

Grendene®

MANAGEMENT REPORT

2025



CARTAGO

Grendene kids

GRENDHA

Ipanema

melissa

rider

ZOXY

PEGA FORTE



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Grendene[®]

National Registry of Legal Entities Number
CNPJ: 89.850.341/0001-60
Company Registration Identification Number
NIRE: 23300021118-CE

Investor Relations

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Number of Common Shares: 902.160,000

Number of Treasury Shares: 0

Price (December 31, 2025): R\$4.60 per share

Market Capitalization: R\$4.1 billion / US\$754.2 million

Message from the Management

The year 2025 forms part of a broader cycle of transformation in the consumer landscape and heightened competitiveness within the sector in which the Company operates, the effects of which have been consistently reflected in the operational and financial indicators reported over the past five fiscal years. During this period, the Company observed a decline in volumes, from 154 million pairs in 2021 to 123.9 million in 2025, reflecting shifts in consumer behavior, increased competitive rationality and the ongoing need to adapt business models.

In this context, Management conducted the business in a prudent and strategic manner, focused on value preservation, operational discipline, and the strengthening of the Company's structural foundations. Throughout the period, active price and product mix management was prioritized, with emphasis on higher value-added brands, categories, and channels. In 2025, the average price per pair recorded significant growth, with gross revenue per pair increasing by 18.3% compared to 2024 and posting a double-digit compound annual growth rate since 2021. This dynamic helped mitigate the effects of lower volumes and preserve revenue quality.

Net revenue totaled R\$2.6 billion in 2025, representing a 1.7% decrease compared to the previous year, primarily reflecting lower volumes sold in the domestic market. Nevertheless, the value capture strategy through price and product mix management enabled gross revenue to reach R\$3.4 billion in the year.

In an environment of lower fixed-cost absorption, Management focused its efforts on margin protection, strict cost control, and industrial and operational efficiency. Although operating margins reflected the pressure arising from lower volumes, the Company ended the year with a recurring net margin of 33.7%, above the levels observed over the past five years, supported by financial discipline and active management of its financial results.

Throughout its history, Grendene has maintained a solid financial structure, with a net cash position and strong liquidity, even in a more challenging operating environment. This financial discipline enabled the Company to navigate this cycle without compromising its solvency, production capacity, or governance standards, preserving the flexibility required to continue investing in brands, innovation, digitalization, and operational efficiency.

With respect to shareholder remuneration, Management maintained strict compliance with the Dividend Distribution Policy and applicable corporate law. In 2025, dividends and interest on equity totaled R\$1.5398 per share, reinforcing the Company's commitment to predictability, responsibility, and long-term sustainability.

Sustainability is embedded across the Company's corporate strategy, guiding risk management, capital allocation, and business operations throughout the value chain. In this context, initiatives aimed at mitigating environmental impacts, promoting responsible practices, and advancing a business model aligned with long-term sustainable value creation were further strengthened. Reaffirming its commitment to high standards of governance, transparency, and accountability to the market, the Company published, for the sixth consecutive year, its Sustainability Report, prepared in accordance with widely recognized international guidelines.

The decisions adopted throughout the year were aligned with the strategic pillars that guide the Company: profitability, consumer focus, people, sustainability, and innovation. Discipline in cost and expense management reinforces the profitability pillar; the focus on higher value-added brands and categories reflects the centrality of the consumer; continued investments in processes and development strengthens innovation; and the responsible conduct of business sustains the Company's commitment to sustainability and to the people who build the Company every day.

Throughout this period, we maintained our commitment to inspiring generations, guided by our purpose of making fashion accessible and sustainable in a creative way, while valuing relationships. This purpose informs our strategic decisions and supports a long-term vision grounded in the consistent generation of value.

Management believes that the decisions adopted throughout this cycle contributed to strengthening the Company's resilience and preparing its operations for different economic scenarios. With established brands, capital discipline, and a solid financial position, Grendene remains focused on the responsible management of its business and the consistent creation of value over the medium and long term.

Although 2025 was marked by significant challenges, we concluded the year in a solid position, supported by consistent cash generation, financial discipline, and strengthened structural foundations.

We thank our employees for their dedication, and our shareholders, customers, and partners for their trust. We reaffirm our commitment to building a sustainable and competitive future centered on value creation for the Company, for society, and for the environment.

Sincerely,
Management

About Grendene S.A.

Corporate Governance

Founded in 1971, Grendene is one of the world's largest footwear manufacturers, holding proprietary and exclusive technology designed to serve all consumer segments. The Company operates a fully integrated business model, with 100% in-house production and installed capacity of 250 million pairs per year. Its industrial operations comprise four production sites, totaling eleven footwear manufacturing plants located in: Sobral, State of Ceará (6); Fortaleza, State of Ceará (2); Crato, State of Ceará (2); and Farroupilha, State of Rio Grande do Sul (1). The production structure also includes one PVC manufacturing plant, two Distribution Centers (Sobral and Fortaleza), and a mold manufacturing facility located in Farroupilha, State of Rio Grande do Sul.

The Company's distribution logistics serve customers throughout Brazil and internationally, reaching approximately 65,000 points of sale in Brazil and an additional 45,000 in international markets. The Company also operates two concept stores — Galeria Melissa and Rider Spaces — in São Paulo, as well as a franchise network under the Melissa brand.

Grendene S.A. has been a publicly traded company since 2004, with its common shares ("GRND3") listed on the Novo Mercado segment of B3 S.A. — Brasil, Bolsa, Balcão, the Brazilian stock exchange ("B3"), a segment that requires the highest standards of corporate governance. The Company's capital stock consists of 902,160,000 registered, book-entry common shares with no par value. The Company's ownership structure remains concentrated within the founding family, notably Alexandre Grendene Bartelle and Pedro Grendene Bartelle, reflecting a long-term commitment to the Company's sustainable development.

The Company's management structure consists of the Board of Directors and the Executive Board, supported by executive officers, technical committees, and corporate policies designed to ensure ethics, transparency, accountability, and the sustainable creation of value for stakeholders. Corporate governance is structured around professionals with extensive experience in strategic areas, ensuring appropriate oversight and effective management of corporate risks.

Pursuant to the Company's Bylaws, the Board of Directors is composed of five to seven members, at least 20% of whom must qualify as independent directors, in accordance with the *Novo Mercado* Regulations. Terms of office are unified, with a duration of up to two years, and re-election is permitted. As the highest decision-making body, the Board of Directors is responsible for establishing the Company's general business guidelines, defining long-term strategies, and overseeing the activities of the Executive Board.

The Executive Board, organized in accordance with applicable law and the Company's Bylaws, is responsible for

the Company's operational management and for implementing the strategy approved by the Board of Directors. The Board of Directors determines its composition, and its members are required to comply with corporate policies, principles of ethics and integrity, and the guidelines set forth in the Administrator Nomination Policy. Professionals nominated to serve on the Board of Directors, the Executive Board, and the Committees must demonstrate qualifications compatible with their roles, solid technical, professional, or academic experience, and alignment with the Company's values and culture.

To strengthen governance and deepen the analysis of strategic matters, Grendene maintains specialized committees that operate independently and periodically report their opinions and recommendations. All committees are governed by their own charters, which are regularly reviewed and made available on the Company's Investor Relations website.

Over more than five decades, the Company has built a trajectory guided by values such as integrity, learning, ownership, collaboration, and simplicity. Its evolution — from the initial production of plastic protective nets for wine demijohns to a leading position in fashion, creativity, and innovation within the footwear industry — reflects its ongoing commitment to its strategic pillars: profitability, consumer focus, people, sustainability, and innovation. Aligned with its purpose — *"Making fashion accessible and sustainable in a creative way, while valuing relationships"* — Grendene continues to inspire generations.

The Company's portfolio includes widely recognized brands such as **Melissa**, **Grendha**, **Zaxy**, **Rider**, **Cartago**, **Ipanema**, **Grendene Kids**, and **Pega Forte**, as well as products developed through licensing agreements with celebrities and characters from the children's and youth entertainment segment. Its corporate culture, focused on continuous learning, collaboration, and boldness, drives the creation of innovative products that expand its market presence.

With a diverse portfolio aligned with consumer trends, Grendene maintains its position as one of the leading companies in the footwear industry, sustaining a trajectory of growth and innovation.

Risk Management, Internal Controls and Compliance

Grendene reaffirms its commitment to integrity and transparency in its business operations, maintaining mechanisms and policies aimed at ensuring ethics, compliance, and sound corporate governance practices.

The Company's Governance, Risk, and Compliance (GRC) area reports to the Board of Directors through the Audit Committee and encompasses the functions of Internal Audit, Enterprise Risk Management, Internal Controls, and Compliance. In addition to conducting internal audits independently and impartially, the GRC area is responsible for developing and updating the Corporate Risk Matrix and the Internal Controls Matrix, as well as reviewing and disseminating the Code of Conduct and other integrity-related policies. These include, among others, the Risk Management Policy, the Anti-Fraud and Anti-Corruption Policy, the Whistleblowing and Consequences Management Policy, the Gifts, Hospitality and Entertainment Policy, and the Donations and Sponsorship Policy. These guidelines establish the Company's values and standards of conduct, while also guiding the mitigation of corporate risks.

The Code of Conduct sets forth the ethical principles and rules that govern the Company's internal and external relationships and applies to all employees, regardless of role or hierarchical level. Any violation of the Code's guidelines, corporate policies, or applicable laws is expected to be reported through the appropriate channels.

Internal Audit and Audit Committee

The Audit Committee is an internal, permanent, and non-statutory advisory entity that is linked to the Board of Directors and required to report on its quarterly activities. Among its responsibilities are overseeing internal audit activities and evaluating the effectiveness of the Company's internal controls, risk management, and compliance practices.

On an annual basis, Grendene's Audit Committee approves the annual plan of the Governance, Risk, and Compliance (GRC) area and monitors the execution of activities on a quarterly basis, including the internal audit function. The responsibilities of the internal audit function include conducting ongoing independent assessments of Grendene's risk management and internal controls, identifying weaknesses, unmapped risks, and opportunities for improvement, issuing recommendations, and monitoring their implementation.

The Company is also subject to an annual independent third-party audit, responsible for reviewing and validating its financial statements to attest to the integrity and accuracy of the information reported, in accordance with applicable accounting standards.

The Company maintains an Ethics Channel through which stakeholders may submit reports, anonymously if they choose, ensuring the confidentiality of the information provided and safeguarding the identity of the individuals involved. This channel is operated by KPMG Assessores Ltda., an independent third-party firm specialized in this field, and may be accessed through:

Website: www.linhaetica.com.br/etica/grendene

Email: grendene@linhaetica.com.br

Telephone: Toll Free Direct Dialing: 0800-208-0048

Address: Post Office Box 79518 - CEP 04711-904, São Paulo, SP

Employees can also seek guidance, raise concerns, and clarify questions related to business conduct directly with the Governance, Risks, and Compliance (GRC) department.

On April 29, 2021, the Board of Directors approved the establishment of Grendene's Ethics Committee, governed by its own internal charter. The Ethics Committee ensures the investigation of reported matters and the application of appropriate measures, reporting quarterly to the Board of Directors to ensure transparency and alignment with internal policies and applicable laws.

The Board of Directors receives quarterly reports from the Ethics Committee, which ensure that managers are informed of any issues that could have a substantial impact on the Company's credibility, reputation, and image.

The Code of Conduct, Corporate Integrity Policies, and the Internal Regulations of the bodies are available on the Company's Investor Relations website.

Sustainability

Sustainability is not an end point, but a journey that began at Grendene in 2011 with the creation of the Sustainable Development area. Since then, the Company has maintained a continuous and robust commitment to transparency and efficiency in its production processes, reaffirming its purpose of **making fashion accessible and sustainable in a creative way, while valuing relationships**.

Grendene believes it is possible to produce fashion responsibly while reducing environmental impact by integrating sustainability across the business in a cross-functional manner.

To this end, the Company established a Sustainable Development Policy aligned with the United Nations Sustainable Development Goals (SDGs), reinforcing its commitment to the 2030 Agenda.

This Policy is structured around three pillars: **1ST Valuing and Respecting People, 2ND Eco-Efficient Operations and 3RD Lower-Impact Products**.

These pillars guide the material topics identified as priorities for the business and its stakeholders. The subheadings

presented below, linked to each pillar of the Sustainable Development Policy, represent these material topics.



At Grendene, sustainability is embedded in every stage of the creative process. We combine an innovative design perspective with a commitment to reducing environmental impacts, developing products designed for circularity and manufactured through a production process with a low carbon footprint.

First Pillar: Valuing and Respecting People

Aligned with its strategic drivers, Grendene recognizes that people are the essence of the Company, they are responsible for bringing our purpose to life by applying their talents in their daily work. For this reason, we seek to encourage and value individual ownership, fostering mutual growth and a respectful environment between the organization and its employees.

Protection of Human Rights

At Grendene, people are at the center of the business. Accordingly, the Company prioritizes practices that ensure a dignified, respectful, and safe environment across all stages of its operations. To ensure adherence to these principles, internationally recognized standards are adopted, and independent assessments are conducted to monitor and enhance practices.

Socio-environmental audits and certifications conducted at manufacturing units and throughout the supply chain reinforce the Company's commitment to transparency, legal compliance, and fair and safe working conditions.

Beyond meeting regulatory requirements, these certifications serve as diagnostic and learning tools, contributing to the strengthening of internal processes, the mitigation of social risks, and the consolidation of an organizational culture grounded in respect, inclusion, and people development.

In this context, SMETA audits, the ABVTEX certification, and the Origem Sustentável certification stand out, each recognizing — under different perspectives — the social and socio-environmental practices adopted by Grendene.



Grendene is audited in accordance with the criteria of **SMETA (Sedex Members Ethical Trade Audit)**, which assesses and recognizes sound socio-environmental management practices in global operations.



The Company holds the **ABVTEX Gold Seal (Brazilian Textile Retail Association)**, certifying compliance with best practices across its production chain.



Grendene also holds the **Diamond Level** — the highest qualification — under the **Origem Sustentável Program**, promoted by **Abicalçados** and **Assintecal**. It is the only sustainability certification specifically designed for footwear manufacturers and suppliers within the footwear industry.

People Management

Below, we present key social and corporate data.

Social and Corporate Data	2021	2022	2023	2024	2025
Employee Headcount (as of December 31)	17,687	16,735	17,089	18,607	16,378
Training (hours per employee)	12	55	69	88	87
Meals (year)	3,407,656	3,066,775	3,429,417	3,826,827	3,653,966
People with Disabilities (year)	793	751	764	823	816
Dental Care (appointments per year)	6,922	8,297	5,783	8,874	7,081
Medical Care (appointments per year) *	-	-	-	25,098	27,165
Absenteeism	3.61%	3.41%	2.59%	3.06%	2.97%
Turnover (month)	1.98%	2.01%	2.35%	0.98%	2.02%
Basic Food Baskets Distributed (Units/Year) **	206,727	197,901	185,790	190,348	255,933

(*) The measurement of the amount of medical care provided was initiated in 2024.

(**) Grendene's basic food basket distribution policy aims to strengthen food security for its employees and has been in place since 1990. Over the years, the nutritional value of the food baskets has been maintained, ensuring the inclusion of a variety of essential items. All Grendene employees and interns, without exception, receive this benefit starting from their first month with the Company.

Compliance with the Equity-Related Provisions of Law No. 15,177/25

Grendene reaffirms its commitment to fostering an ethical, respectful, and inclusive work environment, guided by the appreciation of diversity and equal opportunity. The Company conducts its internal and external relationships in compliance with labor rights, respect for individual differences, and the adoption of practices aimed at promoting gender, ethnic, generational, religious, and sexual orientation equity, as well as the inclusion of persons with disabilities.

Recruitment, selection, development, and compensation processes are conducted based on technical, professional, and performance criteria, in accordance with the Company's internal governance guidelines and human resources policies. The job and salary structure considers responsibilities, job complexity, experience, and results, seeking to ensure equitable treatment aligned with market best practices.

Pursuant to Law No. 15,177/25, the required information will be included in the Management Proposal to be made available to shareholders upon the call notice of the Annual General Meeting, in accordance with Article 133 of Law No. 6,404/76.

Grendene University (UG)

Grendene University is dedicated to fostering a culture of continuous and collaborative learning, encouraging each individual to make a meaningful contribution to both the present and the future. Our purpose is to learn to evolve, guided by strategic pillars and fundamental principles that shape all our actions and decisions.

Leadership and Management

- Focused on leadership self-development, this initiative aims to train transformative leaders, culture ambassadors, and effective managers capable of driving sustainable and profitable results for Grendene's future. In 2025, this pillar accounted for 265 hours of training and more than 1,400 participant attendances.

Potentials and Career

- It encompasses programs and initiatives designed to accelerate talent development, building a pipeline of future leaders for the Company. In 2025, this pillar accounted for 980 hours of training and more than 3,900 participant attendances.

Business

- This initiative is designed to support Grendene's business areas by developing customized learning programs and experiences, focused on both technical and behavioral development. These programs are structured within specialized training centers. By the end of 2025, this pillar delivered 37,770 hours of training, with a total of 56,200 participant attendances.

DNA

- This pillar contributes to the development of the business in a cross-functional manner through programs focused on Diversity and Inclusion, Digital Transformation, Education for Sustainability, and Fashion, Design and Trends. It accounted for more than 250 hours of development initiatives and 14,900 participant attendances.

Employee Development and Recognition

We have made significant progress in the **Grendene+ Diversity and Inclusion Program**, registering 42 actions during 2025.

Lactation Room – Supporting the development of female professionals and working mothers. Implementation of Lactation Rooms at the Company's Northeast units (Crato, Fortaleza, and Sobral).

Basic Brazilian Sign Language (Libras) Course – Conducted at the Sobral, Crato, Fortaleza, and Farroupilha units, with the objective of developing communication skills among designated focal employees. The initiative enhances the Company's ability to promote effective and empathetic communication, fostering inclusion and support for employees with hearing disabilities.

Women's Talent Program – Second edition of the program, designed to provide women across all Company units with a personal and professional development journey tailored to their individual needs and aspirations. In 2025, the program included two cohorts, totaling 86 participations.

Technology Week served as an opportunity to strengthen a digital transformation mindset and engaged more than 7,800 participants across 14 lectures.

Estagiari Program – The program is designed to support university students in advancing their careers by developing skills aligned with Grendene's business needs, through behavioral training and hands-on experience within the Company.

In 2025, the Company welcomed more than 140 interns who worked across various business areas, and more than 65% of them progressed through the Estagiari Program.

UGcast, Grendene's podcast, connects people through stories, insights, and success cases that reflect the Company's culture and experiences. The initiative provides a space for knowledge sharing that fosters personal and professional growth and has already surpassed 9,000 streams to date.

Youth Apprentice Program – Grendene's Youth Apprentice Program is designed to support the professional growth of its participants by providing continuous learning and experiences that develop essential skills and competencies for the job market.

In 2025, more than 700 apprentices developed their skills at Grendene through training programs in Footwear Manufacturing, Polymers, Electromechanics, and Tooling. We achieved a 28% hiring rate for these young professionals at the end of the program, offering them the opportunity to continue learning and growing within the Company.

The **Recognition for Years of Service** program serves as a tribute to the people who have shaped our journey, celebrating their commitment, dedication, and impact on Grendene's history. This initiative reflects our commitment to valuing the dedication, contributions, and lasting impact of each employee on our history. In 2025, we honored more than **590 employees** who reached career milestones of **20, 25, 30, 35, 40, and 45** years with the company. These milestones are celebrated through corporate events, reinforcing a sense of belonging and pride in being part of our company.

The partnership with **Geração Caldeira** strengthens our role as agents of transformation within the innovation ecosystem, creating employment opportunities and reinforcing Grendene's position as a company of choice for emerging talent.

Diversity, Inclusion, and Anti-Discrimination

In 2021, the **Grendene+ Program** was established to promote and value diversity and inclusion, contributing to a culture of respect. During 2025, the program delivered more than 112 hours of training and recorded over 2,900 participant attendances.

Throughout the year, the following topics were addressed:

- ❖ People with Disabilities
- ❖ Racial and Ethnic Diversity
- ❖ LGBTI+
- ❖ Gender Equity

Complementing these initiatives, the Company also offered a **Basic Brazilian Sign Language (Libras) Course** and the **Women's Talent** development program.

Health, Safety and Well-being of Employees

Grendene maintains a structured Occupational Health and Safety (OHS) Management System aligned with applicable regulatory requirements and internal governance standards. The system is designed to mitigate operational risks, prevent workplace incidents and promote a safe and healthy working environment for both direct employees and third-party service providers. All employees undergo mandatory onboarding covering health, safety, and risk prevention protocols, in addition to participating in ongoing training programmes aimed at strengthening a proactive safety culture.

A multidisciplinary team within the Occupational Health and Safety Services (SESMT) oversees the implementation, monitoring, and continuous improvement of OHS practices. Employees also take part in risk identification and assessment initiatives through Internal Accident Prevention Committees (CIPA), Fire Brigades, and the Ergonomics Committee, contributing to continuous improvements in working conditions.

Sustainable Supply Chain Management

Grendene recognises that the sustainability of its products and operations is linked to the performance and integrity of its supply chain. Accordingly, the Company adopts formal guidelines and governance mechanisms to ensure that suppliers operate in alignment with their ethical, social, and environmental principles.

The [Manual de Fornecedores](#) (Supplier Manual) establishes the minimum requirements expected of partner companies, encompassing guidelines related to quality management, respect for human rights, working conditions, and occupational health and safety. The supplier qualification process assesses social, environmental, and material-related risks, such as the control of restricted substances. All suppliers must comply with the guidelines

set forth in the [Lista de Substâncias Restritas \(LSR\)](#) (Restricted Substances List (RSL), updated in accordance with national and international regulations, such as REACH, AFIRM Group and California Proposition 65. Compliance with these standards is verified through technical reports and external laboratory analyses.

Grendene complements this process by conducting on-site audits of raw material suppliers, enabling the independent verification of the implementation of established guidelines and compliance with agreed requirements. These audits are used not only as a control mechanism, but also as an opportunity for guidance and continuous improvement, strengthening relationships with suppliers and encouraging the ongoing enhancement of socio-environmental practices.

Awards and Recognition | Human Resources

Innovative Large Company – Northeast Category | IEL Talentos

Grendene received first place in the Innovative Large Company category in recognition of Estagiari, its internship development program. The award highlights the effectiveness of the Company's practices in developing young talent, with a focus on skills development and preparation for future workforce challenges.

Innovative Internship – South Category | IEL Talentos

Grendene was recognized in the Innovative Internship category for the quality and impact of its program. The evaluation considered factors such as contributions to innovation, the development of technical and behavioral skills, the promotion of diversity and inclusion, as well as excellence in supervision and support provided to interns throughout their journey with the Company.



Second Pillar: Eco-Efficient Operations

Emissions, Risks and Climate Opportunities

Grendene is prepared to address climate challenges through a comprehensive approach that includes emissions management, resource efficiency, and investments in sustainable innovation. The Company recognises that sustainability is essential for long-term business continuity and environmental preservation, reinforcing its commitment to responsible growth. Grendene adopts practices focused on water management, energy efficiency, carbon emissions, waste management, and circularity.

The Company annually prepares its Greenhouse Gas (GHG) Inventory, which is reported to the Programa Brasileiro GHG Protocol. It also participates in the **Carbon Disclosure Project (CDP)**, demonstrating its commitment to climate transparency.



For the **fourth consecutive year**, Grendene was recognized with the **Gold Seal from the Programa Brasileiro GHG Protocol (PBGHG)**, the highest level of qualification for transparency in the publication of greenhouse gas inventories (GHG Inventory).

Since 2021, Grendene has held **I-REC traceability certification**, confirming that all energy consumed in its production process comes from renewable sources.



Energy Efficiency

Grendene's commitment to the future is reflected in its energy use, with all footwear produced using 100% renewable energy. **Since 2021, the Company has held I-REC traceability certification**, confirming that all energy consumed during the production process comes from renewable sources. Grendene also operates more than 7,000 solar panels installed across its facilities in Crato (CE), Farroupilha (RS), and Sobral (CE). In 2025, the Company consumed a total of 105,643.487 MWh of electricity, of which 101,513.539 MWh were supplied by the grid and 4,129.948 MWh were generated in-house. Energy intensity reached 0.649 kWh per pair produced, reflecting energy efficiency and a continued commitment to renewable sources.

The use of clean energy directly contributes to the reduction of the Company's greenhouse gas emissions.

Electricity Consumption	2021	2022	2023	2024	2025	Change % 2025/2024
Total Electricity Consumption (kWh)	104,133,661	99,453,193	101,157,507	103,122,179	105,643,487	2.4%
Energy Consumption Intensity (kWh/pair*)	0.652	0.673	0.742	0.684	0.649	-5.1%

*Pair adjusted according to product complexity.

The performance of this indicator in 2025 reflects the implementation of energy efficiency initiatives and investments in equipment such as industrial water pumps, compressed air compressors, and chilled water-cooling systems used in the injection process. Improvements in assembly and surface treatment processes, identified through internal audits, complemented these initiatives, and contributed to the energy efficiency results achieved.

Water and Effluent Management

Grendene implements practices aimed at the efficient and responsible use of water across all its manufacturing facilities. Through monitoring initiatives, reuse programs, loss reduction measures, and wastewater treatment, the Company continuously seeks to minimize its impact on water resources.

In 2025, **total water consumption amounted to 215,382,000 liters**, resulting in an intensity indicator of **1.72 liters consumed per pair produced**. With water reuse implemented at 100% of its manufacturing facilities, all wastewater treatment is conducted

internally at Effluent Treatment Plants (ETPs), and the reclaimed water is used for toilet flushing and irrigation of green areas. **In 2025, 133,266,000 liters of effluents were treated, and 104,231,000 liters of water were reused.**

Grendene continued to advance its smart water management project, which uses IoT technology to enable real-time monitoring of more than 130 water measurement points across its industrial facilities. The initiative has already delivered tangible benefits, including improved traceability, water savings, enhanced operational efficiency, and better working conditions through the replacement of manual activities with data-driven analysis.

Liters/Pair	2021	2022	2023	2024	2025	Change % 2025/2024
Drinking Water Consumption Indicator	1.50	1.53	1.59	1.49	1.72	15.4%

The increase in the water consumption intensity indicator (liters per pair) in 2025 compared to 2024 was anticipated, monitored, and justified within the context of the Company's structural investment cycle. This performance was primarily due to the temporary **four-month suspension of the closed-loop water system for toilet flushing at the headquarters facility**, resulting from the implementation of the **Effluent Treatment Plant Modernization Project**. The project aims to enhance operational safety, treatment robustness, and the facility's **water reuse** capacity.

With the completion of the project and the full resumption of the reuse system, **normalization and subsequent improvement of the indicator** are expected, reinforcing the Company's commitment to responsible water resource management and to investments that generate sustainable environmental, operational, and economic value.

Waste Management

Grendene adopts a systemic approach to waste management, based on its Solid Waste Management Program, implemented across all manufacturing facilities. This program provides standardized guidance for all stages of the process, from waste generation to final disposal, in compliance with applicable environmental regulations and the principles of the waste hierarchy.

In 2025, Grendene generated **2,072,680 kg of waste**, corresponding to 16.56 grams per pair produced. Grendene actively minimises hazardous waste disposal in landfills, prioritising waste reduction, reuse, and recycling. The Company also implements energy recovery solutions and internal recycling of industrial solvents.

Grams/Pair	2021	2022	2023	2024	2025	Change % 2025/2024
Waste Disposal Indicator	10.48	9.84	12.69	12.95	16.56	27.9%

In 2025, the waste disposal rate increased by 27.9% compared to 2024, reflecting decisions associated with greater product complexity, portfolio evolution, and process-related waste, including waste generated by utilities systems such as exhaust systems.

The Company remains focused on the structural reduction of waste generation through eco-efficiency initiatives, materials innovation, and continuous process improvement.

Third Pillar: Lower-Impact Products

Beyond manufacturing footwear, the Company designs products conceived to last and to be reimaged. Grendene continuously invests in research and development of new materials aimed at reducing environmental impact and advancing circularity. In 2025, more than **31 million pairs were produced with at least one lower-impact attribute**.

Innovation in Materials, Products and Processes

Grendene invests in research and development of lower environmental impact materials, such as natural pigments, recycled materials, and EVA derived from renewable sources, promoting industrial innovation and more sustainable consumption. In addition, the Company seeks to implement increasingly digitalized and eco-efficient processes, ensuring greater resource optimization, waste reduction, and continuous improvement.



Sustainable Raw Material

Currently, one of Grendene’s primary raw materials is PVC, a 100% recyclable material designed for continuous use. The Company invests in incorporating recycled materials and biomaterials, reducing reliance on the extraction of new raw materials.

Sustainability is embedded in every stage of the creative process, combining innovative design with a commitment to reducing environmental impacts. Grendene’s portfolio includes the use of materials such as:

- Sugarcane-based EVA
- Pigments derived from rice husk and coconut fiber.
- Fabrics and straps made from recycled PET bottles.
- Water-based adhesives, reducing the use of chemical solvents.
- Monomaterial products, facilitating recycling by using a single type of material.



All footwear produced by Grendene is free from animal-derived components, and the Company does not conduct animal testing.

Our paper packaging is FSC® certified, ensuring that the materials used originate from responsibly managed forests that promote environmental, social, and economic benefits.



Circularity and Product Life Cycle

Grendene incorporates circular economy principles throughout the entire life cycle of its products, from the design stage — by prioritizing recyclable materials, monomaterials, and lower-impact alternatives — to end-of-life management.

The Company operates the **Recicla+** Reverse Logistics Program, established in 2017, which enables footwear no longer suitable for use to be properly disposed of, returned to the Company’s manufacturing facilities, and reincorporated into the production process. Currently, the program includes more than 400 collection points located at all **Melissa stores, Galeria Melissa locations, and at Rider Spaces Copan.**

More than 400 collection points

More than 14,000 pairs collected through the program

Innovation at Every Step | Awards and Recognition

Inovyn Awards 2025

For the second consecutive year, Grendene received recognition at the Inovyn Awards, an international award that highlights innovative projects focused on sustainability. The recognition stemmed from the development of the Cartago Café concept, an initiative that enables the reuse of coffee grounds generated in the Company’s cafeterias to produce pigments. Among 113 projects submitted from five continents, Grendene was selected in the Performance and Design category, reinforcing its commitment to innovation and the circular economy.

2025 Design for a Better World Award (DFBW)

At the 2025 Design for a Better World Award (DFBW), Grendene was recognized for a project that goes beyond the traditional product concept by integrating design, sustainability, and inclusion. The featured product was *the Stitch Pet Shop* from the *Grendene Kids* line, a project designed to deliver a complete experience by combining footwear, a toy, and packaging into a single solution.

The sandal combines comfort, functionality, and aesthetic appeal, while the packaging — developed in customized polypropylene — forms part of the toy itself. Designed in the shape of a pet shop and featuring the character *Stitch* along with 11 accessories, the packaging adds value to the product by becoming an active part of the child’s experience, thereby reducing waste.

Manufactured in Brazil, the project adopts sustainability-aligned practices, including the use of renewable energy and the reuse of effluents in the production process. In addition, the product includes Braille identification, expanding accessibility and promoting inclusion.

Commitment to ESG Transparency and Accountability

Highlight in the Climate Edition of the Brazil Fashion Transparency Index (ITMB) - We continue to advance our transparency journey by improving our results in the Brazil Fashion Transparency Index – Climate Edition 2025 (ITMB). This edition assessed how major brands position themselves on issues such as traceability and climate change. Ipanema and Melissa ranked among the five companies with the highest scores in climate transparency among 60 brands and retailers evaluated in Brazil. As part of its ongoing commitment to more responsible fashion, Grendene increased its overall score by 10 percentage points, rising from 55% to 65%. This progress reinforces our commitment to promoting increasingly transparent and ethical practices aligned with global climate challenges.

Disclosure of the Sustainability-Related Financial Information Report - In December 2025, Grendene informed the market of its voluntary decision to anticipate the release of its Sustainability-Related Financial Information Report. This initiative reinforces the Company's commitment to transparency and to the integration of financial performance and ESG matters.

6th Edition of the Sustainability Report - In 2025, Grendene published the 6th edition of its Sustainability Report, a document that transparently presents the Company's key social and environmental advancements and results for the year 2024. The report reflects the Company's ongoing commitment to transparent communication of its performance to all stakeholders. In addition to presenting results integrated with ESG practices, the report highlights the evolution of initiatives that strengthen sustainability as a strategic pillar toward an increasingly circular, innovative, and lower environmental impact future.

Learn more about our full journey at:

www.grendene.com.br/sustentabilidade/para-se-aprofundar/#relatorios-de-sustentabilidade

Economic and Financial Performance

Main Consolidated Indicators (in IFRS)

R\$ million	2021	2022	2023	2024	2025	Change 2025/2024	CAGR ¹ 2025/2021
Gross Sales Revenue	2,847.2	3,119.9	3,010.4	3,236.8	3,401.7	5.1%	4.5%
Domestic Market	2,160.9	2,379.5	2,454.9	2,654.9	2,584.6	(2.6%)	4.6%
Exports	686.3	740.4	555.5	581.9	817.1	40.4%	4.5%
<i>Exports (US\$)</i>	127.2	143.4	111.2	108.0	146.2	35.4%	3.5%
Net Revenue	2,342.5	2,512.7	2,433.6	2,628.6	2,584.3	(1.7%)	2.5%
Cost of Goods Sold	(1,312.5)	(1,504.9)	(1,349.9)	(1,387.5)	(1,415.3)	2.0%	1.9%
Gross Profit	1,030.1	1,007.8	1,083.7	1,241.1	1,169.1	(5.8%)	3.2%
Operational Expenses	(636.5)	(768.6)	(808.8)	(683.5)	(844.2)	23.5%	7.3%
Recurring Operational Expenses	(614.4)	(712.6)	(702.2)	(732.7)	(721.1)	(1.6%)	4.1%
EBIT	393.5	239.1	274.9	557.6	324.9	(41.7%)	-
Recurring EBIT	415.7	282.1	381.4	508.4	367.3	(27.7%)	-
EBITDA	484.5	332.9	370.7	641.9	425.2	(33.8%)	-
Recurring EBITDA	506.7	375.9	477.2	592.7	467.6	(21.1%)	-
Net Financial Revenue	159.2	336.2	317.0	255.3	352.9	38.2%	22.0%
Recurring Net Financial Revenue	159.1	338.9	318.9	365.2	485.9	33.1%	32.2%
Net Profit	601.0	568.0	557.7	735.2	644.8	(12.3%)	1.8%
Recurring Net Profit	541.8	613.1	661.2	796.5	815.9	2.4%	10.8%
CAPEX (PP&E & Intangible Assets)	121.6	173.1	122.9	187.4	136.2	(27.3%)	2.9%
Equity	4,094.3	4,364.1	3,659.4	4,040.9	3,154.0	(22.0%)	-
R\$ per pair	2021	2022	2023	2024	2025	Change 2025/2024	CAGR ¹ 2025/2021
Gross Revenue	18.48	21.05	21.56	23.21	27.45	18.3%	10.4%
Domestic Market	17.84	20.80	21.72	23.26	26.48	13.8%	10.4%
Exports	20.87	21.89	20.86	23.00	31.04	35.0%	10.4%
<i>Exports (US\$)</i>	3.87	4.24	4.18	4.27	5.55	30.0%	9.4%
Net Revenue	15.21	16.95	17.43	18.85	20.85	10.6%	8.2%
Cost of Goods Sold	(8.52)	(10.15)	(9.67)	(9.95)	(11.42)	14.8%	7.6%
R\$	2021	2022	2023	2024	2025	Change 2025/2024	CAGR ¹ 2025/2021
Earnings Per Share	0.6663	0.6298	0.6182	0.8150	0.7148	(12.3%)	1.8%
Diluted Earnings Per Share (EPS)	0.6662	0.6294	0.6183	0.8153	0.7150	(12.3%)	1.8%
Dividends +IOE per share	0.4381	1.4595	0.3137	0.5034	1.5398	205.9%	36.9%
Millions of Pairs	2021	2022	2023	2024	2025	Change 2025/2024	CAGR ¹ 2025/2021
Volume	154.0	148.2	139.7	139.4	123.9	(11.1%)	-
Domestic Market	121.1	114.4	113.1	114.1	97.6	(14.5%)	-
Exports	32.9	33.8	26.6	25.3	26.3	4.0%	-
Margin (%)	2021	2022	2023	2024	2025	Change 2025/2024	Change 2025/2021
Gross	44.0%	40.1%	44.5%	47.2%	45.2%	(2.0 pp)	1.2 pp
EBIT	16.8%	9.5%	11.3%	21.2%	12.6%	(8.6 pp)	(4.2 pp)
Recurring EBIT	17.7%	11.2%	15.7%	19.3%	15.2%	(4.1 pp)	(2.5 pp)
EBITDA	20.7%	13.2%	15.2%	24.4%	16.5%	(7.9 pp)	(4.2 pp)
Recurring EBITDA	21.6%	15.0%	19.6%	22.5%	19.3%	(3.2 pp)	(2.3 pp)
Net	25.7%	22.6%	22.9%	28.0%	25.0%	(3.0 pp)	(0.7 pp)
Recurring Net	23.1%	24.4%	27.2%	30.3%	33.7%	3.4 pp	10.6 pp
R\$	2021	2022	2023	2024	2025	Change 2025/2024	CAGR ¹ 2025/2021
Closing Dollar Rate	5.5805	5.2177	4.8413	6.1923	5.5024	(11.1%)	-
Average (USD)	5.3950	5.1648	4.9950	5.3895	5.5879	3.7%	0.9%
Liquidity	2021	2022	2023	2024	2025	Change 2025/2024	CAGR ¹ 2025/2021
General Liquidity	8.1	8.5	7.6	7.7	2.3	(70.1%)	-
Current Liquidity	8.0	7.3	7.0	7.1	2.0	(71.8%)	-
Dry Liquidity	6.7	6.3	6.1	5.9	1.7	(71.2%)	-

Notes:

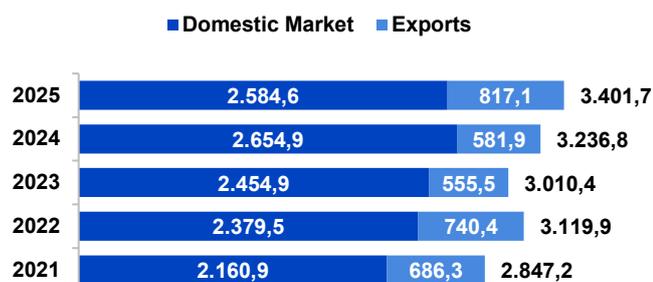
- 1) CAGR: Compound Annual Growth Rate
- 2) pp: percentage points

Gross Sales Revenue

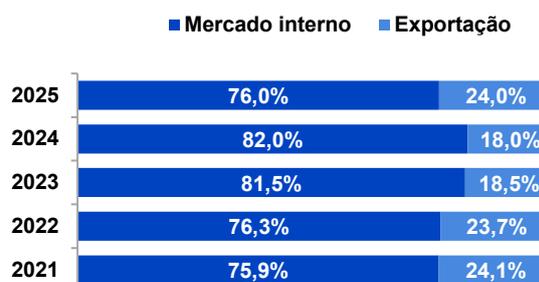
Gross revenue reached R\$3.4 billion in 2025, representing a 5.1% increase compared to 2024. From 2021 to 2025, despite lower volumes, the Company maintained a growth trajectory in gross revenue, supported by improvements in average prices and product mix.

The charts below show the progression of these figures:

Gross Sales Revenue (R\$ mm)



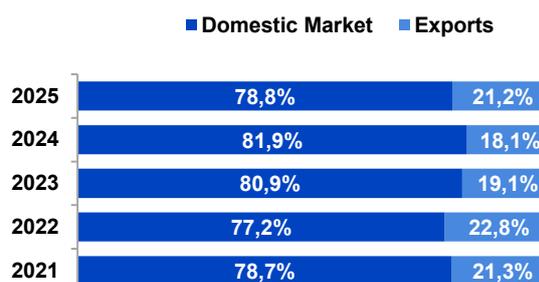
Gross Sales Revenue Share %



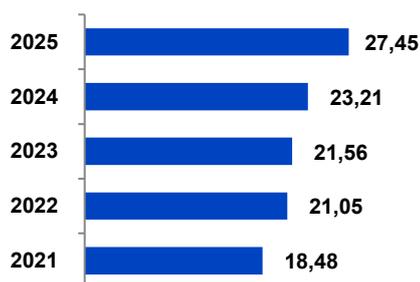
Volume of Pairs Million of Pairs



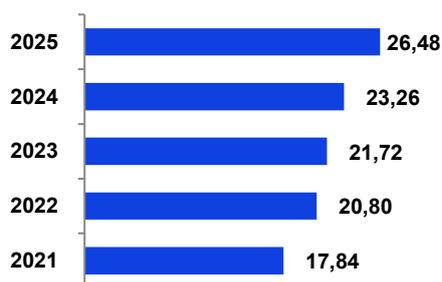
Volume of Pairs Share %



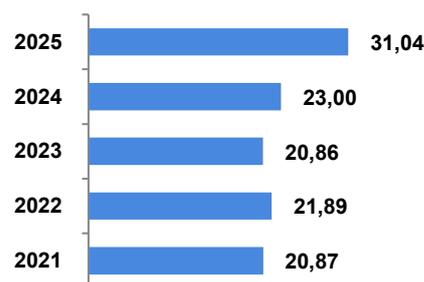
Gross Sales Revenue per Pair Total (R\$)



Gross Sales Revenue per Pair Domestic Market (R\$)



Gross Sales Revenue per Pair Export Market (R\$)

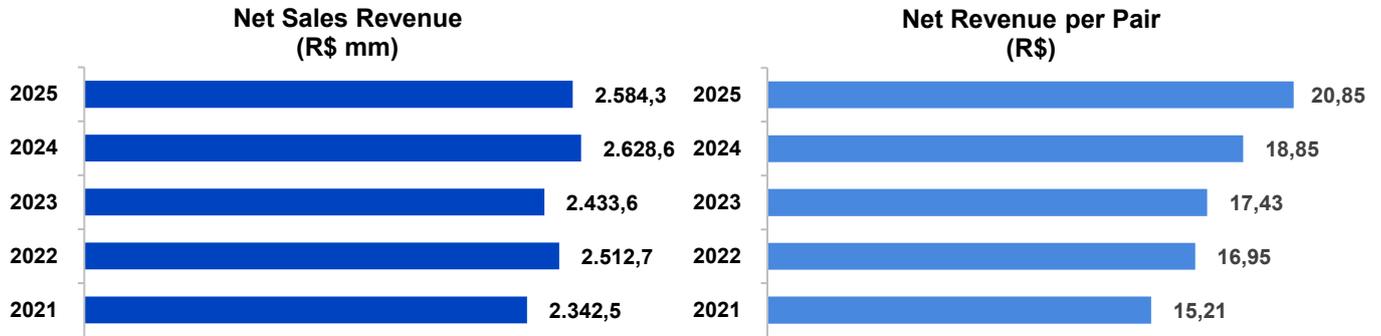


According to data from the MDIC/SECEX/ABICALÇADOS (Ministry of Development, Industry, and Foreign Trade/Brazilian Foreign Trade Department/Brazilian Footwear Association of Industries), 2025 vs. 2024, the Brazilian footwear industry recorded a 1.8% decline in revenue in U.S. dollars, a 6.7% increase in export volumes (pairs), and an 8.0% decrease in the average export price per pair in U.S. dollars. In comparison, Grendene reported a 35.4% increase in revenue in U.S. dollars, a 4.0% increase in export volumes (pairs), and a 30.0% increase in the average export price per pair in U.S. dollars. Grendene's share of total Brazilian footwear export volumes decreased from 26.0% in 2024 to 25.3% in 2025.



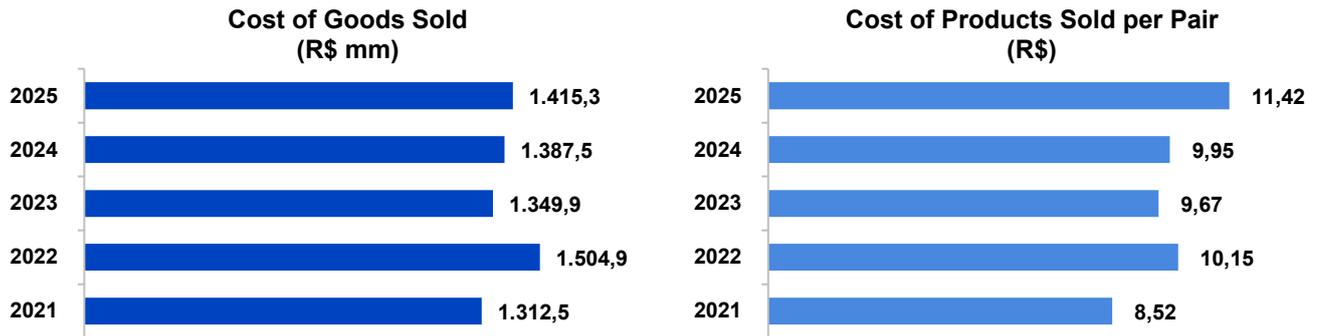
Net Sales Revenue

Net revenue reached R\$2.6 billion for the year, representing a 1.7% decline compared to 2024, reflecting lower volumes throughout the period. Active price and product mix management contributed to mitigating the effects of this decline, preserving revenue quality.



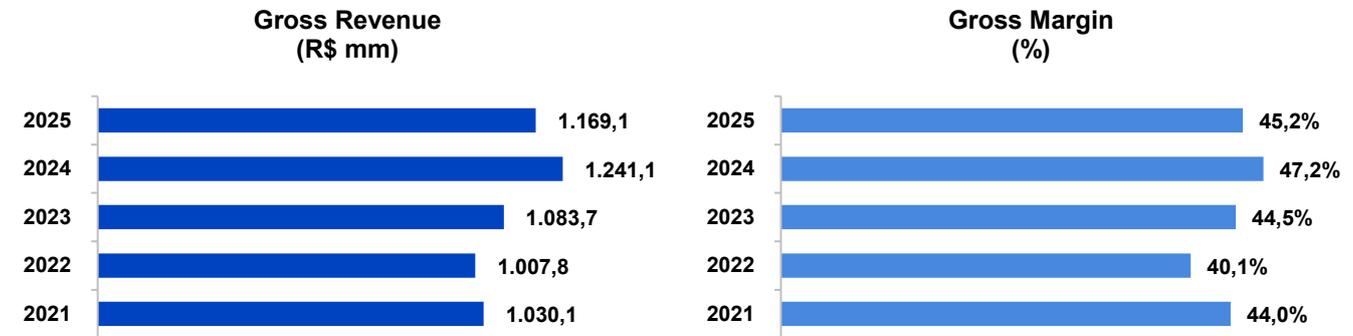
Cost of Goods Sold (COGS)

Cost of goods sold totaled R\$1.4 billion in 2025, representing a 2.0% increase compared to the prior year, despite lower volumes. This movement primarily reflected reduced fixed-cost absorption, with a greater impact of labor costs in the composition of cost of goods sold.



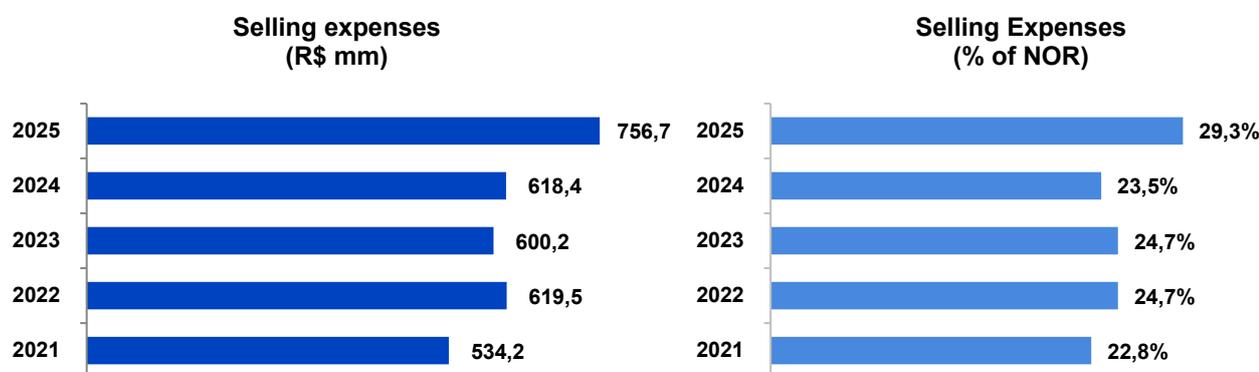
Gross Profit

Gross profit reached R\$1.2 billion in 2025, representing a 5.8% decline compared to 2024, reflecting lower operating leverage throughout the year. Gross margin closed the year at 45.2%, above the average observed during the 2021–2024 period, demonstrating the Company’s resilience.



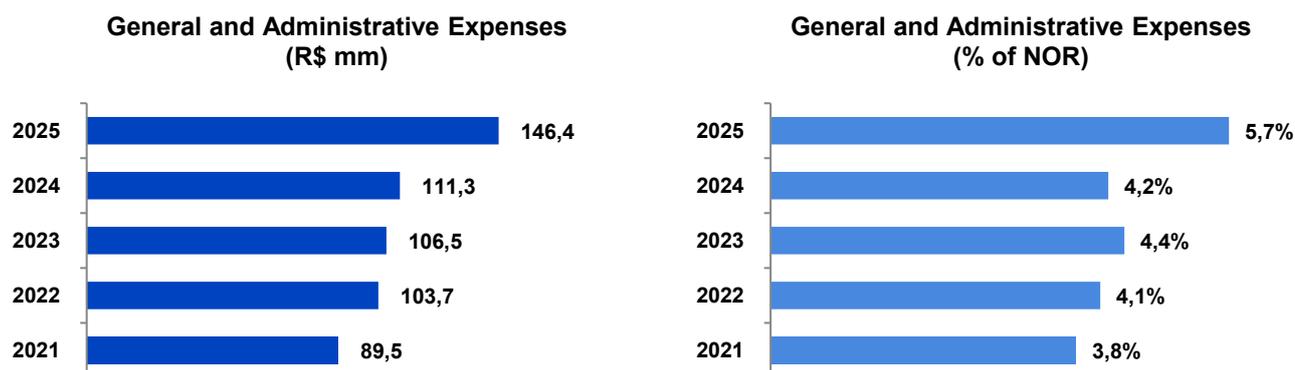
Selling Expenses

Selling expenses increased in 2025, reflecting not only investments in marketing and commercial structure, but also the full consolidation of Grendene Global Brands (GGB) beginning in December 2024. Until then, the results of these operations had been recognized under the equity method, affecting the comparability of consolidated expenses between periods.



General and Administrative Expenses (G&A Exp.)

In 2025, general and administrative expenses increased by 31.6% compared to 2024, primarily reflecting the full consolidation of GGB. Excluding non-recurring effects, recurring growth was 11.3%, associated with adjustments to the administrative structure and investments in technology.



EBIT

Because the Company has a substantial cash position that generates significant financial revenue, the operating profit of its activities, as defined by Ebit, is a better indicator of its operating performance.

EBIT, R\$ thousands	2021	2022	2023	2024	2025	Change 2025/2024	CAGR ¹ 2025/2021
Net Profit for the Year	601,005	568,027	557,671	735,236	644,808	(12.3%)	1.8%
Taxes on Profit	(48,276)	7,290	34,298	77,583	32,969	(57.5%)	-
Net Financial Revenue	(159,207)	(336,197)	(317,041)	(255,255)	(352,882)	38.2%	22.0%
EBIT	393,522	239,120	274,928	557,564	324,895	(41.7%)	-
Depreciation and Amortization	91,020	93,746	95,796	84,371	100,270	18.8%	2.4%
EBITDA	484,542	332,866	370,724	641,935	425,165	(33.8%)	-
Non-Recurring Effect	22,157	43,026	106,511	(49,213)	42,429	(186.2%)	17.6%
Recurring EBIT	415,679	282,146	381,439	508,351	367,324	(27.7%)	-
Recurring EBITDA	506,699	375,892	477,235	592,722	467,594	(21.1%)	-
EBIT Margin	16.8%	9.5%	11.3%	21.2%	12.6%	(8.6 pp)	(4.2 pp)
Recurring EBIT Margin	17.7%	11.2%	15.7%	19.3%	15.2%	(4.1 pp)	(2.5 pp)
EBITDA Margin (%)	20.7%	13.2%	15.2%	24.4%	16.5%	(7.9 pp)	(4.2 pp)
Recurring EBITDA Margin	21.6%	15.0%	19.6%	22.5%	19.3%	(3.2 pp)	(2.3 pp)

Non-Recurring Items:

2021	In 2021, the Company recorded the following non-recurring items: PIS/COFINS tax credits related to ICMS on inputs of R\$10.0 million; litigation-related credits of R\$0.9 million; provision for expected credit losses of R\$13.9 million; expenses related to COVID-19 of R\$14.0 million; INCRA-related legal proceeding expenses of R\$2.1 million; write-down of property, plant and equipment at Grendene UK of R\$2.1 million; and other non-recurring expenses of R\$0.9 million.
2022	In 2022, the Company recorded the following non-recurring items: non-recurring revenues of R\$14.8 million; litigation-related credits of R\$3.2 million; expenses related to COVID-19 of R\$3.8 million; results from ME retail stores of R\$15.8 million; equity method results of R\$27.8 million; inventory write-downs related to ME of R\$6.3 million; write-down of property, plant and equipment at Grendene USA of R\$1.2 million; franchise management expenses of R\$5.3 million; and civil indemnities of R\$0.9 million.
2023	In 2023, the Company recorded the following non-recurring items: litigation-related credits of R\$8.2 million; foreign exchange variation related to the write-down of investments in foreign subsidiaries of R\$7.5 million; legal advisory expenses of R\$2.5 million; discontinuation of investments abroad of R\$18.4 million; inventory recycling adjustments related to foreign subsidiaries of R\$1.0 million; franchise management expenses of R\$13.2 million; indemnities paid to sales representatives of R\$1.3 million; expenses related to judicial proceedings of R\$5.6 million; provision for expected credit losses of R\$17.2 million; and equity method results of R\$63.0 million.
2024	In 2024, the Company recorded the following non-recurring items: write-off of investment in a subsidiary of R\$0.3 million; litigation-related credits of R\$5.6 million; equity method results from SCPs (special purpose partnerships) of R\$109.9 million; reversal of allowance for doubtful accounts of R\$14.3 million; legal advisory expenses of R\$3.2 million; discontinuation of investments in foreign subsidiaries of R\$0.7 million; donations related to the public calamity in the State of Rio Grande do Sul of R\$1.2 million; franchise management expenses of R\$7.7 million; judicial proceedings expenses of R\$4.7 million; and non-recurring results related to GGB of R\$63.5 million.
2025	In 2025, the Company recorded the following non-recurring items: residual effect related to the acquisition of GGB of R\$5.2 million; equity method results from SCPs (special purpose partnerships) of R\$133.0 million; legal advisory expenses of R\$0.6 million; retail discontinuation costs, severance expenses, and obsolete inventory write-offs totaling R\$33.0 million; franchise management expenses of R\$5.0 million; indemnities paid to sales representatives of R\$0.7 million; other non-recurring items of R\$5.5 million; expenses related to judicial proceedings of R\$20.3 million; provision for expected credit losses of R\$6.2 million; provision for civil contingencies of R\$1.5 million; and non-recurring results related to GGB of R\$107.8 million.

EBITDA

Grendene's business is low capital-intensive. The Company regularly invests an amount equivalent to depreciation to keep its production capacity up to date. Additionally, Grendene maintains a positive net cash position and has no financial obligations that require payment using funds generated from operations. Therefore, we believe that EBIT analysis is more relevant for the Company's operational management.

Net Financial Revenue

Recurring net financial income totaled R\$485.9 million in 2025, representing a 33.1% increase compared to 2024. This performance reflects the higher returns on financial investments, driven by the increase in the CDI rate during the period.

From 2021 to 2025, recurring net financial income posted a compound annual growth rate (CAGR) of 32.2%, demonstrating the consistency of the Company's liquidity management strategy and the relevance of its solid financial position.

Financial Revenue (R\$ '000)	2021	2022	2023	2024	2025	Change 2025/2024	CAGR ¹ 2025/2021
Income from Financial Investments	103,463	157,270	137,154	128,837	180,720	40.3%	15.0%
Result of Variable Income Financial Instruments	5,338	89,158	(6,050)	-	-	-	(100.0%)
Net Gain (loss) on FX Variations	157	12,795	13,864	(30,235)	21,987	(172.7%)	244.0%
Other Financial Results (SCP's, COE, and debentures)	30,250	(1,933)	47,735	49,128	60,431	23.0%	18.9%
Other Financial Transactions	(1,056)	15,810	8,152	(9,096)	(24,424)	168.5%	119.3%
Adjustments to Present Value	21,055	63,097	116,186	116,621	114,168	(2.1%)	52.6%
Net Financial Revenue	159,207	336,197	317,041	255,255	352,882	38.2%	22.0%
(+) Equity Method (SCPs)	(88)	2,732	1,812	109,913	132,989	21.0%	-
Recurring Net Financial Revenue	159,119	338,929	318,853	365,168	485,871	33.1%	32.2%

The breakdown of the financial accounting result can be found in the notes to the financial statements.

Net Profit for the Year

In 2025, net profit for the year totaled R\$644.8 million, reflecting the effects of lower operating activity. Excluding non-recurring items, recurring net profit reached R\$815.9 million, reflecting the maintenance of recurring margins at elevated levels and the positive contribution of net financial income.

Net profit (R\$ '000)	2021	2022	2023	2024	2025	Change 2025/2024	CAGR ¹ 2025/2021
Net Profit for the Year	601,005	568,027	557,671	735,236	644,808	(12.3%)	1.8%
Non-Recurring Effect	(59,244)	45,057	103,499	61,222	171,119	179.5%	-
Recurring Net Profit for the Year	541,761	613,084	661,170	796,458	815,927	2.4%	10.8%
Net Margin	25.7%	22.6%	22.9%	28.0%	25.0%	(3.0 pp)	(0.7 pp)
Recurring Net Margin	23.1%	24.4%	27.2%	30.3%	33.7%	3.4 pp	10.6 pp

Cash Generation

In 2025, cash generated from operating activities amounted to R\$557.7 million. This amount, together with the net amount of R\$ 360.1 million from financial investments and R\$ 6.2 million related to loans, financing and lease liabilities, was allocated as follows: Capital contributions in the amount of R\$ 235.8 million; Acquisition of property, plant and equipment and intangible assets totaling R\$136.4 million; Payment of dividends and interest on equity (IOE) totaling R\$ 556.6 million; and a net result of R\$ 1.2 million from the purchase and sale of treasury shares for the exercise of stock options granted by the Company. As a result of these transactions, cash and cash equivalents decreased by R\$6.0 million.

Net Cash and Cash Equivalents

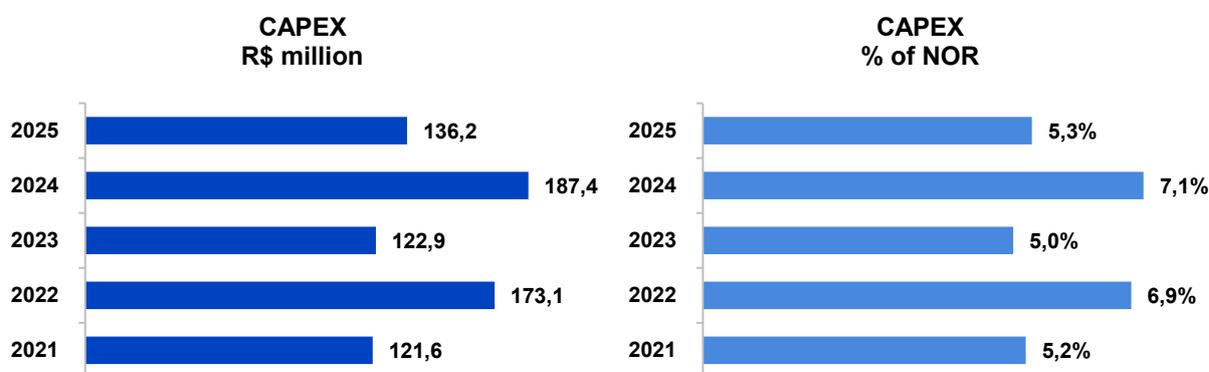
Grendene continues to have a solid financial situation. Net cash (considering cash and cash equivalents and short- and long-term financial investments, net of short- and long-term loans and financing) totaled R\$ 1.4 billion as of December 31, 2025, representing a decrease of 8.9% compared to R\$ 1.5 billion as of December 31, 2024. The share of net revenue generated over the last twelve months held in cash and cash equivalents and financial investments decreased from 61.0% as of December 31, 2024, to 56.8% as of December 31, 2025. The changes in cash and cash equivalents (cash, cash equivalents, and short- and long-term financial investments), loans and financing, and net cash are presented in the table and chart below.

R\$ million	2021	2022	2023	2024	2025
Cash, Cash Equivalents, and Financial Investments (ST and LT)	1,588.0	1,796.6	1,252.3	1,603.2	1,467.5
Loans and financings (ST and LT)	(124.3)	(106.6)	(92.4)	(68.9)	(69.1)
Net Cash	1,463.7	1,690.0	1,159.9	1,534.3	1,398.5

Capital Expenditures (Property, Plant and Equipment and Intangible Assets)

In 2025, investments in property, plant and equipment and intangible assets decreased by 27.3% compared to 2024, reflecting a more selective pace in the execution of the Company's capital expenditure plan throughout the year, in line with the operating environment.

Despite lower investment levels, the Company maintained its focus on preserving and modernizing its industrial assets, with projects aimed at the planned renewal of its manufacturing facilities, the incorporation of new technologies, and the continuous improvement of production efficiency, thereby reinforcing the long-term structural competitiveness of the business.



Equity Structure and Capital Market

Equity Structure

The share capital of Grendene S.A. as of December 31, 2025, was as follows: 4.6% (or 18.5% of free float) was held by Brazilian institutional investors; 7.8% (or 31.0% of free float) was held by foreign investors; 12.7% (or 50.5% of free float) was held by small investors, including individuals and treasury shares; and controlling shareholders and administrators held the remaining 74.9% of the share capital.

Distribution of equity ownership (%)	2024	2025
Controlling Shareholders and Administrators	70.3%	74.9%
Foreign Investors	13.8%	7.8%
Institutional Investors	6.5%	4.6%
Individuals	9.1%	11.6%
Other	0.3%	1.1%
Total	100.0%	100.0%

Distribution of free float ownership (%)	2024	2025
Foreign Investors	46.5%	31.0%
Institutional Investors	21.9%	18.5%
Individuals	30.8%	46.0%
Public and Private Companies	0.7%	4.4%
Financial Institutions	0.1%	0.1%
Total	100.0%	100.0%

Capital Markets

In 2025, a total of 737.3 million common shares were traded (equivalent to 3.3 times the free float), across 1,048.3 thousand transactions, representing a total trading volume of R\$3.86 billion. Average daily figures were as follows: 2,949.1 thousand common shares traded (representing 1.3% of the free trade), average daily trading volume of R\$15.4 million, and 4.2 thousand transactions.

From January to December 2025, Grendene's shares (GRND3) delivered a total return of 4.7%, assuming dividend reinvestment. During the period, the share price ranged from a low of R\$4.46 on December 29, 2025, to a high of R\$5.98 on March 19, 2025. Over the same period, the Ibovespa index increased by 34.0%.

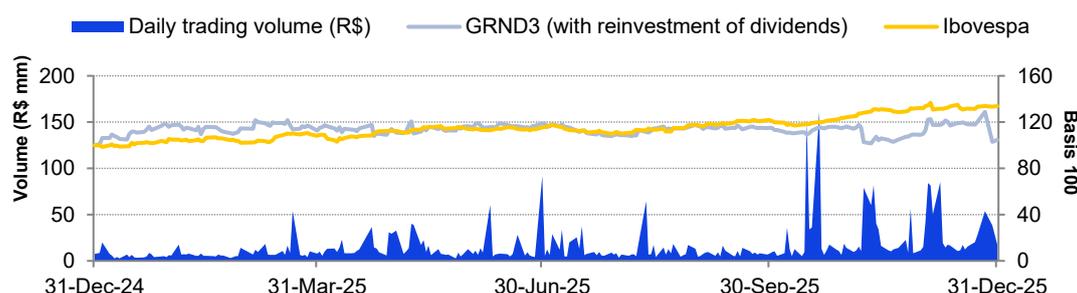
The number of trades, shares traded, financial volume and daily averages are presented in the table below:

Period	Trading Sessions	Number of Trades	Number of Shares	Trading volume R\$	Price R\$		Average number of Shares		Average trading volume R\$	
					Weighted Average	Closing	Per trade	Daily	Per trade	Daily
2024	251	752,308	298,818,300	1,807,858,906	6.05	4.88	397	1,190,511	2,403	7,202,625
2025	250	1,048,342	737,286,400	3,859,028,001	5.23	4.60	703	2,949,146	3,681	15,436,112

Currently, the Company's shares are included in the following indices of B3 S.A. – Brasil, Bolsa, Balcão ("B3"): IBRA (Broad Brazil Index), ICON (Consumption Index), IDIV (Dividend Index), IGCT (Corporate Governance Trade Index), IGCX (Corporate Governance Index – Differentiated), IGM (Novo Mercado Index), INDX (Industrial Index), ITAG (Tag Along Index), and SMLL (Small Cap Index).

This chart shows the performance of Grendene ON shares compared to the Bovespa index (Base: December 31, 2024, = 100), and daily trading volume.

Daily trading volume and GRND3 vs. Ibovespa



Remuneration to Shareholders

Dividend Policy

At the meeting of the Board of Directors on March 2, 2023, a new Company Dividend Policy was defined, establishing that a mandatory 25% dividend will be distributed in accordance with the Brazilian Corporation Law after the legal and statutory reserves have been established and may be paid as interest on equity, as required by law. Accordingly, the payment of additional dividends (more than the minimum required by law) will be subject to approval by the Board of Directors, "ad referendum" of the Annual General Shareholders' Meeting. However, as has been the Company's practice, the amount to be distributed each year will be proposed by Management ("ad referendum" of the Annual General Meeting) after an evaluation considering, among other factors: capitalization level, financial leverage, and liquidity of the Company, cash generation capacity, investment plan, projected capital needs based on the expected growth of the business, potential allocation of funds for ongoing share buyback programs.

Additionally, we will maintain our quarterly dividend distribution policy.

Allocation of Net Income for the Fiscal Year

The Company proposes the allocation of the results for the fiscal year 2025 as follows:

- R\$102,287,318.86 as the mandatory minimum dividend, corresponding to 25% of the dividend base.
- R\$306,861,956.57 as an additional dividend in excess of the mandatory minimum dividend; and
- Additionally, the distribution of forfeited dividends in the amount of R\$7,775.41 was proposed.

The sum of these amounts (a + b + c above) totals R\$409,157,050.84 which, after deducting the quarterly advances paid in the gross amount of R\$326,030,580.93, results in a remaining balance of R\$83,126,469.91. This amount will be paid by the Company, "ad referendum" of the Annual General Meeting that approves the financial statements for the fiscal year ended 2025, beginning on May 13, 2026, as follows:

- R\$82,000,000.00 as interest on equity (IOE), allocated to the mandatory minimum dividend (net amount of R\$67,650,000.00); and
- R\$1,126,469.91 as dividends.

Shareholders holding common shares (GRND3) and registered in the Company's records on April 23, 2026 (cut-off date) will be entitled to receive the dividends. Accordingly, Grendene's shares (GRND3) will be traded ex-JCP and ex-dividend as of April 24, 2026, on B3.

Demonstration of Dividends until December 31, 2025

Grendene S.A.	R\$
Net Profit for the Year	644,808,330.55
(-) Tax Incentive Reserve of ICMS	(118,485,008.94)
(-) Tax Incentive Reserve of IRPJ	(95,639,873.79)
Basis for Calculation of the Legal Reserve	430,683,447.82
(-) Legal Reserve	(21,534,172.39)
Dividends in respect of fiscal year 2025	409,149,275.43
(+) Unclaimed Dividends	7,775.41
Total Dividend Proposed by Management	409,157,050.84
(-) Early distribution of dividends 2025	(326,030,580.93)
Balance Available for Distribution	83,126,469.91

Statement of the Minimum Mandatory Dividend	R\$
Net Profit for the Year	644,808,330.55
(-) Legal Reserve	(21,534,172.39)
(-) Tax Incentives Reserve	(214,124,882.73)
Basis for Calculating the Minimum Mandatory Dividend	409,149,275.43
Mandatory Minimum Dividend (25%)	102,287,318.86
Proposed Dividend in Excess of the Minimum Mandatory Amount	306,861,956.57
Sum	409,149,275.43
Dividends Prescribed	7,775.41
Total	409,157,050.84

Dividends and Interest on Equity (payment schedule)

Dividends	Approval Date	Ex-date	Payment start date	Gross value R\$	Gross value per share R\$	Net value R\$	Net value per share R\$
Dividend ¹	May 8, 2025	May 15, 2025	May 29, 2025	57,546,886.07	0.063787894	57,546,886.07	0.063787894
Dividend ¹	Aug. 7, 2025	Aug. 22, 2025	Sep. 10, 2025	103,323,193.11	0.114528679	103,323,193.11	0.114528679
Dividend ¹	Nov. 6, 2025	Nov. 24, 2025	Dec. 10, 2025	3,898,525.75	0.004321324	3,898,525.75	0.004321324
IOE ¹	Nov. 6, 2025	Nov. 24, 2025	Dec. 10, 2025	60,000,000.00	0.066507050	51,000,000.00	0.056530992
Dividend ¹	Dec. 2, 2025	Dec. 12, 2025	Dec. 26, 2025	56,261,976.00	0.062363634	56,261,976.00	0.062363634
IOE ¹	Dec. 2, 2025	Dec. 12, 2025	Dec. 26, 2025	45,000,000.00	0.049880287	38,250,000.00	0.042398244
Dividend ^{1 and 2}	Mar. 5, 2026	Apr. 24, 2026	May 13, 2026	1,126,469.91	0.001248637	1,013,822.92	0.001123773
IOE ^{1 and 2}	Mar. 5, 2026	Apr. 24, 2026	May 13, 2026	82,000,000.00	0.090892968	67,650,000.00	0.074986699
			Total	409,157,050.84	0.453530473	378,944,403.85	0.420041239

¹ Dividends and interest on equity were approved "ad referendum" of the Annual General Meeting that appraised the balance sheet and financial statements for the 2025 fiscal year.

² Value per share is subject to change depending on the balance of treasury shares on the cut-off date (April 23, 2026). The dividend and Interest on Equity (IOE) per share amounts were determined based on the record date of December 31, 2025, at which time the Company held no treasury shares.

Additionally, at the Extraordinary General Meeting held on December 24, 2025, the Company approved the distribution of extraordinary dividends in the amount of R\$ 979,984,508.10, arising from the alternative allocation of ICMS tax incentives. Such extraordinary dividends were approved independently from the allocation of net income for fiscal year 2025 and are subject to a specific payment schedule, as detailed below:

Extraordinary dividend – Law 15.270/2025 – Payment Schedule

Dividends	Approval Date	Ex-date	Payment start date	Gross value R\$	Gross value per share R\$	Net value R\$	Net value per share R\$
Dividends	Dec. 24, 2025	Dec. 29, 2025	Jan. 14, 2026	400,000,000.00	0.443380332	400,000,000.00	0.443380332
Dividends	Dec. 24, 2025	Dec. 29, 2025	Mar. 18, 2026	200,000,000.00	0.221690166	200,000,000.00	0.221690166
Dividends	Dec. 24, 2025	Dec. 29, 2025	Jun. 10, 2026	200,000,000.00	0.221690166	200,000,000.00	0.221690166
Dividends	Dec. 24, 2025	Dec. 29, 2025	Sep. 9, 2026	179,984,508.10	0.199503977	179,984,508.10	0.199503977
			Total	979,984,508.10	1.086264641	979,984,508.10	1.086264641

The table below presents the mandatory minimum dividend and the additional dividend for the fiscal years indicated:

Fiscal Year:	2021	2022	2023	2024	2025
Mandatory Minimum Dividend (25%)	94,238,643.80	79,159,871.77	70,745,655.74	113,536,137.26	102,287,318.86
Additional Dividend	300,969,931.39	1,237,479,615.32	212,241,758.64	340,624,903.99	1,286,854,240.08
Total	395,208,575.19	1,316,639,487.09	282,987,414.38	454,161,041.25	1,389,141,558.94

Indicator	2021	2022	2023	2024	2025
Dividends +IOE, per share	0.4381	1.4595	0.3137	0.5034	1.5398
Payout (%)	66.1%	233.4%	47.6%	60.4%	218.4%
Dividend Yield (%)	4.5%	17.9%	4.2%	7.9%	28.8%

Payout Ratio: Net dividends plus net interest on equity divided by net income after the allocation to the Legal Reserve.

Dividend Yield: Dividends per share plus net interest on equity per share for the year divided by the weighted average share price for the period, annualized.

Additional Information

Independent Auditors – CVM Resolution 162/2022

In order to comply with CVM Resolution No. 162, dated July 13, 2022, Grendene S.A. informs that it engaged the independent audit services of PricewaterhouseCoopers Auditores Independentes Ltda. (PwC) for the limited review of its quarterly financial information and the audit of its financial statements for the fiscal year ended December 31, 2025. The related fees totaled R\$712.2 thousand. During this fiscal year, PwC did not provide any other advisory services.

In engaging any services not related to the external audit from its independent auditor, the Company adheres to principles that safeguard the auditor's independence, namely: a) the auditor must not audit its own work; (b) the auditor must not perform managerial functions for its client; and (c) the auditor must not advocate the interests of its client.

Statements of the Executive Officers

We hereby declare, in our capacity as Executive Officers of Grendene S.A., in accordance with CVM Resolution No. 80, dated March 29, 2022, Subsection III – Financial Statements, item V of Article 27, that we have reviewed, discussed, and agree with the opinions expressed in the Independent Auditors' Report; and

We hereby declare, in our capacity as Executive Officers of Grendene S.A., in accordance with CVM Resolution No. 80, dated March 29, 2022, Subsection III – Financial Statements, item VI of Article 27, that we have reviewed, discussed, and agree with the information presented in the Company's Individual and Consolidated Financial Statements for the fiscal years ended December 31, 2024 and 2025.

Summary Report of the Audit Committee

Grendene's Audit Committee is a permanent, non-statutory internal body that reports directly to the Board of Directors and operates in accordance with applicable laws and regulations. Among its responsibilities, the Audit Committee assists the Board of Directors (the "Board") in assessing the quality of the Company's Financial Statements, monitoring compliance with legal and regulatory requirements, and evaluating the independence and effectiveness of the work performed by the internal and independent auditors. It also oversees the effectiveness of the Company's internal systems for operational risk management and internal controls and, within the scope of its duties and responsibilities, recommends improvements and corrective measures to practices and procedures whenever deemed necessary.

The Audit Committee reviewed the Financial Statements as of the 2025 reporting date, as well as the work performed and the planning review of the Company's Internal Audit, Compliance, Risk Management, and Internal Controls functions. All of the topics raised at the Committee meetings were presented and evaluated by Grendene's Board of Directors at their quarterly ordinary meetings.

Risk Management, Internal Controls and Compliance

The Audit Committee noted that Grendene's Management has been developing standards, policies, and processes, with the support of the Governance, Risk and Compliance (GRC) area. These initiatives aim to strengthen the quality of the Company's internal controls, governance framework, and its culture of risk management and integrity (compliance). Throughout the year, the Committee held quarterly meetings, during which it promoted and monitored training sessions and communications on integrity and ethics, reviewed data from the Ethics Channel and the actions adopted by the Company, and monitored matters related to risks and internal controls, such as cyberattacks and data breaches, risks and opportunities related to sustainability and climate, the review of the corporate travel policy, and the definition of Grendene's Strategic Risk Matrix.

Independent Auditors

The Audit Committee maintains ongoing communication with the Independent Auditors to discuss the results of their work, support the Committee's assessment and conclusions.

The Committee considers the information provided by the Independent Auditors to be satisfactory, and no circumstances were identified that could compromise their independence.

Internal Audit

During the 2025 fiscal year, the Committee monitored, on a quarterly basis, the activities carried out by Internal Audit, including audits of inventories, property, plant and equipment, and processes.

In this context, the Committee verified the proper execution of these activities and monitored the progress of action plans arising from the audit findings identified.

Financial Statements

The Audit Committee reviewed the Financial Statements and the respective Notes to the Financial Statements, prepared by Management and reviewed by the Independent Auditors, for the 2025 fiscal year, noting that all relevant information has been duly recorded and is in compliance with applicable regulations.

Conclusion

Based on the analyses performed and considering its responsibilities and the inherent limitations of the scope of its activities, as well as the responsibilities assigned to the other governance bodies, the Independent Auditors and Management, the Audit Committee understands that the Financial Statements fairly present, in all material respects, the financial position of Grendene S.A. as of December 31, 2025.

Farrroupilha, RS, March 3, 2026.

João Carlos Sfreddo
Committee Coordinator

Bruno Alexandre Licarião Rocha
Committee Member

Herculano Aníbal Alves
Committee Member

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FINANCIAL
STATEMENTS

DEC/25 &
2024



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Financial statements
December 31, 2025 and 2024

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Independent auditor's report

To the Board of Directors and Stockholders
Grendene S.A.

Opinion

We have audited the accompanying parent company financial statements of Grendene S.A. (the "Company"), which comprise the balance sheet as at December 31, 2025 and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, as well as the accompanying consolidated financial statements of Grendene S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2025 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company and of the Company and its subsidiaries as at December 31, 2025, and the parent company financial performance and the cash flows as well as the consolidated financial performance and the cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the parent company and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, as applicable to audits of financial statements of public interest entities in Brazil, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





Why it is a Key Audit Matter	How the matter was addressed in the audit
<p data-bbox="207 382 756 441">Recognition of sales revenue in the correct period (Note 25)</p> <p data-bbox="207 533 756 684">The Company's and its subsidiaries' sales revenues consist in a large volume of transactions with small individual amounts and with deliveries in different regions of the country.</p> <p data-bbox="207 718 756 835">Management monitors the delivery of products to customers to identify invoiced and undelivered sales at the end of the year, in order to recognize revenue in its correct period.</p> <p data-bbox="207 869 756 1020">Due to the large volume of invoiced items, as well as the fact that management judgment is involved in recognizing the revenue in the correct period, we considered this area as the focus of our audit.</p>	<p data-bbox="808 533 1357 714">Our main audit procedures considered, among others, obtaining an understanding and evaluating the controls considered relevant in the revenue recognition process, including the general controls of the information technology environment.</p> <p data-bbox="808 747 1370 928">We made an independent estimate of invoiced and undelivered sales based on the actual delivery date and compared it with the amounts recorded by the company, identifying and reporting adjustments considered immaterial by the Company's management.</p> <p data-bbox="808 961 1351 1176">We selected, on a sample basis, certain sales transactions at the end of the year and at the beginning of the subsequent period for inspection of the evidence of delivery of the product to the customer, with the objective of verifying that only sales delivered were recognized by the Company.</p> <p data-bbox="808 1209 1377 1289">Finally, we analyzed the volume and nature of sales returns before and after the balance sheet date.</p> <p data-bbox="808 1323 1331 1474">We concluded that the criteria adopted by management for recognizing revenue in the appropriate period are reasonable and consistent with the related disclosures in the financial statements.</p>



Other matters - Statements of Value Added

The parent company and consolidated Statements of Value Added for the year ended December 31, 2025, prepared under the responsibility of the Company's management and presented as supplementary information for IFRS Accounting Standards purposes, were submitted to audit procedures performed in conjunction with the audit of the Company's financial statements. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". In our opinion, these Statements of Value Added have been properly prepared in all material respects, in accordance with the criteria established in the Technical Pronouncement, and are consistent with the parent company and consolidated financial statements taken as a whole.

Other information accompanying the parent company and consolidated financial statements and the auditor's report

The Company's management is responsible for the other information that comprises the Management Report.

Our opinion on the parent company and consolidated financial statements does not cover the Management Report, and we do not express any form of audit conclusion thereon.

In connection with the audit of the parent company and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the parent company and consolidated financial statements

Management is responsible for the preparation and fair presentation of the parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil and with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company and consolidated financial statements, management is responsible for assessing the ability of the Company and its subsidiaries, as a whole, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries, as a whole, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditor's responsibilities for the audit of the parent company and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the parent company and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its subsidiaries, as a whole, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries, as a whole, to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company and consolidated financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the parent company and consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats to our independence or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Porto Alegre, March 05, 2026

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/F-6

Rafael Biedermann Mariante
Contador CRC 1SP243373/O-0

Balance sheets

December 31, 2025 and 2024

(All amounts in thousands of reais)

	Note	Parent company		Consolidated	
		2025	2024	2025	2024
ASSETS					
Current assets		2,612,201	2,930,056	2,705,848	3,042,039
Cash and cash equivalents	5	47,819	48,016	70,158	76,109
Financial investments and other financial assets	6	987,916	1,087,668	987,916	1,087,668
Trade receivables	7	1,063,193	1,265,827	1,034,319	1,201,854
Inventories	8	395,144	369,167	483,533	502,517
Tax credits	9	46,095	84,856	54,306	93,186
Income tax and social contribution recoverable		23,697	10,833	23,997	11,120
Securities receivable	19	3,895	14,759	3,933	14,809
Costs and prepaid expenses		13,389	11,531	15,271	14,340
Other receivables	10	31,053	37,399	32,415	40,436
Non-current assets		1,864,516	1,528,335	1,795,534	1,458,020
Long-term receivables		450,979	482,915	448,467	484,870
Financial investments and other financial assets	6	409,455	439,420	409,455	439,420
Trade receivables	7	9,335	8,455	9,335	8,455
Judicial deposits		520	487	571	534
Tax credits	9	1,657	16,016	1,777	16,130
Deferred income tax and social contribution	20	19,918	15,784	19,716	15,711
Securities to receive	19	85	48	85	48
Other receivables	10	10,009	2,705	7,528	4,572
Investments	11	779,614	444,296	680,246	311,475
Property, plant and equipment	12	561,224	532,761	563,239	558,895
Intangible assets	13	72,699	68,363	103,582	102,780
Total assets		4,476,717	4,458,391	4,501,382	4,500,059

The accompanying notes are an integral part of these financial statements.



Balance sheets

December 31, 2025 and 2024

(All amounts in thousands of reais)

	Note	Parent company		Consolidated	
		2025	2024	2025	2024
LIABILITIES + EQUITY					
Current liabilities		1,297,768	398,850	1,322,215	428,642
Borrowings	14	55,636	56,629	55,636	56,629
Leasing contracts	15	-	-	1,280	8,859
Trade payables		47,585	57,656	56,927	69,558
Contractual obligations		6,928	10,735	6,928	10,735
Commissions payable		56,634	59,497	56,634	58,912
Taxes and contributions		35,739	39,314	36,511	40,150
Income tax and social contribution payable		-	303	-	461
Salaries and social security charges payable		95,819	112,358	97,155	114,003
Provision for labor risks, tax and civil	16	2,437	5,858	2,437	5,858
Extraordinary dividends payable	18.f	979,985	-	979,985	-
Advances from clients		13,028	30,031	19,681	34,412
Other payables	17	3,977	26,469	9,041	29,065
Non-current liabilities		24,991	18,595	25,209	30,471
Borrowings	14	13,433	12,310	13,433	12,310
Leasing contracts	15	-	-	218	11,026
Trade payables		-	143	-	143
Provision for labor risks, tax and civil	16	9,961	3,712	9,961	4,562
Other debits	17	1,597	2,430	1,597	2,430
Equity	18	3,153,958	4,040,946	3,153,958	4,040,946
Share capital		2,882,488	2,256,130	2,882,488	2,256,130
Capital reserves		7,925	3,722	7,925	3,722
Revenue reserves		250,076	1,764,178	250,076	1,764,178
Other comprehensive income		13,469	16,916	13,469	16,916
Total liabilities and equity		4,476,717	4,458,391	4,501,382	4,500,059

The accompanying notes are an integral part of these financial statements.



Statements of income

December 31, 2025 and 2024

(All amounts in thousands of reais, except earnings per share)

	Note	Parent company		Consolidated	
		2025	2024	2025	2024
Net sales revenue	25	2,481,383	2,627,874	2,584,341	2,628,580
Cost of goods sold	27	(1,394,981)	(1,387,763)	(1,415,265)	(1,387,506)
Gross profit		1,086,402	1,240,111	1,169,076	1,241,074
Selling expenses	27	(586,961)	(610,111)	(756,732)	(618,441)
General and administrative expenses	27	(123,162)	(110,093)	(146,419)	(111,264)
Other operating income	28	15,646	12,157	67,389	15,175
Other operating expenses	28	(56,218)	(12,306)	(141,408)	(15,442)
Equity in the results of subsidiaries	11	(8,945)	38,579	132,989	46,462
Operating profit before finance result and taxes		326,762	558,337	324,895	557,564
Finance result	29	350,788	254,131	352,882	255,255
Finance income		450,190	395,467	454,517	396,908
Finance costs		(99,402)	(141,336)	(101,635)	(141,653)
Profit before taxation		677,550	812,468	677,777	812,819
Income tax and social contribution	20	(32,742)	(77,232)	(32,969)	(77,583)
Current		(36,876)	(48,822)	(36,974)	(49,143)
Deferred		4,134	(28,410)	4,005	(28,440)
Profit for the year		644,808	735,236	644,808	735,236
Total comprehensive income attributed to:					
Controlling interests		644,808	735,236	644,808	735,236
Basic earnings per share	18.g	0.7148	0.8150	0.7148	0.8150
Diluted earnings per share	18.g	0.7150	0.8153	0.7150	0.8153

The accompanying notes are an integral part of these financial statements.



Statements of comprehensive income

December 31, 2025 and 2024

(All amounts in thousands of reais)

	Parent company		Consolidated	
	2025	2024	2025	2024
Profit for the year	644,808	735,236	644,808	735,236
Items potentially reclassified to the Statement of income in the future:				
Exchange differences on subsidiaries abroad	(8,071)	16,540	(8,071)	16,540
Reclassification adjustment – Loss (gain) on write-off of investment	4,624	(318)	4,624	(318)
Comprehensive income for the year, net of taxes	641,361	751,458	641,361	751,458
Total comprehensive income attributed to:				
Controlling interests	641,361	751,458	641,361	751,458

The accompanying notes are an integral part of these financial statements.

Statements of changes in equity

December 31, 2025 and 2024

(All amounts in thousands of reais)

	Note	Capital reserves			Income reserves				Comprehensive income		Total	
		Share capital	Options granted	Gains from sale of treasury shares	Treasury shares	Legal reserve	Reserve for the acquisition of shares	Tax incentives	Additional proposed dividends	Retained earnings		Other comprehensive income
On December 31, 2023		1,231,302	2,677	-	(20)	246,260	10,052	2,036,912	131,566	-	694	3,659,443
Total comprehensive income		-	-	-	-	-	-	-	-	735,236	16,222	751,458
Profit for the year		-	-	-	-	-	-	-	-	735,236	-	735,236
Other comprehensive income												
Exchange differences on subsidiaries	11.b	-	-	-	-	-	-	-	-	-	16,540	16,540
Realization of the reclassification adjustment - gain on the write-off of the investment		-	-	-	-	-	-	-	-	-	(318)	(318)
Transactions with shareholders												
Capital increase	18.a	1,024,828	-	-	-	-	-	(1,024,828)	-	-	-	-
Treasury shares purchased	18.c	-	-	-	(3,036)	-	-	-	-	-	-	(3,036)
Stock options exercised in the exercise	18.c	-	-	(3,056)	3,056	-	-	-	-	-	-	-
Sale of treasury shares through exercise of purchase options	24	-	-	1,977	-	-	-	-	-	-	-	1,977
Result on sale and cancellation of shares related to the stock	24.b	-	(1,710)	1,079	-	-	631	-	-	-	-	-
Expenses with stock option or subscription plan	24.b	-	2,755	-	-	-	-	-	-	-	-	2,755
Dividends distributed	18.f	-	-	-	-	-	-	(50,816)	-	-	-	(50,816)
Interest on Equity distributed	18.f	-	-	-	-	-	-	(80,750)	-	-	-	(80,750)
Interim dividends	18.f	-	-	-	-	-	-	-	(168,589)	-	-	(168,589)
Prescribed dividends	18.f	-	-	-	-	-	-	-	4	-	-	4
Additional proposed dividends	18.f	-	-	-	-	-	-	120,559	(120,559)	-	-	-
Interest on Equity distributed imputed to dividends	18.f	-	-	-	-	-	-	93,500	(165,000)	-	-	(71,500)
Internal changes in equity												
Constitution of reserves	18.d	-	-	-	-	23,903	-	257,189	-	(281,092)	-	-
On December 31, 2024		2,256,130	3,722	-	-	270,163	10,683	1,269,273	214,059	-	16,916	4,040,946
Total comprehensive income		-	-	-	-	-	-	-	-	644,808	(3,447)	641,361
Profit for the year		-	-	-	-	-	-	-	-	644,808	-	644,808
Other comprehensive income												
Exchange differences on subsidiaries abroad	11.b	-	-	-	-	-	-	-	-	-	(8,071)	(8,071)
Realization of the reclassification adjustment - loss on the write-off of the investment		-	-	-	-	-	-	-	-	-	4,624	4,624
Transactions with shareholders												
Capital increase	18.a	626,358	-	-	-	(270,163)	-	(356,195)	-	-	-	-
Treasury shares purchased	18.c	-	-	-	(4,836)	-	-	-	-	-	-	(4,836)
Stock options exercised in the exercise	18.c	-	-	(4,836)	4,836	-	-	-	-	-	-	-
Sale of treasury shares through exercise of purchase options	24	-	-	3,681	-	-	-	-	-	-	-	3,681
Result on sale and cancellation of shares related to the stock	24.b	-	(3,019)	1,155	-	-	1,864	-	-	-	-	-
Expenses with stock option or subscription plan	24.b	-	7,222	-	-	-	-	-	-	-	-	7,222
Dividends distributed	18.f	-	-	-	-	-	-	(120,559)	-	-	-	(120,559)
Interest on Equity distributed	18.f	-	-	-	-	-	-	(93,500)	-	-	-	(93,500)
Interim dividends	18.f	-	-	-	-	-	-	-	(221,025)	-	-	(221,025)
Prescribed dividends	18.f	-	-	-	-	-	-	-	3	-	-	3
Extraordinary dividend - Tax incentive allocation (ICMS)	18.f	-	-	-	-	51,578	-	(1,031,563)	-	-	-	(979,985)
Additional proposed dividends	18.f	-	-	-	-	-	-	1,127	(1,127)	-	-	-
Interest on Equity distributed imputed to dividends	18.f	-	-	-	-	-	-	67,650	(187,000)	-	-	(119,350)
Internal changes in equity												
Constitution/ Reversal of reserves	18.d	-	-	-	-	21,534	-	214,125	-	(235,659)	-	-
On December 31, 2025		2,882,488	7,925	-	-	73,112	12,547	95,640	68,777	-	13,469	3,153,958

The accompanying notes are an integral part of these financial statements.

Statements of cash flows – Indirect method

December 31, 2025 and 2024

(All amounts in thousands of reais)

	Note	Parent company		Consolidated	
		2025	2024	2025	2024
Net cash provided by operating activities		659,202	767,350	557,697	702,738
Cash flows from operating activities		527,311	657,214	419,368	654,528
Profit for the year		644,808	735,236	644,808	735,236
Equity in the results of subsidiaries	11	8,945	(38,579)	(132,989)	(46,462)
Reclassification adjustment – Loss/Gain on write-off of investment	11	4,624	(318)	4,624	(318)
Business combination movement	11.d	(4,521)	-	-	-
Depreciation and amortization	12 and 13	89,646	83,356	100,270	84,371
Residual value after write-down the property, plant and equipment and intangible	12 and 13	3,448	7,589	16,672	10,107
Lease write-off amount		-	-	(2,300)	-
Deferred income tax and social contribution	20.b	(4,134)	28,410	(4,005)	28,440
Stock option or subscription plan	24.b	7,222	2,755	7,222	2,755
Reducing accounts receivable from clients	7	15,974	(18,776)	16,335	(18,974)
Estimated losses for obsolete inventories	8	675	(1,714)	13,030	(1,576)
Provision for labor, tax and civil risks	16	2,828	3,412	1,978	3,753
Interest expenses on loans, financings and leasing contracts		1,321	874	1,397	(36)
Interest income on financial investments	6	(225,848)	(159,020)	(225,848)	(159,020)
Fair value of equity financial investments	6	(4,502)	(8,344)	(4,502)	(8,344)
Foreign exchange variations, net		(13,175)	22,333	(17,324)	24,596
Changes in assets and liabilities:		132,194	112,572	138,790	50,495
Trade receivables	7	185,780	(123,759)	150,320	(59,733)
Inventories	8	(26,652)	(9,819)	5,954	(141,999)
Tax credits	9	53,120	158,436	53,233	154,373
Other receivables		(4,886)	38,181	2,059	30,758
Trade payables		(10,214)	8,689	(12,774)	20,342
Salaries and social security charges payable		(16,539)	19,569	(16,848)	20,212
Taxes and contributions		(1,425)	(4,512)	(1,489)	(3,727)
Advances from clients		(17,003)	11,850	(14,731)	16,107
Other payables		(29,987)	13,937	(26,934)	14,162
Income tax and social contribution paid		(303)	(2,436)	(461)	(2,285)
Net cash used in investing activities		(113,639)	(359,195)	(12,082)	(301,943)
Subscriptions of capital	11.b	(380,004)	(63,578)	(266,965)	(9,505)
Capital Reductions	11.b	31,183	37,062	31,183	37,062
Acquisition of 50.1% stake in subsidiary	11.d	-	(41,146)	-	22,582
Cash arising from the acquisition of a subsidiary		-	16,462	-	16,462
Purchases of property, plant and equipment and intangible	12 and 13	(124,885)	(126,832)	(136,367)	(187,381)
Financial investments	6	(2,653,711)	(2,520,456)	(2,653,711)	(2,520,456)
Redemption of financial investments	6	2,773,390	2,162,780	2,773,390	2,162,780
Interest received of financial investments	6	240,388	176,513	240,388	176,513
Net cash used in financing activities		(545,760)	(417,107)	(551,566)	(398,421)
New borrowings, financings and leasing contracts		408,626	353,078	409,173	372,963
Payments of loans, financings and leasing contracts		(396,075)	(399,301)	(402,350)	(400,324)
Interest paid on loans, financings and leasing contracts		(567)	(408)	(645)	(584)
Dividends paid	18.f	(341,589)	(219,417)	(341,589)	(219,417)
Interest on Equity paid	18.f	(215,000)	(150,000)	(215,000)	(150,000)
Purchase of treasury shares	18.c	(4,836)	(3,036)	(4,836)	(3,036)
Sale of treasury shares through exercise of purchase options	24	3,681	1,977	3,681	1,977
Increase (decrease) in cash and cash equivalents		(197)	(8,952)	(5,951)	2,374
At the beginning of the year	5	48,016	56,968	76,109	73,735
At the end of the year	5	47,819	48,016	70,158	76,109

The accompanying notes are an integral part of these financial statements.

Statements of value added
December 31, 2025 and 2024
(All amounts in thousands of reais)

	Parent company		Consolidated	
	2025	2024	2025	2024
Revenue	2,822,589	3,020,987	2,905,436	3,022,226
Sales of goods	2,833,283	3,002,945	2,936,411	3,004,062
Other income /expenses	(3,651)	(1,154)	(23,512)	(1,257)
(Provision for impairment) reversals of trade receivables	(7,043)	19,196	(7,463)	19,421
Inputs acquired from third parties	(1,382,640)	(1,465,579)	(1,565,067)	(1,472,737)
Raw materials used	(709,332)	(749,229)	(647,938)	(747,797)
Other production costs	(5,858)	(6,181)	(87,536)	(7,356)
Materials, electricity, outsourced services and other	(666,775)	(711,883)	(816,503)	(719,214)
Impairment and recovery of assets	(675)	1,714	(13,090)	1,630
Gross value added	1,439,949	1,555,408	1,340,369	1,549,489
Retentions	(71,861)	(66,465)	(82,384)	(67,480)
Depreciation and amortization	(71,861)	(66,465)	(82,384)	(67,480)
Net value added	1,368,088	1,488,943	1,257,985	1,482,009
Value added received through transfer	450,966	441,670	597,329	451,067
Equity in the results of subsidiaries	(8,945)	38,579	132,989	46,462
Finance income (except PIS/COFINS and IOF)	459,780	402,951	464,209	404,465
Rentals	131	140	131	140
Value added to distribute	1,819,054	1,930,613	1,855,314	1,933,076
Distribution of value added	1,819,054 100%	1,930,613 100%	1,855,314 100%	1,933,076 100%
Personnel	724,507 39.83%	687,046 35.59%	756,465 40.77%	688,454 35.61%
Direct compensation	593,427	567,550	621,464	568,958
Benefits	72,447	68,822	75,965	68,822
Government Severance Indemnity Fund for Employees (FGTS)	58,633	50,674	59,036	50,674
Taxes and contributions	345,465 18.99%	362,566 18.78%	347,534 18.73%	363,304 18.79%
Federal	278,447	312,208	280,225	312,858
State	65,319	48,660	65,319	48,696
Municipal	1,699	1,698	1,990	1,750
Third-party capital remuneration	104,274 5.73%	145,765 7.55%	106,507 5.74%	146,082 7.56%
Interest, discounts and financial charges	99,403	141,336	101,635	141,653
Rentals	4,871	4,429	4,872	4,429
Remuneration of own capital	644,808 35.45%	735,236 38.08%	644,808 34.76%	735,236 38.04%
Dividends	222,149	289,144	222,149	289,144
Interest on Equity (counted as part of total dividends)	187,000	165,000	187,000	165,000
Profits for the year	235,659	281,092	235,659	281,092

The accompanying notes are an integral part of these financial statements.

1. General information

1.1. The Company

Grendene S.A. ('The Company') is a publicly traded company founded in **1971**, with head office at Av. Pimentel Gomes 214, Sobral, in the Brazilian State of Ceará. It develops, produces, distributes and markets **plastic footwear**, marketing and selling its products in Brazil and worldwide.

It owns the brands **Melissa, Grendha, Zaxy, Rider, Cartago, Ipanema, Grendene Kids** and **Pega Forte**, and operates under licensing agreements with celebrity names, and branded personality characters aimed at the children's public.

Grendene S.A. operates four **manufacturing plants**, in the Brazilian states of **Ceará** and **Rio Grande do Sul**, producing not only the company's output product, footwear, but also PVC, EVA and molds, to supply its own production processes.

Products are sold through commercial representatives, distributors, and direct exports, and also through subsidiaries in countries outside Brazil. Grendene has a **multi-channel sales structure**, comprising: (i) its **own stores**; (ii) its network of **franchises** of *Melissa* and *Mini Melissa* products (which it manages directly); and (iii) **e-commerce channels** which distribute the *Melissa, Grendha, Zaxy, Rider, Cartago, Ipanema* and *Grendene Kids* brands.

The Company's shares are listed for trading on the Novo Mercado segment of B3 S.A. – Brasil, Bolsa, Balcão, under the ticker symbol GRND3, with Mr. Alexandre Grendene Bartelle as the controlling shareholder."

1.2. Highlights of 4Q25

These are the main highlights of this fourth quarter:

- **Corporate reorganization:** On November 6, 2025, the Company approved a corporate reorganization involving its subsidiaries outside Brazil: (i) acquisition of all the shares in **Grendene Global Brands USA LLC**, which became a direct subsidiary of the Company; followed by (ii) start of dissolution and liquidation of Grendene Global Brands Limited, aiming to simplify the corporate structure and reduce administrative expenses, for completion in 2026.
- **Capital increase:** The Company approved a capital increase of R\$ 626,358, by capitalization of profit reserves. Details are in Note 18.a.
- **Proposal for distribution and payment of dividends and Interest on Equity:** The Company approved: (i) distribution of extraordinary dividends in the net amount of R\$ 979,985, from ICMS tax incentive reserves; and (ii) dividends and Interest on Equity in the net amount of R\$ 68,777, on the partial results of 4Q25. Details are in Note 18.f.
- **Financial information related to sustainability:** On December 29, 2025, the Company communicated to the market its early adoption, on a voluntary basis, of IFRS standards S1 and S2 – see Note 2.1.

1. General information--Continued

1.3. Tax reform on consumption

Aiming to simplify the tax system and increase efficiency of collection, Complementary Law n° 214 came into effect on January 16, 2025, establishing a **reform of taxes on consumption**: Under this tax reform, current taxes will be gradually replaced by new taxes, as follows:

Current taxes				New taxes		
IPI Exercise Tax	+	COFINS Contribution for the Financing of Social Security	+	PIS Employees' profit participation program	=	CBS Contribution on Goods and Services
	+	ICMS Value-Added Tax on sales and Services	+	ISS Services Tax	=	IBS Tax on Goods and Services
Not applicable to the Company						IS Selective Tax

The implementation of the new tax model will occur progressively, according to the following schedule:

2023-2025 Regulation and preparation	2026 Initial transition CBS and IBS	2027 CBS comes into effect, charging full rates, new obligations created	2028 Consolidation of the new federal model	2029-2032 Progressive transition from ICMS and ISS to IBS	2033 New system fully in effect
<ul style="list-style-type: none"> Enabling laws: approval stages. Structuring of the IBS and CBS. Development of the ratification environment. Transitional rules and differentiated regimes: definition stage. Companies begin to adapt systems. 	<ul style="list-style-type: none"> Start of charging of CBS and IBS on a test basis, with rates at: <ul style="list-style-type: none"> o CBS: 0.9% o IBS: 0.1% Current taxes remain in force. Tests of tax issuance and credits; integration of systems. 	<ul style="list-style-type: none"> CBS comes into effect at full rate (~8.8%); IBS at transition rate (0.1%). PIS and Cofins taxes cease to exist. IPI tax reduced to zero (except in the Manaus Free Trade Zone). Start of the transition from ICMS and ISS taxes to IBS. 'Split payment' introduced. 	<ul style="list-style-type: none"> CBS and Selective Tax fully functional. Operational adjustments; transition to IBS continues. 	<ul style="list-style-type: none"> Gradual reduction of rates of ICMS and ISS, with proportional increases in IBS. 	<ul style="list-style-type: none"> ICMS, ISS, PIS, Cofins and IPI taxes cease to exist. Both value added taxes – CBS and IBS – in full effect. New model in full effect: wide application of credits; charging effective at final sale.

The Company is continuously monitoring development of regulations, and proposed draft enabling laws going through Congress, with particular attention to proposed operational rules, specialized regimes, and directives for the transition.

As of December 31, 2025, the reform has not directly impacted the financial statements, as the new taxes were not yet in effect. However, management is already conducting technical studies and preparatory actions, which include:

- Assessment of the fiscal and tax impacts arising from the adoption of the non-cumulative tax regime, including tax credits and tax incentives, with a review of the tax planning;
- Analysis of the effects on pricing, margins, and contractual arrangements;
- Analysis of operational structures, including assessment of assets and impacts on cash flow; and
- Ongoing adaptation of systems and processes to the new tax model throughout the transition period. In 2026, the Company had already implemented the necessary adjustments to comply with the new requirements.

In addition, the Company is part of the **Tax Reform Pilot Project**, coordinated by the Brazilian Federal Revenue Service, positioning itself among the main private sector players involved in the transition process.

Given the complexity of the subject and the early stage of regulations, it is still not possible to safely estimate the quantitative impacts of the reform on operations. The Company will keep the market informed of any relevant effects, in line with the principles of transparency, governance, and regulatory compliance.

1. General information--Continued

1.2. Change of bookkeeping institution for the Company's shares

The Company announces that, as of July 1, 2025, it has replaced its Change of bookkeeping institution for the Company's shares responsible for the custody and administration of outstanding shares, changing from Banco Bradesco S.A. to **BTG Pactual Serviços Financeiros S.A. DTVM**, as disclosed in the material fact published on June 23, 2025.

We emphasize that this change did not result in any alteration to shareholders' rights, including the payment of dividends and other distributions, which will continue to be credited to the accounts previously provided by the Book-Entry Shareholder.

2. Basis of preparation and presentation of the financial statements

The Management of Grendene S.A. declares that the Company's individual and consolidated financial statements have been prepared based on the accounting practices adopted in Brazil issued by the Accounting Pronouncements Committee (CPC) and the rules of the Brazilian Securities Commission (Comissão de Valores Mobiliários – CVM), observing the accounting guidelines established by corporate law (Law No. 6.404/76), as well as in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The preparation of the financial statements was carried out based on the assumption of going concern.

The amounts are given in Brazilian Reais ("R\$"), the Company's functional currency, taking into account historic cost, with the exceptions of certain financial instruments and the share option and subscription scheme, which amounts are measured at fair value.

Transactions and balances in foreign currency are converted to the entity's functional currency as follows:

- **Monetary assets and liabilities:** These are converted at the exchange rate of the reporting date.
- **Revenue and expenditure:** Converted monthly, at the average exchange rate for the month.
- **Non-monetary assets:** Converted at the exchange rate of the transaction accounting date.

The financial statements of the foreign subsidiaries are converted into Brazilian Reais ("R\$") using their respective functional currencies, as follows:

	Final rate		Average rate	
	2025	2024	2025	2024
US\$ Dollar ("USD")	5.5024	6.1923	5.4531	6.0970
Euro ("EUR")	6.4692	6.4363	6.3887	6.3834

The main accounting policies applied are detailed in the explanatory notes, where the criteria used for measuring assets, liabilities, and other elements are described, ensuring consistency and comparability between periods.

In addition, the individual and consolidated Statements of Added Value (Demonstração do Valor Adicionado, or DVA), required by Brazilian corporate law, in accordance with Technical Pronouncement CPC 09, is presented as an integral part of the financial statements, whereas under IFRS they have the status of supplementary information.

2. Basis of preparation and presentation of the financial statements--Continued

All the material information specific to the financial statements, and only that information, is being presented, and reflects the Company's management practices.

Issuance of the Company's financial statements for the period ended December 31, 2025, was authorized by the Board of Directors on March 05, 2026.

Rules, and interpretations of rules, not yet in force

As of the date of issuance of these financial statements, the Group has not adopted the following new and revised International Financial Reporting Standards (IFRSs) that have been issued but are not yet effective:

Revisions	Nature of charge	Comes into force
Amendments to IFRS 7 and IFRS 9 Classification and measurement of financial instruments	The amendments deal with a range of accounting practices, seeking to make them more transparent and coherent. The more significant aspects include: <i>(i)</i> classification of financial assets with ESG and similar characteristics; and <i>(ii)</i> settlement of liabilities through electronic payment systems.	January 1, 2026
IFRS 18 / CPC 51 Presentation and Disclosure of Financial Statements	It will replace IAS 1/CPC 26 Presentation of Financial Statements, promoting consistency in the presentation and disclosure of financial statements. The main changes include: <i>(i)</i> New categories and subtotals in the income statement: operating, investing, and financing; <i>(ii)</i> New required subtotals in the income statement; <i>(iii)</i> Enhanced requirements for information grouping: aggregation, disaggregation, and labeling; <i>(iv)</i> Requirements for disclosures on management-defined performance measures (MDPs).	January 1, 2027
IFRS 19 Subsidiaries without Public Liability	This standard allows non-publicly accountable subsidiaries, whose parent companies prepare consolidated financial statements in accordance with IFRS, to provide reduced disclosures when applying international accounting standards in their financial statements. IFRS 19 is optional for eligible subsidiaries.	January 1, 2027

The adjustments to wording and references related to the text of the international standards **IFRS 7 – Financial Instruments: Disclosures** and **IFRS 9 – Financial Instruments**, have no impact on the Company.

Regarding **IFRS 18/ CPC 51 – Presentation and Disclosure in Financial Statements**, the Group is currently in the evaluation phase to identify all the impacts resulting from the changes that the standard introduces to the financial statements and the related explanatory notes. Based on the initial analyses, the main expected impacts are:

- Classification of investments in associates in the investments category within the income statement;
- Classification of foreign exchange variations in the same category of the income statement (income or expenses) in which the items that gave rise to such variations are recognized.

Finally, the Company's management does not expect adoption of the standards listed above to have any significant impact on its individual or consolidated financial statements.

2. Basis of preparation and presentation of the financial statements--Continued

2.1 Sustainability-related financial information

Complying with CVM Resolution 193 of 2023 (and its Resolutions 217, 218 and 219 of 2024), Grendene opted for **early adoption of the Sustainability-Related Financial Information Report**, on a **voluntary basis**, as specified in Standards IFRS S1 and IFRS S2 of the ISSB (*International Sustainability Standards Board*).

The Company will make use of the 'reliefs' provided for in these standards, reporting possible financial impacts related to physical and transition climate risks, according to the applicable guidelines.

Management has assessed the potential financial effects of climate change on the group's operations, assets, liabilities and generation of profit, based on consideration of the physical and transition risks identified in the business context. Based on the available information, the assumptions adopted, and the scenarios currently considered plausible, no impacts on the financial statements for 2025 have been identified. The criteria, methodologies, assumptions and main judgments used in this evaluation, as well as possible sensitivities and limitations inherent to the models adopted, will be published in detail in the Sustainability-Related Financial Information Report.

3. Consolidated in the financial statements

The consolidated financial information includes information of Grendene S.A. and its subsidiaries, as demonstrated in Note 11 – Investments.

Consolidation takes place from the date on which the parent company exercises control over the subsidiary (which may include fully absorbing its assets, liabilities, revenues and expenses), until the moment that this control ceases to exist.

The accounting periods of Grendene's subsidiaries are synchronized with its own. Accounting policies applied are uniform in all companies of the group, in accordance with international accounting standards and Brazilian accounting practices, subject to taking into account the operational specificities of each entity.

4. Judgments, estimates and accounting assumptions

Preparation of the individual and consolidated financial statements makes use of certain estimates and assumptions and also exercise of judgment by management in applying the accounting policies for the accounting of certain assets, liabilities, revenues and expenses.

Actual results may diverge from these estimates when they materialize. For this reason the process is continuously reviewed, with timely recognition of results, including effects on results in any future periods.

4. Judgments, estimated and accounting assumptions--Continued

In this table, management presents the nature of the principal events that could result in effects on the amounts recognized in the financial statements:

Notes	Nature
6. Financial investments and other financial assets	Measurement of the fair value of investments and other financial assets.
7. Trade receivables	Criteria for measuring estimated losses for doubtful receivables, estimated discounts for punctuality and the rates and periods applied in determining adjustments to present value.
8. Inventories	Criteria for measuring estimated losses for obsolete inventories in determining net realizable value.
16. Provision for labor risks, tax and civil	Criteria and measurement of provisions for employment-law, tax, civil and environmental risk and contingent assets.
20. Income tax and social contribution tax	Criteria adopted for recoverability of the asset if it is likely that it will not be realized.
22. Risk management	Assumptions used in the sensitivity analysis of financial instruments.
24. Stock option or subscription plan	Assumptions and measurement of the fair value of the share purchase and subscription option plan.

5. Cash and cash equivalents

Accounting policy

The funds are held in reserve for the purpose of meeting short-term cash commitments. The Company considers its Cash position as comprising balances held in cash, plus bank deposits that do not earn interest; and defines its Cash equivalents as financial investments that have high liquidity, able to be converted immediately into cash, or redeemed within three months of the date of contracting, with negligible risk of change in value.

The composition of cash and cash equivalents is as follows:

Type	Index	Average rate of return (y.y.)	Parent company		Consolidated	
			2025	2024	2025	2024
Cash			9,271	8,235	14,686	10,385
Cash and banks	-	-	9,271	8,235	14,686	10,385
Cash equivalents			38,548	39,781	55,472	65,724
Debentures with repurchase guarantees	CDI	14.45% and 11.16%	38,548	39,781	38,548	39,781
Investment fund	-	14.58% and 11.53%	-	-	16,924	15,000
Checking account	Pre-fixed	1.79%	-	-	-	1,264
Checking account	-	3.45%	-	-	-	9,679
			47,819	48,016	70,158	76,109

6. Financial investments and other financial assets

Accounting policy

Financial investments are recorded at acquisition cost, and adjusted on the reporting date to reflect their most likely realization value, subject to any limits reflecting possible sales. Details on classification of financial instruments are in Note 21 – Financial instruments.

The Company and its subsidiaries are exposed to variation in interest rates, which may affect its results. There is an analysis of these risks, with sensitivity scenarios, in Note 22 – Risk management.

6. Financial investments and other financial assets--Continued

The composition of financial investments and other financial assets is shown below:

Parent company / Consolidated				
Type	Index	Average rate of return (y.y.)	2025	2024
Current assets			987,916	1,087,668
Financial investments			966,951	1,077,579
Bank certificates of deposit (CDBs)	CDI	15.28% and 12.70%	938,526	1,062,167
Treasury notes (NTNs)	IPCA	8.13% and 11.23%	28,425	15,412
Other financial assets			20,965	10,089
Silent partner companies – SCPs ⁽¹⁾	–	–	20,965	10,089
Non-current assets			409,455	439,420
Financial investments			110,741	137,235
Treasury notes (NTNs)	IPCA	10.59% and 9.04%	10,570	37,065
Brazilian Structured Notes (Structured Transaction Certificates – COE)	Pre-fixed	15.00%	100,171	100,170
Other financial assets			298,714	302,185
SCP Baronesa de Itu ⁽²⁾	INCC	14.94% and 15.55%	48,416	43,909
SCP São Sebastião ⁽²⁾	INCC	14.55%	-	33,676
SCP Mangabeira ⁽²⁾	INCC	13.94%	79,083	-
SCP CFL Inc Par S.A. – SCP CFL & GDN ⁽²⁾	INCC	17.55%	-	32,476
Silent partner companies – SCPs ⁽¹⁾	–	–	130,507	147,474
Special purpose company – SPE Geradora Várzea Solar II S.A. ⁽³⁾	–	–	40,708	44,650

⁽¹⁾ Refers to participation in Participating Partnerships – SCPs, aimed at the acquisition of real estate, structuring, development, incorporation, exploitation, and commercialization of real estate projects. These financial instruments are measured at fair value through profit or loss, based on discounted cash flow, considering the expected sales curve and the average value of the last units sold, calculated at present value with a discount rate of INCC + 8% to 12.68% p.a., reflecting the return risk and the expected IRR of the investments.

⁽²⁾ Represents financial instruments, recorded at acquisition cost and updated to the reporting date, in accordance with the contractual clauses, relating to the following: SCP Baronesa de Itu (100%); SCP São Sebastião (48%, closed in March/25); SCP Mangabeira (99%) and SCP CFL Inc Par S.A. – CFL & GDN (100%, closed in Apr/25). The purpose of these SCPs is the acquisition of real estate, construction, structuring, development, incorporation, exploitation, marketing of the autonomous units, execution, completion, and delivery of the works of the respective projects.

⁽³⁾ This corresponds to the equity interest held in the special purpose company (*sociedade de propósito específico* – ‘SPE’) Geradora Várzea Solar II S.A., the corporate objects of which are building and commercial operation of the Várzea photovoltaic solar generation plant, which will deliver 10 MW average of incentive-bearing electricity to the Company, until December 31, 2043. The price of the energy supply is set by contract and has the advantage of the benefits of self-production. This financial instrument is registered at fair value through profit or loss, updated to the reporting date in accordance with the clauses of the contract.

The movement in the positions of cash investment is shown below:

	Parent company / Consolidated						
	Balances at 2024	Financial investments	Redemption	Fair value	Interest income	Interest received	Balances at 2025
Financial investments	1,114,644	2,610,011	(2,694,221)	-	173,204	(226,117)	977,521
Financial investments – COE	100,170	-	-	-	14,279	(14,278)	100,171
Financial investments – SCPs	110,061	36,000	(36,172)	-	17,610	-	127,499
Silent partner companies – SCPs	157,563	7,700	(42,997) ^(a)	8,451	20,755 ^(b)	-	151,472
Special purpose company – SPE	44,650	-	-	(3,949)	-	7	40,708
	1,527,088	2,653,711	(2,773,390)	4,502	225,848	(240,388)	1,397,371

^(a) Refers to redemption of the principal amount of capital initially invested in silent partner companies (SCPs).

^(b) Refers to the amount of the dividends received arising from distribution of the earnings of the SCPs.

7. Trade receivables

Accounting policy

The receivables include amounts arising from sales of goods, adjusted for exchange rate variation, when applicable, less estimated losses on doubtful receivables, estimated discounts for punctuality, and adjustments to present value.

Estimated credit losses from doubtful accounts are determined based on the amount billed to the client, considering the track record of default and individual analysis of each client, and excluding those that have court or out-of-court agreements, or guarantees. Management considers the amounts to be sufficient to cover any losses.

Estimated punctuality discounts correspond to the value of discounts to be granted on securities receivable upon maturity, with the counterpart recorded under the sales deductions line item.

Transactions in accounts receivable from clients have been adjusted to present value, taking into account the cash flows of the transaction and the implicit interest rate of the related assets, with the Selic rate applied for the domestic market and the SOFR rate for the international market.

This table shows Accounts receivable from clients in detail:

	Parent company		Consolidated	
	2025	2024	2025	2024
Domestic market	949,013	1,086,893	949,013	1,086,893
Foreign market	181,209	194,512	186,177	198,540
Foreign market - Related parties	34,430	69,027	982	1,059
	1,164,652	1,350,432	1,136,172	1,286,492
Estimated losses on doubtful receivables	(9,388)	(2,345)	(9,782)	(2,378)
Punctuality discounts estimated	(56,351)	(47,380)	(56,351)	(47,380)
Adjustment to Present Value (AVP)	(26,385)	(26,425)	(26,385)	(26,425)
	1,072,528	1,274,282	1,043,654	1,210,309
Current assets	1,063,193	1,265,827	1,034,319	1,201,854
Non-current assets	9,335	8,455	9,335	8,455

On December 31, 2025, the average period for receipt of sales in the **domestic market** was **113 days** (116 days in 2024), and for **foreign market** was **102 days** (82 days in 2024).

7. Trade receivables--Continued

The amounts of accounts receivable from clients are not subject to any lien or charge, nor guarantee given, nor any restrictions.

The classification by maturity of accounts receivable from customers, analyzed together with the estimated losses for doubtful accounts, are shown below:

	Parent company			
	2025		2024	
	Balance	Provision	Balance	Provision
Not yet due	1,131,433	-	1,305,390	-
Overdue for up to 30 days	6,695	-	18,702	-
Overdue from 31 to 60 days	1,177	-	8,506	-
Overdue from 61 to 90 days	1,399	(17)	421	(2)
Past due for more than 91 days	23,948	(9,371)	17,413	(2,343)
	1,164,652	(9,388)	1,350,432	(2,345)

	Consolidated			
	2025		2024	
	Balance	Provision	Balance	Provision
Not yet due	1,102,443	-	1,240,545	-
Overdue for up to 30 days	6,852	(8)	18,975	-
Overdue from 31 to 60 days	1,206	-	8,514	-
Overdue from 61 to 90 days	1,508	(17)	421	(2)
Past due for more than 91 days	24,163	(9,757)	18,037	(2,376)
	1,136,172	(9,782)	1,286,492	(2,378)

The changes in estimated losses on doubtful receivables and estimated discounts for punctuality are as follows:

	Estimated losses on doubtful receivables		Punctuality discounts estimated	
	Parent company	Consolidated	Parent company	Consolidated
Balances at 12/31/2023	(21,541)	(21,740)	(44,088)	(44,088)
Additions	(3,232)	(3,357)	(120,305)	(120,305)
Realizations	7,546	7,700	93,026	93,026
Reversals	14,882	15,046	23,987	23,987
Exchange variation	-	(27)	-	-
Balances at 12/31/2024	(2,345)	(2,378)	(47,380)	(47,380)
Additions	(10,372)	(11,000)	(155,224)	(155,224)
Realizations	2,969	2,969	119,037	119,037
Reversals	360	568	27,216	27,216
Exchange variation	-	59	-	-
Balances at 12/31/2025	(9,388)	(9,782)	(56,351)	(56,351)

8. Inventories

Accounting policy

Inventories are reported at average cost of acquisition or production, not exceeding their net realizable value, defined as the estimated selling price of products in normal operation, less costs and expenses necessary for their sales.

The Company constitutes estimated provisions for losses on low-turnover or obsolete stock items, based on an average percentage of non-recovery observed for the total of all inventories. The percentage takes into account historic values of losses on resale, reflecting partial recovery of costs, over a 36-month moving window.

The non-Brazilian subsidiaries adopt specific methodologies for calculation of these losses, appropriate to their local operational and market particularities, ensuring that the accounting criteria are aligned with the working context of each unit.

There is a connection between the Group's inventory management and its commitment to sustainability and innovation. The Company prioritizes creative reuse of materials, especially items remaining from previous collections, incorporating them into development of special products. This helps reduce waste, promotes circular use of resources, and generates sustainable value.

Additionally, inventories are subject to climate-related risks, especially through direct physical effects: extreme events such as heavy rains or heat waves can impact production, storage, and/or distribution. Because they are short-term assets, they represent less exposure to transition risks, which may or may not manifest over longer horizons.

Management believes that the criteria adopted for provisioning estimated losses are appropriate and sufficient to reflect risks related to low-turnover or obsolete stocks, and also those arising from climate change.

The following is the composition of Inventories:

	Parent company		Consolidated	
	2025	2024	2025	2024
Footwear	87,604	75,302	167,814	156,290
Accessories	1,239	962	1,938	1,992
Goods for resale	416	745	416	745
Inputs and components	46,612	46,181	46,612	46,181
Raw materials	123,440	109,861	123,440	109,861
Packaging materials	21,191	20,837	21,191	20,837
Intermediate and other materials	56,358	51,767	56,358	51,767
Molds and tooling	33,727	28,705	33,727	28,705
Advances to suppliers	9,603	12,351	9,603	12,351
Imports in transit	3,017	14,166	19,808	60,480
Inventories held by third parties	21,098	16,776	24,440	22,092
Estimated losses for obsolete inventories	(9,161)	(8,486)	(21,814)	(8,784)
	395,144	369,167	483,533	502,517

8. Inventories--Continued

The movements of the estimated losses on slow-moving or obsolete inventories are shown below:

	Parent company	Consolidated
Balances at 12/31/2023	(10,200)	(10,360)
Additions	(13,609)	(13,825)
Realizations	4,061	4,061
Reversals	11,262	11,394
Exchange variation	-	(54)
Balances at 12/31/2024	(8,486)	(8,784)
Additions	(31,530)	(44,036)
Realizations	1,846	1,846
Reversals	29,009	29,101
Exchange variation	-	59
Balances at 12/31/2025	(9,161)	(21,814)

There are no liens, pledges and/or restrictions to the full utilization of the inventories.

9. Tax credits

Accounting policy

Tax credits are classified in Current or Non-current assets, according to expected dates of applicability and the related limits of compensation established in the legal rules from time to time in effect, updated by the Selic rate, when relevant. The Company periodically monitors its credits, with the intention of guaranteeing that they are in fact offset, and recoverable.

	Parent company		Consolidated	
	2025	2024	2025	2024
Income tax withheld at source	28,075	17,171	30,356	19,259
ICMS tax recoverable	2,938	3,160	2,938	4,110
Income tax-- credit for Selic interest	-	22,629	-	22,629
Corporate income tax ('IRPJ') – Worker's Food Program (PAT)	-	2,549	-	2,549
PIS and COFINS taxes recoverable ⁽¹⁾	1,441	40,722	1,441	40,722
Tax credits Law ⁽²⁾	15,148	14,474	15,148	14,474
Others	150	167	6,200	5,573
	47,752	100,872	56,083	109,316
Current assets	46,095	84,856	54,306	93,186
Non-current assets	1,657	16,016	1,777	16,130

⁽¹⁾ Refers mainly to the following points: **(a)** The amount of R\$27,442 on December 31, 2024, corresponding to the credit arising from the final court decision of February 13, 2019, which recognized the Company's right to exclude amounts of ICMS tax from the calculation base for the PIS and COFINS taxes. The application for qualification was granted on September 19, 2019, and as from the 2020 financial year the Company has been using the credit through offsetting in its tax returns. **(b)** The amount of **R\$614** (R\$12,781 on December 31, 2024) refers to the tax credit recognized by a court decision of October 9, 2023, relating to the acquisition of inputs used by Grendene S.A. in its operations. The application for qualification was granted on November 7, 2024, and the credit is being used according to the legislation in force.

⁽²⁾ This refers to tax credits, at the 25% corporate income tax rate, calculated on the amounts of depreciation and amortization of establishments receiving ICMS tax-incentive benefits (Note 19.a) related to implementation or expansion of economic enterprises, as per Law 14.789/23. The balance for the 2024 fiscal year has already been offset.

10. Other receivables (Assets)

The composition of the balance of assets from other credits, classified as current and non-current, is shown below:

	Parent company		Consolidated	
	2025	2024	2025	2024
Miscellaneous anticipations	17,666	13,844	18,933	16,181
Salary advances	9,747	8,594	9,750	8,597
Credits with affiliates	3,634	14,878	3,634	14,878
Credits with subsidiaries	2,794	75	-	-
Anticipated costs and expenses	1,929	2,550	1,990	2,611
Marketing Fund	6	83	6	83
Other receivables	5,286	80	5,630	2,658
	41,062	40,104	39,943	45,008
Current assets	31,053	37,399	32,415	40,436
Non-current assets	10,009	2,705	7,528	4,572

11. Investments

Accounting policy

The Company has, at the end of the year, investments in subsidiaries and affiliates, which are valued by the equity method. The other investments are recorded at acquisition cost and, adjusted to market cost when applicable.

In the acquisition of the investment, any differences between the acquisition cost of the investment and the investor's share of the fair value net assets and liabilities of the investee should be accounted for as goodwill or discount.

The Company's investments are as follows:

	Parent company		Consolidated	
	2025	2024	2025	2024
Holdings in subsidiaries	75,220	108,681	-	-
Goodwill	8,298	-	-	-
Goodwill premium	17,178	24,617	-	-
Unrealized profits in subsidiaries	(1,328)	(477)	-	-
Equity interest in affiliated company	674,182	305,411	674,182	305,411
Shareholding interests in other companies	5,652	5,652	5,652	5,652
Other investments	412	412	412	412
	779,614	444,296	680,246	311,475

11. Investments--Continued

a) Stockholding interests in investments

Names	Principal characteristics	Country of head office	Stake	Percentage interest	
				2025	2024
Consolidated					
MHL Calçados Ltda. ⁽¹⁾	Manufacture and sale of footwear. Currently, it is not operational.	Brazil	Direct	100.00%	99.998%
Grendene USA, Inc.	Commercial representative, selling and distributing our products in the US market. Currently, it is not operational.	USA	Direct	100.00%	100.00%
Grendene Italy, S.R.L.	Commercial representative, selling and distributing our products.	Italy	Direct	100.00%	100.00%
Grendene Global Brands Limited ⁽²⁾	Distribution and sale of Grendene products in the international market.	United Kingdom	Direct	100.00%	100.00%
Grendene Global Brands USA LLC ⁽²⁾	Distribution and sale of Grendene products in the international market.	USA	Direct	100.00%	100.00%
Unconsolidated					
YOUPE Participações S.A.	Management of own assets, and participation, directly or through subsidiaries, in the share capital of other companies, in Brazil or the rest of the world, including the conclusion in silent partner companies.	Brazil	Affiliated Company	18.952%	18.952%
HIPE Participações S.A.	Management of own assets and the participation, directly or through subsidiaries, as a holder of share units or stock, in the share capital of other companies, in Brazil or abroad, and/or in investment funds, as a quotaholder, including the conclusion in silent partner companies.	Brazil	Affiliated Company	49.92%	49.92%
NM GAP II Participações S.A.	Management of own assets and the participation, directly or through subsidiaries, as a holder of share units or stock, in the share capital of other companies, in Brazil or abroad, and/or in investment funds, as a quotaholder, including the conclusion in silent partner companies.	Brazil	Affiliated Company	42.77%	42.77%
NM IBIRA Participações S.A.	Management of own assets and the participation, directly or through subsidiaries, as a holder of share units or stock, in the share capital of other companies, in Brazil or abroad, and/or in investment funds, as a quotaholder, including the conclusion in silent partner companies.	Brazil	Affiliated Company	59.48%	59.48%
NM Vila Participações S.A.	Direct participation or through subsidiaries in the share capital, as a shareholder or shareholder, in Brazil or abroad; and/or in investment funds, as a shareholder.	Brazil	Affiliated Company	99.9998%	99.9995%
GAP II Participações Ltda.	Holding, directly or through subsidiaries, of stock or unit shares in the share capital of other companies, in Brazil or the rest of the world, and/or in investment funds, as a unit holder, including formation of silent partner companies.	Brazil	Other Companies	15.1%	15.1%

⁽¹⁾ The 188th meeting of the Executive Board, held on November 6, 2025, decided to acquire two (2) shares of the capital stock, resulting in 100% ownership.

⁽²⁾ On November 6, 2025, the Company approved the corporate reorganization involving its foreign subsidiaries, through the acquisition of Grendene Global Brands USA LLC, at book value, which became a direct subsidiary of Grendene S.A. and initiated its dissolution process, with the extinction of Grendene Global Brands Limited expected to occur in fiscal year 2026.

11. Investments--Continued

b) Changes

The changes in investments are as follows:

	Balances at 2024	Investments							Equity in the results of subsidiaries	Exchange differences on subsidiaries abroad	Balances at 2025
		Capital reduction	Capital Increase	Acquisition	Write-down / transfer of investment	Goodwill	Goodwill Premium	Dividends			
Subsidiaries	132,821	-	113,039	49,774	(49,774)	9,229	(5,716)	-	(141,934)	(8,071)	99,368
MHL Calçados Ltda.	15,308	-	-	-	-	-	-	-	2,217	-	17,525
Grendene USA, Inc.	118	-	287	-	-	-	-	-	(230)	(17)	158
Grendene Italy, S.R.L. ⁽¹⁾	4,553	-	-	-	-	-	-	-	(2,071)	(42)	2,440
Grendene Global Brands Limited ⁽¹⁾	112,842	-	96,549	-	(49,774)	9,229	(5,716)	-	(128,098)	(9,896)	25,136
Grendene Global Brands USA LLC ⁽¹⁾⁽³⁾	-	-	16,203	49,774	-	-	-	-	(13,752)	1,884	54,109
Affiliated Company	305,411	-	266,965	-	-	-	-	(31,183)	132,989	-	674,182
YOUPE Participações S.A.	635	-	-	-	-	-	-	(1)	464	-	1,098
HIPE Participações S.A.	229,575	-	-	-	-	-	-	(12,623)	61,201	-	278,153
NM GAP II Participações S.A.	25,545	-	-	-	-	-	-	(15,376)	26,537	-	36,706
NM IBIRA Participações S.A.	41,996	-	-	-	-	-	-	(3,183)	46,803	-	85,616
NM Vila Participações S.A.	7,660	-	266,965	-	-	-	-	-	(2,016)	-	272,609
Shareholding interests in other companies	5,652	-	-	-	-	-	-	-	-	-	5,652
NM GAP Participações Ltda.	5,652	-	-	-	-	-	-	-	-	-	5,652
Other investments	412	-	-	-	-	-	-	-	-	-	412
Others	412	-	-	-	-	-	-	-	-	-	412
	444,296	-	380,004	49,774	(49,774)	9,229	(5,716)	(31,183)	(8,945)	(8,071)	779,614

	Balances at 2023	Investments							Equity in the results of subsidiaries	Exchange differences on subsidiaries and joint venture abroad	Balances at 2024
		Capital reduction	Capital Increase	Acquisition	Write-down / transfer of investment	Income reserves	Goodwill Premium	Dividends			
Subsidiaries	20,594	-	10,252	39,267	39,111	4,554	24,617	-	(7,883)	2,309	132,821
MHL Calçados Ltda.	14,704	-	-	-	-	-	-	-	604	-	15,308
Grendene USA, Inc. ⁽¹⁾	2,792	-	2,241	-	-	-	-	-	(5,018)	103	118
Grendene Italy, S.R.L.	3,098	-	-	-	-	4,554	-	-	(3,469)	370	4,553
Grendene Global Brands Limited ⁽¹⁾	-	-	8,011	39,267	39,111	-	24,617	-	-	1,836	112,842
Affiliated Company	223,055	(26,706)	9,505	-	-	-	-	(10,356)	109,913	-	305,411
YOUPE Participações S.A.	10,962	(10,277)	-	-	-	-	-	(551)	501	-	635
HIPE Participações S.A.	134,699	-	1,005	-	-	-	-	(5,307)	99,178	-	229,575
NM GAP II Participações S.A.	21,543	-	-	-	-	-	-	(2,642)	6,644	-	25,545
NM IBIRA Participações S.A.	55,851	(16,429)	-	-	-	-	-	(1,856)	4,430	-	41,996
NM Vila Participações S.A.	-	-	8,500	-	-	-	-	-	(840)	-	7,660
Joint venture	88,331	-	-	-	(39,111)	-	-	-	(63,451)	14,231	-
Grendene Global Brands Limited ⁽¹⁾	88,331	-	-	-	(39,111)	-	-	-	(63,451)	14,231	-
Shareholding interests in other companies	5,652	-	-	-	-	-	-	-	-	-	5,652
NM GAP Participações Ltda.	5,652	-	-	-	-	-	-	-	-	-	5,652
Other investments	412	-	-	-	-	-	-	-	-	-	412
Others	412	-	-	-	-	-	-	-	-	-	412
	338,044	(26,706)	19,757	39,267	-	4,554	24,617	(10,356)	38,579	16,540	444,296

⁽¹⁾ Audited by other independent auditors.

⁽²⁾ Amount consolidated in the subsidiary Grendene USA Inc, and indirect subsidiary Grendene New York L.L.C., until June 2024.

⁽³⁾ The 117th meeting of the Board of Directors, on November 6, 2025, approved acquisition from Grendene Global Brands Limited, at book value, of all the Units in the share capital of **Grendene Global Brands USA LLC**, which is now a direct subsidiary of Grendene S.A.

11. Investments--Continued
c) Summarized financial information of direct and indirect subsidiaries (consolidated), affiliated company, joint venture and other companies

	2025							
	Investments		Balance sheet			P&L		
	Percentage of interest	Interest in equity	Assets	Liabilities	Equity	Revenue	Costs and expenses	Net income
Subsidiaries								
MHL Calçados Ltda.	100.00%	17,525	17,534	9	17,525	2,317	(100)	2,217
Grendene USA, Inc.	100.00%	158	207	49	158	-	(230)	(230)
Grendene Italy, S.R.I.	100.00%	2,733	8,943	6,210	2,733	5,552	(7,807)	(2,255)
Grendene Global Brands Limited	100.00%	(340)	28	368	(340)	348,306	(476,404)	(128,098)
Grendene Global Brands USA LLC	100.00%	55,144	105,069	49,925	55,144	14,095	(26,812)	(12,717)
Affiliated company								
YOUPE Participações S.A.	18.952%	1,098	20,492	14,700	5,792	2,513	(68)	2,445
HIPE Participações S.A.	49.92%	278,153	558,169	981	557,188	122,685	(89)	122,596
NM GAP II Participações S.A.	42.77%	36,706	86,288	475	85,813	70,130	(8,468)	61,662
NM IBIRA Participações S.A.	59.48%	85,616	144,704	772	143,932	78,705	(38)	78,667
NM Vila Participações S.A.	99.9998%	272,609	268,813	3	268,810	171	(2,187)	(2,016)
Shareholding interests in other companies								
NM GAP Participações Ltda.	15.1%	5,652	46,459	172	46,287	9,320	(412)	8,908

The closing date of the reporting period for the summary information of the Balance Sheet and Income Statement of the affiliates and the shareholding interests in other companies is November 30, 2025.

	2024							
	Investments		Balance sheet			P&L		
	Percentage of interest	Interest in equity	Assets	Liabilities	Equity	Revenue	Costs and expenses	Net income
Subsidiaries								
MHL Calçados Ltda.	99.998%	15,308	16,170	862	15,308	1,505	(901)	604
Grendene USA, Inc. ⁽¹⁾	100.00%	118	187	69	118	2,608	(7,626)	(5,018)
Grendene Italy, S.R.I.	100.00%	5,030	7,059	2,029	5,030	3,032	(6,304)	(3,272)
Grendene Global Brands Limited.	100.00%	88,225	183,732	95,507	88,225	-	-	-
Affiliated company								
YOUPE Participações S.A.	18.952%	635	41,896	38,545	3,351	2,715	(72)	2,643
HIPE Participações S.A.	49.92%	229,575	461,379	1,501	459,878	198,723	(52)	198,671
NM GAP II Participações S.A.	42.77%	25,545	60,848	1,101	59,747	19,364	(3,830)	15,534
NM IBIRA Participações S.A.	59.48%	41,996	88,716	18,115	70,601	7,477	(30)	7,447
NM Vila Participações S.A.	99.9995%	7,660	4,214	53	4,161	8	(848)	(840)
Joint venture								
Grendene Global Brands Limited.	49.9%	-	-	-	-	162,362	(289,518)	(127,156)
Shareholding interests in other companies								
NM GAP Participações Ltda.	15.1%	5,652	45,844	24	45,820	1,864	1,995	3,859

The closing date of the reporting period for the summary information of the Balance Sheet and Income Statement of the affiliates, joint venture and the shareholding interests in other companies is November 30, 2024.

11. Investments--Continued

d) Business combination

Accounting policy

Accounting of business combinations is by the Acquisition method. The cost of an acquisition is measured as the sum of the considerations transferred, which is assessed on the basis of the fair value on the acquisition date. The identifiable assets and the liabilities assumed are measured at their fair value on the date of acquisition of control. The goodwill is measured as being the amount by which the total consideration transferred exceeds the net value of assets acquired (identifiable assets acquired, net, less liabilities assumed). If the consideration is less than the fair value of the net assets acquired, the difference should be recognized as a gain in the income statement.

On December 1, 2024, the Company acquired 50.1% of the shares of Grendene Global Brands Limited ("GGB") for **R\$54,857**, of which R\$41,146 was paid in cash and R\$13,711 was to be paid throughout 2025, in accordance with the agreement with Radar Private Fund I LP.

With this acquisition, Grendene came to hold 100% of GGB, becoming its controlling shareholder. The operation is aligned with the strategy of internationalizing the brands, expanding the Company's global presence, as well as supporting progress in digitalization initiatives and in the direct-to-consumer ('DTC') sales model.

The business combination was carried out in stages. The previously held interest: (i) realized a gain of **R\$5,108**, by measuring at fair value on the date control was obtained, recorded in "Other operating income"; (ii) realized a loss of **R\$4,624** related to the write-off of accumulated foreign exchange differences, recorded in "Other operating expenses". The effects were recognized in profit or loss and in other comprehensive income.

The transaction was evaluated in a Purchase Price Allocation (PPA) opinion, based on measurement of the fair value at the date of acquisition. The goodwill premium of **R\$18,901** generated by the acquisition is attributable to expected future profitability of the operations of "GGB".

The table below provides a summary of the calculation of the amounts related to the transaction at the moment of its completion:

Components in the purchase consideration	12/1/2024
Acquisition price	54,857
Stockholder's equity of the acquired entity	(30,827)
Fair value of the identifiable net assets	(5,129)
Net assets purchased	(35,956)
Goodwill premium	18,901

11. Investments--Continued

d) Business combination--Continued

The following is the best estimate of the consideration paid and the values of the assets acquired, and liabilities assumed, recognized on the date of acquisition.

	Fair value recognized in the acquisition
Assets	165,135
Cash and cash equivalents	24,251
Accounts receivable from clients	4,799
Inventories	96,517
Prepaid expenses	2,672
Other credits	8,377
Property, plant and equipment	2,512
Relationship with clients	7,799
Intellectual property	18,208
Liabilities	(93,367)
Leasing contracts	(19,439)
Accounts payable	(69,386)
Other liabilities	(4,542)
Total identifiable net assets	71,768
Accounting equity (initial)	61,531
Fair value of identifiable net assets (Goodwill)	10,237
Total consideration	71,768

The accounting of identifiable net assets in these financial statements was carried out based on fair value assessment, reflecting the best available estimate according to the independent appraisal report used in the preparation of the PPA (*Purchase Price Allocation*).

This table demonstrates the allocation of the fair value of the assets acquired:

	Fair value
Property, plant and equipment	(6,693)
Intellectual property	17,378
Relationship with clients	(448)
	10,237
Amount not allocated (goodwill premium)	18,901
	29,138

The main assumptions used in the measurement of fair value are as follows:

Property, plant and equipment: Comprises furniture and utensils, and IT equipment, valued at fair value, estimated using the Indirect Cost Quantification method.

Intellectual property: This is the fair value of revenues generated by digital means (such as from the entity's own website and through non-owned marketplaces) in the international market of the US and China, determined on the basis of the intellectual property developed and parameterized by Target. This value is estimated using the income approach, through the Relief from Royalty method.

11. Investments--Continued**d) Business combination--Continued**

Relationship with clients: The valuation of the relationship with clients was based on the revenue of the wholesale channels, as provided by Management: a detailed analysis of the behavior and turnover of the wholesale customers of GGB over 3 years – a period which provides an up-to-date view of the client base. For projection of revenue, price adjustments were applied in line with U.S. inflation and real rates of growth of billing of the existing customer base, representing 32.7% of total revenue. The fair value of the relationship with clients was estimated by an income approach using the Multi-period Excess Earnings Method (MPEEM).

Amount not allocated: This comprises the tangible and intangible assets not allocated in the PPA (*Purchase Price Allocation*) report, which did not take into account any deferred tax asset or liability

12. Property, plant and equipment**Accounting policy**

PP&E is recorded at cost of acquisition or construction, less depreciation, tax credits for PIS, Cofins and ICMS taxes, and impairments when applicable. Depreciation is by the straight-line method, based on estimated useful life, reviewed annually and adjusted whenever necessary to reflect real use and maintenance conditions.

Assets are written off when sold, or when they are not expected to produce any future economic benefits. Any resulting gains or losses are recognized in the profit and loss account. Significant replacements or improvements, which extend the useful life or operational capacity of assets, are capitalized and included in PP&E, while routine repair and maintenance costs are recognized as expenses when they occur.

Assets of right to use, arising from lease contracts, are recorded, on the start date of the contract, at the amount of the corresponding liability, plus any initial direct costs. These assets are depreciated by the straight line method, over the lesser of (i) the period of the contract or (ii) the assets' useful life, and adjusted as and when there are revaluations of the liability.

Assets of right to use arising, from lease contracts are recognized at the commencement date at the amount of the corresponding lease liability, plus any initial direct costs. These assets are depreciated on a straight-line basis over the lease term or the useful life of the underlying asset, whichever is shorter, and are adjusted in accordance with reassessments of the liability.

12. Property, plant and equipment--Continued

a) Estimated useful life

The useful lives of assets that are depreciated by the straight-line method are as follows:

	Nature of fixed assets	Estimated useful life
	Building	25 years
	Facilities	10 years
	Improvements in rented buildings	According to the period of the leasing contract
	Machinery and equipment	10 years
	Tools	5 years
	Furniture and fittings	10 years
	Data processing equipment	5 years
	Fixed assets in progress	According to classification, when activated
	Production of goods in progress	According to classification, when activated
	Environmental facilities	10 years
	Right to use	According to the period of the leasing contract
	Others	5 and 10 years

b) Movement of PP&E

The composition of the PP&E is represented in the tables below:

	Parent Company								
	Land, buildings, facilities and leasehold improvements	Machinery, equipment and tools	Furniture and fittings	Data processing equipment	PPE in progress ⁽¹⁾	Production of goods in progress ⁽²⁾	Environmental Installations ⁽³⁾	Other	Total
Assets in use fully depreciated									
At 12/31/2024	168,836	204,775	16,562	35,147	-	-	10,694	5,085	441,099
At 12/31/2025	177,367	236,942	20,014	35,617	-	-	12,270	4,979	487,189
Cost of PPE									
Balances at 12/31/2023	427,123	572,020	44,556	68,148	73,598	11,397	25,422	7,327	1,229,591
Purchases	5,100	35,657	2,482	2,855	49,816	9,653	581	604	106,748
Anticipations/Imports in progress	-	2,823	(64)	97	(1,812)	(33)	-	2	1,013
Disposals	(199)	(10,180)	(64)	(4,258)	(5,181)	(1,231)	-	(308)	(21,421)
Transfers	70,529	11,667	1,463	20	(78,100)	(11,384)	5,805	-	-
Balances at 12/31/2024	502,553	611,987	48,373	66,862	38,321	8,402	31,808	7,625	1,315,931
Purchases	484	29,699	1,780	4,361	54,064	13,432	335	268	104,423
Anticipations/Imports in progress	-	473	(32)	(97)	1,006	-	-	(21)	1,329
Disposals	(26)	(10,916)	(22)	(2,985)	(2,434)	(231)	-	(160)	(16,774)
Transfers	32,826	30,909	232	72	(55,545)	(9,278)	742	42	-
Balances at 12/31/2025	535,837	662,152	50,331	68,213	35,412	12,325	32,885	7,754	1,404,909
Accumulated depreciation									
Balances at 12/31/2023	(271,507)	(356,331)	(27,956)	(48,476)	-	-	(16,234)	(5,988)	(726,492)
Depreciation	(20,430)	(39,084)	(3,051)	(6,337)	-	-	(1,794)	(325)	(71,021)
Disposals	116	9,836	41	4,042	-	-	-	308	14,343
Transfers	-	11	-	(11)	-	-	-	-	-
Balances at 12/31/2024	(291,821)	(385,568)	(30,966)	(50,782)	-	-	(18,028)	(6,005)	(783,170)
Depreciation	(21,654)	(40,747)	(3,098)	(6,442)	-	-	(1,597)	(463)	(74,001)
Disposals	26	10,409	22	2,869	-	-	-	160	13,486
Transfers	-	4	(4)	-	-	-	-	-	-
Balances at 12/31/2025	(313,449)	(415,902)	(34,046)	(54,355)	-	-	(19,625)	(6,308)	(843,685)
Net book value									
At 12/31/2024	210,732	226,419	17,407	16,080	38,321	8,402	13,780	1,620	532,761
At 12/31/2025	222,388	246,250	16,285	13,858	35,412	12,325	13,260	1,446	561,224

12. Property, plant and equipment—Continued

b) Movement of PP&E--Continued

	Consolidated									
	Land, buildings, facilities and leasehold improvements	Machinery, equipment and tools	Furniture and fittings	Data processing equipment	PPE in progress ⁽¹⁾	Production of goods in progress ⁽²⁾	Environmental Installations ⁽³⁾	Right of use ⁽⁴⁾	Other	Total
Assets in use fully depreciated										
At 12/31/2024	168,836	204,775	16,562	35,209	-	-	10,694	-	5,085	441,161
At 31/12/2025	177,367	236,942	20,014	36,062	-	-	12,270	-	4,979	487,634
Cost of PPE										
Balances at 12/31/2023	427,123	572,020	44,556	68,242	73,598	11,397	25,422	79,492	7,327	1,309,177
Purchases	5,605	35,657	11,048	3,543	54,978	9,653	581	65,571	604	187,240
Anticipations/Imports in progress	-	2,823	(64)	97	(1,812)	(33)	-	-	2	1,013
Disposals	(399)	(10,180)	(2,033)	(4,400)	(5,181)	(1,231)	-	(89,784)	(308)	(113,516)
Transfers	75,094	11,667	2,060	20	(83,262)	(11,384)	5,805	-	-	-
Foreign exchange variation	5	-	179	27	-	-	-	3,337	-	3,548
Balances at 12/31/2024	507,428	611,987	55,746	67,529	38,321	8,402	31,808	58,616	7,625	1,387,462
Purchases	484	29,699	2,418	4,376	54,064	13,432	335	547	268	105,623
Anticipations/Imports in progress	-	473	(32)	(97)	1,006	-	-	-	(21)	1,329
Disposals	(4,619)	(10,916)	(6,056)	(3,045)	(2,434)	(231)	-	(47,904)	(160)	(75,365)
Transfers	32,826	30,909	232	72	(55,545)	(9,278)	742	-	42	-
Foreign exchange variation	(282)	-	(598)	(58)	-	-	-	(5,883)	-	(6,821)
Balances at 12/31/2025	535,837	662,152	51,710	68,777	35,412	12,325	32,885	5,376	7,754	1,412,228
Accumulated depreciation										
Balances at 12/31/2023	(271,507)	(356,331)	(27,956)	(48,546)	-	-	(16,234)	(56,559)	(5,988)	(783,121)
Depreciation	(20,763)	(39,084)	(6,843)	(6,859)	-	-	(1,794)	(41,716)	(325)	(117,384)
Disposals	203	9,836	760	4,138	-	-	-	58,890	308	74,135
Transfers	-	11	-	(11)	-	-	-	-	-	-
Foreign exchange variation	(6)	-	(68)	(22)	-	-	-	(2,101)	-	(2,197)
Balances at 12/31/2024	(292,073)	(385,568)	(34,107)	(51,300)	-	-	(18,028)	(41,486)	(6,005)	(828,567)
Depreciation	(21,658)	(40,747)	(4,061)	(6,532)	-	-	(1,597)	(6,113)	(463)	(81,171)
Disposals	268	10,409	3,076	2,894	-	-	-	38,935	160	55,742
Transfers	-	4	(4)	-	-	-	-	-	-	-
Foreign exchange variation	14	-	257	48	-	-	-	4,688	-	5,007
Balances at 12/31/2025	(313,449)	(415,902)	(34,839)	(54,890)	-	-	(19,625)	(3,976)	(6,308)	(848,989)
Net book value										
At 12/31/2024	215,355	226,419	21,639	16,229	38,321	8,402	13,780	17,130	1,620	558,895
At 12/31/2025	222,388	246,250	16,871	13,887	35,412	12,325	13,260	1,400	1,446	563,239

⁽¹⁾ Refers to: (i) Industrial Buildings **R\$2,151** (R\$9,459 in 2024); (ii) Facilities **R\$13,404** (R\$12,871 in 2024); (iii) Spare parts and replacement kits **R\$19,857** (R\$15,991 in 2024).

⁽²⁾ The main characteristics in the group relate to goods manufactured or developed internally, especially Machinery & equipment, Tools, Facilities and Furniture and utensils.

⁽³⁾ Refers to: (i) **R\$7,965** (R\$8,521 in 2024) in renewable energy; (ii) **R\$3,200** (R\$3,682 in 2024) in natural resource conservation; (iii) **R\$1,361** (R\$622 in 2024) in effluent treatment and reuse; and (iv) **R\$734** (R\$955 in 2024) in other environmental facilities.

⁽⁴⁾ Refers to leasing contracts, as described in Note 15.

13. Intangible assets

Accounting policy

Intangible assets represent non-physical goods acquired or developed by the Company, which are identifiable, controlled, and capable of generating future economic benefits.

Such assets are recognized at acquisition or development cost. When arising from a business combination, they are recorded at fair value on the acquisition date. After initial recognition, they are presented net of accumulated amortization and any impairment losses.

Amortization of assets with a defined useful life is calculated using the straight-line method, based on the estimated useful life, starting when they are available for use. Assets with an indefinite useful life are not amortized and are assessed annually for recoverability.

a) Estimated useful life

The useful lives of assets that are amortized by the straight-line method are as follows:

	Nature of the intelligible	Estimated useful life
	Software	5 years
	Brands and patents	10 years
	Goodwill on premises	5 years and/or according to contracts
	Tecnology	5 years
	Software in development	5 years from activation

b) Movement of intangible assets

Below are tables with the composition of the intangible assets:

	Parent Company					Total
	Software	Trademarks and patents	Technology	Development of software	Others	
Cost of intangible assets						
Balances at 12/31/2023	83,785	32,165	11,927	21,796	1,533	151,206
Purchases	385	2,337	-	16,349	-	19,071
Disposals	(46)	(156)	-	(396)	-	(598)
Transfers	19,082	-	-	(19,082)	-	-
Balances at 12/31/2024	103,206	34,346	11,927	18,667	1,533	169,679
Purchases	422	1,364	-	17,347	-	19,133
Disposals	-	-	-	(160)	-	(160)
Transfers	12,247	-	-	(12,247)	-	-
Balances at 12/31/2025	115,875	35,710	11,927	23,607	1,533	188,652
Accumulated amortization						
Balances at 12/31/2023	(60,119)	(16,771)	(11,318)	-	(860)	(89,068)
Amortization	(9,428)	(2,485)	(384)	-	(38)	(12,335)
Disposals	19	67	1	-	-	87
Balances at 12/31/2024	(69,528)	(19,189)	(11,701)	-	(898)	(101,316)
Amortization	(11,803)	(2,570)	(226)	-	(38)	(14,637)
Balances at 12/31/2025	(81,331)	(21,759)	(11,927)	-	(936)	(115,953)
Net book value						
At 12/31/2024	33,678	15,157	226	18,667	635	68,363
At 12/31/2025	34,544	13,951	-	23,607	597	72,699

13. Intangible assets--Continued

b) Movement of intangible assets--Continued

	Consolidated						Total
	Software	Trademarks and patents	Technology	Development of software	Goodwill Premium ⁽¹⁾	Others	
Cost of intangible assets							
Balances at 12/31/2023	83,785	34,585	11,927	21,796	-	1,533	153,626
Purchases	2,462	2,337	-	16,861	-	14,995	36,655
Controlled acquisition	-	-	-	-	24,617	-	24,617
Disposals	(46)	(2,654)	-	(396)	-	-	(3,096)
Transfers	19,082	-	-	(19,082)	-	-	-
Foreign exchange variation	39	78	-	4	-	344	465
Balances at 12/31/2024	105,322	34,346	11,927	19,183	24,617	16,872	212,267
Purchases	435	1,364	-	17,379	-	10,237	29,415
Disposals	(647)	-	-	(218)	(5,716)	-	(6,581)
Transfers	12,783	-	-	(12,783)	-	-	-
Foreign exchange variation	(242)	-	-	46	(1,723)	(2,642)	(4,561)
Balances at 12/31/2025	117,651	35,710	11,927	23,607	17,178	24,467	230,540
Accumulated amortization							
Balances at 12/31/2023	(60,119)	(16,771)	(11,318)	-	-	(860)	(89,068)
Amortization ⁽¹⁾	(10,673)	(2,485)	(384)	-	-	(6,807)	(20,349)
Disposals	19	67	1	-	-	-	87
Foreign exchange variation	(24)	-	-	-	-	(133)	(157)
Balances at 12/31/2024	(70,797)	(19,189)	(11,701)	-	-	(7,800)	(109,487)
Amortization ⁽¹⁾	(12,166)	(2,570)	(226)	-	-	(4,137)	(19,099)
Disposals	563	-	-	-	-	-	563
Foreign exchange variation	158	-	-	-	-	907	1,065
Balances at 12/31/2025	(82,242)	(21,759)	(11,927)	-	-	(11,030)	(126,958)
Net book value							
At 12/31/2024	34,525	15,157	226	19,183	24,617	9,072	102,780
At 12/31/2025	35,409	13,951	-	23,607	17,178	13,437	103,582

⁽¹⁾ Refers to the goodwill arising from the difference between the price paid for the acquisition and the fair value of the assets and liabilities assumed in the business combination with Grendene Global Brands

On December 31, 2025 and 2024, the Company does not have internally generated intangible assets.

Accounting policy

Impairment

The Group values its PP&E and intangible and other long-term assets annually, to ensure that book values do not exceed recoverable values. When evidence of loss is found, detailed analysis is conducted to determine any need for recognition of impairment. The valuations are supported by technical opinions prepared by internal specialists.

Considering the increasing importance of environmental factors, the Group includes a determination of recoverable value in its analysis of climate-related risks, both physical and transition-related, assessing potential impacts on the cash-generating capacity of assets over time.

According to the conclusive reports issued on December 1 of each year, no significant exposures, nor significant impacts of these risks, were identified. If they occur, their effects will be reflected in the cash flow projections used in the calculation of value in use.

In addition, the goodwill of Grendene Global Brands Limited was re-assessed by external experts, and no need for recognition of impairment was identified.

14. Borrowings

Accounting policy

Borrowings are posted at contracted value, plus agreed charges including interest and monetary or FX updating incurred. After initial recognition they are measured at amortized cost using the effective rates method.

Obligations under loans and financings are as follows:

	Parent company / Consolidated							
	Index	Interest rate (y.y.)	2025			2024		
			Current liabilities	Non-current liabilities	Total	Current liabilities	Non-current liabilities	Total
In local currency								
Incentive-bearing financings	Long-term Interest Rate (TJLP)	9.07% and 7.43%	3,397	13,433	16,830	2,118	12,310	14,428
In foreign currency								
Post-shipment financing of exports (ACEs)	US Dollar +	4.56% and 5.54%	52,239	-	52,239	54,511	-	54,511
			55,636	13,433	69,069	56,629	12,310	68,939

a) Incentive-bearing financings (ICMS tax and exports)

The financings classified here relate to the non-incentive-bearing portions of the government subsidies (Note 19) granted through the Industrial Development Fund (FDI) of the state of Ceará, through the financing agent established by that Fund as intermediary, arising from ICMS tax owed (the Provin and Proade programs) and products exported (the Proapi program) which must be settled within 36 and 60 months after being granted.

The benefit of the reduction in the amounts owed is recognized at the moment of obtaining the financings, on the basis that this is the most appropriate reflection of the accrual method approach, since the costs of the taxes referring to the incentive-bearing transactions are being registered simultaneously with the benefits.

Long-term installments have the following composition by year of maturity:

Maturities	2027	2028	2029	2030	Total
Proapi	766	1,628	1,465	1,234	5,093
Proade	2,188	2,519	2,018	1,615	8,340
Total	2,954	4,147	3,483	2,849	13,433

b) Post-shipment financing of exports (ACEs)

These advances comprise funds raised in Brazilian currency by the exporter subsequent to shipment of merchandise to a foreign destination, with maturity dates up to June 2026. Operations are guaranteed through the transfer of rights over installment sales to the bank.

15. Leasing contracts

Accounting policy

The Group assesses, on the start date of the contract, whether it constitutes a lease, that is, whether it grants the right to control the use of a specific asset for a determined period.

A single approach is adopted for recognition and measurement of leasing transactions, with the exception of short-term contracts (term equal to or less than 12 months) and those involving assets of low value, which are accounted as expenses by the straight-line method during the contract period.

The Group has rental agreements signed with outside parties, which are classified as commercial leasing transactions, concluded through its subsidiary Grendene Global Brands. These options are negotiated by management to obtain flexibility in management of the portfolio of leased assets, and so as to be aligned with the Group's business needs.

The discount rates used in measuring leasing liabilities were determined based on inflation indices and estimated rates for borrowing, reflecting conditions and maturities similar to those of the leasing contracts, so as to provide an appropriate representation of present value of the future cash flows.

The table below shows the rates charged, the maturities and terms of the current contracts:

Property rental agreement	Maturity	Term	Average rate (y.y.)
Grendene Global Brands USA LLC – Miami Office	03/31/2027	5 years and 3 months	1.15%
Grendene Global Brands USA LLC – Ceva	05/31/2025 ⁽¹⁾	3 years	1.61%
Grendene Global Brands Shanghai – China Office	08/31/2025 ⁽²⁾	2 years and 6 months	4.75%

⁽¹⁾ With the ending of the original contract, an amendment was signed for a period until October 2025.

⁽²⁾ With the ending of the original contract, an addendum was signed with validity until September 2027.

The changes in liabilities corresponding to the leases are as follows:

	Consolidated
Balance at 12/31/2023	23,997
Addition ⁽¹⁾	47,389
Disposals	(36,934)
Interest appropriated and paid	(1,139)
Payments	(15,049)
Foreign exchange variation	1,621
Balance at 12/31/2024	19,885
Addition	547
Disposals ⁽²⁾	(11,269)
Interest appropriated and paid	(2)
Payments	(6,275)
Foreign exchange variation	(1,388)
Balance at 12/31/2025	1,498
Current assets	1,280
Non-current assets	218

⁽¹⁾ Refers to the contracts of Grendene Global Brands.

⁽²⁾ Refers to the write-down of the Grendene Global Brands contracts (San Diego, Saw Grass, Baybrook Mall, Glendale and China).

On December 31, 2025, the Company recognized as short-term rental expenses the amount of **R\$4,871** (R\$4,429 in 2024), and in the consolidated the amount of **R\$4,872** (R\$4,429 in 2024).

16. Provisions, contingent liabilities and contingent assets

Accounting policy

The Company and its subsidiaries are parties in administrative and court actions of employment law, tax, civil and environmental nature, arising from the normal course of business.

The Company periodically revises its list of contingencies, upon assessment by its legal department and external legal advisors and classifies the changes of loss into three categories: **(i)** Probable; **(ii)** Possible; and **(iii)** Remote.

a) Provisions – Probable loss risk

The losses considered probable have been adequately provisioned, in an amount sufficient to cover any unfavorable decisions, as detailed below:

	Parent company				Consolidated			
	Labor	Tax	Civil	Total	Labor	Tax	Civil	Total
Balances at 12/31/2023	3,567	2,110	481	6,158	4,076	2,110	481	6,667
Additions	2,425	4,704	-	7,129	2,775	4,704	-	7,479
Realizations	(2,888)	(48)	(165)	(3,101)	(2,897)	(48)	(165)	(3,110)
Reversals	(395)	-	(285)	(680)	(395)	-	(285)	(680)
Monetary updating	25	25	14	64	25	25	14	64
Balances at 12/31/2024	2,734	6,791	45	9,570	3,584	6,791	45	10,420
<i>Current liabilities</i>	325	5,494	39	5,858	325	5,494	39	5,858
<i>Non-current liabilities</i>	2,409	1,297	6	3,712	3,259	1,297	6	4,562
Balances at 12/31/2024	2,734	6,791	45	9,570	3,584	6,791	45	10,420
Additions	3,397	16,162	1,443	21,002	3,397	16,162	1,443	21,002
Realizations	(2,885)	(14,641)	-	(17,526)	(3,385)	(14,641)	-	(18,026)
Reversals	(147)	-	-	(147)	(497)	-	-	(497)
Monetary updating	(277)	(253)	29	(501)	(277)	(253)	29	(501)
Balances at 12/31/2025	2,822	8,059	1,517	12,398	2,822	8,059	1,517	12,398
<i>Current liabilities</i>	926	-	1,511	2,437	926	-	1,511	2,437
<i>Non-current liabilities</i>	1,896	8,059	6	9,961	1,896	8,059	6	9,961

Employment-law: These refer claims from former employees for alleged non-compliance with employment-law rules, relating to severance pay, additional payment for unhealthy conditions, and amounts alleged to be due for subsidiary liability.

Tax issues: Includes **(i) R\$1,354** action related to the incidence of PIS and COFINS ('Import PIS/COFINS') taxes on services received outside Brazil; and **(ii) R\$6,705** relating to omission of offsetting of *Reintegra* program credits vis-à-vis debits of Cofins tax.

Civil: It encompass **(i) R\$45** annulment action of assessment of Procon (Public Consumer Protection Agency) of the São Paulo State and **(ii) R\$6** action for cancellation of the trademark registration and **(iii) R\$1,466** of tax enforcement by Procon of the State of São Paulo.

b) Contingent liabilities – Possible loss risk

The Company and its subsidiaries are parties to legal proceedings of a labor, tax, civil, and environmental nature, the risks of loss of which have been classified as possible, according to assessments by its legal advisors. In accordance with current accounting standards, no provisions have been recognized for these cases.

16. Provisions, contingent liabilities and contingent asset--Continued

b) Contingent liabilities – Possible loss risk--Continued

Below is the estimated amount of claims classified with possible risk of loss:

	Parent company		Consolidated	
	2025	2024	2025	2024
Labor	2,875	2,559	2,875	2,669
Tax	43,674	46,385	43,674	46,385
Civil	22,368	29,124	22,368	29,124
Environmental	347	350	347	350
	69,264	78,418	69,264	78,528

Employment-law: These refer complaints by former employees, for alleged non-compliance with employment-law rules indemnity amounts and additional payments for alleged unhealthy conditions.

Tax issues: These comprise litigation on the following subjects: *(i)* **R\$416** the Social Security Contribution on the collective life insurance made available to the employees; *(ii)* **R\$9,767** execution related to the gloss of compensation of presumed credit of IPI, determined as compensation related to the Social Security Financing Contribution (PIS) and Social Integration Program (COFINS); *(iii)* **R\$1,982** execution related to the COFINS compensation gloss; *(iv)* **R\$12,640** execution against the State of Rio Grande do Sul in relation to incorrect appropriation of a credit of ICMS tax (the value added tax charged by states) ; and *(v)* **R\$18,859** Collection of CIDE tax – Shipments.

Civil: Refers to: *(i)* **R\$9,477** action for indemnity by former commercial representatives; *(ii)* **R\$410** action for indemnity by a former client alleging the existence of a distribution contract; *(iii)* **R\$12,461** actions to annul a tax claim for supposed non-compliance with consumer rules; and *(iv)* **R\$20** from various indemnity claims.

Environmental: Refers to infringement notice proceedings alleging non-compliance with conditions in the environmental license.

c) Contingent assets

The Group is claiming, in the courts and in the administrative sphere, reimbursement of federal levies of a fiscal nature (social security contributions) wrongly charged on the proportion of employee payroll for thirteenth salary paid in December 2011, in the amount of **R\$8,499** (R\$ 8,001 in 2024).

This asset, of a tax nature, has not been recognized in the accounts, since, to date, there is no reasonable certainty regarding its realization.

17. Other payables (Liabilities)

The composition of the outstanding balance of other current and non-current payables is shown below:

	Parent company		Consolidated	
	2025	2024	2025	2024
Accounts payable resulting from acquisition ⁽¹⁾	-	22,738	-	22,738
Miscellaneous advances	2,431	3,264	2,431	3,264
Advances from affiliates	2,604	2,079	2,604	2,079
Marketing found	6	83	6	83
Financial obligations	401	563	401	563
Other debts	132	172	5,196	2,768
	5,574	28,899	10,638	31,495
Current liabilities	3,977	26,469	9,041	29,065
Non-current liabilities	1,597	2,430	1,597	2,430

⁽¹⁾ Refers to the amount to be paid for the acquisition of the subsidiary Grendene Global Brands.

18. Equity

a) Capital

The Company's 84th Extraordinary General Meeting, held on December 24, 2025, approved a capital increase of **R\$626.358**, by capitalization of profit reserves, comprising: **(i) R\$270.163** from the Legal Reserve; **(ii) R\$235.437** from Proapi export incentives; and **(iii) R\$ 120.758** of income tax incentive amounts. The increase was made without issuance of new shares, and increased the share capital to **R\$2,882,488**.

On December 31, 2025, the Company's share capital, fully subscribed and paid-up, was **R\$ 2,882,448** (R\$ 2,256,130 in 2024), in the form of 902,160,000 nominal, book-entry shares, of a single class, with equal voting rights, as per the applicable corporate resolutions.

This table shows the Company's ownership structure:

	Ownership structure			
	2025		2024	
	Common Shares	%	Common Shares	%
Alexandre Grendene Bartelle	398,216,607	44.14%	376,328,607	41.71%
Pedro Grendene Bartelle	125,312,376	13.89%	125,312,376	13.89%
Giovana Bartelle Veloso	37,132,797	4.12%	37,132,797	4.12%
Pedro Bartelle	34,557,397	3.83%	34,557,397	3.83%
André de Camargo Bartelle	39,036,377	4.33%	29,201,277	3.24%
Gabriella de Camargo Bartelle	38,747,777	4.30%	28,912,677	3.20%
Radar Gestora de Recursos Ltda ⁽¹⁾	-	-	86,592,400	9.60%
Executive Board and Boar of Directors' Members	2,685,502	0.30%	2,696,783	0.30%
Outstanding shares	226,471,167	25.09%	181,425,686	20.11%
	902,160,000	100.00%	902,160,000	100.00%

⁽¹⁾ As of October 22, 2025, Radar Gestora de Recursos Ltda. is no is no longer a shareholder in the Company.

18. Equity--Continued

b) Capital Reserve

This corresponds to the amount of stock options granted by the Company to its managers as described in Note 24 - Stock option or subscription plan.

c) Treasury shares

On November 6, 2024, the 117nd meeting of the Board of Directors approved creation of a new share buyback program to acquire the Company's shares (all are nominal common shares, without par value), to be held in treasury and/or later sold or canceled, for compliance with exercise of future stock options granted to its executives under the stock options plan (Note 24), limited to 5,000,000 shares, to expire on November 5, 2026.

The table below shows the changes of shares held in treasury:

	Parent company		
	Common shares	R\$	Medium cost
Balances at 12/31/2023	(2,671)	(20)	7.39
Share options exercised	(430,942)	(3,036)	7.05
Exercise of share purchase options (Note 23)	433,613	3,056	7.05
Balances at 12/31/2024	-	-	-
Share options exercised	(876,852)	(4,836)	5.52
Exercise of share purchase options (Note 23)	876,852	4,836	5.52
Balances at 12/31/2025	-	-	-

d) Income reserves

d.1) Legal reserve

This comprises 5% of the net profit for the period after deduction from it of amounts received under tax incentive schemes and held in reserve accounts, subject to the total of this reserve being limited to 20% of the paid-up share capital. This amount – 20% of the share capital – was **R\$73,112** on December 31, 2025 (R\$270,163 in 2024).

The Company's 84th Extraordinary General Meeting, held on December 24, 2025, decided to allocate R\$ 270.163 from the Legal Reserve to a capital increase, as mentioned in Note 15, sub-item a.

d.2) Reserve for acquisition of shares

On December 31, 2025, the amount of **R\$12,547** (R\$10,683 in 2024) refers to the amount allocated to the repurchase or acquisition of own-issued shares, to fulfill the share-based remuneration benefit, offered to plan participants in the Company's stock options plan.

The reserve is limited to a total value equal to 20% of the share capital; it may be made up of up to 100% of the net profit remaining, after the deductions required by law and by the by-laws.

18. Equity--Continued

d) Income reserves--Continued

d.3) Tax incentives

It Corresponds to the portion of the profit arising from government subsidies for investments (Note 19) arising from federal tax incentives and state tax incentives, both of which are not included in the dividend calculation basis.

The changes are as follows:

	Parent company / Consolidated			
	Exports incentive (Proapi)	ICMS incentive (Provin and Proade)	Income Tax	Total
Balances at 12/31/2023	235,437	776,647	1,024,828	2,036,912
Destination: Capital increase	-	-	(1,024,828)	(1,024,828)
Incentives generated by the operation	-	136,431	120,758	257,189
Balances at 12/31/2024	235,437	913,078	120,758	1,269,273
Incentives generated by the operation	-	118,485	95,640	214,125
Destination: Capital increase ⁽¹⁾	(235,437)	-	(120,758)	(356,195)
Destination: Various incentives ⁽²⁾	-	(1,031,563)	-	(1,031,563)
Balances at 12/31/2025	-	-	95,640	95,640

⁽¹⁾ Allocation of the reserves to an increase in the Company's share capital, as decided by the 84th Extraordinary General Meeting, held on December 24, 2025.

⁽²⁾ Management approved distribution of additional dividends arising from the Provin and Proade tax incentive systems, relating to the years from 2009 to 2025, as described in Note 18, sub-item f.

e) Other comprehensive income

This corresponds to the accumulated effect of FX conversion from the functional currency to the original currency of the financial statements of the subsidiaries, calculated on the stockholding investments held outside Brazil, valued by the equity method. This accumulated effect will be reverted to the profit for the business year as a gain or loss, when the investment is sold or written off.

f) Dividends and interest on equity

Accounting policy

The Company distributes, annually, mandatory minimum dividends corresponding to 25% of the adjusted net income for the year, after the establishment of legal reserves. The distribution may occur in advance, quarterly, or semiannually, subject to the approval of the Board of Directors, in the form of interim dividends or a proposed additional dividend.

The Company may also choose to distribute interest on equity, in full or in part, which is calculated based on the Long-Term Interest Rate (*Taxa de Juros de Longo Prazo – TJLP*) in effect during the fiscal year and recorded in shareholders' equity, with the tax effect recognized in the period's results.

Three years from the date of their approval, dividends not redeemed by shareholders prescribe and are returned to the Company.

18. Equity--Continued

f) Dividends and interest on equity--Continued

Dividends on December 31, 2025 and 2024 were calculated as follows:

	Parent company	
	2025	2024
Profit for the year	644,808	735,236
Legal reserve	(21,534)	(23,903)
Tax incentive reserve	(214,125)	(257,189)
Minimum mandatory dividends calculation basis	409,149	454,144
Minimum mandatory dividend – 25%	102,287	113,536
Dividend proposed in addition to the minimum mandatory amount	306,862	340,608
Total of dividends proposed by management	409,149	454,144
Proposed allocation:		
<u>Prepaid corporate action payments:</u>		
Interim dividends	221,025	168,589
Interest in equity imputed as part of dividends (R\$89,250 and R\$46,750, net of tax withheld at source)	105,000	55,000
<u>Corporate action payments proposed:</u>		
Additional dividend proposed	1,124	120,555
Interest on equity imputed as part of dividends (R\$67,650 ⁽¹⁾ and R\$93,500, net of tax withheld at source)	82,000	110,000
	409,149	454,144
Prescribed dividends	8	16
	409,157	454,160

⁽¹⁾ Starting in 2026, the rate of income tax withheld at source (*Imposto de Renda Retido na Fonte – IRRF*) applicable to payments of Interest on Equity increases from 15% to 17.5%, impacting the net amount to be credited to shareholders.

f.1) Distributions of dividends made and proposed in 2024

i) *Interim dividends*

During 2024, interim dividends and interest on equity were approved and paid, totaling **R\$223,601** (R\$0.2479 per share), as follows:

- 1Q24:** on June 5, 2024, dividends in the amount of **R\$75,787** (representing R\$0.0840 per share);
- 2Q24:** on September 4, 2024, dividends in the amount of **R\$13,222** (representing R\$0.0987 per share), as follows: **(i) R\$13,211** in interim dividends; and **(ii) R\$11** in prescribed dividends; and
- 3Q24:** on December 5, 2024, dividends in the amount of **R\$134,592** (representing R\$0.2332 per share), as follows: **(i) R\$79,591** of interim dividends; **(ii) R\$1** in prescribed dividends; and **(iii) R\$ 55,000** (R\$46,750 net of income tax withheld at source) in Interest on Equity allocated to dividends.

ii) *Additional dividend proposed*

On February 27, 2025, at the 113th Annual General Meeting, the distribution of profits for the fiscal year ended December 31, 2024, was approved, to be paid starting May 7, 2025, as follows: **(i) R\$120,555** additional dividends; **(ii) R\$110,000** (R\$93.500 net of income tax withheld at source) in Interest on Equity; e **(iii) R\$4** of prescribed dividends.

18. Equity--Continuedf) Dividends and interest on equity--Continuedf.2) Distributions of dividends made and proposed in 2025i) *Interim dividends*

During 2025, interim dividends and interest on equity were approved and paid, totaling **R\$326,030** (R\$0.3614 per share), as follows:

- **1Q25**: On May 29, 2025, dividends in the amount of **R\$57,547** (R\$0.0638 per share);
- **2Q25**: On September 10, 2025, dividends in the amount of **R\$103,323** (R\$0.1145 per share), consisting of: **(i) R\$103,319** of interim dividend and **(ii) R\$4** of prescribed dividends;
- **3Q25**: On December 10, 2025, dividends amounting to **R\$63,898** (R\$0.0708 per share), consisting of: **(i) R\$3,897** as interim dividend; **(ii) R\$1** of prescribed dividends; and **(iii) R\$60,000** (R\$51,000 net of income tax withheld at source) as interest on equity; and
- **4Q25**: On December 2, 2025, dividends amounting to **R\$101,292** (R\$0.1122 per share), consisting of: **(i) R\$56,292** as interim dividend; and **(ii) R\$45,000** (R\$38,250 net of withholding tax) as interest on equity.

ii) *Extraordinary dividends*

On December 24, 2025, the 84th Extraordinary General Meeting approved the distribution of extraordinary dividends totaling R\$1,031,563 (R\$979,985 net of the legal reserve), based on the tax incentive profit reserve (ICMS), representing **R\$1.0863** per share. The payment will be made in four installments, as follows:

- 01/14/2026 – **R\$400,000** (R\$ 0.4434 per share);
- 03/18/2026 – **R\$200,000** (R\$ 0.2217 per share);
- 06/10/2026 – **R\$200,000** (R\$ 0.2217 per share); and
- 09/09/2026 – **R\$179,985** (R\$ 0.1995 per share);

Shareholders positioned on 12/26/2025 will be entitled to dividends, and the shares will be traded **ex-dividends** as of **12/29/2025**.

iii) *Proposed additional dividends*

The Management submitted to the Ordinary Stockholders' General Meeting the proposal for the distribution of additional dividends in the amount of **R\$1,124** (R\$0.0012 per share), plus **R\$82,000** (R\$67,650 net of income tax withheld at source) as interest on equity, referring to the net income for the fiscal year 2025. Additionally, the amount of R\$3 of prescribed dividends.

These amounts are presented in the equity for your approval at the Annual General Meeting.

18. Equity--Continued

g) Earnings per share

Reconciliation of net income to the amounts used to calculate basic and diluted earnings per share (all amounts in thousands of Reais, except earnings per share), are as follows:

	Parent company / Consolidated	
	2025	2024
Numerator		
Profit for the year (a)	644,808	735,236
Denominator		
Weighted average number of common shares	902,160,000	902,160,000
Weighted average number of common treasury shares	(116,127)	(78,159)
Weighted average number of outstanding common shares (b)	902,043,873	902,081,841
Potential increase (decrease) in common shares due to the stock option or subscription plan	(184,449)	(287,320)
Weighted average of the number of common shares, considering potential increment (c)	901,859,424	901,794,521
Basic earnings per common share (a/b)	0.7148	0.8150
Diluted earnings per common share (a/c)	0.7150	0.8153

19. Government grants for investments

Accounting policy

The government subsidies received by the Company have the nature of a subsidy for investment and are as follows: (i) tax incentives applying to ICMS tax, relating to its operational activities located in the states of Ceará; and (ii) reduction of 75% in income tax on profits of undertakings physically located in the state of Ceará Calculated on the basis of operating profit.

Government subsidies are recognized when there is reasonable certainty that the conditions established in the agreements governing them have been complied with.

a) State tax incentives

Proade - Program to attract strategic enterprises, as from October 1, 2021, replacing the previous industrial development incentive program (the *Provin* program). It grants deferment equivalent to 88% of the amount of ICMS tax in fact paid on their physical production, for Grendene's units at Sobral, Fortaleza and Crato. Of the amount of each installment of the benefit, the equivalent of 1% will be paid one time only, on the last day of the month in question, after 60 months (for Sobral), and 36 months (for Fortaleza and Crato), with the amount updated from the initial date to the due date (12/31/2032) by application of the TJLP long-term interest rate.

The balances of the incentive amounts are reported in the Profit and loss account of the Holding company and in the Consolidated accounts, under Net sales revenue, as shown in Note 25. These amounts were allocated to the Tax incentives reserve, in Profit reserves, in Stockholders' equity. These amounts were allocated in the *Tax incentives* line of *Profit reserves*, in Stockholders' equity. In 2024, the amount of the benefit of the ICMS tax incentive (*Proade*, from Ceará State) will be taxed on PIS and COFINS taxes on billing, corporate income tax and the Social Contribution tax on net profit, and the reserve is presented net of this taxation.

19. Government grants for investments--Continued

b) Federal fiscal tax incentive

The Company is beneficiary of the following tax incentive: reduction of 75% in income tax on the profits of undertakings located in the industrial units headquartered in the area of activity of SUDENE, as shown below:

Units benefited by the incentive	Project	Percentage reduction	Expiration date
Fortaleza – CE	Modernization	75%	Dec/2030
Sobral – CE	Modernization	75%	Dec/2031
Crato – CE	Modernization	75%	Dec/2026

The balances of this incentive are posted in the Company's Profit and loss account, under Current income tax, as shown in Note 20. In counterpart, these amounts were posted in the "Tax incentives reserve" account, in Profit reserves, in Stockholders' equity.

20. Income tax and social contribution tax

a) Current income tax and social contribution tax

Accounting policy

The provisions for current income tax and Social Contribution tax are calculated individually, by the Company and its subsidiaries, based on the tax laws in effect on the reporting date, in the countries where they generate tax revenue.

Current taxes are presented net and reported in assets when the balances paid in advance exceed the total payable on the reporting date, or in liabilities when there is an amount payable.

Current income tax and social contribution tax amounts recorded in the expense for the year, net of tax incentives, are as follows:

	Parent company		Consolidated	
	2025	2024	2025	2024
Income tax	-	(1,220)	(65)	(1,449)
Amount due	(95,640)	(121,978)	(95,705)	(122,207)
Tax incentives	95,640	120,758	95,640	120,758
Social contribution	(36,876)	(47,602)	(36,909)	(47,694)
Amount due	(36,876)	(47,602)	(36,909)	(47,694)
	(36,876)	(48,822)	(36,974)	(49,143)

20. Income tax and social contribution tax--Continued

b) Deferred income tax and social contribution tax--Continued

Accounting policy

Deferred taxes are recognized only if there is a possibility of future generation of taxable profit in an amount significant to enable those temporal differences to be used.

Deferred income tax and Social Contribution tax are calculated by applying the rates expected to be in force on the reporting date at which the temporary differences are expected to be realized or demanded.

Deferred tax assets and liabilities are presented net when there is a legal right to offset current tax assets with current tax liabilities, and when these are managed by the same tax authority.

Deferred income tax and social contribution tax are comprised as follows:

	Parent company		Consolidated	
	2025	2024	2025	2024
Estimated losses on doubtful receivables	1,432	358	1,432	358
Punctuality discounts estimated	8,593	7,225	8,593	7,225
Adjustment to Present Value	4,024	4,303	4,024	4,303
Fair value of Structured Transaction Certificates (Specific purpose company – SPE)	2,544	1,202	2,544	1,202
Estimated losses for obsolete inventory	1,397	1,294	1,397	1,294
Provision for labor risks, tax and civil	1,891	1,459	1,891	1,459
Other	37	(57)	(165)	(130)
	19,918	15,784	19,716	15,711

c) Estimate for realization of deferred income tax and Social Contribution tax

The figures for realization of deferred income tax and Social Contribution tax are supported by technical feasibility studies, which show an estimate of the realization of the deferred assets.

The company estimates realization of the tax credits in the various business years as follows:

	Party company		Consolidated	
	2025	2024	2025	2024
2025	-	13,723	-	13,650
2026	14,807	448	14,605	448
2027	1,654	227	1,654	227
2028	414	39	414	39
2029 to 2074	3,043	1,347	3,043	1,347
	19,918	15,784	19,716	15,711

20. Income tax and social contribution tax--Continued

d) Reconciliation of tax expense to statutory rates

The amounts of income tax and Social Contribution tax, calculated at nominal rates, reported in the Profit and loss account, are reconciled as follows:

	Parent company		Consolidated	
	2025	2024	2025	2024
Pretax income	677,550	812,468	677,777	812,819
Combined nominal rate of Income Tax (25%) and Social Contribution (9%)	(230,367)	(276,239)	(230,444)	(276,358)
Adjustments to show effective rate				
<u>Additions</u>				
Adjustments to fair value	(1,707)	-	(1,705)	-
Equity in the results of subsidiaries	(49,470)	(24,186)	(686)	(21,573)
Reclassification adjustment – Gain on write-off of investment	(1,572)	-	(1,572)	-
Other additions	(5,642)	(937)	(54,426)	(3,550)
<u>Exclusions</u>				
Adjustments to fair value	2,873	10,016	2,873	10,016
Non-deductible costs and expenses	-	2,315	-	2,316
Tax credits related to subsidy for investment	5,150	4,921	5,150	4,921
The Workers' Food Program (PAT)	4,096	5,288	4,096	5,288
Corporate tax incentive deductions – Income tax	2,673	4,939	2,673	4,939
Technological innovation incentive	9,189	9,518	9,189	9,518
Interest on equity counted as part of total dividends	73,100	18,700	73,100	18,700
Equity in the results of subsidiaries	46,718	37,370	45,902	37,370
Other financial instruments – Dividends	13,047	6,266	13,047	6,266
Business combination – goodwill	1,737	-	1,737	-
Other exclusions	1,793	4,039	2,457	3,806
Amount before deduction of corporate tax incentives (Operational profit)	(128,382)	(197,990)	(128,609)	(198,341)
Tax incentive reductions of corporate income tax (Calculated on operational profit)	95,640	120,758	95,640	120,758
Total taxes posted in profit and loss account	(32,742)	(77,232)	(32,969)	(77,583)
Current taxes	(36,876)	(48,822)	(36,974)	(49,143)
Deferred taxes	4,134	(28,410)	4,005	(28,440)
Effective rate	4.8%	9.5%	4.9%	9.5%

21. Financial instruments

Accounting policy

The Company and its subsidiaries recognize their financial instruments when they assume the rights and obligations stipulated in the contracts. After initial recognition, they are classified and measured according to their nature and purpose, into the following categories: **(i)** Financial instruments at amortized cost; **(ii)** Financial instruments measured at fair value through Comprehensive income; and **(iii)** Financial instruments measured at fair value through Profit or loss.

The classification of financial assets and liabilities considers the Company's business model and the contractual characteristics of each instrument:

- **Financial assets at amortized cost:** include those held to generate contractual cash flows, consisting solely of principal and interest payments.
- **Financial assets measured at fair value through profit or loss:** encompass all other assets that do not fall into the category above, including assets held for trading or managed based on fair value.
- **Financial liabilities:** generally measured at amortized cost, except when accounting standards require measurement at fair value, as in the case of financial guarantees, loan commitments with below-market interest rates, or contingent consideration in business combinations.

21. Financial instruments--Continued

The table below, gives the classification of the principal financial assets and liabilities of the Company and its subsidiary:

	Parent company		Consolidated	
	2025	2024	2024	2024
Financial assets at amortized cost ^(a)				
Cash and cash equivalents	47,819	48,016	70,158	76,109
Financial investments and other financial assets	1,205,191	1,324,875	1,205,191	1,324,875
Trade receivables	1,072,528	1,274,282	1,043,654	1,210,309
Financial assets measured at fair value through profit of loss				
Other financial assets ⁽²⁾	192,180	202,213	192,180	202,213
Derivatives ^{(1)(a)}	3,329	815	3,329	851
Financial liabilities at amortized cost ^(a)				
Borrowings	69,069	68,939	69,069	68,939
Leasing contracts	-	-	1,498	19,885
Trade payables	47,585	57,799	56,927	69,701
Commissions payable	56,634	59,497	56,634	58,912

^(a) The accounting balances at December 31, 2025 and 2024 reflect the fair values of the financial instruments.

⁽¹⁾ **Level 2:** Items on which there is observable information for assets and liabilities, but which do not have prices quoted an active market.

⁽²⁾ **Level 3:** Items for which there are no observable data for assets and liabilities that reflect assumptions for pricing.

Foreign exchange rate hedging transactions

Accounting policy

The Company uses derivative instruments to hedge its operations, not for speculative purposes, but does not adopt “hedge accounting”. These derivatives are initially recognized at fair value on the contract date and are periodically reviewed, with their changes recognized directly in financial results.

The Company and its subsidiaries use derivative financial instruments solely to hedge export revenues and financial assets exposed to exchange rate fluctuations. The adopted strategy aims to mitigate the effects of the US dollar's volatility on results and cash flow.

The hedge portfolio is mainly composed of dollar sell futures contracts and Advance on Exchange Contract (ACC) operations. In futures contracts, the price adjustments are calculated daily until settlement, directly impacting cash flow.

The risk management policy establishes that managers may enter into hedging operations up to the limit of net exposure, calculated based on the following items: **(i)** bank balances and financial investments in foreign currency held abroad; **(ii)** the balance of accounts receivable denominated in dollars; **(iii)** up to 25% of annual export projections, equivalent to approximately 90 days of projected exports (including orders on hand and ongoing negotiations); **(iv)** deducting the balances of foreign currency suppliers, ongoing imports, and foreign exchange contract advance operations (ACC).

These operations are monitored daily through internal controls, which ensure compliance with the limits set in the Company's risk management policy.

Foreign exchange hedge operations carried out on B3 are intermediated by specialized brokers, with a requirement for financial guarantees. On December 31, 2025, the value of the guarantees totaled **R\$38,994** (R\$52,477 in 2024), consisting of financial investments in government securities, according to criteria defined by the Company and the counterparties involved.

21. Financial instruments--Continued

Below, we present the positions in futures contracts for selling dollars on December 31, 2025 and 2024:

	Notional value – US\$		Notional value – R\$		Amount receivable (payable)	
	2025	2024	2025	2024	2025	2024
Futures contracts						
Sell commitment	(37,500)	(47,000)	(206,084)	(292,326)	3,32	851

These transactions are directly associated with the receipt of sales and financial assets denominated in foreign currency, which are subject to exchange rate variation. The receivable balance of **R\$3,329** on December 31, 2025 (R\$851 in 2024), is classified under “credits receivables”.

22. Risk management

Risks are managed through governance policies that establish the techniques for continuous monitoring and measurement of the exposure, aligned with strategies for business growth and for social and environmental responsibility.

a) Operational risks management

The organizational structure of the Company’s risk management processes uses as a parameter the Three Lines of Defense of the IIA (*the Institute of Internal Auditors*), and in terms of methodology is based on the Enterprise Risk Management (ERM) framework of COSO (*the Committee of Sponsoring Organizations of the Treadway Commission*), in relation to the flow of identification, evaluation, treatment and monitoring of the risks to which the Company and its subsidiaries are exposed.

In this context the Company operates in relation to strategic, operational, compliance, financial, market, information, technological and socio-environmental risks in accordance with policy approved by the Board of Directors of Grendene.

In relation to treatment of risks:

- (i) The process of corporate risk management permeates all the business processes, and, hence, all of Grendene’s workers – from employees to directors – are responsible for management of the Company’s risks, from the decisions on strategies and projects through to performance of day-to-day functions;
- (ii) The Governance, Risks and Compliance Department (GRC) coordinates Grendene’s process of corporate risk management, and in terms of methodology advises and supports the business areas in identification, classification, evaluation and treatment of the risks inherent to their processes;
- (iii) The Internal Audit’s role is to independently, impartially and timely examine the effectiveness and quality of Grendene’s corporate risk management process, recording weaknesses and making recommendations for improvements and adjustments to the process.

The Audit Committee supervises the activities, effectiveness, development and structure of the corporate risk management of Grendene S.A., as well as suggests improvements to the Board of Directors.

22. Risk management--Continued

The purpose of all this structure is to guarantee, with the due sponsorship and monitoring from senior management (i.e. including the Executive Board and the Board of Directors), an efficient and effective management of corporate risks in the Company.

b) Sustainability risk management

The Group is exposed to sustainability risks that can impact its operations, results and value chain. These risks are continuously identified, evaluated and monitored, taking into account regulatory, operational, climate, socio-environmental and reputation aspects, in accordance with Grendene's Sustainability Policy, which is structured in three pillars: **(i)** appreciation and respect for people; **(ii)** operations that are eco-efficient; and **(iii)** products of lower impact. The following are the main risks identified, and mitigation practices adopted:

- **Risk of failure to comply with market regulations on the use of fossil-source raw materials and restricted substances:** The risk is of non-compliance with new regulatory standards and restrictions on the use of fossil-origin raw materials and chemicals. There is also a related risk from changes in consumer preferences, and/or the requirements of large retailers. This risk is managed through: (i) adoption and continuous monitoring of the Restricted Substances List (through application of the REACH, AFIRM, and California Proposition 65 chemical management frameworks); (ii) development of products with lower environmental impact; (iii) use of renewable and recycled raw materials; and (iv) the Reverse Logistics Program – aiming to ensure regulatory compliance, competitiveness and mitigation of regulatory and reputation risks.
- **Risk of water scarcity in industrial operations:** Non-availability of water could affect production processes, especially in units located in Brazil's Semi-arid region. To mitigate this risk, Grendene maintains wastewater treatment plants, treated effluent reuse systems and systems for rainwater harvesting and re-use at all its production plants; and a real-time water monitoring and management system enabling identification of leaks and critical consumption points.
- **Risk of social and environmental vulnerabilities in the supply chain:** Inappropriate practices in the value chain, including employment-law, ethical and environmental irregularities, could have regulatory and reputation impacts. Aiming to promote compliance with legal and corporate standards, transparency in business relations, and mitigation of risks associated with its supply chain, Grendene mitigates this risk through: a structured process of approval of suppliers; application of the guidelines/directives in the Grendene Supplier Manual; and periodic audits.
- **Risk of greenhouse gas emissions above regulatory levels:** This risk applies both in terms of direct emissions (in the Company's operations), and also in terms of indirect emissions (in the Company's value chain). Management of this risk includes: investment in renewable energy sources; continuous improvements to reduce energy consumption in internal processes; and optimization of logistics routes – the focus being on mitigating environmental impacts, meeting regulatory requirements, and reducing financial and reputation risks associated with climate change.
- **Potential effect of extreme weather events on industrial operations and the supply chain:** Prolonged droughts, heavy rains and floods can disrupt operations, affect suppliers and compromise logistics and delivery times. To mitigate this risk, we have internal flood prevention processes, structures for measurement and continuous monitoring of climate conditions, and specific studies on physical risks, aiming to strengthen operational resilience, ensure business continuity, and reduce impacts on operational and financial performance.

22. Risk management--Continued

c) Financial risks management

c.1) Credit risks

The Company and its subsidiaries are exposed to credit risk and the volatility of the values of their investment portfolio, which are susceptible to negative impacts arising from factors such as liquidity, credit quality, market conditions, economic and political scenarios, interest rate fluctuations, among others. These risks can affect the balance of accounts receivable from customers, cash liquidity, financial investments, and other financial assets, resulting in fluctuations that may lead to losses in operating results and financial position.

To mitigate these risks, the Company adopts specific policies and procedures, as described below:

- **Cash and cash equivalents and financial investments:** The resources are allocated to assets considered low-risk, such as government bonds and instruments issued by financial institutions with high credit ratings on the national scale. Below are the main banks used:

Banks	Rating	Risk agency
Banco Bradesco S.A.	AAA	S&P Global Rating
Banco BTG Pactual S.A.	AAA	S&P Global Rating
Banco Itaú S.A.	AAA	S&P Global Rating
Banco Safra S.A.	AAA	S&P Global Rating
Banco Santander S.A.	AAA	S&P Global Rating
Banco Votorantim S.A.	AAA	S&P Global Rating
Caixa Econômica Federal	AAA	S&P Global Rating
Sicredi	AAA	S&P Global Rating

- **Other financial assets:** higher-risk investments, especially in private securities, are subject to evaluation by the investment committee, which has the autonomy to allocate up to R\$1.2 billion according to the guidelines of the current policy.
- **Accounts receivable from customers:** The Company conducts an analysis of customers' financial capacity, sets individualized credit limits, and diversifies its portfolio. There is no significant concentration of risk in specific customers, with no single customer representing more than 5% of the total accounts receivable balance as of December 31, 2025 and 2024.

c.2) Liquidity risk

The Company monitors its cash generation policy with the aim of avoiding a mismatch between the timing of receipts and payments, ensuring the necessary liquidity to meet its obligations.

22. Risk management--Continued

c) Financial risks management--Continued

c.2) Liquidity risk--Continued

The main sources of financial resources come from the sale of its products, characterized by strong cash generation and low default rates. Additionally, the Company maintains balances in financial investments with immediate liquidity and has a solid financial and equity structure, which gives it the ability to meet short- and medium-term obligations.

Below we present the projection of the Company's contractual payments, including future interest.

	Parent company / Consolidated					
	2025			2024		
	Up to 1 year	From 1 to 5 years	Total	Up to 1 year	From 1 to 5 years	Total
Incentive-bearing financings	3,513	15,763	19,276	2,203	14,629	16,832
Post-shipment financing of exports (ACEs)	53,021	-	53,021	55,894	-	55,894
	56,534	15,763	72,297	58,097	14,629	72,726

c.3) Market risks

These market risks principally involve the possibility of variation in interest rates, foreign exchange rates and prices of commodities and stock prices.

i) Interest rate risk

The Company is exposed to the risk of interest rate fluctuations, which can negatively impact its financial results. This risk arises from the possibility of increased expenses on loans and financing, or a reduction in the profitability of its financial investments.

To mitigate this risk, the Company continuously monitors interest rate volatility in the market and adopts an investment policy focused on financial instruments linked to the CDI, with fixed or inflation-adjusted rates. This strategy helps to reduce the adverse effects of interest rate fluctuations.

The open positions as of December 31, 2025, are presented below, along with sensitivity tests that simulate scenarios of changes in rates or indicators. The tests consider a likely scenario, with decreasing impacts on financial investments and increasing impacts on loans.

Risk factor	% y.y.	Sensitivity Scenarios					
		Balances at 2025	Remote - 50%	Possible - 25%	Probable	Possible + 25%	Remote + 50%
<u>Fixed income cash investments</u>							
CDI rate	14.9000%	938,526	10,731	15,915	20,988	26,848	31,718
IPCA rate	4.6400%	38,995	2,532	2,876	3,219	3,562	3,903
INCC rate	5.9400%	127,499	10,575	11,806	13,036	14,264	15,490
<u>Incentive-bearing financings</u>							
TJLP rate	9.0700%	(16,830)	521	781	1,041	1,301	1,561

22. Risk management--Continued

c) Financial risks management--Continued

c.3) Market risks--Continued

ii) Exchange rate risk

The Company's risk in this case arises from transactions in accounts receivable originating from exports, or from financial or other investments outside Brazil – which form a natural hedge against exchange rate variations. Management values its assets and liabilities exposed to the foreign exchange risk, and if necessary, contracts additional derivative financial instruments.

On December 31, 2025, the Company had coverage for exposures to changes in the exchange rate for conversion to Reais at maturity of its export contracts in the amount of **US\$9,495** (US\$8,804 in 2024).

The Company has projected the effect of the transactions designed for Exchange rate protection in three scenarios, considering the transactions would be settled, on the basis of the position becoming due on January 31, 2026, as follows:

Risk factor	Short position in US\$	FX rate	Balances at 2025	Sensitivity scenarios				
				Remote - 50%	Possible - 25%	Probable	Possible + 25%	Remote + 50%
<u>Contracted derivative - Hedge</u>								
Dollar rise	(37,250)	5.5324	(206,083)	103,042	51,521	3,329	(51,521)	(103,042)

This table shows the net assets and liabilities in foreign currency:

Risk factor	Cash position in US\$	FX rate	Balances at 2025	Sensitivity scenarios				
				Remote - 50%	Possible - 25%	Probable	Possible + 25%	Remote + 50%
<u>FX exposure</u>								
<u>Assets</u>								
Current account	19	5.5018	102	(51)	(26)	-	26	51
Accounts receivable from clients	39,194	5.5018	215,639	(107,819)	(53,910)	-	53,910	107,819
<u>Liabilities</u>								
Advances from clients	(1,547)	5.5018	(8,513)	4,256	2,128	-	(2,128)	(4,256)
Accounts payable	(3,114)	5.5024	(17,133)	8,566	4,283	-	(4,283)	(8,566)
Post-shipping financing of exports (ACEs)	(9,495)	5.5018	(52,239)	26,119	13,060	-	(13,060)	(26,119)
Derivatives contracted – Hedge	(37,250)	5.5324	(206,083)	103,042	51,521	3,329	(51,521)	(103,042)
Net exposure	(12,193)		(68,226)	34,113	17,056	3,329	(17,056)	(34,113)

ii) Commodity price risk

This risk refers to the possibility of fluctuations in the price of raw materials and other inputs used in the production process. As the Company uses commodities as raw materials, its cost of sales can be affected by fluctuations in the international prices of these materials. In order to minimize this risk, the Company maintains ongoing monitoring of price fluctuations in the domestic and foreign markets and, if necessary, maintains strategic inventories to support its commercial activities.

22. Risk management--Continued

c) Financial risks management--Continued

c.3) Market risks--Continued

iii) *Risk related to the rate of return from the Silent Partner Companies*

The Company's risk relates to the return expected on each transaction, taking into account not only the specific risks of each asset, but also the macroeconomic expectations of the market – which include factors ranging from the outlook of the construction sector to the scenario for the basic interest rate.

The Company has made projections of the effect of the operations of the Silent Partner Companies (SCP), based on the average rate of return expected to December 31, 2025, as shown below:

Risk factor	Average rate of return	Balances at 2025	Sensitivity scenarios					
			Remote - 50%	Possible - 25%	Probable	Possible + 25%	Remote + 50%	
Other financial assets - SCPs								
Values of real estate properties	18.6136%	151,472	2,471	3,706	5,120	6,177	7,412	

d) Capital management

The Company seeks to maintain a solid capital structure, aiming at business continuity, reducing the cost of capital, and generating value for shareholders. To achieve this, it may review its dividend policy, raise funds, or issue securities. The policy prioritizes a low level of leverage, monitored through the financial leverage ratio, as shown below:

	Parent company		Consolidated	
	2025	2024	2025	2024
Current and non-current borrowings	69,069	68,939	69,069	68,939
Leasing contracts	-	-	1,498	19,885
(-) Cash and cash equivalents	(47,819)	(48,016)	(70,158)	(76,109)
Net debt	21,250	20,923	409	12,715
Equity	3,153,958	4,040,946	3,153,958	4,040,946
Gearing ratio	0.7%	0.5%	0.0%	0.3%

23. Related parties

Accounting policy

The Company has a *Related Party Transactions Policy*, approved by the Board of Directors, which aims to establish rules and procedures to ensure that decisions involving related parties and situations with potential conflict of interests are taken with full independence and absolute transparency in accordance with the interests of Grendene S.A. and its stockholders.

Any legal transactions between related parties are carried out on an arms-length basis and in accordance with market criteria, obeying the same principles and procedures that orient transactions made with non-related parties.

23. Related parties--Continued

The Company's related parties include its subsidiaries, affiliates, other companies in which the shareholders have an interest, as well as the major shareholders and members of management considered key professionals.

a) Amounts of balances and transactions with subsidiaries

	Nature of transaction	Relationship	Parent company		Consolidated	
			2025	2024	2025	2024
Assets			878,277	560,125	742,667	359,261
Other financial assets			57,842	31,649	57,842	31,649
SCP Gouda Even II	Investment	Other transactions	-	3,750	-	3,750
SCP Mairinque	Investment	Other transactions	16,492	23,358	16,492	23,358
SCP Primavera	Investment	Other transactions	41,350	-	41,350	-
SCP Venâncio	Investment	Other transactions	-	4,541	-	4,541
Accounts receivable			34,430	69,051	982	1,083
Grendene Italy SRL.	Sales of footwear	Direct subsidiaries	1,759	1,044	-	-
Grendene Global Brands USA LLC. ^(b)	Sales of footwear	Direct subsidiaries	31,689	66,924	-	-
Vulcabras BA Calçados e Artigos Esportivos S.A.	Sales of inputs	Other transactions	-	24	-	24
Calzados Azaleia Peru S.A.	Sales of footwear	Other transactions	982	1,059	982	1,059
Inventories			373	588	373	588
Vulcabras - CE, Calçados e Artigos Esportivos S.A.	Purchase of footwear	Other transactions	81	296	81	296
	Purchases of dies and tooling	Other transactions	292	292	292	292
Other credits			6,428	14,953	3,634	14,878
Grendene Italy SRL.	Other credits	Direct subsidiaries	2,794	75	-	-
YOUPE Participações S.A.	Other credits	Affiliated company	2,749	3,771	2,749	3,771
NM GAP II Participações S.A.	Other credits	Affiliated company	1	17	1	17
HIPE Participações S.A.	Other credits	Affiliated company	489	367	489	367
NM IBIRA Participações S.A.	Other credits	Affiliated company	395	10,723	395	10,723
Vulcabras - CE, Calçados e Artigos Esportivos S.A.	Other credits	Other transactions	-	-	-	-
Investments			779,202	443,884	679,834	311,063
MHL Calçados Ltda.	Investment	Direct subsidiaries	17,525	15,308	-	-
Grendene USA, Inc	Investment	Direct subsidiaries	158	118	-	-
Grendene Italy S.R.L.	Investment	Direct subsidiaries	2,440	4,553	-	-
Grendene Global Brands Limited ^(a)	Investment	Direct subsidiaries	25,136	112,842	-	-
Grendene Global Brands USA LLC. ^(b)	Investment	Direct subsidiaries	54,109	-	-	-
YOUPE Participações S.A.	Investment	Affiliated company	1,098	635	1,098	635
HIPE Participações S.A.	Investment	Affiliated company	278,153	229,575	278,153	229,575
NM GAP II Participações S.A.	Investment	Affiliated company	36,706	25,545	36,706	25,545
NM IBIRA Participações S.A.	Investment	Affiliated company	85,616	41,996	85,616	41,996
NM Vila Participações S.A.	Investment	Affiliated company	272,609	7,660	272,609	7,660
NM GAP Participações Ltda.	Investment	Other transactions	5,652	5,652	5,652	5,652
Property, plant and equipment			2	-	2	-
Unicasa Industria de Móveis S.A.	PPE in progress	Other transactions	2	-	2	-
Liabilities			3,382	26,461	3,382	25,876
Contractual obligations			778	1,035	778	1,035
Vulcabras - CE, Calçados e Artigos Esportivos S.A.	Licensing (Use of the brand "Azaleia")	Other transactions	778	1,035	778	1,035
Commissions payable			-	585	-	-
Grendene Global Brands Limited. ^(a)	Commission services	Direct subsidiaries	-	585	-	-
Advances from clients			-	24	-	24
Vulcabras - CE, Calçados e Artigos Esportivos S.A.	Advance received	Other transactions	-	24	-	24
Other accounts payable			2,604	24,817	2,604	24,817
Radar Private Fund I LP and affiliates ("Funds Radar").	Controlled acquisition	Other transactions	-	22,738	-	22,738
HIPE Participações S.A.	Advance received	Affiliated company	489	657	489	657
YOUPE Participações S.A.	Advance received	Affiliated company	-	154	-	154
NM GAP II Participações S.A.	Advance received	Affiliated company	-	877	-	877
NM IBIRA Participações S.A.	Advance received	Affiliated company	394	391	394	391
NM GAP Participações Ltda.	Advance received	Other transactions	1,721	-	1,721	-

23. Related parties--Continued
a) Amounts of balances and transactions with subsidiaries--Continued

	Nature of transaction	Relationship	Maturity	Parent company		Consolidated	
				2025	2024	2025	2024
Statements of income				59,914	113,133	145,299	119,410
Net sales and services revenue				65,970	65,893	4,577	64,462
Grendene Italy S.R.L.	Sales of footwear	Direct subsidiaries	166 days	2,822	1,431	-	-
Grendene Global Brands Limited. ^(a)	Sales of footwear	Direct subsidiaries	261 days	54,236	67,949	-	67,949
	Punctuality discounts		-	-	(8,162)	-	(8,162)
Grendene Global Brands USA LLC ^(b)	Sales of footwear	Direct subsidiaries	259 days	4,335	-	-	-
Vulcabras BA Calçados e Artigos Esportivos S.A.	Sale of supplies	Other transactions	28 days	-	-	-	-
Vulcabras – CE, Calçados e Artigos Esportivos S.A.	Sale of supplies	Other transactions	50 days	-	20	-	20
	Revenue from services (Use of the Brand)		12 days	-	283	-	283
				-	85	-	85
Calzados Azaleia Peru S.A.	Sales of footwear	Other transactions	101 days	4,577	4,287	4,577	4,287
Selling expenses				(4,259)	(4,883)	(3,421)	(4,883)
Grendene Italy S.R.L.	Advertising and publicity ⁽¹⁾⁽²⁾	Direct subsidiaries	-	(5)	(182)	-	(182)
	Shoe samples ⁽¹⁾		-	(134)	(73)	-	(73)
	Other expenses ⁽¹⁾		-	(2)	(5)	-	(5)
Grendene Global Brands Limited ^(a)	Commission services	Direct subsidiaries	97 days	(269)	(859)	-	(859)
	Shoe samples ⁽¹⁾		-	(400)	(247)	-	(247)
	Other expenses ⁽¹⁾		-	(1)	-	-	-
Grendene Global Brands USA LLC ^(b)	Advertising and publicity ⁽¹⁾⁽²⁾	Direct subsidiaries	-	(9)	(4)	-	(4)
Vulcabras BA Calçados e Artigos Esportivos S.A.	Shoe samples ⁽¹⁾	Direct subsidiaries	-	(18)	-	-	-
Vulcabras – CE, Calçados e Artigos Esportivos S.A.	Advertising and publicity ⁽²⁾	Other transactions	63 days	-	(6)	-	(6)
	Licensing ((Use of the brand "Azaleia")	Other transactions	90 days	(3,364)	(3,443)	(3,364)	(3,443)
	Loss of business		7 days	-	(23)	-	(23)
	Advertising and publicity ⁽²⁾		90 days	-	(1)	-	(1)
Calzados Azaleia Peru S.A.	Shoe samples ⁽¹⁾	Other transactions	-	(50)	(25)	(50)	(25)
	Advertising and publicity ⁽¹⁾⁽²⁾		-	(7)	(15)	(7)	(15)
Equity in the results of investees				(8,945)	38,579	132,989	46,462
MHL Calçados Ltda.	Equity	Direct subsidiaries	-	2,217	604	-	-
Grendene USA, Inc.	Equity	Direct subsidiaries	-	(230)	(5,018)	-	-
Grendene Italy S.R.L.	Equity	Direct subsidiaries	-	(2,071)	(3,469)	-	-
Grendene Global Brands Limited. ^(a)	Equity	Direct subsidiaries	-	(128,098)	(63,451)	-	(63,451)
Grendene Global Brands USA LLC ^(b)	Equity	Direct subsidiaries	-	(13,752)	-	-	-
YOUPE Participações S.A.	Equity	Affiliated company	-	464	501	463	501
HIPE Participações S.A.	Equity	Affiliated company	-	61,201	99,178	61,202	99,178
NM GAP II Participações S.A.	Equity	Affiliated company	-	26,537	6,644	26,537	6,644
NM IBIRA Participações S.A.	Equity	Affiliated company	-	46,803	4,430	46,803	4,430
NM Vila Participações S.A.	Equity	Affiliated company	-	(2,016)	(840)	(2,016)	(840)
Other operating income				5,108	-	5,108	-
Grendene Global Brands Limited. ^(a)	Gain from the measurement at fair value of the previous equity interest.	Direct subsidiaries	-	5,108	-	5,108	-
Other Operating Expenses				(6,219)	-	(6,219)	-
Grendene Global Brands Limited. ^(a)	Adjustment in investment acquisition	Direct subsidiaries	-	(587)	-	(587)	-
	Amortization of goodwill		-	(1,008)	-	(1,008)	-
	Execution of reclassification adjustment – Loss on write-off of investment		-	(4,624)	-	(4,624)	-
Financial result				8,259	13,544	12,265	13,369
Grendene USA, Inc.	Exchange rate variation, net	Direct subsidiaries	-	(2)	3	-	-
Grendene Italy S.R.L.	Exchange rate variation, net	Direct subsidiaries	-	48	105	-	-
	Other financial income	Direct subsidiaries	-	33	67	-	-
Grendene Global Brands Limited. ^(a)	Exchange rate variation, net	Direct subsidiaries	-	(4,014)	10,218	-	10,218
Grendene Global Brands Limited. ^(b)	Exchange rate variation, net	Direct subsidiaries	-	(71)	-	-	-
Calzados Azaleia Peru S.A.	Exchange rate variation, net	Other transactions	-	(89)	395	(89)	395
SCP Jesuíno Maciel	Return and AVJ	Other transactions	-	-	285	-	285
SCP Mairinque	Return and AVJ	Other transactions	-	4,166	1,895	4,166	1,895
SCP Venâncio	Return and AVJ	Other transactions	-	331	576	331	576
SCP Gouda Even II	Return and AVJ	Other transactions	-	7,857	-	7,857	-

^(a) Grendene Global Brands Limited changed from a joint venture to a subsidiary of Grendene S.A. as of December 1, 2024, through the acquisition of 50.1% of the shares held by Radar Private Fund I LP and affiliates ("Radar Funds").

^(b) On November 6, 2025, the 117th meeting of the Board of Directors approved acquisition from Grendene Global Brands Limited of all the Units in the share capital of **Grendene Global Brands USA LLC**, which is now a direct subsidiary of Grendene S.A.

⁽¹⁾ Transactions without commercial value, measured at cost value.

⁽²⁾ Advertising and marketing expenses, on sending of product to influencers, and material for point of sale.

23. Related parties--Continued

b) Remuneration of key personnel

At the Ordinary General Meeting of April 17, 2025, the global remuneration of administrators for the year 2025 was approved, in the amount of up to **R\$11,000** (R\$9,300 in 2024), covering the Company's Statutory Board, including remuneration plans based in shares and the Board of Directors. These expenses are recorded under general and administrative expenses, as shown below:

	Parent company					
	2025			2024		
	Fees	Remuneration	Variable ⁽¹⁾	Fees	Remuneration	Variable ⁽¹⁾
Board of Directors	1,939	196	-	1,854	188	-
Executive Board	6,490	-	2,497	6,107	-	896
	8,429	196	2,497	7,961	188	896

⁽¹⁾ Refers to expenses in the business year on premiums in the stock options/subscription plan, as described in Note 24.

c) Other related parties

The Company uses travel agency and consultancy services provided by companies that are the property of a related party, as follows:

	Parent company	
	2025	2024
Dall'Onder Viagens & Turismo Ltda.	570	470
Mailson da Nóbrega Consultoria S/S Ltda.	72	72
Ochman Advogados Associados	120	154
	762	696

The amounts spent on these services total approximately 0.03% of the Company's general expenses. As of December 31, 2025 and 2024, there were no outstanding amounts due.

23. Related parties--Continued

c) Other related parties--Continued

On December 31, 2025 and 2024, there were transactions with indirect related parties, stockholders and members of the Company's key management personnel, as follows:

Legal entities and individuals	Party's relationship with the Company	Nature of transaction
Even Construtora e Incorporadora S.A.	Holder of an investment of 46.29% in Nova Milano Investimentos, a management entity controlled by Alexandre Grendene Bartelle.	Provider of sureties for the obligations of the following real estate operations: (i) SCP Jesuino Maciel (waxed in Sep24), (ii) SCP Venâncio (waxed in Sep25), (iii) SCP Mairinque, and (iv) SCP Gouda Even II (waxed in Sep25), also acting as a guarantor of SCP Primavera through RFM-E.
Veneza Negócios e Participações S.A.	Company belonging to the stockholders Alexandre Grendene Bartelle and Pedro Grendene Bartelle.	Stockholder in the real estate investments of the affiliated companies: (i) YOUPE Participações S.A., (ii) NM GAP II Participações S.A. and other companies: (iii) NM GAP Participações Ltda.
Nova Milano Investimentos Ltda.	Company belonging to the stockholder Alexandre Grendene Bartelle and managed by the Deputy CEO, Gelson Luis Rostirolla.	Stockholder in the real estate investments of the affiliated companies: (i) YOUPE Participações S.A., (ii) HIPE Participações S.A., (iii) NM GAP II Participações S.A., (iv) NM IBIRA Participações S.A. and (v) NM Vila Participações S.A.
Radar Private Fund I LP e afiliados ("Fundos Radar")	Partner in the joint venture Grendene Global Brands Limited.	Investment in the joint venture Grendene Global Brands Limited. (closed on Nov/24).
André de Camargo Bartelle	Stockholder	Investor in the following real estate undertakings: (i) SCP Neto de Araujo, (ii) YOUPE Participações S.A., (iii) HIPE Participações S.A., and (iv) NM GAP II Participações S.A.
Gabriela de Camargo Bartelle	Stockholder	Investor in the following real estate undertakings: (i) YOUPE Participações S.A., (ii) HIPE Participações S.A. and (iii) NM IBIRA Participações S.A.
Rudimar Dall'Onder	CEO	Investor in the following real estate undertakings: (i) YOUPE Participações S.A., (ii) HIPE Participações S.A., (iii) NM GAP II Participações S.A. and (iv) NM IBIRA Participações S.A.
Vulcabras BA Calçados e Artigos Esportivos S.A.	Affiliated company, since Vulcabras CE is the parent company of Vulcabras - BA Calçados e Artigos Esportivos S.A., and Vulcabras CE is controlled by Vulcabras S.A. and the controlling stockholder of Vulcabras S.A.; hence the indirect controlling stockholder of its subsidiaries is part of Grendene's controlling stockholder block. Thus, Grendene and Vulcabras and their subsidiaries are affiliated companies. Vulcabras - CE Calçados e Artigos Esportivos S.A. is a direct subsidiary of Vulcabras S.A. and Vulcabras - BA Calçados e Artigos Esportivos S.A. is an indirect subsidiary of Vulcabras S.A..	Sale of input materials and advertising.
Vulcabras - CE, Calçados e Artigos Esportivos S.A.	Vulcabras - CE Calçados e Artigos Esportivos S.A. and the Company have the relationship of affiliated companies, since Vulcabras CE é a subsidiary of Vulcabras S.A. and of the controlling stockholder of Vulcabras S.A.; hence the indirect controlling stockholder of its subsidiaries is part of Grendene's controlling stockholder block. Thus, Grendene and Vulcabras and their subsidiaries are affiliated companies. Vulcabras - CE Calçados e Artigos Esportivos S.A. is a direct subsidiary of Vulcabras S.A.; and Vulcabras - BA Calçados e Artigos Esportivos S.A. is an indirect subsidiary of Vulcabras S.A..	Sales of input materials, purchase of shoes and input materials, purchase of materials, licensing (brands: "Azaleia" and "Melissa"), indemnities and advertising. Transactions with no commercial value for shoe samples.
Calzados Azaleia Peru S.A.	Affiliated company, since Vulcabras CE is the parent company of Calzados Azaleia Peru S.A., and Vulcabras CE is a subsidiary of Vulcabras S.A. and the controlling stockholder of Vulcabras S.A.; hence the indirect controlling stockholder of its subsidiaries is part of Grendene's controlling stockholder block. Thus, Grendene and Vulcabras and their subsidiary companies have the relationship of affiliated companies. Vulcabras - CE Calçados e Artigos Esportivos S.A. is a direct subsidiary of Vulcabras S.A.; and Calzados Azaleia Peru S.A. is an indirect subsidiary of Vulcabras S.A..	Sales of footwear. Transactions with no commercial value regarding footwear samples and advertising.
Unicasa Industria de Móveis S.A.	Affiliated company in that the controlling shareholder of Unicasa is part of the controlling block of Grendene S.A..	Transaction of purchase of fixed assets (Furniture and fixtures).

There are no other transactions between the Company and its related parties, other than dividends and Interest on Equity paid.

24. Stock option or subscription plan

Accounting policy

On April 14, 2008, the Extraordinary General Meeting approved the Share Purchase or Subscription Option Plan, granting directors and managers, except controlling directors, the right to acquire shares of the Company under established conditions. Subsequent amendments were approved by the Board of Directors, with the latest revision on August 1, 2019.

The options can be exercised up to 6 (six) years after the grant date, respecting the 3 (three) year vesting period, with gradual release: 33% starting from the first anniversary, 66% after the second anniversary, and 100% after the third anniversary.

The shares are measured at fair value on the grant date, and the expense is recognized proportionally from the start of the vesting period until the right to exercise, with a corresponding entry in equity.

a) Assumptions for measuring stock options at fair value

The fair value of the stock options granted by the Company is estimated based on the Black & Scholes option pricing model. For the calculation, the following economic assumptions were considered:

- **Expected dividends:** estimated based on the average of dividends paid per share in relation to the market value of the shares over the past 12 months;
- **Volatility:** calculated based on the historical average fluctuation of the Company's stock price over the 18 months prior to the grant date;
- **Risk-free interest rate:** corresponding to the projected average Selic rate, as published by the Central Bank of Brazil (BACEN).

The Company has no commitment to re-purchase such shares as are acquired by the beneficiaries.

b) Share repurchase

To comply with plans for exercise of stock purchase options, in 2025 a total of **876,852** (430,942 in 2024) shares was acquired, for an average price of **R\$5.52** (R\$7.05 in 2024), totaling **R\$4,836** (R\$3,036 in 2024).

The difference between the average exercise price of the options and the average cost of the shares acquired and subsequently canceled, for compliance with the exercise of stock options resulted in recognition of a gain of **R\$1,864** (R\$631 in 2024) in shareholders' equity, since the settlement of the plan options occurs with equity instruments.

The following programs were in effect during the year:

Plans	Grant date	Total purchase options granted	Fair value	Exercise price	Estimated volatility	Expected dividends	Weighted average risk-free interest rate	Average maturity	Result of granted options recognized		Expense on personnel	
									2025	2024	2025	2024
15°	02/24/2022	1,402,950	3.79	4.50	25.95%	5%	12.25%	2.5 year	(1,674)	(1,677)	(46)	(628)
17°	02/29/2024	1,385,736	2.75	3.70	17.05%	5%	9%	2.5 year	(1,290)	(33)	(1,105)	(2,127)
18°	02/27/2025	4,792,758	2.28	3.07	24.43%	9%	15%	2.5 year	(55)	-	(6,071)	-
									(3,019)	(1,710)	(7,222)	(2,755)

24. Stock option or subscription plan--Continued

c) Movement of stock options or subscription

The movements in the quantity of eligible shares from the share purchase or subscription plans are shown below:

Plans	Total at 2023	Granted	Exercised	Canceled	Total at 2024	Granted	Exercised	Canceled	Total at 2025	Options exercisable		
										2026	2027	2028
15º	876,480	-	(433,613)	(9,254)	433,613	-	(429,993)	(3,620)	-	-	-	-
17º	-	1,385,736	-	(25,797)	1,359,939	-	(446,859)	(44,764)	868,316	434,158	434,158	-
18º	-	-	-	-	-	4,792,758	-	(123,369)	4,669,389	1,556,463	1,556,463	1,556,463
	876,480	1,385,736	(433,613)	(35,051)	1,793,552	4,792,758	(876,852)	(171,753)	5,537,705	1,990,621	1,990,621	1,556,463

25. Net sales and services revenue

Accounting policy

Sales and service revenues are measured at the fair value of the consideration received or receivable and recognized when the control of the products is transferred or the services are effectively rendered, provided that the amount can be reliably measured, there is an expectation of future economic benefits, and there is no continued control or responsibility over the goods or services.

Product sales: sales are carried out in both the domestic and international markets, based on orders from customers, distributors, or sales representatives. Product delivery can be made directly to the customer or through logistics operators, according to the agreed contractual terms.

Services: revenues originating from **(i)** services related to the use of the brand, **(ii)** sales brokerage commissions, and **(iii)** services provided between Group companies.

Net sales and services revenue is comprised as follows:

	Parent company		Consolidated	
	2025	2024	2025	2024
Gross sales and services revenue	3,149,370	3,235,635	3,401,660	3,236,823
<i>Domestic market</i>	2,681,848	2,750,915	2,681,848	2,750,915
<i>Adjustment to Present Value (AVP)</i>	(97,291)	(96,052)	(97,291)	(96,052)
<i>Special System for Refund of Tax Amounts (Reintegra)</i>	37	35	37	35
<i>Foreign market</i>	579,253	596,352	831,543	597,540
<i>Adjustment to Present Value (AVP)</i>	(15,043)	(16,184)	(15,043)	(16,184)
<i>Special System for Refund of Tax Amounts (Reintegra)</i>	566	569	566	569
Sales returns	(152,517)	(92,252)	(245,101)	(92,684)
Financial discounts	(160,725)	(137,522)	(217,338)	(137,572)
Taxes on sales and services	(514,222)	(540,597)	(514,357)	(540,597)
ICMS tax incentives (Proade)	189,130	201,670	189,130	201,670
Social Security contribution on gross revenue	(29,653)	(39,060)	(29,653)	(39,060)
	2,481,383	2,627,874	2,584,341	2,628,580

26. Segment reporting

Accounting policy

The group operates in a single segment, Footwear, which covers the development, production, distribution and sale of plastic footwear in the domestic and export market. The result is evaluated in an integrated manner by Management, allowing a consolidated analysis for strategic decision-making.

a) Distribution by geographical area

This table shows gross revenue in the domestic and external markets:

	Parent company		Consolidated	
	2025	2024	2025	2024
Domestic market (Brazil)	2,584,594	2,654,898	2,584,594	2,654,898
Export market	564,776	580,737	817,066	581,925
<i>North America</i>	64,283	82,330	168,628	82,330
<i>Asia and Oceania</i>	99,532	115,856	244,955	115,859
<i>Europe</i>	129,516	127,488	132,031	128,650
<i>Central and South America – Latam</i>	245,709	221,785	245,709	221,785
<i>Middle East and Africa – MEA</i>	25,736	33,278	25,743	33,301
	3,149,370	3,235,635	3,401,660	3,236,823

No customer individually represented more than 5% of sales in the domestic or foreign market.

b) Non-current assets

Of the total non-current assets of the Company, approximately 4% are investments made outside Brazil by its subsidiaries (direct and indirect). The summary financial information of these companies is presented in Note 11- Investments.

27. Costs and expenses by nature

The Company presents the Profit and loss account itemized by function. The classification of operational costs and expenses by type is as follows:

	Parent company		Consolidated	
	2025	2024	2025	2024
Cost of goods sold	(1,394,981)	(1,387,763)	(1,415,265)	(1,387,506)
Raw materials	(603,161)	(641,508)	(609,490)	(641,411)
Personnel expenses	(574,880)	(532,369)	(584,671)	(532,249)
Intermediate material consumption	(12,594)	(11,577)	(12,594)	(11,577)
Expenses on materials	(10,430)	(11,088)	(10,430)	(11,088)
Maintenance expenses	(28,435)	(27,437)	(28,435)	(27,437)
Depreciation and amortization	(51,921)	(50,008)	(51,921)	(50,008)
Outsourced services	(12,783)	(13,153)	(12,783)	(13,153)
IT expenses	(13,895)	(13,518)	(13,895)	(13,518)
Travel and accommodation	(4,451)	(3,821)	(4,451)	(3,821)
Energy, water and environmental costs	(36,837)	(39,348)	(36,837)	(39,348)
Other costs	(45,594)	(43,936)	(49,758)	(43,896)
Selling expenses	(586,961)	(610,111)	(756,732)	(618,441)
Commissions	(112,162)	(113,144)	(134,487)	(114,283)
Freight	(148,095)	(156,663)	(166,655)	(157,322)
Freight storage	-	-	(17,712)	-
Copyrights	(36,981)	(42,079)	(36,977)	(42,079)
Advertising and publicity	(107,047)	(124,208)	(150,625)	(126,469)
Shoe samples	(19,816)	(18,475)	(20,600)	(18,475)
Congresses	(13,173)	(11,812)	(13,173)	(11,812)
Personnel expenses	(75,135)	(72,770)	(94,505)	(73,833)
Depreciation and amortization	(10,471)	(8,545)	(19,042)	(9,559)
Outsourced services	(5,246)	(5,918)	(10,587)	(6,033)
IT expenses	(11,233)	(10,075)	(18,523)	(10,819)
Travel and accommodation	(10,708)	(9,136)	(13,466)	(9,373)
Energy, water and environmental expenses	(620)	(406)	(634)	(478)
Rentals	(4,471)	(4,097)	(4,219)	(4,097)
Other expenses	(31,803)	(32,783)	(55,527)	(33,809)
General and administrative expenses	(123,162)	(110,093)	(146,419)	(111,264)
Personnel expenses	(89,806)	(79,788)	(101,650)	(80,014)
Depreciation and amortization	(4,684)	(4,569)	(6,635)	(4,570)
Outsourced services	(6,935)	(6,245)	(12,791)	(6,920)
IT expenses	(4,523)	(4,442)	(7,371)	(4,544)
Travel and accommodation	(1,352)	(1,007)	(1,460)	(1,007)
Energy, water and environmental expenses	(1,280)	(1,255)	(1,280)	(1,255)
Tax expenses	(10,575)	(9,125)	(10,952)	(9,170)
Other expenses	(4,007)	(3,662)	(4,280)	(3,784)

28. Other operating expenses

	Parent company		Consolidated	
	2025	2024	2025	2024
Other operating income	15,646	12,157	67,389	15,175
Write-down of investment in subsidiary	-	318	-	318
Business combination ⁽¹⁾	5,108	-	5,108	-
Processual credits	754	5,995	754	5,995
Trade negotiation	833	833	833	833
Sales revenue of investments ⁽³⁾	-	-	50,763	-
Revenue from sales of property, plant and equipment, scrap and others	1,854	2,293	1,946	2,293
Cost and expense recovery	6,442	2,055	7,323	2,619
Rescission of rental agreement	-	-	-	2,454
Other operating income	655	663	662	663
Other operating expenses	(56,218)	(12,306)	(141,408)	(15,442)
Write-down of investment ⁽³⁾	-	-	(54,261)	-
Business combination ⁽²⁾	(6,219)	-	(6,219)	-
Ex-franchisor commissions	(4,978)	(7,702)	(4,978)	(7,702)
Sales costs and write-off of fixed assets, scrap and others	(4,725)	(7,864)	(5,572)	(10,369)
Tax expenses / Fines	(16,242)	-	(16,243)	-
Indemnities	(3,026)	(2,272)	(5,539)	(2,288)
Estimated losses (reversal) on doubtful receivables	(6,165)	14,276	(6,165)	14,276
Losses due to non-realization of assets	(675)	1,714	(12,322)	1,630
Lawsuits and court provisions	(7,115)	(6,997)	(6,265)	(7,338)
Revenue recovery	-	(468)	(1,200)	(468)
Rescission of rental agreement	-	-	(15,476)	-
Outsourced services / SESI (Social Service of Industry) and SENAI (National Service for Industrial Training) / Donations	(1,087)	(1,721)	(1,087)	(1,721)
Other operating expenses	(5,986)	(1,272)	(6,081)	(1,462)

⁽¹⁾ Gain from the measurement at fair value of the previous equity interest on the date of acquisition of control of GGB (Note 11.d);

⁽²⁾ Refers to: **(a) R\$4,624** realization of the reclassification adjustment – loss on the write-off of accumulated exchange variation of the previously held equity interest (Note 11.d); **(b) R\$1,008** amortization of goodwill; and **(c) R\$587** adjustment on the acquisition of investment (Goodwill).

⁽³⁾ This is part of the process of corporate restructuring of Grendene Global Brands, in which the company sold Grendene Global Brands USA LLC to Grendene S.A., so that Grendene Global Brands USA LLC is now directly controlled by Grendene S.A.

29. Finance result

	Parent company		Consolidated	
	2025	2024	2025	2024
Financial income	450,190	395,467	454,517	396,908
Gains on foreign exchange hedge – B3	44,457	20,732	44,457	20,732
Foreign exchange gains	51,759	68,651	53,931	68,654
Income from financial investments	178,465	127,275	180,720	128,837
Profit/loss on other financial assets - SCPs ⁽²⁾	46,816	52,233	46,816	52,233
Results of Structured Transaction Certificates (COEs) ⁽³⁾	13,615	(3,105)	13,615	(3,105)
Adjustment to Present Value ⁽⁴⁾	114,168	116,621	114,168	116,621
Interest income ⁽⁵⁾	4,520	16,922	4,553	16,939
Interest received from customers	4,666	2,969	4,666	2,969
PIS and COFINS tax on financial revenues	(8,851)	(7,287)	(8,953)	(7,360)
Other financial income	575	456	544	388
Financial expenses	(99,402)	(141,336)	(101,635)	(141,653)
Losses on foreign exchange hedge – B3	(10,216)	(68,317)	(10,216)	(68,317)
Foreign exchange losses	(64,528)	(51,281)	(66,185)	(51,304)
Bank expenses	(2,852)	(6,729)	(3,207)	(6,749)
Financing expenses ⁽¹⁾	(15,028)	(9,967)	(15,028)	(9,967)
Other finance expenses	(6,778)	(5,042)	(6,999)	(5,316)
	350,788	254,131	352,882	255,255

- (1) Refers to interest income and expenses from financial investments and loans, recognized based on the effective interest rate on the outstanding principal balance.
- (2) Includes the results obtained in Joint Ventures (SCPs), including: (a) income; (b) dividends and interest on equity; (c) fair value adjustment; and (d) taxation;
- (3) Refers to the results obtained with Structured Operations Certificates (COE), includes the results of: (a) income; (b) fair value adjustment; (c) taxation;
- (4) It corresponds to the present value adjustment applied to the balances of accounts receivable from customers; and
- (5) Refers mainly comprises monetary updating by the Selic rate applicable to: (a) amounts arising from legal proceedings related to the exclusion of ICMS from the calculation base of PIS and COFINS; (b) credits of corporate income tax and the Social Contribution tax on net profit (CSLL) on interest allocated at the Selic rate on tax credits arising from tax overpayment recoveries; and (c) credit related to the acquisition of inputs (Note 9).

30. Additional information to the Cash Flow Statements

The main transactions that do not affect cash and cash equivalents are shown below:

	Parent company		Consolidated	
	2025	2024	2025	2024
Exchange variation in investments	8,071	(16,540)	-	(14,231)
Right of use – Write-off	-	-	(8,969)	(22,444)
Lease Liabilities – Write-off	-	-	8,969	22,444
Extraordinary dividends, net	979,985	-	979,985	-
Proposed and prescribed dividends	1,127	120,559	1,127	120,559
Interest on equity proposed, net	67,650	93,500	67,650	93,500

31. Insurance

The Company maintains insurance contracts to protect its assets against possible operational risks. The policies contracted are reviewed annually, according to the nature of the activities and the risks involved, with the support of consultants specialized in insurance. The total amount of the coverage, considering the maximum compensation limits defined in each policy, is adequate to cover potential losses. The following are the main types of cover contracted and the respective compensation limits:

Type	Coverage	Coverage amount
 Property	Fixed assets and inventories are insured against fire, gales, flooding, electrical damage and damage in movement of merchandise and stationary equipment and furniture.	R\$562,495
 Loss of profits	Coverage of fixed expenses arising from payroll.	R\$47,000
 Civil liability	Industrial operations, employer, products and damages for pain and suffering.	R\$4,150
 Third-party liability Licensing	Industrial operations, employer, products, and damages for pain and suffering.	USD7,278
 Aviation	Fuselage, third party liability, medical expenses, rescue/emergency, substitute aircraft and personal damages.	USD3,440
 Vehicles	Fuselage, third party liability for property and corporate damage and pain and suffering.	100% of FIPE /90%FIPE R\$100 MD R\$200 third party property damages and R\$1,000 third party personal injury R\$200 Death/Disability
 Transportation	Export and import.	USD2.500 per shipment
 Financial guarantees	Legal actions rental contracts.	R\$44,124

32. Subsequent event

Merger of MHL Calçados Ltda: Management has been conducting the preliminary studies and negotiations required for the merger of MHL Calçados, including the preparation of a proposal to be submitted for approval by the Ordinary and Extraordinary General Shareholders' Meeting

As no present obligation has been established and the transaction has not been formally approved, the event has no impact on these financial statements. Management will continue to monitor the progress of the matter and will disclose additional information when official decisions are made. No financial impacts are currently expected, as the company has already ceased its operating activities.

Members of Boards, executive Board and Controller's department

Board of Directors

Alexandre Grendene Bartelle
CEO

Pedro Grendene Bartelle
Deputy CCEO

Mailson Ferreira da Nóbrega
Oswaldo de Assis Filho
Renato Ochman
Walter Janssen Neto
Bruno Alexandre Licarião Rocha
Board member

Executive Board

Rudimar Dall'Onder
Chief executive officer

Gelson Luis Rostirolla
Deputy chief executive officer

Alceu Demartini de Albuquerque
Chief finance and administration officer and Investor relations officer

Controller's department

Luiz Carlos Schneider
Controller division manager

Gisele Carina Pistore Pereira
Accountant – CRC 087193/O-5 "S" CE