreign Trade Department/Brazilian Footwear Industries Association), revealed that Brazilian footwear exports in 4Q23 vs. 4Q22, presented an increase of 0.2% in the average price per pair exported in dollars, and a decrease of 18.4% in dollars revenue, and a decrease of 18.6% in the volume of pairs sold. Grendene, in contrast, experienced a decline of 19.7% in the volume of pairs sold, a decrease of 24.5% in dollars revenue, and a decline of 6.0% in the average price per pair exported in dollars. Grendene's share of the volume of pairs of Brazilian footwear exports went from 27.5% in 4Q22 to 27.2% in 4Q23.

Net Operational Revenue (NOR)

Net revenue was practically stable (-0.4%) in 4Q23 vs. 4Q22.

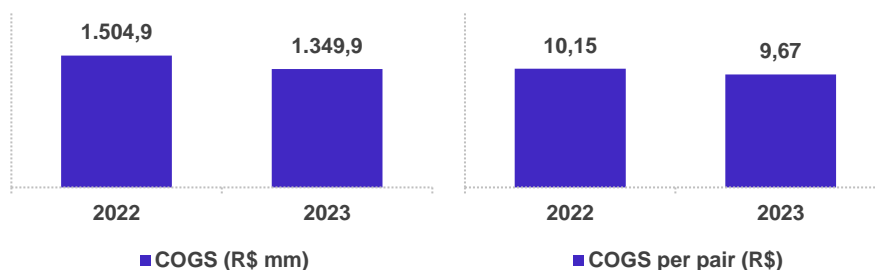
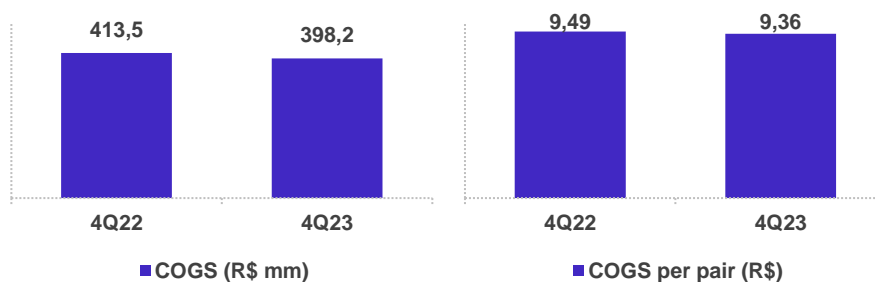
	4Q22	4Q23	Change 4Q23/4Q22	2022	2023	Change 2023/2022
Net sales revenue (R\$ mm)	763.7	760.8	(0.4%)	2,512.7	2,433.6	(3.1%)



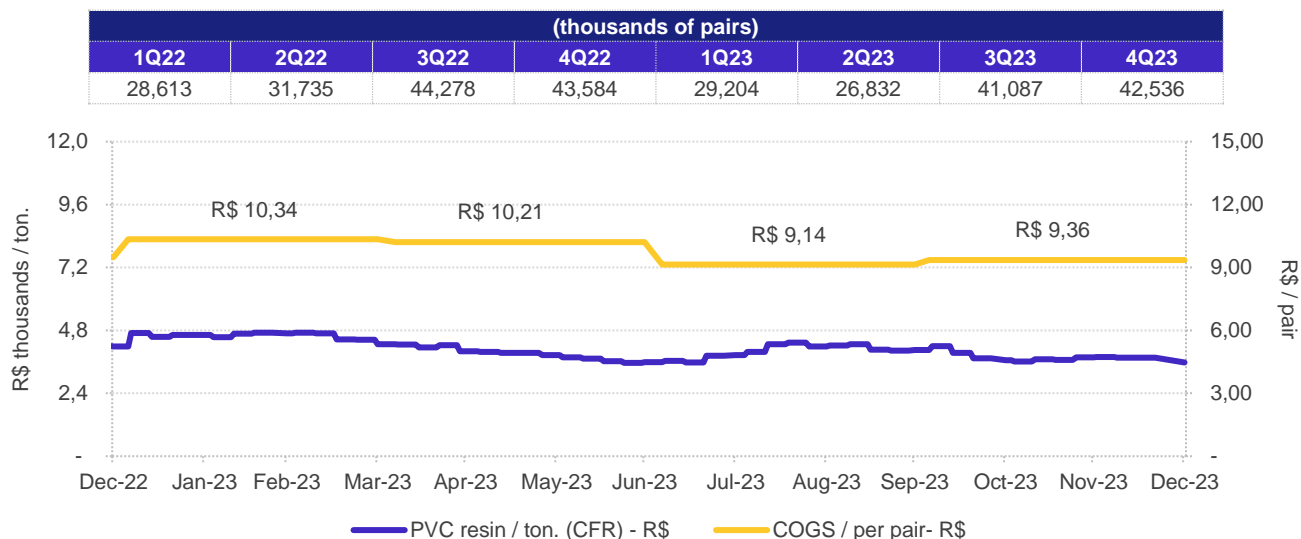
Cost of goods sold (COGS)

The ongoing benefit of the reduction in the prices of essential raw materials, which was observed in the first quarter of 2022, resulted in a 3.7% decline in COGS for the quarter compared to 4Q22.

	4Q22	4Q23	Change 4Q23/4Q22	2022	2023	Change 2023/2022
COGS (R\$ mm)	413.5	398.2	(3.7%)	1,504.9	1,349.9	(10.3%)
COGS per pair (R\$)	9.49	9.36	(1.4%)	10.15	9.67	(4.7%)



The chart below depicts the market pricing fluctuation (ICIS-LOR) in USD converted to BRL for PVC resin, as well as the change in Grendene's average cost per pair, showing the behavior per pair in each quarter of 2022 and 2023.

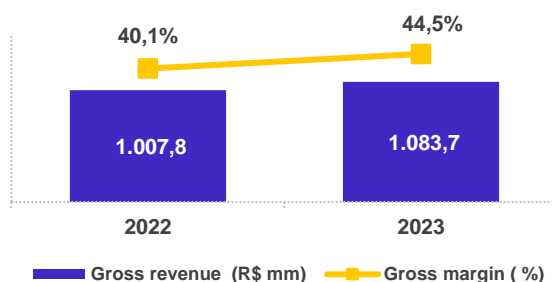
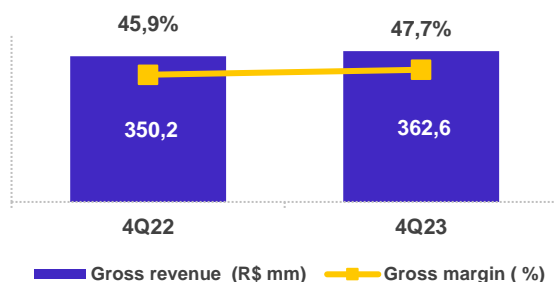


Source: ICIS-LOR petrochemical prices and Company's quarterly data.

Gross profit / Gross margin

The increase in gross profit of 3.6% in 4Q23 and in the year accumulated by 7.5% against the same period of the previous year, is largely explained by the decline in raw material prices.

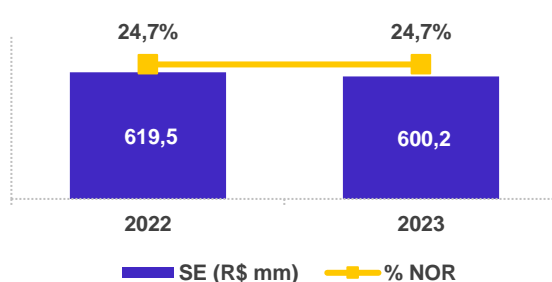
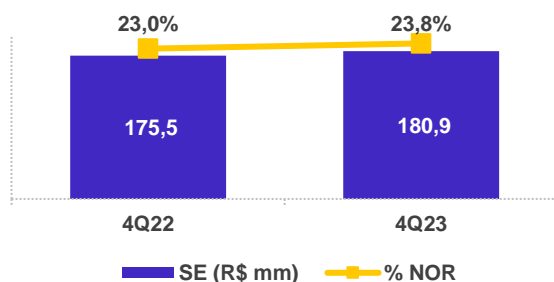
	4Q22	4Q23	Change 4Q23/4Q22	2022	2023	Change 2023/2022
Gross revenue (R\$ mm)	350.2	362.6	3.6%	1,007.8	1,083.7	7.5%
Gross margin (%)	45.9%	47.7%	1.8 pp	40.1%	44.5%	4.4 pp



Selling expenses (SE)

The Company's commercial expenses are variable and include freight, licensing, commissions, advertising, and marketing.

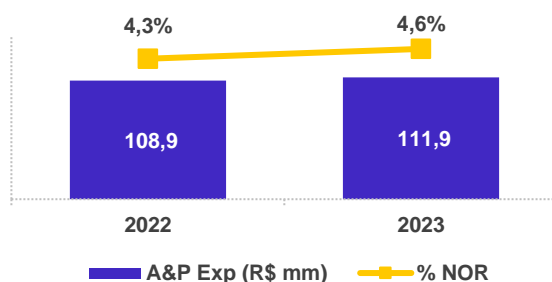
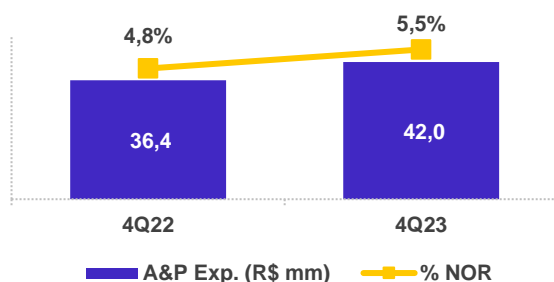
	4Q22	4Q23	Change 4Q23/4Q22	2022	2023	Change 2023/2022
Selling expenses (R\$ mm)	175.5	180.9	3.1%	619.5	600.2	(3.1%)
% NOR	23.0%	23.8%	0.8 pp	24.7%	24.7%	-



Advertising and Publicity Expenses (A&P Exp.)

In 4Q23, the increase in advertising and publicity spending was as planned.

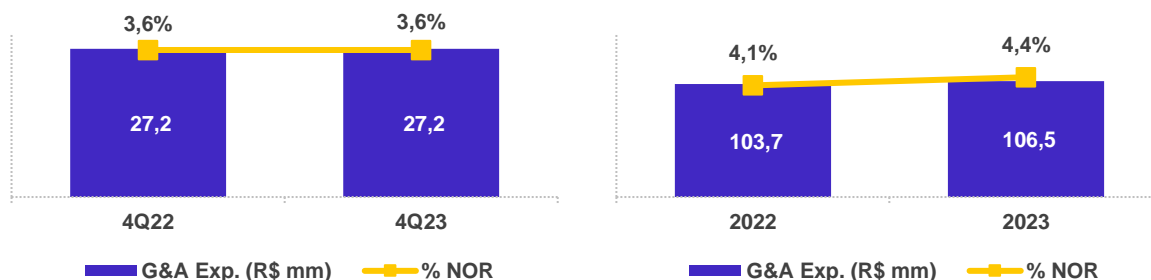
	4Q22	4Q23	Change 4Q23/4Q22	2022	2023	Change 2023/2022
A&P Exp. (R\$ mm)	36.4	42.0	15.4%	108.9	111.9	2.8%
% of Net operational revenue (NOR)	4.8%	5.5%	0.7 pp	4.3%	4.6%	0.3 pp



General and Administrative Expenses (G&A Exp.)

General and administrative expenses remained stable in 4Q23 vs. 4Q22, demonstrating the strict control of expenses adopted by the Company.

	4Q22	4Q23	Change 4Q23/4Q22	2022	2023	Change 2023/2022
G&A Exp. (R\$ mm)	27.2	27.2	-	103.7	106.5	2.7%
% of net revenue (NOR)	3.6%	3.6%	-	4.1%	4.4%	0.3 pp



EBIT and EBITDA

EBIT stands for operating profit before financial effects and taxes. Because it has a big cash position that generates significant financial income, the Company thinks that the operating profit of its activities, as measured by EBIT, is a better indicative of its operating performance.

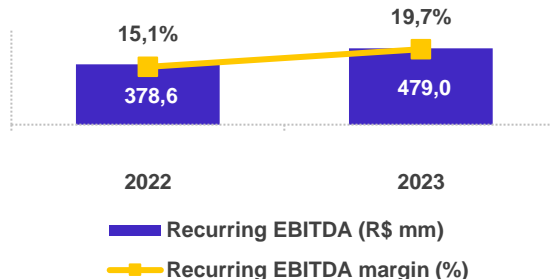
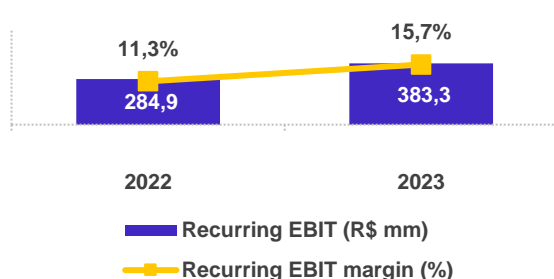
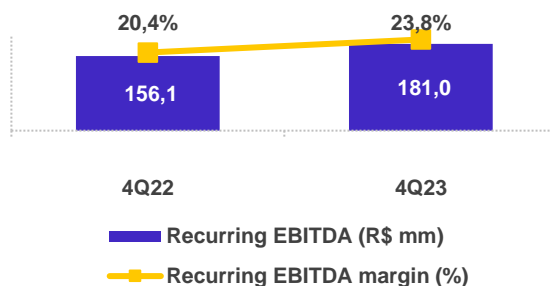
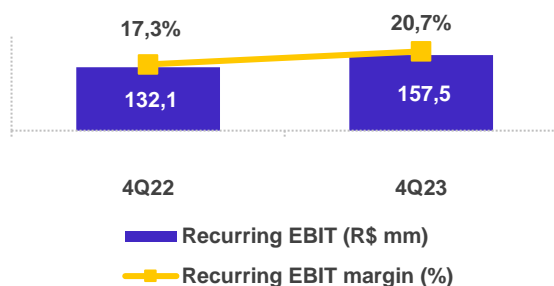
EBIT / EBITDA Reconciliation (R\$ thousands)	4Q22	4Q23	Change 4Q23/4Q22	2022	2023	Change 2023/2022
Recurring net profit	208,974	256,479	22.7%	613,084	661,170	7.8%
(-) Non-recurring effect	(6,367)	(13,447)	111.2%	(45,057)	(103,499)	129.7%
Net profit	202,607	243,032	20.0%	568,027	557,671	(1.8%)
(+) Taxes on profit	(20,337)	(6,019)	(70.4%)	7,290	34,298	370.5%
(-) Net financial revenue	(56,946)	(92,270)	62.0%	(336,197)	(317,041)	(5.7%)
EBIT	125,324	144,743	15.5%	239,120	274,928	15.0%
(+) Non-recurring item	6,839	12,752	86.5%	45,758	108,323	136.7%
Recurring EBIT	132,163	157,495	19.2%	284,878	383,251	34.5%
(+) Depreciation and amortization	23,918	23,498	(1.8%)	93,746	95,796	2.2%
EBITDA	149,242	168,241	12.7%	332,866	370,724	11.4%
Recurring EBITDA	156,081	180,993	16.0%	378,624	479,047	26.5%

EBIT and EBITDA margin reconciliation (%)	4Q22	4Q23	Change 4Q23/4Q22	2022	2023	Change 2023/2022
EBIT	16.4%	19.0%	2.6 pp	9.5%	11.3%	1.8 pp
Recurring EBIT	17.3%	20.7%	3.4 pp	11.3%	15.7%	4.4 pp
EBITDA	19.5%	22.1%	2.6 pp	13.2%	15.2%	2.0 pp
Recurring EBITDA	20.4%	23.8%	3.4 pp	15.1%	19.7%	4.6 pp

EBIT – non-recurring items

Non-recurring items (R\$ thousands)	4Q22	4Q23	2022	2023
Legal Counseling	0	819	0	2,514
Inventory write-off (foreign subsidiaries)	4,521	0	6,298	0
Fixed-assets write-off (foreign subsidiaries)	0	0	1,185	87
Procedural credits	0	(8,193)	(3,181)	(8,193)
Discontinuation of investments (foreign subsidiaries)	0	3,437	0	18,399
Inventory recycling expenses (foreign subsidiaries)	0	0	0	969
COVID-19 related expenses	0	0	3,750	0
Franchise Management	3,776	2,714	5,279	13,230
Indemnification to representatives	0	0	0	1,290
Civil indemnities	0	0	908	0
Legal proceedings	0	1,907	0	5,643
Estimated provision for doubtful debts	0	(1,810)	0	17,158
Non-recurring revenue	(14,820)	0	(14,820)	0
Equity equivalence result	10,075	13,878	30,518	64,783
Retail result (foreign market)	3,287	0	15,821	0
Foreign exchange impact on write off investment (foreign subsidiaries)	0	0	0	(7,557)
Sum	6,839	12,752	45,758	108,323

EBITDA - Our business is low-capital intensive. The Company regularly invests an amount equivalent to its depreciation to keep its production capacity updated. Grendene also maintains positive net cash and has no financial charges that must be paid using resources derived from the operation. Therefore, we are of the opinion that EBIT analysis provides a more logical indication of the operational management of the Company.



Net financial revenue

In 4Q23, the net financial result was a positive R\$92.3 million, as shown in the table below:

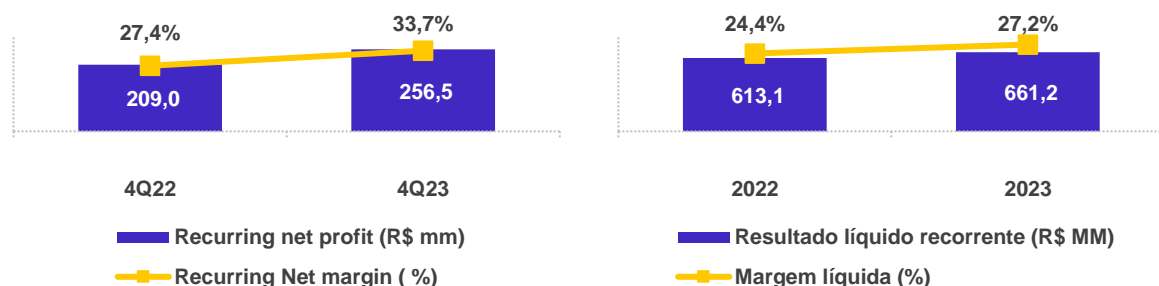
R\$ thousands	4Q22	4Q23	Change 4Q23/4Q22	2022	2023	Change 2023/2022
Income from financial investments	39,008	22,340	(42.7%)	157,270	137,154	(12.8%)
Result of variable income financial instruments	16,001	8,109	(49.3%)	89,158	(6,050)	n.s.
Net gain (loss) on FX variations	5,096	6,838	34.2%	12,795	13,864	8.4%
Result of other financial assets (SCPs, COE, Debentures)	(33,341)	14,063	n.s.	(1,933)	47,735	n.s.
Other financial transactions	1,608	3,812	137.1%	15,810	8,152	(48.4%)
Gains on adjustments to present value	28,574	37,108	29.9%	63,097	116,186	84.1%
Net financial revenue	56,946	92,270	62.0%	336,197	317,041	(5.7%)

The breakdown of the Financial Results can be found in the explanatory notes of the financial statements.

Net profit

Recurring net income for the fourth quarter of 2023 amounted to R\$256.5 million, reflecting a growth of 22.7% when compared to the R\$209.0 million earned during the corresponding period in 2022. This performance was primarily the result of a decline in COGS and a stability in operating expenses.

	4Q22	4Q23	Change 4Q23/4Q22	2022	2023	Change 2023/2022
Net profit (R\$ mm)	202.6	243.0	20.0%	568.0	557.7	(1.8%)
Recurring net profit (R\$ mm)	209.0	256.5	22.7%	613.1	661.2	7.8%
Net margin (%)	26.5%	31.9%	5.4 pp	22.6%	22.9%	0.3 pp
Recurring net margin (%)	27.4%	33.7%	6.3 pp	24.4%	27.2%	2.8 pp



Capex (fixed and intangible)

The primary investments made in 4Q23 were for the replacement of fixed assets, the upkeep of industrial buildings and facilities, the procurement of new equipment to update the industrial park, and the implementation of diverse initiatives to enhance the operational efficacy of the organization.

	4Q22	4Q23	Change 4Q23/4Q22	2022	2023	Change 2023/2022
Capex (R\$ mm)	49.7	26.5	(46.7%)	173.1	122.9	(29.0%)

Cash Generation

Cash allocated in 2023 comprised R\$736.7 million from operating activities, R\$647.7 million from financial investments, and R\$2.0 million from the purchase and sale of treasury shares for exercise by holders of call options granted by the company. These funds were used for the following purposes: investments in subsidiaries and affiliates in the amount of R\$51.5 million, acquisition of fixed assets and intangible assets in the amount of R\$122.9 million, loans and financing in the net amount of R\$14.3 million and payment of dividends and interest on own capital in the amount of R\$1,251.4 million, resulted in a reduction of R\$53.7 million in the amount held in cash and equivalents. The complete cash flow is shown in Appendix IV.

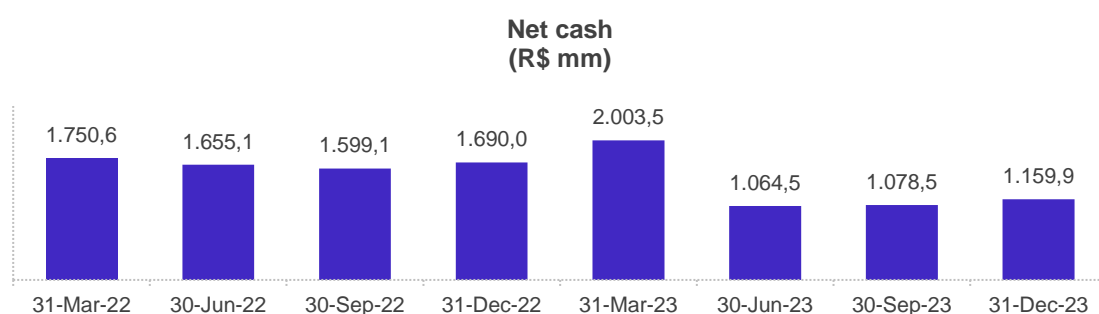
Net cash and equivalents

Grendene continues to have a solid financial situation. Net Cash (cash, equivalents, and short- and long-term investments, minus short- and long-term loans and financings) on December 31, 2023, totaled R\$ 1.1 billion, representing a decrease of 31.4% in comparison to the R\$ 1.7 billion totaled on December 31, 2022.

The proportion of net revenue accumulated over the last 12 months held in cash, equivalents, and financial investments went from 71.5% on December 31, 2022, to 51.5% on December 31, 2023.

Changes in the cash position (cash, equivalents, and short and long-term financial investments), loans and financings, and net cash are as follows:

R\$ thousands	March 31, 2022	June 30, 2022	Sept. 30, 2022	Dec. 31, 2022	March 31, 2023	June 30, 2023	Sept. 30, 2023	Dec. 31, 2023
Cash, equivalents and financial investments (ST and LT)	1,860,404	1,716,577	1,695,665	1,796,640	2,187,233	1,119,864	1,143,339	1,252,296
Loans and financings (ST and LT)	(109,842)	(61,513)	(96,562)	(106,639)	(183,752)	(55,388)	(64,811)	(92,430)
Net cash	1,750,562	1,655,064	1,599,103	1,690,001	2,003,481	1,064,476	1,078,528	1,159,866



Value indicators



Dividends

In adherence to the Bylaws and the Dividend Policy that were officially declared on March 2, 2023, as disclosed in a Material Fact on the same date, the administration suggests the following distribution of the result for the year 2023:

- The minimal mandatory dividend is R\$70,745,655.74, which is equivalent to 25% of the dividend calculation base as illustrated below:
- R\$212,236,967.20 in additional dividends to the minimum mandatory dividend, and;

c) R\$4,791.44 in prescribed dividends.

The sum of the aforementioned amounts (a + b + c) is R\$282,987,414.38, which after deducting the quarterly prepayments amounting to R\$137,171,550.08 in gross value, the remaining balance is R\$145,815,864.30, which shall be paid by the Company. "Ad referendum" of the Annual General Meeting that approves the accounts for fiscal year 2023 on May 15, 2024, as follows:

a) R\$95,000,000.00 as Interest on Equity (IOE) (gross), which is imputed to the dividend (net amount R\$ 80,750,000.00).

b) R\$50,815,864.30 as dividends.

Shareholders holding ordinary shares (GRND3) registered in the Company's records on May 2, 2024 (the cut-off date) will be entitled to receive interest on equity and complementary dividends. Thus, Grendene shares (GRND3) will start to be traded, **ex-dividend and ex-IOE as of May 03, 2024**, on B3 S.A. – Brazil Stock Exchange and Over-the-Counter Market

Demonstration of Dividends until December 31, 2023

Grendene S.A. (Holding company)	R\$
Net profit for the period	557,670,992.91
(-) Tax incentive reserve of ICMS	(199,176,210.26)
(-) Tax incentive reserve of IRPJ	(75,512,159.71)
Basis for calculation of the Legal reserve	282,982,622.94
(-) Legal reserve	0.00
Amount of the dividend for the fiscal year 2023 / Calculation basis of the minimum mandatory dividend	282,982,622.94
(+) Dividends prescribed	4,791.44
Amount of the dividend proposed by the administration	282,987,414.38
(-) Dividends paid in advance (1Q23 & 2Q23 3Q23)	(137,171,550.08)
Balance available for distribution	145,815,864.30
Mandatory minimum dividend (25%)	70,745,655.74
Dividend proposed in excess of the mandatory minimum (2023)	212,241,758.64
Total	282,987,414.38

Dividends + Interest on Equity (IOE) distributed / proposed.

Dividend / IOE	Approval Date	Ex-date	Date of payment start	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
IOE 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}	Feb. 29, 2024	May 3, 2024	May 15, 2024	50,815,864.30	0.056327054	50,815,864.30	0.056327054
IOE ^{1 and 2}	Feb. 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 Provision approved "ad referendum" by the Annual General Meeting that evaluates the balance sheet and financial statements for the fiscal year 2023.

² Dividend and IOE per share subject to change depending on the balance of treasury shares on the cut-off date (May 2, 2023). The value of the dividend and the IOE per share is shown on the base date of December 31, 2023.

Corporate events

November 09, 2023 – Notice to Stockholders: The payment of interest equity (IOE) totaling R\$20,000,000.00 (R\$0.022169082 per share) and the third early distribution of dividends for 2023, R\$31,913,520.53 (R\$0.035374673 per share), commenced on December 6, 2023. These payments pertained to the financial performance as of September 30, 2023.

February 8, 2024 – Relevant Fact: On February 8, 2024, we completed the acquisition of an equity stake in Várzea SPE for the purpose of implementing and operating the *Solatio Várzea 4 Photovoltaic Power Plant*. The Várzea SPE Shareholders' Agreement was also signed, with the company and Várzea Holding acting as shareholders and Várzea SPE acting as a consenting intervener.

February 29, 2024 – Meeting of the Board of Directors: The following has been approved: the Management Report, which contains financial information pertaining to the 4Q23; the Financial Statements for the 2023 Financial Year; the Board of Directors' proposed distribution of interest on equity and dividends; and additional matters that are of interest to the company.

Capital Markets

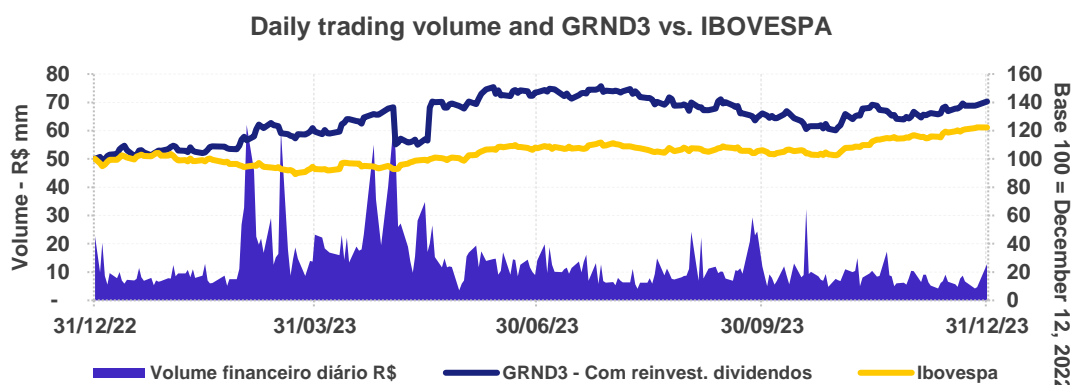
In 2023, 459.2 million ordinary shares were traded (1.71 times the free float), with 1.1 million trades, representing a financial volume of R\$3.2 billion. Grendene's shares (B3 ticker: GRND3) provided a return of 40.6% considering the reinvestment of dividends, in the same period the IBOVESPA index went up 22.3%.

The number of trades, number of shares traded, financial volume and daily averages are shown in the table below:

Period	No. of trading sessions	No. of trades	No. of shares	Volume R\$	Price R\$		Average no. of shares		Volume R\$	
					Weighted average	Daily closing	for trading	Daily closing	for trading	Daily
2022	250	1,163,624	390,965,200	3,123,880,041	7.99	6.03	336	1,563,861	2,684	12,495,520
2023	248	1,141,933	459,180,400	3,223,122,419	7.02	7.07	402	1,851,534	2,822	12,996,461

In the 52-week period ended December 31, 2023, the GRND3 stock price was at a low of R\$ 5.85 on January 3, 2022, and at a high of R\$ 8.30 on May 2, 2023.

This chart shows the performance of Grendene ON shares compared to the BOVESPA index (Base: December 31, 2022, = 100), and daily trading volume.



Information in this release may contain statements about future outcomes. Such statements reflect the present perception and outlook of the Company's executive officers on the development of the business, based on developments in the macroeconomic environment, industry conditions, the performance of the Company, and financial results. Any outcomes that are different from such expectations and factors could cause the Company's results to be materially different from current expectations because they involve various risks and uncertainties.

Appendix I – Consolidated gross revenue, volumes, gross revenue per pair and market share

Gross revenue (R\$ thousands)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	Change 4Q23/4Q22	2022	2023	Change 2023/2022
Domestic market	429,876	498,612	741,036	710,001	495,117	499,327	698,499	761,961	7.3%	2,379,525	2,454,904	3.2%
Exports	200,945	142,797	168,649	228,031	162,496	86,909	143,762	162,305	(28.8%)	740,422	555,472	(25.0%)
Exports (US\$)	38,400	29,019	32,127	43,387	31,282	17,552	29,457	32,766	(24.5%)	143,359	111,206	(22.4%)
Total	630,821	641,409	909,685	938,032	657,613	586,236	842,261	924,266	(1.5%)	3,119,947	3,010,376	(3.5%)
Volume of pairs (thousands of pairs)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	Change 4Q23/4Q22	2022	2023	Change 2023/2022
Domestic market	18,954	24,346	36,874	34,210	20,991	23,192	33,847	35,005	2.3%	114,384	113,035	(1.2%)
Exports	9,659	7,389	7,404	9,374	8,213	3,640	7,240	7,531	(19.7%)	33,826	26,624	(21.3%)
Total	28,613	31,735	44,278	43,584	29,204	26,832	41,087	42,536	(2.4%)	148,210	139,659	(5.8%)
Gross revenue per pair (R\$)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	Change 4Q23/4Q22	2022	2023	Change 2023/2022
Domestic market	22.68	20.48	20.10	20.75	23.59	21.53	20.64	21.77	4.9%	20.80	21.72	4.4%
Exports	20.80	19.33	22.78	24.33	19.79	23.88	19.86	21.55	(11.4%)	21.89	20.86	(4.7%)
Exports (US\$)	3.97	3.93	4.34	4.63	3.81	4.82	4.07	4.35		4.24	4.18	
Total	22.05	20.21	20.54	21.52	22.52	21.85	20.50	21.73	1.0%	21.05	21.56	2.4%
US\$ dollar (USD 1,00 = R\$)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	Change 4Q23/4Q22	2022	2023	Change 2023/2022
USD at end of period	4.7378	5.2380	5.4066	5.2177	5.0804	4.8192	5.0076	4.8413	(7.2%)	5.2177	4.8413	(7.2%)
Average USD	5.2330	4.9208	5.2495	5.2558	5.1946	4.9514	4.8804	4.9534	(5.8%)	5.1648	4.9950	(3.3%)
Gross revenue % of total	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23		2022	2023	
Domestic market	68.1%	77.7%	81.5%	75.7%	75.3%	85.2%	82.9%	82.4%		76.3%	81.5%	
Exports	31.9%	22.3%	18.5%	24.3%	24.7%	14.8%	17.1%	17.6%		23.7%	18.5%	
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		100.0%	100.0%	
Volume of pairs % total	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23		2022	2023	
Domestic market	66.2%	76.7%	83.3%	78.5%	71.9%	86.4%	82.4%	82.3%		77.2%	80.9%	
Exports	33.8%	23.3%	16.7%	21.5%	28.1%	13.6%	17.6%	17.7%		22.8%	19.1%	
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		100.0%	100.0%	

Appendix II – Consolidated Statement of Financial Position, IFRS (R\$ '000)

Balance sheet	December 31, 2022	% of total	December 31, 2023	% of total	Change %
ASSET					
Current					
Cash and equivalents	127,409	2.6%	73,735	1.8%	(42.1%)
Financial investments and other financial assets	1,053,487	22.0%	809,995	19.9%	(23.1%)
Accounts Receivable from Customers	1,131,904	23.5%	1,131,602	27.8%	-
Inventories	412,612	8.6%	358,942	8.8%	(13.0%)
Tax credits	175,337	3.6%	237,318	5.8%	35.3%
Income and Social Contribution taxes recoverable	16,229	0.3%	25,596	0.6%	57.7%
Trade bills receivable	11,714	0.2%	10,970	0.3%	(6.4%)
Prepaid costs and expenses	10,429	0.2%	12,580	0.3%	20.6%
Other credits	29,238	0.6%	48,455	1.2%	65.7%
Total current assets	2,968,359	61.6%	2,709,193	66.5%	(8.7%)
Non-current					
Long-Term Receivables					
Financial investments and other financial assets	615,744	12.8%	368,566	9.0%	(40.1%)
Judicial Deposits	1,154	-	713	-	(38.2%)
Tax credits	231,384	4.8%	26,371	0.6%	(88.6%)
Income and Social Contribution taxes recoverable	138	-	-	-	(100.0%)
Deferred income tax and Social Contribution tax	45,779	0.9%	44,151	1.1%	(3.6%)
Trade bills receivable	26,395	0.5%	14,521	0.4%	(45.0%)
Other credits	7,109	0.1%	3,782	0.1%	
	927,703	19.1%	458,104	11.2%	(50.6%)
Investments	336,717	7.0%	317,450	7.8%	(5.7%)
Fixed Assets	528,734	11.0%	526,056	12.9%	(0.5%)
Intangible	60,407	1.3%	64,558	1.6%	6.9%
Total, non-current assets	1,853,561	38.4%	1,366,168	33.5%	(26.3%)
Total assets	4,821,920	100.0%	4,075,361	100.0%	(15.5%)
Balance sheet	December 31, 2022	% of total	December 31, 2023	% of total	Change %
LIABILITIES					
Current					
Loans and financings	98,815	2.0%	82,413	2.0%	(16.6%)
Leasing contracts	14,005	0.3%	11,789	0.3%	(15.8%)
Suppliers	74,704	1.5%	49,085	1.2%	(34.3%)
Contractual obligations	11,264	0.2%	12,215	0.3%	8.4%
Commissions payable	56,085	1.2%	54,285	1.3%	(3.2%)
Taxes, Fees, and Contributions	36,764	0.8%	41,627	1.0%	13.2%
Income Tax and Social Contribution Payable	2,583	0.1%	2,746	0.1%	6.3%
Salaries and Payroll Liabilities	79,321	1.6%	93,791	2.3%	18.2%
Provision for Labor, Tax, and Civil Risks	1,688	-	2,129	0.1%	26.1%
Customer Advances	26,357	0.5%	18,305	0.4%	(30.5%)
Other accounts payable	6,395	0.1%	16,415	0.4%	156.7%
Total Current Liabilities	407,981	8.3%	384,800	9.4%	(5.7%)
Non-current					
Loans and Financing	7,824	0.2%	10,017	0.2%	28.0%
Leasing contracts	29,902	0.6%	12,208	0.3%	(59.2%)
Suppliers	5,536	0.1%	274	-	(95.1%)
Provision for employment-law, tax, and third-party risks	1,957	-	4,538	0.1%	131.9%
Other accounts payable	4,588	0.1%	4,081	0.1%	(11.1%)
Total non-current liabilities	49,807	1.0%	31,118	0.7%	(37.5%)
Shareholders' equity					
Share capital	1,231,302	25.5%	1,231,302	30.2%	-
Capital reserves	2,940	0.1%	2,677	0.1%	(8.9%)
Shares in Treasury	(3,458)	(0.1%)	(20)	-	(99.4%)
Profit reserves	3,115,812	64.8%	2,424,790	59.6%	(22.2%)
Other comprehensive income	17,536	0.4%	694	-	(96.0%)
Total Shareholders' equity	4,364,132	90.7%	3,659,443	89.9%	(16.1%)
Total liabilities and shareholder's equity	4,821,920	100.0%	4,075,361	100.0%	(15.5%)

Appendix III – Consolidated Profit and Loss Account (R\$ '000).

Consolidated Income Statement	4Q22	% NOR	4Q23	% NOR	Change % 4Q23/4Q22
Domestic Market	710,001	93.0%	761,961	100.2%	7.3%
Exports	228,031	29.9%	162,305	21.3%	(28.8%)
Gross sales and services revenue	938,032	122.8%	924,266	121.5%	(1.5%)
Sales returns and sales taxes	(122,422)	(16.0%)	(125,559)	(16.5%)	2.6%
Discounts given to clients	(51,937)	(6.8%)	(37,927)	(5.0%)	(27.0%)
Deductions from sales	(174,359)	(22.8%)	(163,486)	(21.5%)	(6.2%)
Net Operational Revenue (NOR)	763,673	100.0%	760,780	100.0%	(0.4%)
Average cost of goods sold	(413,506)	(54.1%)	(398,168)	(52.3%)	(3.7%)
Gross Profit	350,167	45.9%	362,612	47.7%	3.6%
Operational revenue (expenses)	(224,843)	(29.4%)	(217,869)	(28.6%)	(3.1%)
Sales expenses	(175,457)	(23.0%)	(180,854)	(23.8%)	3.1%
General and Administrative expenses	(27,177)	(3.6%)	(27,187)	(3.6%)	0.0%
Other Operational Revenues	19,061	2.5%	9,930	1.3%	(47.9%)
Other operational expenses	(28,210)	(3.7%)	(6,631)	(0.9%)	(76.5%)
Share of profit (loss) in non-consolidated investees	(13,060)	(1.7%)	(13,127)	(1.7%)	0.5%
EBIT (Operating Income before Financial Results and Taxes)	125,324	16.4%	144,743	19.0%	15.5%
Financial revenues	76,617	10.0%	112,182	14.7%	46.4%
Financial expenses	(19,671)	(2.6%)	(19,912)	(2.6%)	1.2%
Net financial revenue	56,946	7.5%	92,270	12.1%	62.0%
Pre-tax profit	182,270	23.9%	237,013	31.2%	30.0%
Income tax and Social Contribution tax:					
Current	(2,336)	(0.3%)	(20,562)	(2.7%)	780.2%
Deferred	22,673	3.0%	26,581	3.5%	17.2%
Net profit for the period	202,607	26.5%	243,032	31.9%	20.0%

Consolidated Income Statement	2022	% NOR	2023	% NOR	Change % 2023/2022
Domestic Market	2,379,525	94.7%	2,454,904	100.9%	3.2%
Exports	740,422	29.5%	555,472	22.8%	(25.0%)
Gross sales and services revenue	3,119,947	124.2%	3,010,376	123.7%	(3.5%)
Sales returns and sales taxes	(437,495)	(17.4%)	(445,975)	(18.3%)	1.9%
Discounts given to clients	(169,796)	(6.8%)	(130,794)	(5.4%)	(23.0%)
Deductions from sales	(607,291)	(24.2%)	(576,769)	(23.7%)	(5.0%)
Net Operational Revenue (NOR)	2,512,656	100.0%	2,433,607	100.0%	(3.1%)
Average cost of goods sold	(1,504,894)	(59.9%)	(1,349,924)	(55.5%)	(10.3%)
Gross Profit	1,007,762	40.1%	1,083,683	44.5%	7.5%
Operational revenue (expenses)	(768,642)	(30.6%)	(808,755)	(33.2%)	5.2%
Selling expenses	(619,503)	(24.7%)	(600,218)	(24.7%)	(3.1%)
General and Administrative Expenses	(103,748)	(4.1%)	(106,510)	(4.4%)	2.7%
Other Operating Revenues	27,652	1.1%	25,561	1.1%	(7.6%)
Other Operating Expenses	(45,257)	(1.8%)	(64,617)	(2.7%)	42.8%
Share of profit (loss) in non-consolidated investees	(27,786)	(1.1%)	(62,971)	(2.6%)	126.6%
EBIT (Operating Income before Financial Results and Taxes)	239,120	9.5%	274,928	11.3%	15.0%
Financial revenues	460,861	18.3%	401,328	16.5%	(12.9%)
Financial Expenses	(124,664)	(5.0%)	(84,287)	(3.5%)	(32.4%)
Financial Result	336,197	13.4%	317,041	13.0%	(5.7%)
Pre-tax profit	575,317	22.9%	591,969	24.3%	2.9%
Income tax and Social Contribution tax:					
Current	(25,339)	(1.0%)	(32,670)	(1.3%)	28.9%
Deferred	18,049	0.7%	(1,628)	(0.1%)	(109.0%)
Net profit for the period	568,027	22.6%	557,671	22.9%	(1.8%)

Appendix IV– Consolidated Statement of Cash Flow (R\$'000)

Consolidated Cash Flow	December 31, 2022	December 31, 2023
Net Cash Generated from Operating Activities	536,078	736,725
Cash Generated from Operations	461,033	562,272
Net Profit for the Year	568,027	557,671
Equity Earnings	27,786	62,971
Realization of Reclassification Adjustment - Gain on Investment Disposal	-	(7,557)
Depreciation and Amortization	93,746	95,796
Residual Value of Fixed and Intangible Asset Disposal	13,599	18,272
Deferred Income Tax and Social Contribution	(18,049)	1,628
Stock Option Plans	2,974	1,602
Reductions in Accounts Receivable from Customers	33,472	2,020
Estimated Obsolete Inventory Losses	471	(2,197)
Provision for Labor, Tax, and Civil Risks	-170	3,022
Interest Expenses on Loans, Financing, and Leases	1,680	2,319
Interest Income from Financial Investments	(238,939)	(175,118)
Fair Value of Financial Instruments	(7,353)	18,121
Net Foreign Exchange Variations	(16,211)	(16,278)
Changes in Assets and Liabilities:	76,954	174,290
Accounts Receivable from Customers	(134,847)	(1,718)
Inventory	84,559	55,867
Tax Credits	81,949	143,032
Other Receivables	(978)	(14,211)
Suppliers	14,166	(30,881)
Salaries and Charges Payable	14,316	14,470
Taxes, Fees, and Contributions	9,920	7,113
Customer Advances	1,728	(8,052)
Other Payables	6,141	8,670
Income Tax and Social Contribution Paid	(1,909)	163
Net Cash Generated (Consumed) from Investing Activities	(128,386)	473,240
Capital Contributions	(108,513)	(88,681)
Capital Reductions	10,328	37,130
Acquisitions of Fixed and Intangible Assets	(173,134)	(122,876)
Financial Investments	(3,808,864)	(1,299,691)
Redemption of Financial Investments	3,722,945	1,856,857
Interest Received from Financial Investments	228,852	90,501
Net Cash Consumed by Financing Activities	(302,429)	(1,263,639)
Loans and financings obtained	412,232	421,786
Payments of loans, financings, and leasing contracts	(434,096)	(433,744)
Interest paid on loans, financings, and leasing contracts	(2,562)	(2,305)
Pay dividends	(113,632)	(1,121,403)
Interest on equity paid	(162,000)	(130,000)
Acquisition of treasury shares	(3,429)	-
Sale of treasury shares: exercise of stock options	1,058	2,027
Increase (Decrease) in Cash and Equivalents	105,263	(53,674)
Initial Cash and Equivalents Balance	22,146	127,409
Final Cash and Equivalents Balance	127,409	73,735