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GRENDA

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Grendene kids

rider

CARTAGO

PEGA FORTE

MANAGEMENT REPORT



Grendene®

2024



Table of Contents

Message from the Management	3
Economic and Financial Performance	5
Main Consolidated Indicators (in IFRS).....	5
Gross Sales Revenue	6
Net Sales Revenue.....	7
Cost of Goods Sold (COGS)	7
Gross Profit.....	7
Sales Expenses.....	8
General and Administrative Expenses (G&A Exp.)	8
EBIT	8
EBITDA.....	9
Net Financial Revenue	9
Net Profit for the Year.....	9
Cash Generation	10
Net Cash Position.....	10
Capex (Fixed and Intangible)	10
Equity Structure and Capital Market	11
Equity Structure	11
Capital Markets.....	11
Remuneration to Shareholders.....	13
Dividend Policy	13
Allocation of Net Income for the Fiscal Year	13
Governance, Risks and Compliance (GRC)	15
Audit Committee	16
Sustainability	17
Integrated ESG Strategy	17
Environmental Impacts and Circular Economy	18
Main Initiatives	18
Certifications and Audits in Sustainable Development	19
Highlights and Awards	20
Innovation in Materials and Processes	20
Climate Risk Management	20
Mitigation and Adaptation Policies	20
Monitoring and Transparency.....	20
Social Commitment	20
Partnerships and Community Actions.....	20
Education and Sustainability.....	21
Responsible Value Chain Management.....	21



Innovation for Sustainability	21
Productive Efficiency and Waste Reduction	21
Research and Development in Sustainable Materials	21
Impact Assessment and Occupational Safety	22
Performance and Transparency Report	22
Perspectives	22
Key Trends in the Footwear and Sustainability Sector	22
Alignment with Global and Regional Market Demands	23
Opportunities for Growth and Global Alignment	23
People Management	24
Grendene University (UG)	24
Development and Recognition of our Employees	25
Awards and Human Resources Certifications	26
Additional Information	27
Independent Auditors – CVM Resolution 162/2022	27
Statements of the Board of Directors	27
Appendix I	28
Appendix II	31

Grendene®

Publicly Held Company

**CNPJ (National Registry of Legal
Entities) Number: 89.850.341/0001-60**

**NIRE (Company Registration
Identification) Number: 23300021118-CE**



Grendene S.A. Management presents the Management Report and the individual and consolidated financial statements of the Company, in accordance with applicable legal and statutory requirements. The preparation of these documents was conducted in compliance with the accounting principles and regulations of the Brazilian Securities and Exchange Commission (CVM), as well as the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The Company has adopted all applicable regulations, amendments, and interpretations issued by the International Accounting Standards Board (IASB) that are effective for the financial statements as of December 31, 2024.

Message from the Management

In 2024, both the global and Brazilian economies faced significant challenges. Persistent inflation, high interest rates, and political and economic instability across several regions shaped the global economic landscape. The slowdown in the global economy, particularly in key markets, was further exacerbated by geopolitical conflicts and exchange rate volatility, impacting international trade, and weakening consumer confidence. In Brazil, the scenario was no different. High household debt levels and a cautious economic environment constrained consumer spending, adding pressure to domestic economic conditions.

Amid this backdrop of global and national uncertainty, Grendene operated in a volatile economic environment. However, our agile management approach and strategic focus enabled us to navigate these challenges with resilience. We have maintained our trajectory of sustainable growth and innovation, demonstrating agility in adapting to market dynamics. Despite challenges, we successfully strengthened our position in both domestic and international markets, reaffirming the soundness of our strategy, as reflected in our financial results.

In 2024, Grendene recorded total gross revenue of R\$3.2 billion, driven by the sale of 139.4 million pairs, representing 7.5% growth, despite a slight decline of 0.2% in the number of pairs sold compared to 2023.

The domestic market remained the primary destination for our products, with demand driven by consumers seeking better cost-benefit, comfort, design, and sustainability, leading to increased sales of higher value-added products. However, high household indebtedness and a cautious economic environment led to more moderate growth.

Even so, the domestic market recorded an 8.1% increase in gross revenue, reaching R\$2.7 billion, along with a 1.0% rise in the volume of pairs sold compared to 2023, totaling 114.1 million pairs. These results reflect the strength of our brands and consumer loyalty, even amid economic uncertainties.

On the global landscape, footwear exports faced significant challenges, impacted by rising interest rates in several economies, international logistics disruptions, and regional conflicts. Despite these obstacles, exports generated gross revenue of R\$581.9 million, marking 4.8% growth compared to 2023. However, the volume of exported pairs declined by 5.0%, totaling 25.3 million pairs, underscoring the need for agile strategies amid global economic volatility.

In 2024, net revenue reached R\$2.6 billion, reflecting an 8.0% increase compared to the R\$2.4 billion recorded in 2023, despite the impact of Law 14,789/23, which introduced the taxation of tax incentives under PIS and COFINS.

The Cost of Goods Sold (COGS) had a slight increase of 2.8%, totaling R\$ 1.4 billion. This increase was mainly caused by the increase in labor costs and other general manufacturing expenses. On the other hand, gross profit grew by 14.5% compared to the previous year, totaling R\$ 1.2 billion in 2024.

In addition, gross margin increased significantly by 2.7 percentage points, from 44.5% in 2023 to 47.2% in 2024. This growth was driven not only by the increase in net revenue and sales volume but also by greater efficiency in managing the cost of goods sold (COGS), which grew at a slower rate.

In 2024, EBIT increased from R\$ 274.9 million in 2023 to R\$ 557.6 million, reflecting a growth of 102.8%. Excluding non-recurring items, recurring EBIT increased by 33.3%, reaching R\$ 508.4 million. This resulted in a 3.6 percentage point improvement in the recurring EBIT margin, which rose from 15.7% in 2023 to 19.3% in 2024.

In 2024, the recurring financial result totaled R\$365.2 million, reflecting a 14.5% increase compared to 2023. This growth was primarily driven by returns from investments in SCP's, measured using the equity



method. Although these amounts are accounted for under the equity method in the income statement (IS), management considers them, from a managerial perspective, as part of the recurring financial result.

In 2024, recurring net income totaled R\$796.5 million, reflecting a 20.5% increase compared to the R\$661.2 million recorded in the same period of 2023. The recurring net margin also improved, increasing from 27.2% in 2023 to 30.3% in 2024, a growth of 3.1 percentage points (pp). These positive results reflect revenue growth, enhanced operational efficiency, and strong financial performance, demonstrating the company's ability to scale its operations and manage finances effectively, even in a challenging economic environment.

Cash generation remained solid, with R\$702.7 million in operating cash flow, increasing net cash to R\$1.5 billion as of December 31, 2024, compared to R\$1.2 billion in the same period of 2023.

Regarding dividends, the proposed payout ratio was 60.4%, including dividends and interest on equity, resulting in a dividend yield of 7.9%. This commitment to generating value for shareholders reinforces the strength of our financial position.

In terms of investments, we completed the construction of the new plant in Crato, Ceará, enhancing our EVA production capacity, and advanced in the digital transformation of our operations. Additionally, we strengthened our brands, optimized our distribution channels, and expanded our product portfolio with innovative launches aligned with consumer needs.

The Company also announced the acquisition of the remaining shares of Joint Venture Grendene Global Brands Limited (GGB), in which it already held a 49.9% stake. With the completion of this transaction, Grendene became the full owner of GGB, reinforcing its strategy to expand the internationalization of its brands, strengthen its global presence, and advance digitalization. Additionally, this acquisition enhances the Company's Direct-to-Consumer (DTC) operations.

Sustainability remains a fundamental pillar of our strategy, guiding our initiatives and long-term commitments. We have implemented several initiatives to reduce our environmental footprint and promote sustainable practices throughout the value chain. We are committed to being an agent of positive change, contributing to a more sustainable future. For the fourth consecutive year, we have published the 2023 Sustainability Report, aligning with leading international sustainability reporting and management frameworks, including Integrated Reporting (Capitals), the Global Reporting Initiative (GRI), and the United Nations Sustainable Development Goals (SDGs).

Although 2024 presented significant challenges, we closed the year with a solid financial position, supported by consistent cash generation and strict expense control. We have remained firmly aligned with our strategic approach, prioritizing the fulfillment of the Company's purpose: to produce sustainable and cost-effective footwear in a creative manner while placing a high value on relationships. With this focus, we continue to set new challenges and maintain our competitiveness, successfully navigating the complexities of the global economic landscape.

We extend our sincere gratitude to our employees for their commitment and dedication, and to our shareholders, customers, and partners for their trust. We reaffirm our commitment to innovation, sustainability, and strengthening relationships, which are the foundation of our long-term success. We continue to advance toward a sustainable and competitive future, focusing on delivering positive results while generating a meaningful impact on society and the environment.

Cordially,
The Management

Economic and Financial Performance

Main Consolidated Indicators (in IFRS)

R\$ million	2020	2021	2022	2023	2024	Change 2024/2023	CAGR ¹ 2024/2020
Gross Sales Revenue	2,334.8	2,847.2	3,119.9	3,010.4	3,236.8	7.5%	8.5%
Domestic Market	1,903.6	2,160.9	2,379.5	2,454.9	2,654.9	8.1%	8.7%
Exports	431.2	686.3	740.4	555.5	581.9	4.8%	7.8%
Exports (US\$)	83.6	127.2	143.4	111.2	108.0	(2.9%)	6.6%
Net Revenue	1,896.8	2,342.5	2,512.7	2,433.6	2,628.6	8.0%	8.5%
Cost of Goods Sold	(1,022.3)	(1,312.4)	(1,504.9)	(1,349.9)	(1,387.5)	2.8%	7.9%
Gross Profit	874.5	1,030.1	1,007.8	1,083.7	1,241.1	14.5%	9.1%
Operational Expenses	(573.3)	(636.5)	(768.6)	(808.8)	(683.5)	(15.5%)	4.5%
Recurring Operational Expenses	(502.3)	(614.4)	(725.6)	(702.2)	(732.7)	4.3%	9.9%
EBIT	301.2	393.5	239.1	274.9	557.6	102.8%	16.6%
Recurring EBIT	372.1	415.7	282.1	381.4	508.4	33.3%	8.1%
EBITDA	389.2	484.5	332.9	370.7	641.9	73.2%	13.3%
Recurring EBITDA	460.2	506.7	375.9	477.2	592.7	24.2%	6.5%
Net Financial Revenue	137.4	159.2	336.2	317.0	255.3	(19.5%)	16.7%
Recurring Net Financial Revenue	137.4	159.1	338.9	318.9	365.2	14.5%	27.7%
Net Profit	405.2	601.0	568.0	557.7	735.2	31.8%	16.1%
Recurring Net Profit	468.6	541.8	613.1	661.2	796.5	20.5%	14.2%
Capex (fixed and intangible)	73.2	121.6	173.1	122.9	187.4	52.5%	26.5%
Shareholders' Equity	4,230.2	4,094.3	4,364.1	3,659.4	4,040.9	10.4%	-

R\$ per pair	2020	2021	2022	2023	2024	Change 2024/2023	CAGR ¹ 2024/2020
Gross Revenue	16.06	18.48	21.05	21.56	23.21	7.7%	9.6%
Domestic Market	15.94	17.84	20.80	21.72	23.26	7.1%	9.9%
Exports	16.60	20.87	21.89	20.86	23.00	10.3%	8.5%
Exports (US\$)	3.22	3.87	4.24	4.18	4.27	2.2%	7.3%
Cost of Goods Sold	(7.03)	(8.52)	(10.15)	(9.67)	(9.95)	2.9%	9.1%

R\$	2020	2021	2022	2023	2024	Change 2024/2023	CAGR ¹ 2024/2020
Earnings Per Share	0.4494	0.6663	0.6298	0.6182	0.8150	31.8%	16.0%
Diluted Earnings Per Share (EPS)	0.4491	0.6662	0.6294	0.6183	0.8153	31.9%	16.1%
Dividend + IOE, Per Share	0.2434	0.4381	1.4595	0.3137	0.5034	60.5%	19.9%

Millions of Pairs	2020	2021	2022	2023	2024	Change 2024/2023	CAGR ¹ 2024/2020
Volume	145.4	154.0	148.2	139.7	139.4	(0.2%)	-
Domestic Market	119.4	121.1	114.4	113.1	114.1	1.0%	-
Exports	26.0	32.9	33.8	26.6	25.3	(5.0%)	-

Margin (%)	2020	2021	2022	2023	2024	Change 2024/2023	Change ² 2024/2020
Gross	46.1%	44.0%	40.1%	44.5%	47.2%	2.7 pp	1.1 pp
EBIT	15.9%	16.8%	9.5%	11.3%	21.2%	9.9 pp	5.3 pp
Recurring EBIT	19.6%	17.7%	11.2%	15.7%	19.3%	3.6 pp	(0.3 pp)
EBITDA	20.5%	20.7%	13.2%	15.2%	24.4%	9.2 pp	3.9 pp
Recurring EBITDA	24.3%	21.6%	15.0%	19.6%	22.5%	2.9 pp	(1.8 pp)
Net	21.4%	25.7%	22.6%	22.9%	28.0%	5.1 pp	6.6 pp
Recurring Net	24.7%	23.1%	24.4%	27.2%	30.3%	3.1 pp	5.6 pp

R\$	2020	2021	2022	2023	2024	Change 2024/2023	CAGR ¹ 2024/2020
Closing Dollar Rate	5.1967	5.5805	5.2177	4.8413	6.1923	27.9%	4.5%
Average (USD)	5.1558	5.3950	5.1648	4.9950	5.3895	7.9%	1.1%

Liquidity	2020	2021	2022	2023	2024	Change 2024/2023	CAGR ¹ 2024/2020
General Liquidity	9.3	8.1	8.5	7.6	8.1	6.6%	-
Current Liquidity	9.1	8.0	7.3	7.0	7.5	7.1%	-
Dry Liquidity	8.2	6.7	6.3	6.1	6.3	3.3%	-

Notes:

1) CAGR (Compound Annual Growth Rate)

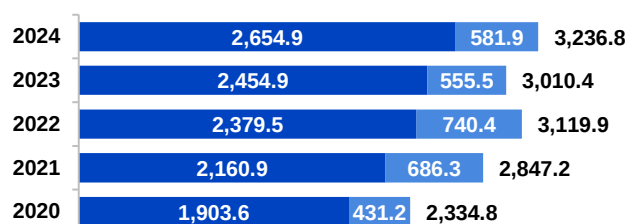
2) pp (percentage points)

Gross Sales Revenue

In 2024, gross revenue reached R\$3.2 billion, representing a 7.5% growth compared to 2023. A total of 139.4 million pairs were sold throughout the year, reflecting a slight decline of 0.2% compared to 2023. The robust performance of the domestic market, combined with a higher-value product mix and price adjustments, led to a 7.7% increase in gross revenue per pair compared to the previous year. The charts below show the progression of these figures:

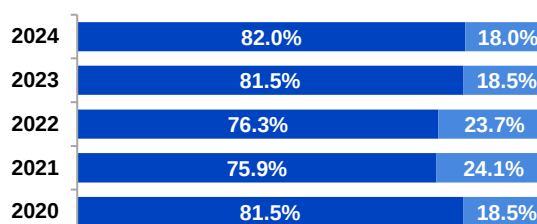
**Gross Sales Revenue
(R\$ mm)**

■ Mercado Interno ■ Exportação



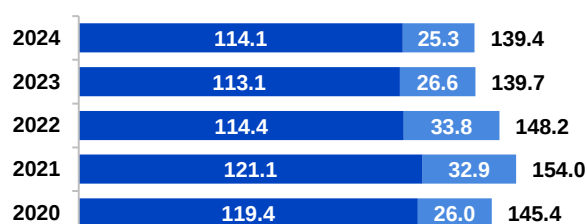
**Share %
Gross Sales Revenue**

■ Mercado interno ■ Exportação



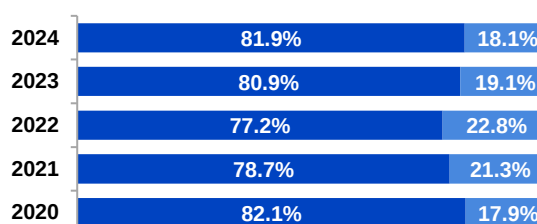
**Volume of Pairs
Million of Pairs**

■ Mercado Interno ■ Exportação

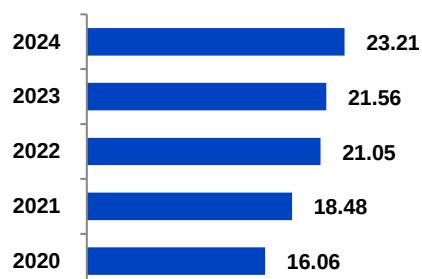


**Share %
volume of Pairs**

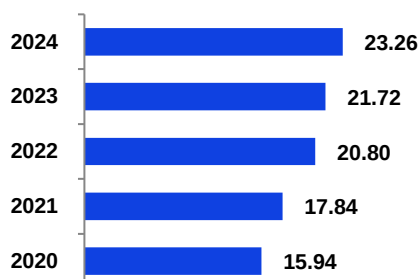
■ Mercado interno ■ Exportação



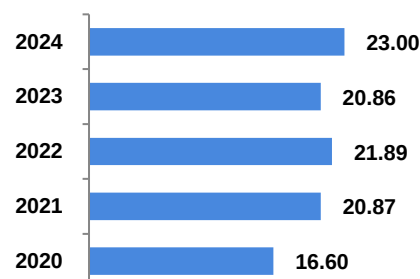
**Gross Sales Revenue per
Pair Total (R\$)**



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



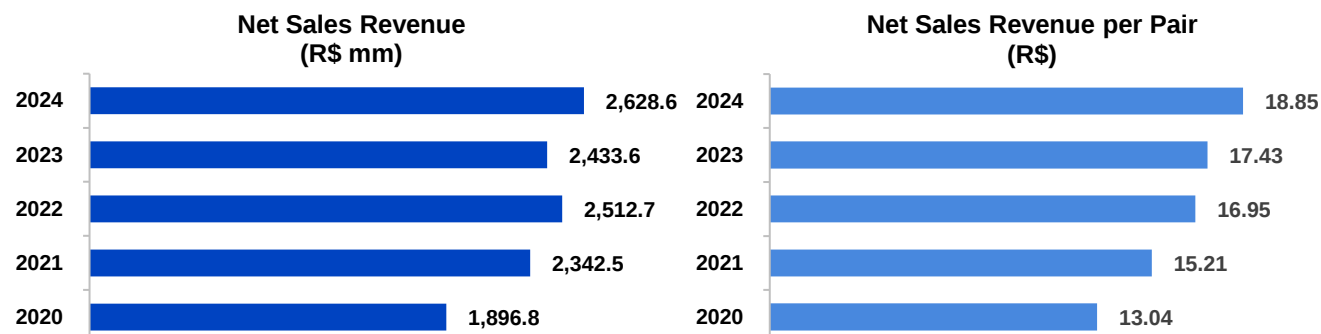
**Gross Sales Revenue per
Pair Foreign Market (R\$)**



Data from the MDIC/SECEX/ABICALÇADOS (Ministry of Development, Industry and Foreign Trade/Brazilian Foreign Trade Department/Brazilian Footwear Industries Association), revealed that Brazilian footwear exports in 2024, presented a 16.4% decline in revenue in dollars and a 17.7% drop in pair volume, along with a 1.5% increase in the average price per pair exported in dollars when compared to 2023. In comparison, Grendene reported 2.9% decline in revenue in dollars and a 5.0% drop in pair volume exported, accompanied by a 2.2% increase the average price per pair exported in dollars. Grendene's share of the volume of Brazilian footwear exports increased from 22.5% in 2023 to 26.0% in 2024.

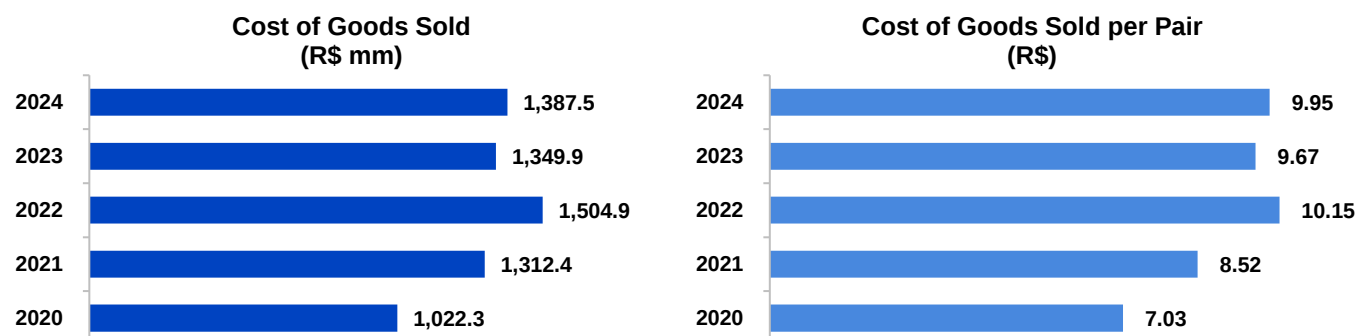
Net Sales Revenue

Throughout the year, net revenue reached R\$2.6 billion, reflecting an 8.0% increase compared to the R\$2.4 billion recorded in 2023. This growth was achieved despite the impacts of Law 14,789/23, which introduced the taxation of fiscal incentives under PIS and COFINS.



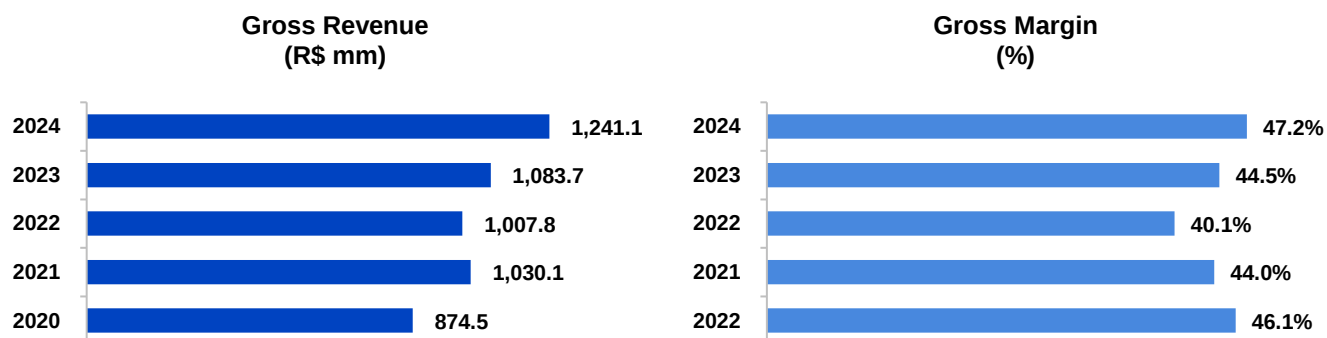
Cost of Goods Sold (COGS)

In 2024, the unit cost of COGS increased by 2.9%. This increase was primarily driven by higher labor costs and other general manufacturing expenses, which contributed to the overall rise in production costs.



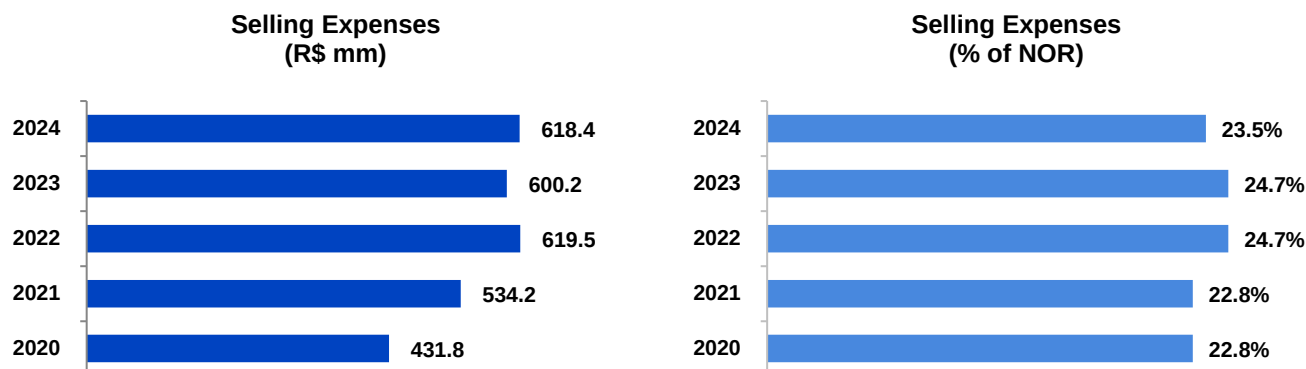
Gross Profit

Gross profit grew by 14.5%, increasing from R\$1,083.7 million in 2023 to R\$1,241.1 million in 2024. Gross margin also showed a significant improvement, rising by 2.7 percentage points from 44.5% in 2023 to 47.2% in 2024. This growth was driven not only by the increase in net revenue and sales volume but also by greater efficiency in managing the cost of goods sold (COGS), which grew at a slower rate.



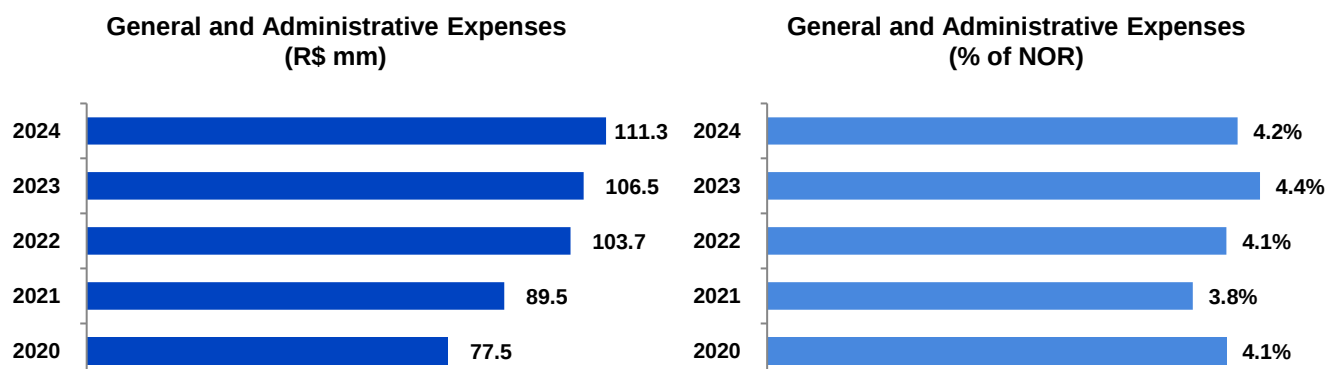
Sales Expenses

The Company's commercial expenses are mostly variable, including items such as freight, licensing fees, commissions, advertising, and marketing. In 2024, these expenses accounted for 23.5% of net revenue, a reduction of 1.2 pp compared to 2023.



General and Administrative Expenses (G&A Exp.)

In 2024, general and administrative expenses increased by 4.5%. However, when analyzing its proportion relative to net revenue, we observe a slight reduction compared to 2023. The Company remains committed to cost optimization and enhancing operational efficiency to ensure the sustainability of its growth.



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 / EBITDA Margin Reconciliation (R\$ thousands)	2020	2021	2022	2023	2024	Change 2024/2023	CAGR ¹ 2024/2020
Net Profit for the year	405,206	601,005	568,027	557,671	735,236	31.8%	16.1%
Taxes on Profit	33,406	(48,276)	7,290	34,298	77,583	126.2%	23.4%
Net Financial Revenue	(137,413)	(159,207)	(336,197)	(317,041)	(255,255)	(19.5%)	16.7%
EBIT	301,199	393,522	239,120	274,928	557,564	102.8%	16.6%
Depreciation and Amortization	88,049	91,020	93,746	95,796	84,371	(11.9%)	-
EBITDA	389,248	484,542	332,866	370,724	641,935	73.2%	13.3%
Non-Recurring Effect	70,950	22,157	43,026	106,511	(49,213)	(146.2%)	-
Recurring EBIT	372,149	415,679	282,146	381,439	508,351	33.3%	8.1%
Recurring EBITDA	460,198	506,699	375,892	477,235	592,722	24.2%	6.5%
EBIT Margin	15.9%	16.8%	9.5%	11.3%	21.2%	9.9 pp	5.3 pp
Recurring EBIT Margin	19.6%	17.7%	11.2%	15.7%	19.3%	3.6 pp	(0.3 pp)
EBITDA Margin	20.5%	20.7%	13.2%	15.2%	24.4%	9.2 pp	3.9 pp
Recurring EBITDA Margin	24.3%	21.6%	15.0%	19.6%	22.5%	2.9 pp	(1.8 pp)

Non-Recurring Items:

2020	In 2020 we had non-recurring items referring to: Other non-recurring expenses amounted to R\$8.0 million, while COVID-19-related expenses totaled R\$48.0 million. Losses with doubtful debtors were assessed at R\$11.0 million. Advisory services incurred R\$4.0 million.
2021	In 2021, we had non-recurring items referring to: PIS/COFINS credits on ICMS inputs (+R\$10.0 million), procedural credits (+R\$ 0.9 million), estimated losses with doubtful debtors (-R\$ 13.9 million), expenses related to COVID-19 (-R\$ 14.0 million), INCRA lawsuit (-R\$ 2.1 million), write-off of fixed assets of Grendene UK (-R\$2.1 million) and other non-recurring expenses (-R\$ 0.9 million).
2022	In 2022 we had non-recurring items referring to: Non-recurring revenues (R\$ 14.8 million); procedural credits (R\$ 3.2 million); expenses related to COVID-19 (R\$ 3.8 million); result FM retail stores (R\$ 15.8 million); equity result (R\$ 27.8 million); write-off of FM inventories (R\$ 6.3 million); write-off of Grendene USA fixed assets (R\$ 1.2 million); franchise management (R\$ 5.3 million) and civil indemnities (R\$ 0.9 million).
2023	In 2023, we had non-recurring items referring to: procedural credits (R\$ 8.2 million); exchange rate variation on low investment by foreign subsidiaries (R\$ 7.5 million); legal advisory expenses (R\$ 2.5 million); discontinued investments abroad (R\$ 18.4 million); recycling of inventories by subsidiaries abroad (R\$ 1.0 million); franchise management (R\$ 13.2 million); compensation to representatives (R\$ 1.3 million); lawsuits (R\$ 5.6 million); estimated losses with doubtful debtors (R\$17.2 million); and equity result (R\$ 63.0 million).
2024	In 2024, we recorded non-recurring items related to: Procedural credits – R\$ 5.6 million; Write-off of a subsidiary investment – R\$ 0.3 million; Provision/reversal of estimated losses on doubtful accounts – R\$ 14.3 million; Equity result – R\$ 46.5 million; Legal advisory expenses – R\$ 3.2 million; Discontinuation of investments in foreign subsidiaries – R\$ 0.7 million; Donation for public calamity relief in Rio Grande do Sul (RS) – R\$ 1.2 million; Franchise management expenses – R\$ 7.7 million; Legal proceedings – R\$ 4.7 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

In 2024, the recurring financial result increased by 14.5% compared to the previous year, as shown in the table below. This variation takes into account the reclassification of results from investments in SCPs, which, from a managerial perspective, are now presented as part of the recurring financial results.

Net Financial Revenue (R\$ thousands)	2020	2021	2022	2023	2024	Change 2024/2023	CAGR ¹ 2024/2020
Income from Financial Investments	83,806	103,463	157,270	137,154	128,837	(6.1%)	11.4%
Gain on Equity Financial Instruments	76,418	5,338	89,158	(6,050)	-	(100.0%)	-
Net Gain (loss) on FX Variations	(52,864)	157	12,795	13,864	(30,235)	(318.1%)	-
Other Financial Results (SCPs, COE, and debentures)	8,020	30,250	(1,933)	47,735	49,128	2.9%	57.3%
Other Financial Transactions	(5,883)	(1,056)	15,810	8,152	(9,096)	(211.6%)	11.5%
Gains on Adjustments to Present Value	27,916	21,055	63,097	116,186	116,621	0.4%	43.0%
Accounting Net Financial Revenue	137,413	159,207	336,197	317,041	255,255	(19.5%)	16.7%
(+) Equity Method (SCPs)	5	(88)	2,732	1,812	109,913	5,965.8%	1,117.6%
Recurring Net Financial Revenue	137,418	159,119	338,929	318,853	365,168	14.5%	27.7%

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

Net Profit for the Year

In 2024, recurring net income totaled R\$796.5 million, reflecting a 20.5% increase compared to the R\$661.2 million recorded in the same period of 2023. Recurring net margin also improved, rising from 27.2% in 2023 to 30.3% in 2024, an increase of 3.1 percentage points.

Net profit (R\$ thousands)	2020	2021	2022	2023	2024	Change 2024/2023	CAGR ¹ 2024/2020
Net Profit for the Year	405,206	601,005	568,027	557,671	735,236	31.8%	16.1%
Non-Recurring Effect	63,392	(59,244)	45,057	103,499	61,222	(40.8%)	-
Recurring Net Profit for the Year	468,598	541,761	613,084	661,170	796,458	20.5%	14.2%
Net Margin	21.4%	25.7%	22.6%	22.9%	28.0%	5.1 pp	6.6 pp
Recurring Net Margin	24.7%	23.1%	24.4%	27.2%	30.3%	3.1 pp	5.6 pp

Cash Generation

In 2024, cash generated from operating activities totaled R\$ 702.7 million. This amount, combined with the net value of R\$ 27.6 million from investments in subsidiaries and affiliates, was allocated as follows: acquisition of equity interest in a subsidiary and purchases of property, plant, equipment, and intangible assets totaling R\$ 148.3 million; financial investments of R\$ 181.2 million; repayment of loans and financing amounting to R\$ 27.9 million; payment of dividends and interest on equity totaling R\$ 369.4 million; and a net result of R\$ 1.1 million from the purchase and sale of treasury shares related to the exercise of stock options granted by the company. As a result of these transactions, cash and cash equivalents increased by R\$ 2.4 million.

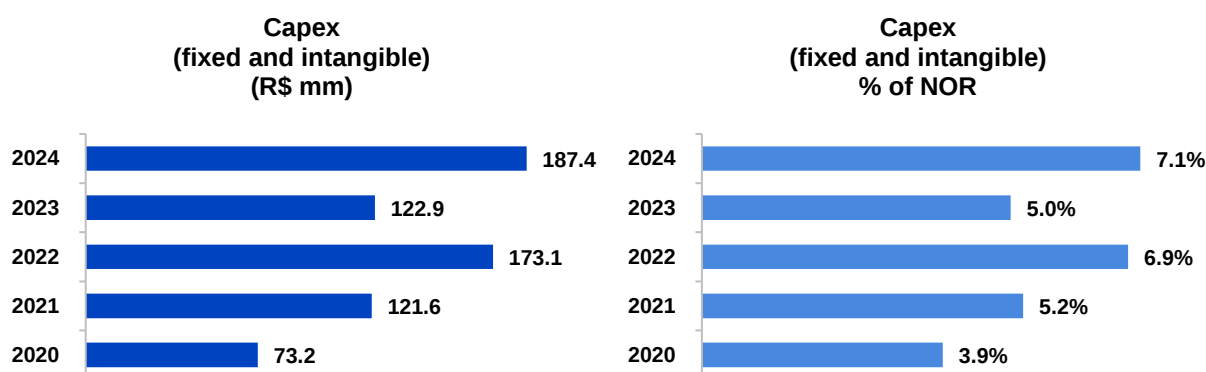
Net Cash Position

Grendene continues to have a solid financial situation. As of December 31, 2024, net cash (including cash, cash equivalents, and short- and long-term financial investments, less short- and long-term loans and financing) totaled R\$ 1.5 billion, representing a 32.3% increase compared to the R\$ 1.2 billion reported on December 31, 2023. The proportion of net revenue accumulated over the last 12 months held in cash, cash equivalents, and financial investments increased from 51.5% on December 31, 2023, to 61.0% on December 31, 2024. The evolution of available funds (cash, cash equivalents, and short- and long-term financial investments), loans and financing, and net cash is presented in the following table and chart.

R\$ million	2020	2021	2022	2023	2024
Cash, Cash Equivalents, and Financial Investments (ST and LT)	2,000.9	1,588.0	1,796.6	1,252.3	1,603.2
Loans and financings (ST and LT)	(9.8)	(124.3)	(106.6)	(92.4)	(68.9)
Net Cash	1,991.1	1,463.7	1,690.0	1,159.9	1,534.3

Capex (Fixed and Intangible)

The primary investments in 2024 focused on replacing fixed assets, maintaining industrial buildings and facilities, acquiring new equipment to modernize the industrial complex, and implementing various initiatives to enhance the organization's operational efficiency.



Equity Structure and Capital Market

Equity Structure

As of December 31, 2024, the shareholding structure of Grendene S.A. was as follows: Brazilian institutional investors: 6.5% of total capital (21.9% of free float), Foreign investors: 13.8% of total capital (46.5% of free float), Retail investors, including individuals and treasury shares: 9.4% of total capital (31.6% of free float), Controlling shareholders and management held the remaining 70.3% of total capital.

Distribution of % Share in Share Capital	2023	2024
Controlling Shareholders and Administrators	70.3%	70.3%
Foreign Investors	14.2%	13.8%
Institutional Investors	7.2%	6.5%
Individuals	8.2%	9.1%
Other	0.1%	0.3%
Total	100.0%	100.0%

Distribution of % Share in Share Capital	2023	2024
Foreign Investors	47.8%	46.5%
Institutional Investors	24.2%	21.9%
Individuals	27.5%	30.8%
Public and Private Companies	0.4%	0.7%
Financial Institutions	0.1%	0.1%
Total	100.0%	100.0%

Currently, the Company participates in the composition of the IBRA (Brazil Broad-Based Index), ICON (Consumer Stock Index), IGCT (Corporate Governance Trade Index), GCM (Special Corporate Governance Stock Index), IGCM (Novo Mercado Corporate Governance Equity Index), INDX (Industrials Index), ISEE (Corporate Sustainability Index), ITAG (Special Tag-Along Stock Index), SMLL (SmallCap Index) indices of B3 SA Brasil Bolsa Balcão.

Capital Markets

In 2024, a total of 298.8 million common shares were traded, equivalent to 1.1 times the free float shares, across 752.3 thousand transactions, representing a total financial volume of R\$1.8 billion. The daily averages were as follows: Volume of common shares traded: 1.19 million shares (0.44% of the free float), financial volume: R\$7.2 million, number of transactions: 2,997 trades.

From January to December 2024, Grendene's shares (GRND3) depreciated by 26.4%, considering the reinvestment of dividends. The stock price fluctuated between a low of R\$4.83 on December 30, 2024, and a high of R\$7.17 on January 9, 2024. In the same period IBOVESPA devalued 10.4%. It is worth noting that the dividend yield, as determined by the weighted average share price in 2024, was 7.9% per annum (compared to 4.2% per annum in 2023).

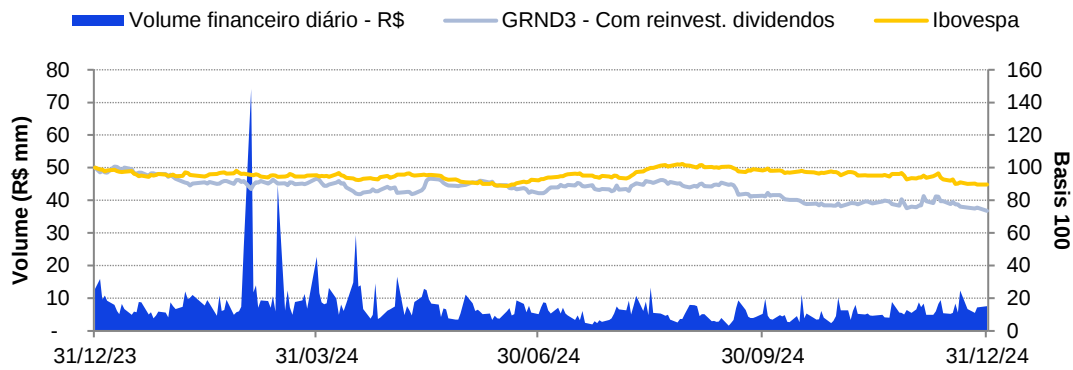
The number of trades, number of shares traded, financial volume and daily averages are shown in the table below:

Year	No. of Trading Sessions	No. of Trades	Number of shares	Volume R\$	Price R\$		Average Number of Shares		Daily Trading Volume R\$	
					Weighted Average	Daily	Closing	Price	Closing	Price
2023	248	1,141,933	459,180,400	3,223,122,419	7.02	7.07	402	1,851,534	2,822	12,996,461
2024	251	752,308	298,818,300	1,807,858,906	6.05	4.88	397	1,190,511	2,403	7,202,625



This chart shows the performance of Grendene ON shares compared to the IBOVESPA index (Base: December 31, 2023, = 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. Thus, the payment of additional dividends (extraordinary dividends)—beyond the minimum required by law—will be subject to approval by the Board of Directors, “ad referendum” of the General Meeting of Shareholders. However, as has been the Company's practice, the amount to be distributed each year will be proposed by Management (“ad referendum” of the General Meeting of Shareholders) 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 2024 as follows:

- The minimal mandatory dividend is R\$113,536,137.26, which is equivalent to 25% of the dividend calculation base.
- R\$340,608,411.79 in additional dividends to the minimum mandatory dividend, and.
- Additionally, the distribution of forfeited dividends in the amount of R\$16,492.20 has been proposed.

The sum of these amounts (a + b + c, as mentioned above) totals R\$454,161,041.25. After deducting the gross amount of R\$223,601,701.63 in quarterly advances, the remaining balance is R\$230,559,339.62, which the Company will pay “ad referendum” of the Annual General Meeting that will approve the 2024 financial statements, starting from May 7, 2025, as follows:

- R\$110,000,000.00 as gross Interest on Equity (JCP), allocated to dividends (net amount: R\$93,500,000.00), as
- R\$120,559,339.62 as dividends.

Shareholders holding common shares (GRND3) registered in the Company's records on **April 22, 2025 (the cut-off date)** will be entitled to receive the dividends. Thus, Grendene's shares (GRND3) will be traded ex-interest on equity and ex-dividends starting April 23, 2025, on B3.

Basis for Dividend Distribution 2024

Grendene S.A. (Holding Company)	R\$
Net Profit for the Year	735,235,785.91
(-) Tax Incentives reserve	(257,188,892.14)
Basis for Calculation of the Legal Reserve	478,046,893.77
(-) Legal Reserve	(23,902,344.72)
Amount of the dividend for the fiscal year 2024 / Calculation basis of the minimum mandatory dividend	454,144,549.05
(+) Unclaimed Dividends	16,492.20
Total Dividend Proposed by Management	454,161,041.25
(-) Early distribution of dividends	(223,601,701.63)
Balance Available for Distribution for the Year 2024	230,559,339.62

Balance to be Distributed as:	R\$
Dividends	120,559,339.62
Interest on Equity (IOE)	110,000,000.00
(-) Income tax Withheld at Source (15%)	(16,500,000.00)
(=) Interest on Equity Net of Taxes	93,500,000.00

Statement of the Minimum Mandatory Dividend	R\$
Basis for Calculating the Minimum Mandatory Dividend	454,144,549.05
Mandatory Minimum Dividend (25%)	113,536,137.26
Proposed Dividend in Excess of the Minimum Mandatory Amount	340,624,903.99
Total	454,161,041.25

In the Following Table, We Consider the Payment of IOE (Gross) and Accumulated Dividends:

R\$ million	2020	2021	2022	2023	2024
Minimum Dividend (25%)	54.9	94.2	79.1	70.8	113.5
Additional Dividend	164.6	301.0	1,237.5	212.2	340.6
Total	219.5	395.2	1,316.6	283.0	454.1

R\$	2020	2021	2022	2023	2024
Dividend + Gross IOE per share (R\$)	0.2434	0.4381	1.4595	0.3137	0.5034
Payout (%)	51.6%	63.0%	233.4%	47.6%	60.4%
Dividend Yield (%)	2.7%	4.5%	17.9%	4.2%	7.9%

Payout: Dividend + IOE net divided by net income after the constitution of legal reserves.

Dividend yield: Dividend per share + IOE net per share in the fiscal year divided by the weighted average price of the share in the annualized period.

Dividends and IOE Distributed / Proposed:

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 9, 2024	May 22, 2024	Jun. 5, 2024	75,786,867.09	0.084006016	75,786,867.09	0.084006016
Dividend ¹	Aug. 8, 2024	Aug. 22, 2024	Sep. 4, 2024	13,222,292.70	0.014656261	13,222,292.70	0.014656261
Dividend ¹	Nov. 7, 2024	Nov. 22, 2024	Dec. 5, 2024	79,592,541.84	0.088224419	79,592,541.84	0.088224419
IOE ¹	Nov. 7, 2024	Nov. 22, 2024	Dec. 5, 2024	55,000,000.00	0.060964796	46,750,000.00	0.051820076
Dividends ^{1 and 2}	Feb. 27, 2025	Apr. 23, 2025	May 7, 2025	120,559,339.62	0.133634100	120,559,339.62	0.133634100
IOE ^{1 and 2}	Feb. 27, 2025	Apr. 23, 2025	May 7, 2025	110,000,000.00	0.121929591	93,500,000.00	0.103640153
Total				454.161,041.25	0.503415183	429,411,041.25	0.475981025

¹ Dividends and interest on equity were approved "ad referendum" of the Ordinary General Meeting that appraised the balance sheet and financial statements for the 2024 fiscal year.

² Value per share is subject to change depending on the balance of treasury shares on the cut-off date (April 22, 2025). The dividend and Interest on Equity (IOE) per share amounts were determined based on the record date of December 31, 2024, at which time the Company held no treasury shares.

Governance, Risks and Compliance (GRC)

Grendene is committed to integrity in its business practices and has implemented robust mechanisms and policies to ensure transparency and ethical conduct across its operations.

The Governance, Risk, and Compliance (GRC) department reports directly to the Board of Directors through the Audit Committee and oversees key functions, including Internal Audit, Corporate Risk Management, Internal Controls, and Compliance. Beyond conducting impartial and independent internal audit activities, the GRC department is responsible for developing, reviewing, and promoting: The Code of Conduct, The Corporate Risk Matrix, The Internal Controls Matrix, Policies related to integrity and risk management, including: Risk Management Policy, Anti-Fraud and Anti-Corruption Policy, Reporting and Consequence Management Policy, Gifts, Hospitality, and Gratuities Policy, Donations and Sponsorships Policy, Corporate Conduct Guidelines, Corporate Risk Mitigation Standards. By continuously reinforcing these principles, Grendene strengthens its commitment to ethical business practices and risk mitigation.

The Code of Conduct establishes the ethical principles and standards of behavior that must guide the Company's internal and external relationships. The Code of Conduct applies to and must be followed by all employees, regardless of their specific duties and responsibilities.

Employees are expected to report any infractions of the Code of Conduct, Grendene Policies, or applicable laws and regulations as soon as they become aware of them.



The Company maintains an Ethics Channel where stakeholders can anonymously report concerns, ensuring confidentiality of information and protecting the identity of involved employees, if desired. *KPMG Assessores Ltda.* manages this channel, an independent third-party company specialized in this area, and can be accessed through:

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

Email: grendene@linhaetica.com.br

Telephone: Toll Free Direct Dialing: 0800-7011616

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.

At the Board of Directors' Meeting on April 29, 2021, the creation of the Ethics Committee and its Internal Regulations were formally approved. The Ethics Committee's objective is to promote respect and adherence to ethical standards in accordance with the Company's internal policies, as well as the laws and ethical standards of society that govern our internal and external interactions as employees, collaborators, third parties, and Grendene managers. This ensures that all complaints are thoroughly investigated and that the appropriate measures are implemented.

The Board of Directors receives quarterly reports from the Ethics Committee, which ensures 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 aforementioned bodies are available on the Company's Investor Relations website.

Audit Committee

The Audit Committee is an internal, permanent, and non-statutory advisory body that reports directly to the Board of Directors and is required to quarterly report its activities. Among its responsibilities are:



- Supervising the activities, efficacy, evolution, and structure of enterprise risk management at Grendene, as well as suggesting improvements to the Board of Directors.
- Monitor and evaluate Grendene's risk exposure and, if necessary, recommend modifications to the Company's risk matrix and/or risk appetite levels.
- Define and manage the risk management communication and reporting process for Grendene.
- Periodically reviewing this policy and, if necessary, submitting suggestions for changes to the Board of Directors.

Each year, the Grendene Audit Committee approves the annual plan for the Governance, Risk, and Compliance (GRC) department and monitors the quarterly performance of its activities, including the internal audit function. Among the responsibilities of internal audit are the following:



- Assessing, in an independent and timely manner, the effectiveness and quality of Grendene's process of corporate risk management, identifying flaws when found, and providing recommendations for process improvements and adjustments.
- Evaluate the company's internal control environment and matrix, testing and highlighting the effectiveness of existing controls and recommending enhancements, considering the effectiveness of risk mitigation.
- Through monitoring and evaluation of the risk management and internal controls processes, identify and draw attention to any unmapped risks.
- Monitor the implementation of the recommendations outlined in the audit/evaluation of Grendene's risk management process and control environment.
- Provide senior management and the Audit Committee with information and reports regarding the effectiveness of the company's risk management and internal controls, as well as its compliance with legal requirements and standards.

The Company also undergoes an annual independent third-party audit, which is responsible for analyzing and validating the financial statements to ensure the integrity and accuracy of the Company's accounts in compliance with applicable accounting standards.

Sustainability

Sustainability is a fundamental pillar of Grendene's business strategy, shaping practices that foster innovation, socio-environmental responsibility, and sustainable development. Since 2011, the Company has structured its initiatives around three strategic pillars:

- **Appreciation and Respect for People:** Promotion of equal opportunities, respect for diversity, and human rights across the entire value chain, along with investments in socio-cultural initiatives.
- **Eco-efficient Operations:** Waste reduction, energy and water efficiency, and responsible management practices to enhance sustainability.
- **Lower-Impact Products:** Use of recyclable, renewable, and certified materials, aiming to minimize environmental impacts throughout the product life cycle.

Through these guidelines, Grendene directly contributes to eight of the seventeen UN Sustainable Development Goals (SDGs), reinforcing its commitment to the UN 2030 Agenda and strengthening its position as a company aligned with global best practices in sustainability.



Integrated ESG Strategy

Sustainability is an essential pillar of Grendene's business strategy and is fully integrated into the Strategic Direction Guide. As a comprehensive and structuring concept, sustainability encompasses ESG (Environmental, Social, and Governance) principles, which drive specific practices aimed at creating sustainable value for the Company, its employees, and society.

The Sustainability Strategy is built on three main pillars and is further structured around 13 material themes, identified as priorities for both the business and its stakeholders. These themes serve as the foundation for sustainability management and communication and include:

- | | |
|--|---|
| • Sustainable Supply Chain | • Corporate Risk Management |
| • Protection of Human Rights | • People Management |
| • Emissions, Risks and Climate Opportunities | • Health, Safety and the Well-being of Employees |
| • Water and Effluent Management | • Innovation in Materials, Products and Processes |
| • Sustainable Raw Material | • Circularity and Product Life Cycle |
| • Cybersecurity, Privacy and Data Protection | • Diversity, Inclusion, and Anti-Discrimination |
| • Ethics and Transparency | |

Grendene recognizes that sustainability is essential for both business continuity and environmental preservation, fostering affordable and sustainable fashion while always prioritizing strong relationships.

By embedding sustainability into its business strategy, the Company reaffirms its commitment to leading global best practices in the world, aligning its strategies with its core business to drive prosperity and positive impact for all.

Environmental Impacts and Circular Economy

Aligned with its eco-efficient production pillar, Grendene adopts innovative practices to minimize environmental impacts and strengthen the circular economy. The Company focuses on resource optimization, energy efficiency, waste management, and sustainable product development, reinforcing its commitment to responsible production.

Main Initiatives

Reverse Logistics: The collection network has expanded to over 400 locations across Brazil. Since 2019, more than 13 million pairs of shoes have been successfully recycled, reinforcing Grendene's commitment to sustainability and circular economy practices.

Internal Recycling: Grendene promotes raw material reuse, incorporating recycled production scraps, as well as fabrics and tapes made from recycled PET bottles, resulting in products with recycled content.

Waste Management In 2024, Grendene generated 1,803,162.65 kg of waste and correctly disposed of 2,352,548 kg, achieving a disposal rate of 12.95 g per pair. This reinforces the Company's commitment to responsible waste management and the circular economy. Grendene actively minimizes hazardous waste disposal in landfills, prioritizing waste reduction, reuse, and recycling. The Company also implements energy recovery solutions and internal recycling of industrial solvents, further enhancing its eco-efficient production practices.

Grams/pair	2020	2021	2022	2023	2024	Change 2024/2023
Waste Generation Indicator (g/pair)	9.56	10.48	9.84	12.69	12.95	2.0%

Energy Efficiency: Use of 100% renewable energy certified by I-REC. In 2024, Grendene consumed a total of 107,369,607 kWh of electricity, with 103,122,179 kWh sourced from the grid and 4,247,428 kWh from self-generation. The Company achieved an energy efficiency indicator of 0.771 kWh per pair, reinforcing its commitment to energy efficiency and the use of renewable sources.

Electrical Power Consumption	2020	2021	2022	2023	2024	Change 2024/2023
Absolute Energy Consumption (kWh)	92,127,784	104,133,661	99,453,193	101,157,507	103,122,179	1.9%
Power consumption indicator (kWh/pair)	0.646	0.653	0.673	0.742	0.771	3.9%

Water and Effluent Management: In 2024, Grendene consumed 207,829,973 liters of water, achieving a water efficiency indicator of 1.49 L per pair. This reinforces the Company's commitment to water efficiency and responsible management of natural resources. Our industrial operations are located in Brazil's semi-arid region, highlighting our actions and dedication to responsible water use and decreasing our environmental imprint.

- In 2024, Grendene reused 135 million liters of water and treated 141 million liters of effluents. All effluent treatment is conducted internally at the Company's Effluent Treatment Stations (ETEs). The reused water is utilized for toilet flushing and irrigating green spaces and gardens of the Company.
- In 2024, we recorded a 6.3% drop in the result of the indicator of liter per pair produced.

Liters/pair	2020	2021	2022	2023	2024	Change 2024/2023
Drinking Water Consumption Indicator (l/pair)	1.74	1.50	1.53	1.59	1.49	(6.3%)

Reduction of Carbon Footprint: Since 2021, Grendene has reduced its emissions by more than 41%, achieving the **lowest carbon footprint in the footwear industry¹** at **210.85 gCO₂e** per pair in 2023. Achieving a total of avoided emissions of **1,731.25 tCO₂e** through solar self-generation.

Innovation in Materials: Grendene embraces an innovative approach to materials, prioritizing the use of recycled and renewable resources, including recycled PET, recycled PVC, sugarcane-based EVA, rice husks, and coconut fiber. As part of its commitment to sustainable solutions, the Company focuses on developing monomaterial footwear to facilitate recycling, reducing production processes, and favoring mechanical fittings over adhesives to minimize glue consumption.

¹ Information based on comparisons of Sustainability Reports and GHG inventories for the period 2023 that are publicly available.

In 2024 Grendene launched new products, reaffirming its commitment to sustainability. Among the key launches were the Slide models from the Rider R4 Spaces line, crafted with sugarcane-based EVA, and the Free Style and 2STRAPS sport sandals, both composed of 80% recycled material. Grendene KIDS introduced a *Babuche*, developed in collaboration with famous *Chico Bento* character, featuring an educational comic book on environmental protection. Meanwhile, Melissa launched the Kick Off Sandal, incorporating water-based EVA paint to reduce environmental impact. These innovations reinforce Grendene's commitment to sustainable innovation and the adoption of responsible practices throughout its production chain.

Certifications and Audits in Sustainable Development



Each year, our production units undergo audits conducted by the Brazilian Textile Retail Association (ABVTEX), which validates best practices across our entire production chain. In the 2024 audit, we were awarded the **ABVTEX Gold Seal**, the highest distinction granted by the association.

This year, we were also audited by SMETA (Sedex Members Ethical Trade Audit), one of the world's most recognized ethical and social responsibility audits, achieving excellent results.



In addition, our paper packaging is **FSC® certified**, which ensures that they originate from sustainably managed forests, promoting environmental, social, and economic benefits.



All Grendene shoes are registered by **the Vegan Society** and have the worldwide recognized Vegan seal awarded by The Vegan Society, based in the United Kingdom. This seal certifies that Grendene shoes are 100% free of components of animal origin and have not been tested on animals.

Grendene's use of renewable electricity in its operations is evidenced by the **I-REC (Renewable Energy Certificate)** accreditation. The traceability of energy sources ensures the total reduction of Scope 2 emissions, following the selected procurement method.



Additionally, certification issued by the United States Department of Agriculture (USDA) verifies the use of renewable raw materials, such as bio-based EVA, which contains at least 25% sugarcane.

Brazilian GHG Protocol Program: For the third consecutive year we obtained the Gold Seal for the publication of the corporate inventory of greenhouse gases in the Public Emissions Registry. The document is audited by a third party, and this ensures transparency in the management of emissions by the company.



For the second consecutive year, we achieved Diamond Level in the Sustainable Origin Certification, the only global sustainability certification specifically designed for footwear manufacturers and industry suppliers. This recognition is awarded by ABICALÇADOS and ASSINTECAL, reinforcing our commitment to sustainable practices in the footwear sector.

Presence at ISE B3 – For the second consecutive year we are among the high-standard companies in sustainability on the Stock Exchange.

ISE B3

Highlights and Awards



South Plastic Award 2024

Grendene was awarded Gold in the Clean Production category, recognizing its commitment to sustainable management practices.



IBEVAR-FIA Award 2024

Grendene secured 3rd place with the Ipanema Algae Edition Project, highlighting sustainable innovation in retail.



Ranked among the top 10 companies in the sector in the **Brazil Fashion Transparency Index**.

With a continuous commitment to sustainability, Grendene maintains its position as a reference in the footwear sector, combining innovation and environmental responsibility.

Innovation in Materials and Processes

According to the Sector Report: Footwear Industry in Brazil, 15% of all footwear consumed in Brazil in 2023 was produced by Grendene, reaffirming its strong presence in the national market. Grendene footwear is made from recyclable raw materials and designed for durability. The Company also incorporates materials containing up to 25% renewable carbon, certified by the United States Department of Agriculture (USDA). Grendene adheres to global regulations and sustainability standards, including **REACH**, **AFIRM Group**, and **California Proposition 65**, ensuring environmentally responsible practices at every stage of production.

Climate Risk Management

Grendene is prepared to address climate challenges through a comprehensive approach that includes emissions management, resource efficiency, and investments in sustainable innovation. The Company recognizes that sustainability is essential for long-term business continuity and environmental preservation, reinforcing its commitment to responsible growth.

Mitigation and Adaptation Policies

Grendene's climate mitigation and adaptation policies encompass integrated actions for sustainability. In addition to the practices described in water management, energy efficiency, carbon emissions, waste management, and circularity, the company conducts an annual **Greenhouse Gas (GHG) Inventory**, reported to the Brazilian GHG Protocol Program. It also participates in the **Carbon Disclosure Project (CDP)**, where it achieved a 'C' rating in Climate Change, Water Security, and Forests, demonstrating its commitment to climate transparency.

Monitoring and Transparency

Grendene ensures the reliability of its environmental processes through external audits and globally recognized certifications. The Company remains committed to enhancing its climate strategy, continuously investing in innovation and adaptation to address future challenges, always aligning with global sustainability best practices.

Social Commitment

Grendene promotes positive social impact through strategic partnerships, sustainability education and responsible value chain management, expanding opportunities and strengthening communities.

Partnerships and Community Actions

- Donation of 1.3 tons of textile materials to the ITI Institute and REMES, supporting the training of women in vulnerable situations.
- Open Doors Program: Institutional visits and opportunity fairs for students, fostering career development.



- Think Pink Project: Partnership with the Orienta Vida NGO to facilitate access to breast cancer prevention tests.

Education and Sustainability

- Grendene University: Offers courses and training to enhance employee development.
- "Minuto Sustentabilidade" (Sustainability Minute) and "Papo Sustentável" (Sustainable Talk) are awareness-raising initiatives that have already impacted more than 50,000 employees, reinforcing sustainability education and responsible practices.
- Technical visits to effluent treatment facilities, fostering learning and awareness about water management.

Responsible Value Chain Management

- 100% of suppliers evaluated under ESG criteria, following the guidelines outlined in the Supplier Manual.
- On-site audits conducted to ensure compliance with occupational health and safety, waste management, energy efficiency, and human rights standards.

Grendene remains committed to enhancing its social impact through transparent and responsible practices, contributing to a fairer and more sustainable future.

Innovation for Sustainability

Innovation is a core pillar of Grendene's sustainability strategy, driving the development of lower-impact products and eco-efficient production solutions. In 2024, the Company increased its investments in new technologies, focusing on the development of more sustainable materials and the enhancement of production processes for greater efficiency and reduced environmental impact.

Productive Efficiency and Waste Reduction

To optimize resources and minimize environmental impacts, Grendene has implemented technological advancements in its industrial operations, including:

- Exhaust systems and energy automation, ensuring on-demand power supply and reducing energy waste.
- Gravimetric dosing in injection processes, enabling precise raw material consumption and minimizing waste.
- Automated laminate cutting machines, maximizing material utilization, and reducing excess waste.
- A 100% in-house production process, ensuring full control over waste generation and compliance with environmental standards.

Research and Development in Sustainable Materials

Grendene continuously invests in the development of innovative materials to reduce environmental impact, including:

- Biobased EVA, containing at least 25% sugarcane, USDA-certified, reducing reliance on fossil-based materials.
- Single-material products, simplifying recycling by using a single type of material.
- Reutilization of production chips, reintegrating waste into the production process and minimizing the use of virgin raw materials.
- Fabrics and ribbons made from recycled PET bottles, contributing to the circular economy.
- Water-based adhesives, reducing the use of chemical solvents.



Impact Assessment and Occupational Safety

Grendene integrates advanced tools and internationally recognized certifications to continuously enhance its sustainable management practices:

- Life Cycle Assessment (LCA): Maps environmental impacts across all stages of production, ensuring a comprehensive sustainability approach.
- Occupational Health and Safety Management: Aligned with ABNT NBR ISO 45001:2018, guaranteeing a safe and healthy work environment for employees.
- Risk Management (PGR) and Occupational Health Monitoring (PCMSO) Programs: Focused on mitigating accident risks and promoting workplace well-being.

With a continuous commitment to sustainable innovation, Grendene optimizes industrial processes and develops lower-impact products, reaffirming its leadership in sustainable fashion.

Performance and Transparency Report

Grendene reaffirms its commitment to sustainability by ensuring transparent communication of its performance, results, and progress. ESG performance indicators are monitored and disclosed annually in the Sustainability Report, which follows international standards, enabling comparisons with previous years and ensuring the continuous evolution of sustainable practices.

Since 2019, Grendene has annually published its Sustainability Reports, aligned with the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the Integrated Reporting Framework (IIRC). The Company has maintained its recognition in the footwear sector through certifications such as Sustainable Origin and its presence in the Corporate Sustainability Index (ISE B3) since 2022. Grendene is also ranked among the 10 most transparent brands in the Fashion Transparency Index of Brazil (ITMB).

Grendene reinforces its commitment to ethics and governance through a confidential and externally managed Ethics Channel, ensuring secure and reliable communication for employees and partners.

Grendene remains committed to advancing its sustainable practices and results, continuously innovating to contribute to a more sustainable future, aligned with the expectations of its stakeholders.

The Sustainability Report is widely disseminated through the Company's website and social media channels, ensuring transparent access to sustainability information for all stakeholders.

Perspectives

Grendene is strategically positioned for the future, with a strong commitment to sustainability, innovation, and alignment with global and regional market demands. The Company remains focused on continuous improvement, driving sustainable growth while staying aligned with the expectations of its stakeholders.

Key Trends in the Footwear and Sustainability Sector

The increasing demand for lower-impact products continues to drive Grendene's investments in sustainable design, renewable and recycled raw materials, and cleaner production processes. The Company keeps pace with the evolution of conscious consumption, developing durable, high-quality products with a lower carbon footprint. The Company closely follows global discussions on climate change and water resource management, implementing measures to reduce emissions and optimize water usage. Additionally, the Company remains committed to international standards and certifications, such as the Carbon Disclosure Project (CDP), ensuring transparency and adherence to ESG best practices.

With the growing demand for traceability and transparency, the Company strengthens its production chain, ensuring responsible practices at every stage—from raw material sourcing to the final disposal of products.



Alignment with Global and Regional Market Demands

With a presence in over 100 countries and all Brazilian states, Grendene adapts to the specific needs of each market, investing in strategic partnerships and strengthening its brand through collaborations with renowned designers and brands. The Company continues to expand its use of renewable energy, with a strong focus on solar power generation, while actively seeking new sustainable raw materials and optimizing production processes to minimize waste.

Grendene is also broadening its portfolio of lower-impact products, prioritizing footwear made from recycled and renewable materials. Additionally, it remains committed to technological innovation, implementing solutions that enhance efficiency and reduce environmental impacts. Transparency remains a core value, with the continuous disclosure of sustainability initiatives and results.

Opportunities for Growth and Global Alignment

Grendene continues to strengthen its position as a socially and environmentally responsible brand, capitalizing on the growing demand for sustainable products. Its strategic alignment with the United Nations Sustainable Development Goals (SDGs) creates new business opportunities and partnerships, further expanding its positive impact.

With a business model deeply integrated with sustainability, innovation, and transparency, the Company is well-positioned for the future, advancing ambitious plans to drive sustainable development across the entire product lifecycle—from responsible raw material sourcing to ethical and efficient end-of-life disposal.

For more information, visit: <https://www.grendene.com.br/sustentabilidade>.

People Management

Aligned with its strategic drivers, Grendene recognizes that people are the essence of the Company, playing a fundamental role in fulfilling its purpose by applying their skills and talents in daily operations. As a result, the Company is committed to encouraging and valuing employee leadership, fostering mutual growth, and promoting an environment of respect between the organization and its workforce.

Below, we present key social and corporate data.

Social and Corporate Data	2020	2021	2022	2023	2024
Employees (average/year)	18,340	17,692	17,192	16,374	17,370
Training (hour/employee)	68	12	55	69	88
Meals (year)	2,896,659	3,407,656	3,066,775	3,429,417	3,826,827
People with Disabilities (year)	847	793	751	764	823
Dental Care (care/year)	3,521	6,922	8,297	5,783	8,874
Medical Care (care/year) *	-	-	-	-	25,098
Absenteeism	3.47%	3.61%	3.41%	2.59%	3.06%
Turnover (month)	1.75%	1.98%	2.01%	2.35%	0.98%
Basic Food Baskets Distributed (Units/Year) **	210,374	206,727	197,901	185,790	190,348

(*) 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.

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 in order 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 2024, this pillar delivered 387 hours of training, with over 780 participations.

Potentials and Career

- It encompasses programs and initiatives designed to accelerate talent development, building a pipeline of future leaders for the Company. In 2024, this pillar delivered 685 hours of training, with over 2,430 participations.

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 2024, this pillar delivered 5,525 hours of training, with a total of 30,413 participations.

DNA

- Through the Diversity and Inclusion, Digital Transformation, and Education for Sustainability programs, this pillar contributes to business development on all fronts. It has accounted for more than 120 hours of development and more than 14,820 participants.

Development and Recognition of our Employees



We have made considerable progress in the **Grendene+ Diversity and Inclusion Program**, registering 37 actions during 2024.



The **breastfeeding area** aims to ensure the development of female professionals and mothers. We are currently implementing the Breastfeeding Space in the South Unit and are planning to expand this benefit to the Northeast Units.



The **Female Talents Program** has been launched, aiming to provide women from all our units with a journey of personal and professional development, tailored to their individual needs and aspirations. 45 women attended the first edition.



The first **Digital Transformation Week** engaged more than 6,326 participants across nine lectures, totaling 13.5 hours of content.



The **Intern Program** aims to support university students in accelerating their careers by developing skills aligned with Grendene's business needs through behavioral training and hands-on experience within the Company. In 2024, we welcomed over 220 interns, who worked across various departments of the Company, with more than 50% of them developing through the Intern Program.



In partnership with Oracle, the **UGTech** professional education program aims to train and equip individuals in the field of technology, preparing them for Junior Developer roles. The program is open to employees, as well as their children and grandchildren, who meet the eligibility criteria and successfully pass the selection process.
By the end of 2024, the program had 120 active students, reflecting a 100% increase compared to the previous year.



The Grendene **Young Apprentice Program** is designed to support the professional development of young talents, providing continuous learning opportunities and hands-on experiences that build essential skills and competencies for the job market.
In 2024, more than 700 apprentices advanced their careers at Grendene through specialized courses in Shoe Manufacturing, Polymers, Electromechanics, and Administration. We achieved a 57% 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 2024, we honored more than **500 employees** who reached career milestones of **20, 25, 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.



Our partnership with **Caldeira Generation** further strengthens our role as a catalyst for transformation within the innovation ecosystem, creating employability opportunities and establishing Grendene as a benchmark company for emerging talent.



Awards and Human Resources Certifications



Grendene secured 3rd place in the national stage of the **IEL Talent Award 2024** in the Innovative Company category with its Internship Program 2024 project.



Additionally, Grendene achieved **1st place** in the Large Innovative Company category of the **IEL Talent Award 2024** in the state of Ceará.



Winning 3rd place in the **IBEVAR Award** further reinforces Grendene's commitment to innovation and sustainability in the retail sector.



The **Complete Company Award**, promoted by the Ceará State Government in partnership with SET and IDT, recognizes organizations committed to diversity and inclusion and highlights companies that have made significant contributions to the inclusion of people with disabilities in the job market.



Additional Information

Independent Auditors – CVM Resolution 162/2022

PricewaterhouseCoopers Auditores Independentes Ltda (PWC) has been hired by Grendene S.A. to do an independent audit in line with CVM Resolution No. 162 from July 13, 2022. PWC was assigned to conduct a comprehensive examination of the organization's financial statements and conduct a special review of its quarterly information for the fiscal year ending December 31, 2024. The audit incurred expenses amounting to R\$543.2 thousand. During this fiscal year, PWC did not provide any other advisory services.

When engaging with the independent auditor for services unrelated to the external audit, the Company observes the following guidelines to ensure the auditor's independence: (a) the auditor must not audit their own work; (b) the auditor must not exercise managerial functions for their clients; and (c) the auditor must not promote the interests of their clients.

Statements of the Board of Directors

We declare, as Statutory Directors of Grendene S.A., in accordance with CVM Resolution No. 80 of March 29, 2022, 27, subsection III: Financial Statements, section V of the article, that we review, consider, and agree with the opinions contained in the opinion of independent auditors.

In accordance with CVM Resolution No. 80 of March 29, 2022, subsection III: Financial Statements, section VI of the article, we, as Statutory Directors of Grendene S.A., review, discuss, and agree with the information presented in the Financial Statements of the Company and Controlled Companies (consolidated) for the fiscal years ended December 31, 2023 and 2024.



Appendix I



Summary Report of the Audit Committee

The Audit Committee of Grendene is an internal, permanent, non-statutory advisory body that is linked to the Board of Directors and is subject to the applicable laws, regulations, and rules. Among its duties, it advises the Board of Directors on assessing the quality of the financial statements, monitors compliance with legal and regulatory requirements, verifies the independence and effectiveness of the work carried out by the internal and external auditors, as well as the effectiveness of the internal operational risk systems, and, within the scope of its duties and responsibilities, whenever necessary, recommends corrections and improvements in practices and procedures.

The Committee reviewed the Financial Statements for the 2024 fiscal year, as well as the work and planning of Grendene's Internal Audit, Compliance, Risk Management, and Internal Controls. 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 confirmed that Grendene's management has reviewed and developed standards, policies, and processes, as well as formed a Governance, Risks, and Compliance (GRC) team dedicated only to these functions. These initiatives attempt to improve Grendene's internal controls, governance system, risk management culture, and integrity (compliance). Throughout the year, the Committee held quarterly meetings: stimulating and monitoring the integrity and ethics training and communications carried out; analyzing the data from the Ethics Channel and the actions taken by the Company; evaluating and forwarding for approval by the Board of Directors the Gifts and Hospitality Policy; monitoring the risk management actions; and developing the Internal Controls Matrix, conducted by the GRC area in collaboration with Grendene's businesses.

External Auditors

The Audit Committee communicates with the External Auditors on a regular basis to discuss the outcomes of their work and provide its opinion.

The Committee finds the information given by the External Auditors to be satisfactory, and no issues have been detected that could jeopardize the independence of these providers.

Internal audit

In 2024, the Committee followed the Internal Audit's actions quarterly, as outlined in the yearly plan adopted at the end of 2023. Thus, it validated that the execution went as intended, as well as monitoring the evolution of the action plans for the highlighted audit points.

Financial Statements

The Audit Committee evaluated the Financial Statements and Notes prepared by Management and examined by External Audit for the fiscal year 2024, noting that all relevant information is recorded and in conformity with the relevant regulations.



Conclusion

The Audit Committee of Grendene S.A., taking into account its responsibilities and the natural limitations arising from the scope of its performance, as well as the decisions and responsibilities of the other Governance, External audit, and administrator bodies, believes that the Financial Statements adequately present Grendene S.A.'s equity and financial position as of December 31, 2024.

Farroupilha, February 25th, 2025.

João Carlos Sfreddo
Committee Coordinator

Bruno Alexandre Licarião Rocha
Committee Member

Herculano Aníbal Alves
Committee Member



Appendix II

melissa

GRENDHA

ZAXY

Ipanema

Grendene kids

rider

CARTAGO

PEGA FORTÉ

FINANCIAL STATEMENTS



Grendene®

**DEZ/24 &
2023**

Grendene®
Financial statements
December 31, 2024 and 2023

INDEX

Independent auditor's report.....	1
Balance sheets	5
Statements of income	7
Statements of comprehensive income.....	8
Statements of changes in equity	9
Statements of cash flows – Indirect method	10
Statements of value added.....	11
1. General information.....	12
2. Basis of preparation and presentation of the financial statements.....	13
3. The consolidated of the financial statements	14
4. Judgments, estimated and accounting assumptions.....	15
5. Cash and cash equivalents	15
6. Financial investments and other financial assets	15
7. Trade receivables.....	17
8. Inventories	18
9. Tax credits	20
10. Other receivables (Assets)	20
11. Investments.....	21
12. Property, plant and equipment.....	27
13. Intangible assets	30
14. Borrowings	31
15. Leasing contracts	32
16. Provisions, contingent liabilities and contingent asset.....	33
17. Other payables (Liabilities)	35
18. Equity.....	36
19. Government grants for investments.....	40
20. Income tax and social contribution tax	41
21. Financial instruments	44
22. Risk management	46
23. Related parties	52
24. Stock option or subscription plan.....	57
25. Net sales and services revenue.....	58
26. Segment reporting.....	59
27. Costs and expenses by nature	60
28. Other operational expenses	60
29. Finance result.....	61
30. Additional information to the Cash Flow Statements.....	61
31. Insurance	62
32. Subsequent event	62
Members of Boards, executive Board and Controller's department	63

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, 2024 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, 2024 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.

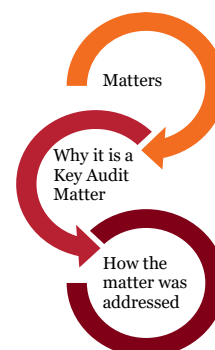
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grendene S.A. and of Grendene S.A. and its subsidiaries as at December 31, 2024, and the financial performance and the cash flows for the year then ended, as well as the consolidated financial performance and the cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)) (currently described as "IFRS Accounting Standards" by the IFRS Foundation).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further 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, 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. This matter was 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 this matter.



Why it is a Key Audit Matter
How the matter was addressed in the audit

Recognition of sales revenue in the correct period (Note 25)

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.

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.

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.

Our main audit procedures considered, among others, the understanding and evaluation of the controls considered relevant in the revenue recognition process, including the general controls of the information technology environment.

We make an independent estimate identify invoiced and undelivered sales based on the actual delivery date and compare it with the amounts determined by the company, identifying and reporting adjustments considered immaterial by the Company's management.

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 observing that only sales delivered were recorded by the Company.

We also selected, on a sample basis, sales transactions that occurred after the year-end, to observe whether revenue was recognized on the correct period. Finally, we analyze the volume and nature of sales returns after the balance sheet date.

We considered that the criteria adopted by management for recognizing revenue in the correct period are reasonable and consistent with the disclosures made in the financial statements.

Other matters

Statements of Value Added

The parent company and consolidated Statements of Value Added for the year ended December 31, 2024, 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 the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) (currently described as "IFRS Accounting Standards" by the IFRS Foundation), 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, February 27, 2025

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

Rafael Biedermann Mariante
Contador CRC 1SP243373/O-0

Balance sheets

December 31, 2024 and 2023

(All amounts in thousands of reais)

		Parent company		Consolidated	
Note		2024	2023	2024	2023
ASSETS					
Current assets		2,930,056	2,677,472	3,042,039	2,701,852
Cash and cash equivalents	5	48,016	56,968	76,109	73,735
Financial investments and other financial assets	6	1,087,668	809,995	1,087,668	809,995
Trade receivables	7	1,265,827	1,124,406	1,201,854	1,124,261
Inventories	8	369,167	357,634	502,517	358,942
Tax credits	9	84,856	233,046	93,186	237,318
Income tax and social contribution recoverable		10,833	25,424	11,120	25,596
Securities receivable	19	14,759	10,942	14,809	10,970
Costs and prepaid expenses		11,531	10,845	14,340	12,580
Other receivables	10	37,399	48,212	40,436	48,455
Non-current assets		1,528,335	1,370,164	1,458,020	1,373,509
Long-term receivables		482,915	466,883	484,870	465,445
Financial investments and other financial assets	6	439,420	368,566	439,420	368,566
Trade receivables	7	8,455	7,341	8,455	7,341
Judicial deposits		487	668	534	713
Tax credits	9	16,016	26,262	16,130	26,371
Deferred income tax and social contribution	20	15,784	44,194	15,711	44,151
Securities to receive	19	48	14,521	48	14,521
Other receivables	10	2,705	5,331	4,572	3,782
Investments	11	444,296	338,044	311,475	317,450
Property, plant and equipment	12	532,761	503,099	558,895	526,056
Intangible assets	13	68,363	62,138	102,780	64,558
Total assets		4,458,391	4,047,636	4,500,059	4,075,361

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



Balance sheets

December 31, 2024 and 2023

(All amounts in thousands of reais)

		Parent company		Consolidated	
Note		2024	2023	2024	2023
LIABILITIES + EQUITY					
Current liabilities		398,850	369,783	428,642	384,800
Borrowings	14	56,629	82,413	56,629	82,413
Leasing contracts	15	-	-	8,859	11,789
Trade payables		57,656	48,836	69,558	49,085
Contractual obligations		10,735	10,748	10,735	12,215
Commissions payable		59,497	53,966	58,912	54,285
Taxes and contributions		39,314	41,576	40,150	41,627
Income tax and social contribution payable		303	2,739	461	2,746
Salaries and social security charges payable		112,358	92,789	114,003	93,791
Provision for labor risks, tax and civil	16	5,858	2,120	5,858	2,129
Advances from clients		30,031	18,181	34,412	18,305
Other payables	17	26,469	16,415	29,065	16,415
Non-current liabilities		18,595	18,410	30,471	31,118
Borrowings	14	12,310	10,017	12,310	10,017
Leasing contracts	15	-	-	11,026	12,208
Trade payables		143	274	143	274
Provision for labor risks, tax and civil	16	3,712	4,038	4,562	4,538
Other debits	17	2,430	4,081	2,430	4,081
Equity		4,040,946	3,659,443	4,040,946	3,659,443
Share capital		2,256,130	1,231,302	2,256,130	1,231,302
Capital reserves		3,722	2,677	3,722	2,677
Treasury shares		-	(20)	-	(20)
Revenue reserves		1,764,178	2,424,790	1,764,178	2,424,790
Other comprehensive income		16,916	694	16,916	694
Total liabilities and equity		4,458,391	4,047,636	4,500,059	4,075,361

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



Statements of income

December 31, 2024 and 2023

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

	Note	Parent company		Consolidated	
		2024	2023	2024	2023
Net sales revenue	25	2,627,874	2,427,221	2,628,580	2,433,607
Cost of goods sold	27	(1,387,763)	(1,346,203)	(1,387,506)	(1,349,924)
Gross profit		1,240,111	1,081,018	1,241,074	1,083,683
Selling expenses	27	(610,111)	(554,189)	(618,441)	(600,218)
General and administrative expenses	27	(110,093)	(103,194)	(111,264)	(106,510)
Other operating income		12,157	24,340	15,175	25,561
Other operating expenses	28	(12,306)	(48,375)	(15,442)	(64,617)
Equity in the results of subsidiaries	11	38,579	(125,461)	46,462	(62,971)
Operating profit before finance result and taxes		558,337	274,139	557,564	274,928
Finance result	29	254,131	317,621	255,255	317,041
Finance income		395,467	399,303	396,908	401,328
Finance costs		(141,336)	(81,682)	(141,653)	(84,287)
Profit before taxation		812,468	591,760	812,819	591,969
Income tax and social contribution	20	(77,232)	(34,089)	(77,583)	(34,298)
Current		(48,822)	(32,298)	(49,143)	(32,670)
Deferred		(28,410)	(1,791)	(28,440)	(1,628)
Profit for the year		735,236	557,671	735,236	557,671
Total comprehensive income attributed to:					
Controlling interests		735,236	557,671	735,236	557,671
Basic earnings per share	18.g	0.8150	0.6182	0.8150	0.6182
Diluted earnings per share	18.g	0.8153	0.6183	0.8153	0.6183

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



Statements of comprehensive income

December 31, 2024 and 2023

(All amounts in thousands of reais)

	Parent company		Consolidated	
	2024	2023	2024	2023
Profit for the year	735,236	557,671	735,236	557,671
Items potentially reclassified to the Statement of income in the future:				
Exchange differences on subsidiaries abroad	16,540	(9,285)	16,540	(9,285)
Realization of foreign exchange losses on investments	(318)	(7,557)	(318)	(7,557)
Comprehensive income for the year, net of taxes	751,458	540,829	751,458	540,829
Total comprehensive income attributed to:				
Controlling interests	751,458	540,829	751,458	540,829

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

Statements of changes in equity

December 31, 2024 and 2023

(All amounts in thousands of reais)

		Capital reserves			Income reserves				Comprehensive income			
	Note	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	Total
On December 31, 2022		1,231,302	2,940	-	(3,458)	246,260	9,598	1,762,223	1,097,731	-	17,536	4,364,132
<u>Total comprehensive income</u>		-	-	-	-	-	-	-	-	557,671	(16,842)	540,829
Profit for the year		-	-	-	-	-	-	-	-	557,671	-	557,671
<u>Other comprehensive income</u>												
Exchange differences on subsidiaries and joint venture abroad	11.b	-	-	-	-	-	-	-	-	-	(9,285)	(9,285)
Realization of the reclassification adjustment - gain on the write-off of the investment		-	-	-	-	-	-	-	-	-	(7,557)	(7,557)
<u>Transactions with shareholders</u>												
Stock options exercised in the exercise	18.c	-	-	(3,438)	3,438	-	-	-	-	-	-	-
Sale of treasury shares through exercise of purchase options	24	-	-	2,027	-	-	-	-	-	-	-	2,027
Result on sale and cancellation of shares related to the stock option or subscription plan	24.b	-	(1,865)	1,411	-	-	454	-	-	-	-	-
Expenses with stock option or subscription plan	24.b	-	1,602	-	-	-	-	-	-	-	-	1,602
Dividends distributed	18.f	-	-	-	-	-	-	-	(4,231)	-	-	(4,231)
Interest on Equity distributed	18.f	-	-	-	-	-	-	-	(93,500)	-	-	(93,500)
Additional dividend proposed – Allocation of ICMS tax incentive	18.f	-	-	-	-	-	-	-	(1,000,000)	-	-	(1,000,000)
Interim dividends	18.f	-	-	-	-	-	-	-	-	(117,167)	-	(117,167)
Additional proposed dividends	18.f	-	-	-	-	-	-	-	50,816	(50,815)	-	1
Interest on Equity distributed imputed to dividends	18.f	-	-	-	-	-	-	-	80,750	(115,000)	-	(34,250)
<u>Internal changes in equity</u>												
Constitution of reserves	18.d	-	-	-	-	-	274,689	-	-	(274,689)	-	-
On December 31, 2023		1,231,302	2,677	-	(20)	246,260	10,052	2,036,912	131,566	-	694	3,659,443
<u>Total comprehensive income</u>		-	-	-	-	-	-	-	-	735,236	16,222	751,458
Profit for the year		-	-	-	-	-	-	-	-	735,236	-	735,236
<u>Other comprehensive income</u>												
Exchange differences on subsidiaries and joint venture abroad	11.b	-	-	-	-	-	-	-	-	-	16,540	16,540
Realization of the reclassification adjustment - gain on the write-off of the investment		-	-	-	-	-	-	-	-	-	(318)	(318)
<u>Transactions with shareholders</u>												
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 option or subscription plan	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)
<u>Internal changes in equity</u>												
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

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

Statements of cash flows – Indirect method

December 31, 2024 and 2023

(All amounts in thousands of reais)

	Note	Parent company		Consolidated	
		2024	2023	2024	2023
Net cash provided by operating activities		767,350	757,487	702,738	736,725
Cash flows from operating activities		657,214	602,481	654,528	562,272
Profit for the year		735,236	557,671	735,236	557,671
Equity in the results of subsidiaries	11	(38,579)	125,461	(46,462)	62,971
Realization of foreign exchange losses on investments		(318)	(7,557)	(318)	(7,557)
Depreciation and amortization	12 and 13	83,356	80,825	84,371	95,796
Residual value after write-down the property, plant and equipment and intangible	12 and 13	7,589	11,697	10,107	18,272
Deferred income tax and social contribution	20.b	28,410	1,791	28,440	1,628
Stock option or subscription plan	24.b	2,755	1,602	2,755	1,602
Reducing accounts receivable from clients	7	(18,776)	1,847	(18,974)	2,020
Estimated losses for obsolete inventories	8	(1,714)	(1,866)	(1,576)	(2,197)
Provision for labor, tax and civil risks	16	3,412	2,721	3,753	3,022
Interest expenses on loans, financings and leasing contracts		874	675	(36)	2,319
Interest income on financial investments	6	(159,020)	(175,118)	(159,020)	(175,118)
Fair value of equity financial investments	6	(8,344)	18,121	(8,344)	18,121
Foreign exchange variations, net		22,333	(15,389)	24,596	(16,278)
Changes in assets and liabilities:		112,572	154,841	50,495	174,290
Trade receivables	7	(123,759)	(15,125)	(59,733)	(1,718)
Inventories	8	(9,819)	52,325	(141,999)	55,867
Tax credits	9	158,436	143,010	154,373	143,032
Other receivables		38,181	(21,396)	30,758	(14,211)
Trade payables		8,689	(28,744)	20,342	(30,881)
Salaries and social security charges payable		19,569	14,104	20,212	14,470
Taxes and contributions		(4,512)	7,154	(3,727)	7,113
Advances from clients		11,850	(6,787)	16,107	(8,052)
Other payables		13,937	10,300	14,162	8,670
Income tax and social contribution paid		(2,436)	165	(2,285)	163
Net cash provided by (used in) investing activities		(359,195)	460,731	(301,943)	473,240
Subscriptions of capital	11.b	(63,578)	(122,225)	(9,505)	(88,681)
Capital Reductions	11.b	37,062	57,690	37,062	37,130
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	(126,832)	(122,401)	(187,381)	(122,876)
Financial investments	6	(2,520,456)	(1,299,691)	(2,520,456)	(1,299,691)
Redemption of financial investments	6	2,162,780	1,856,857	2,162,780	1,856,857
Interest received of financial investments	6	176,513	90,501	176,513	90,501
Net cash used in financing activities		(417,107)	(1,248,871)	(398,421)	(1,263,639)
New borrowings, financings and leasing contracts		353,078	421,786	372,963	421,786
Payments of loans, financings and leasing contracts		(399,301)	(420,855)	(400,324)	(433,744)
Interest paid on loans, financings and leasing contracts		(408)	(426)	(584)	(2,305)
Dividends paid	18.f	(219,417)	(1,121,403)	(219,417)	(1,121,403)
Interest on Equity paid	18.f	(150,000)	(130,000)	(150,000)	(130,000)
Purchase of treasury shares	18.c	(3,036)	-	(3,036)	-
Sale of treasury shares through exercise of purchase options	24	1,977	2,027	1,977	2,027
Increase (decrease) in cash and cash equivalents		(8,952)	(30,653)	2,374	(53,674)
At the beginning of the year	5	56,968	87,621	73,735	127,409
At the end of the year	5	48,016	56,968	76,109	73,735

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

Statements of value added
December 31, 2024 and 2023
(All amounts in thousands of reais)

	Parent company		Consolidated	
	2024	2023	2024	2023
Revenue	3,020,987	2,748,010	3,022,226	2,747,968
Sales of goods	3,002,945	2,758,263	3,004,062	2,764,819
Other income /expenses	(1,154)	8,917	(1,257)	2,490
(Provision for impairment) reversals of trade receivables	19,196	(19,170)	19,421	(19,341)
Inputs acquired from third parties	(1,465,579)	(1,405,722)	(1,472,737)	(1,434,671)
Raw materials used	(749,229)	(764,358)	(747,797)	(763,288)
Other production costs	(6,181)	(5,973)	(7,356)	(10,764)
Materials, electricity, outsourced services and other	(711,883)	(637,257)	(719,214)	(662,786)
Impairment and recovery of assets	1,714	1,866	1,630	2,167
Gross value added	1,555,408	1,342,288	1,549,489	1,313,297
Retentions	(66,465)	(78,578)	(67,480)	(93,548)
Depreciation and amortization	(66,465)	(78,578)	(67,480)	(93,548)
Net value added	1,488,943	1,263,710	1,482,009	1,219,749
Value added received through transfer	441,670	284,049	451,067	348,648
Equity in the results of subsidiaries	38,579	(125,461)	46,462	(62,971)
Finance income (except PIS/COFINS and IOF)	402,951	409,376	404,465	411,485
Rentals	140	134	140	134
Value added to distribute	1,930,613	1,547,759	1,933,076	1,568,397
Distribution of value added	1,930,613 100%	1,547,759 100%	1,933,076 100%	1,568,397 100%
Personnel	687,046 35.59%	629,814 40.70%	688,454 35.61%	637,224 40.62%
Direct compensation	567,550	518,869	568,958	526,270
Benefits	68,822	61,139	68,822	61,149
Government Severance Indemnity Fund for Employees (FGTS)	50,674	49,806	50,674	49,805
Taxes and contributions	362,566 18.78%	274,942 17.76%	363,304 18.79%	276,959 17.66%
Federal	312,208	232,588	312,858	233,120
State	48,660	40,862	48,696	41,055
Municipal	1,698	1,492	1,750	2,784
Third-party capital remuneration	145,765 7.55%	85,332 5.51%	146,082 7.56%	96,543 6.16%
Interest, discounts and financial charges	141,336	81,682	141,653	84,287
Rentals	4,429	3,650	4,429	12,256
Remuneration of own capital	735,236 38.08%	557,671 36.03%	735,236 38.04%	557,671 35.56%
Dividends	289,144	167,982	289,144	167,982
Interest on Equity (counted as part of total dividends)	165,000	115,000	165,000	115,000
Profits for the year	281,092	274,689	281,092	274,689

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 listed corporation with head office at Av. Pimentel Gomes 214, Sobral, in the state of Ceará, Brazil, and was established in 1971. It is currently controlled by the stockholder Alexandre Grendene Bartelle, and its shares are listed in the Novo Mercado segment of the São Paulo stock exchange (B3 S.A. – Brasil, Bolsa, Balcão), under the ticker GRND3.

The main activities of the Company and its subsidiaries ('the Group') are development, production, distribution, marketing, and sale of plastic footwear, serving all publics.

The Group operates in five industrial units located in three Brazilian states: Ceará, Bahia and Rio Grande do Sul. It also has its own stores, franchises and web commerce channels, operating under the brands Melissa, Grendha, Zaxy, Rider, Cartago, Ipanema and Grendene Kids. Grendene S.A. also owns the brand Pega Forte.

As of February 14, 2023, for strategic and commercial reasons, the management of the franchises of Clube Melissa and Mini Melissa stores are now controlled by the Company.

1.2. Business combination

On December 1, 2024 the Company acquired 50.1% of the shares in Grendene Global Brands Limited ('GGB'), for R\$63,884. The amount of R\$46,146 was paid at sight, while R\$22,738 remains as a balance to be paid. With this transaction Grendene, which previously held 49.9% of the shares, became the controlling stockholder of "GGB", holding 100% of the shares. The transaction was recognized as a business combination, as shown in Note 11.d.

1.3. Tax reform

The Tax Reform: Complementary Law 214/25, passed on January 16, 2025, which establishes the Tac Reform on consumption, abolishes the current taxes (PIS, Cofins, IPI, ICMS and ISS), and creates two new taxes on added value: the CBS tax (Contribution on Goods and Services – *Contribuição sobre Bens e Serviços*) and the IBS tax (Tax on Goods and Services – *Imposto sobre Bens e Serviços*). There will be a transition period from 2026 to 2032, in which the two tax systems – old and new – will coexist. As a result, the financial information at December 31, 2024 contains no items for any effect of the tax reform.

Law 14789/23: The changes introduced by the law are reflected throughout this financial information, with the main effects: (i) the taxation of PIS, COFINS, corporate income tax ('IRPJ') and the Social Contribution tax on Net Profit ('CSLL') on ICMS tax incentives (Proade) (Note 19.a); and (ii) Investment subsidy tax credit, which corresponds to the product of subsidy revenues and the rate of 25% (twenty-five percent) related to IRPJ, calculated on depreciation and amortization costs, related to implementation or expansion of the economic enterprise (Note 12 and 13).

1.4. Floods in the state of Rio Grande do Sul

The Company's Management continues to monitor the potential socio-environmental and economic-financial impacts of the floods that affected the state of Rio Grande do Sul in the second quarter of 2024. The Company does not have any manufacturing facilities impacted by the flood.

1. General information--Continued**1.4. Floods in the state of Rio Grande do Sul--Continued**

In response to this emergency situation, the Company has worked to assist its customers, suppliers, and employees, as well as contribute to initiatives for the affected areas, such as: (i) establishment of collection points for donations in all units, collecting some of the most essential household items, such as basic food baskets, hygiene and cleaning kits, non-perishable foods, and bedclothes; (ii) logistical support in transport of donations from suppliers and clients in other states; (iii) distribution of footwear, t-shirts, socks, towels and toys; (iv) delivery of mineral water; and (v) postponement, for 30 days, of due dates of client invoices becoming due in the month of May 2024, and for 15 days of due dates from June 1–15. For clients directly affected, we conducted specific negotiations for postponement of due dates, without extra cost.

The Company does not foresee any risks to continuity of its business, nor any significant impacts on estimates and judgments employed in its accounting.

2. Basis of preparation and presentation of the financial statements

The individual and consolidated financial statements of the Company has been prepared in accordance with accounting policies adopted in Brazil, issued by the Accounting Pronouncements Committee (CPC), and rules of the Brazilian Securities Commission (Comissão de Valores Mobiliários – CVM), obeying the accounting rules stated in the Brazilian Corporation Law legislation (Law 6.406/76) and also International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

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.

The main exchange rates used by the Company to convert the financial statements of the subsidiaries into the functional currency were:

	Final rate		Average rate	
	2024	2023	2024	2023
US\$ Dollar (“USD”)	6.1923	4.8413	6.0970	4.8972
Euro (“EUR”)	6.4363	5.3516	6.3834	5.3434

The main accounting policies applied are presented in their respective explanatory notes, maintaining consistency throughout the years.

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.

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, 2024, was authorized by the Board of Directors on February 27, 2025.

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

Rules, and interpretations of rules, not yet in force

On the date of issue of these financial statements, the Group had not adopted the following new and/or revised international financial reporting standards, which had been issued but were not yet in force:

Revisions	Nature of change	Comes into force
IFRS 21 / CPC 02 (R3): <i>Effects of changes in foreign exchange rates and conversion of financial statements</i>	The changes made to this standard require companies to apply a consistent approach when assessing whether one currency can be exchanged for another. Where exchange is not possible, companies must determine the exchange rate to be used and provide the necessary disclosures.	January 1, 2025.
IAS 28 / CPC 18 (R3): <i>Investments in associates, subsidiaries and jointly-controlled subsidiaries</i>	This standard incorporated the equity method for valuation of investments in controlled entities in the Individual Financial Statements, in accordance with Law 6,404/76. The change in IAS 27/CPC 35 allowed application of the equity method in Separate Financial Statements, thus coming into line with Brazilian practice.	January 1, 2025.
ICPC 9 (R3): <i>Individual, Separate and Consolidated financial statements, and application of the equity method</i>	The interpretation was adjusted to correct the wording and references, in response to the changes introduced by CPC 18 (R3).	January 1, 2025.
Amendments to IFRS 7 and IFRS 9: <i>Classification and measurement of financial instruments</i>	The amendments deal with a range of accounting practices, seeking to make them more transparent and coherent. The more significant aspects include: (i) classification of financial assets with ESG and similar characteristics; and (ii) settlement of liabilities through electronic payment systems.	January 1, 2026.
IFRS S1/ NBC TDS 1: <i>General requirements for disclosure of sustainability-related financial information</i>	This standard requires entities to provide such significant information on their risks and opportunities related to sustainability as could be useful to main users of financial reporting when making decisions about providing funds to the entity.	January 1, 2026.
IFRS S2 / NBC TDS 2: <i>Climate-related disclosures</i>	This standard requires entities to disclose information about risks and opportunities related to climate change that is significant for the main users of financial reporting when making decisions about providing funds to the entity.	January 1, 2026.
IFRS 18: <i>Presentation and disclosure of financial statements</i>	This will replace IAS 1 – <i>Presentation of financial statements</i> , promoting consistency in the presentation and disclosure of financial statements. Key changes include: (i) new categories and subtotals in the Profit and loss account: Operational, Investment and Financing; (ii) new subtotals required in the P&L; (iii) improved requirements for grouping of information –aggregation, disaggregation and labeling; and (iv) requirements for disclosures on management-defined performance measures (MPMs).	January 1, 2027.
IFRS 19: <i>Subsidiaries without public accountability</i>	This standard allows subsidiaries that do not have an obligation of public accountability, whose controlling stockholders draw up 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 in IAS21/CPC 02 (R3), IAS 28/CPC 18 (R3), ICPC 09 (R3), IFRS 7 and IFRS 9 have no impact on the Company. 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.

3. The consolidated of the financial statements

The consolidated financial information includes information of Grendene S.A. and its subsidiaries (direct and indirect), as demonstrated in Note 11.

The subsidiaries are consolidated from the date on which control is obtained until the date on which such control ceases to exist, using accounting practices consistent with those adopted by the Company.

The business years of the financial statements of the subsidiaries included in the consolidation are coincident with those of the parent company, except in the case of the subsidiary Grendene Global Brands (Note 11.c). The accounting policies having been applied uniformly in the consolidated companies and are consistent with international accounting rules and with accounting practice adopted in Brazil.

4. Judgments, estimated 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.

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



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	
			2024	2023	2024	2023
Cash			8,235	4,469	10,385	7,493
Cash and banks	–	–	8,235	4,469	10,385	7,493
Cash equivalents			39,781	52,499	65,724	66,242
Debentures with repurchase guarantees	CDI	11.16% and 11.28%	39,781	52,499	39,781	52,499
Investment fund	–	11.53% and 13.91%	-	-	15,000	13,743
Checking account	pre-fixed	3.45%	-	-	1,264	-
Checking account	–	3.84%	-	-	9,679	-
			48,016	56,968	76,109	73,735

6. Financial investments and other financial assets



Financial investments are reported at acquisition value, updated to the reporting date these amounts are close to fair value and do not exceed market or realization value. Note 21 gives the classification of these securities.

6. Financial investments and other financial assets--Continued

Note 22 gives the exposure of the Company and its subsidiaries to interest rate risks, and a sensitivity analysis of their effects on financial assets and liabilities.

The Company's financial investments and other financial assets are as follows:

Parent company / Consolidated				
Type	Index	Average rate of return (y.y.)	2024	2023
Current assets			1,087,668	809,995
Financial investments			1,077,579	797,095
Bank certificates of deposit (CDBs)	CDI	12.70% and 12.32%	1,062,167	452,570
Investment funds	CDI	18.59%	-	30,639
Treasury Bills	CDI	18.91%	-	3,691
Treasury Bills	IPCA	10.11%	-	310,195
Treasury notes (NTNs)	IPCA	11.23%	15,412	-
Other financial assets			10,089	12,900
Silent partner companies – SCPs ⁽ⁱ⁾	–	–	10,089	12,900
Non-current assets			439,420	368,566
Financial investments			137,235	155,248
Treasury notes (NTNs)	IPCA	9.04% and 7.54%	37,065	37,497
Brazilian Structured Notes (Structured Transaction Certificates – (COE)	Pre-fixed	15.00%	100,170	117,751
Other financial assets			302,185	213,318
SCP Seletto ⁽ⁱⁱ⁾	CDI	17.47%	-	2,089
SCP Baronesa de Itu ⁽ⁱⁱ⁾	INCC	15.55% and 13.12%	43,909	45,836
SCP São Sebastião ⁽ⁱⁱ⁾	INCC	14.55% and 12.09%	33,676	29,858
SCP CFL Inc Par S.A. – SCP CFL & GDN ⁽ⁱⁱ⁾	INCC	17.55%	32,476	-
Silent partner companies – SCPs ⁽ⁱ⁾	–	–	147,474	135,535
SPE Geradora Várzea Solar II S.A. ⁽ⁱⁱⁱ⁾	–	–	44,650	-

- i) This refers to ownership interests in Silent Partnership Companies (SCP), the corporate objects of which are: acquisition of real estate properties; and structuring, development, incorporation, operation and sale of real estate projects, through funds and efforts for conclusion of works. This financial instrument is registered at fair value through profit or loss, determined on the basis of discounted cash flow, in accordance with the expected curve of sales, using as an assumption the value of the units most recently sold, using as an assumption the average value of the most recent units sold, brought to present value at discount rates from 9% to 12.68% y.y., in real terms, which reflect the expected risk/return and IRR.
- ii) Represents financial instruments, recorded at acquisition cost and updated to the reporting date, in accordance with the contractual clauses, relating to the following: SCP Seletto (59.81%), SCP Baronesa de Itu (100%), SCP São Sebastião (48%) and SCP CFL Inc Par S.A. – CFL & GDN (100%), which have as their objective the acquisition of real estate properties, construction, structuring, development, incorporation, exploration, commercial activity in the sale of autonomous units, execution, completion and delivery of Real Estate works.
- iii) 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, up to 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 2023	Financial investments	Redemption	Fair value	Interest income	Interest received
Financial investments	834,592	2,380,382	(2,059,850)	-	121,709	(162,189)
Financial investments – COE	117,751	-	-	(17,581)	14,324	(14,324)
Financial investments – SCPs	77,783	30,000	(10,087)	-	12,365	-
Silent partner companies – SCPs	148,435	61,890	(92,843) ⁽ⁱ⁾	29,459	10,622 ⁽ⁱⁱ⁾	-
Special purpose company – SPE	-	48,184	-	(3,534)	-	-
	1,178,561	2,520,456	(2,162,780)	8,344	159,020	(176,513)
						1,527,088

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

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

7. Trade receivables



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	
	2024	2023	2024	2023
Domestic market	1,086,893	1,031,883	1,086,893	1,031,883
Foreign market	194,512	145,367	198,540	145,793
Foreign market - Related parties	69,027	49,423	1,059	49,051
	1,350,432	1,226,673	1,286,492	1,226,727
Estimated losses on doubtful receivables	(2,345)	(21,541)	(2,378)	(21,740)
Punctuality discounts estimated	(47,380)	(44,088)	(47,380)	(44,088)
Adjustment to Present Value (AVP)	(26,425)	(29,297)	(26,425)	(29,297)
	1,274,282	1,131,747	1,210,309	1,131,602
Current assets	1,265,827	1,124,406	1,201,854	1,124,261
Non-current assets	8,455	7,341	8,455	7,341

On December 31, 2024, the average period for receipt of sales in the domestic market was 116 days (118 days in 2023), and for foreign market was 82 days (79 days in 2023).

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			
	2024		2023	
	Balance	Provision	Balance	Provision
Not yet due	1,305,390	-	1,177,421	-
Overdue for up to 30 days	18,702	-	13,090	-
Overdue from 31 to 60 days	8,506	-	4,435	(5)
Overdue from 61 to 90 days	421	(2)	521	(20)
Past due for more than 91 days	17,413	(2,343)	31,206	(21,516)
	1,350,432	(2,345)	1,226,673	(21,541)

7. Trade receivables--Continued

	Consolidated			
	2024		2023	
	Balance	Provision	Balance	Provision
Not yet due	1,240,545	-	1,177,288	-
Overdue for up to 30 days	18,975	-	13,090	-
Overdue from 31 to 60 days	8,514	-	4,435	(5)
Overdue from 61 to 90 days	421	(2)	521	(20)
Past due for more than 91 days	18,037	(2,376)	31,393	(21,715)
	1,286,492	(2,378)	1,226,727	(21,740)

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 12/31/2022	(2,371)	(2,397)	(64,313)	(64,313)
Additions	(29,413)	(29,946)	(130,869)	(130,869)
Realizations	2,799	3,146	126,817	126,817
Reversals	7,444	7,459	24,277	24,277
Exchange variation	-	(2)	-	-
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)

8. Inventories



Valued at the average of acquisition or production cost, not exceeding their net realizable value. The net realizable value is calculated as the difference between the sale price in the Company's normal operation, less costs incurred to achieve the sale.

Estimated losses, for low-turnover or obsolete stock, are constituted on the basis of application of the average non-recoverable percentage on the balance of this inventory. The percentage takes into account the history (36-months moving window), of loss on resale of inventory, in which the Company recovers part of this cost.

Obsolescence management follows guidelines that aim to avoid the waste of materials and creative reuse of materials left over from past collections, using them in the manufacture of special products, ensuring sustainability of the business and generation of value.

The Company's Management considers that estimated losses have been constituted in an amount sufficient for the low-turnover or obsolete inventory.

8. Inventories--Continued

The following is the composition of Inventories:

	Parent company		Consolidated	
	2024	2023	2024	2023
Footwear	75,302	76,710	156,290	78,132
Accessories	962	1,267	1,992	1,313
Goods for resale	745	574	745	574
Inputs and components	46,181	45,192	46,181	45,192
Raw materials	109,861	105,831	109,861	105,831
Packaging materials	20,837	22,095	20,837	22,095
Intermediate and other materials	51,767	51,116	51,767	51,116
Molds and tooling	28,705	28,610	28,705	28,610
Advances to suppliers	12,351	4,977	12,351	4,977
Imports in transit	14,166	14,725	60,480	14,725
Inventories held by third parties	16,776	16,737	22,092	16,737
Estimated losses for obsolete inventories	(8,486)	(10,200)	(8,784)	(10,360)
	369,167	357,634	502,517	358,942

The changes in the estimated losses for obsolete inventories were as follows:

	Parent company	Consolidated
Balances at 12/31/2022	(12,066)	(12,557)
Additions	(18,117)	(18,342)
Realizations	3,741	3,756
Reversals	16,242	16,753
Exchange variation	-	30
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)

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

9. Tax credits



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	
	2024	2023	2024	2023
Income tax withheld at source	17,171	15,120	19,259	16,879
ICMS tax recoverable	3,160	4,371	4,110	5,510
Income tax– credit for Selic interest ⁽ⁱ⁾	22,629	94,549	22,629	94,549
Corporate income tax ('IRPJ') – Worker's Food Program (PAT)	2,549	-	2,549	-
PIS and COFINS taxes recoverable ⁽ⁱⁱ⁾	40,722	144,594	40,722	144,594
Tax credits Law ⁽ⁱⁱⁱ⁾	14,474	-	14,474	-
Reintegra	-	515	-	515
Others	167	159	5,573	1,642
	100,872	259,308	109,316	263,689
Current assets	84,856	233,046	93,186	237,318
Non-current assets	16,016	26,262	16,130	26,371

⁽ⁱ⁾ This refers to credits of corporate income tax ('IRPJ'), in relation to interest received at the Selic rate, on amounts receivable due to double charging of taxation as recognized under IFRIC 23/IPC22, supported by the Federal Supreme Court Decision in Extraordinary Appeal (RE) nº 1063187. Final judgment not subject to any further appeal in the case brought by the Company was given on July 25, 2023, and the application for qualification was granted on October 11, 2023.

⁽ⁱⁱ⁾ On December 31, 2024, the amount of R\$27,442 (R\$130,297 on 2023) refers to the tax legal action to exclude amounts of ICMS tax from the basis of calculation of the PIS and COFINS taxes, with final judgment on February 13, 2019, and with an authorization request granted on September 19, 2019. In the 2020 business year the company began the process of use of the credit, through a declaration of offsetting.

⁽ⁱⁱⁱ⁾ 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.

10. Other receivables (Assets)

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

	Controladora		Consolidado	
	2024	2023	2024	2023
Miscellaneous anticipations	13,844	20,466	16,181	20,704
Salary advances	8,594	4,290	8,597	4,295
Credits with affiliates	14,878	23,407	14,878	23,407
Credits with subsidiaries	75	1,607	-	-
Anticipated costs and expenses	2,550	2,791	2,611	2,849
Marketing Fund	83	49	83	49
Other receivables	80	933	2,658	933
	40,104	53,543	45,008	52,237
Current assets	37,399	48,212	40,436	48,455
Non-current assets	2,705	5,331	4,572	3,782

11. Investments



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	
	2024	2023	2024	2023
Holdings in subsidiaries	108,681	20,874	-	-
Equity interest in affiliated company	305,411	223,055	305,411	223,055
Joint venture	-	88,331	-	88,331
Shareholding interests in other companies	5,652	5,652	5,652	5,652
Unrealized profits in subsidiaries	(477)	(280)	-	-
Goodwill premium	24,617	-	-	-
Other investments	412	412	412	412
	444,296	338,044	311,475	317,450

11. Investments--Continued

a) Stockholding interests in the investments

Names	Principal characteristics	Country of head office	Stake	Percentage interest	
				2024	2023
Consolidated					
MHL Calçados Ltda.	Manufacture and sale of footwear.	Brazil	Direct	99.998%	99.998%
Grendene USA, Inc.	Commercial representative, selling and distributing our products in the US market. This is the parent company of Grendene New York L.L.C., which has head office in United States and operated in the same market segment. ⁽ⁱ⁾	USA	Direct	100.00%	100.00%
Grendene New York, L.L.C. (through Grendene USA, Inc.) ⁽ⁱ⁾	Commercial representative, selling and distributing our products in the US market.	USA	Indirect	-	100.00%
Grendene Italy, S.R.L.	Commercial representative, selling and distributing our products.	Italy	Direct	100.00%	100.00%
Grendene Global Brands Limited ⁽ⁱⁱ⁾	Distribution and sale of Grendene products in the international market.	United Kingdom	Direct	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	99.9995%	-
Grendene Global Brands Limited ⁽ⁱⁱ⁾	Distribution and sale of Grendene products in the international market, initially to the USA, Canada, China and Hong Kong. Radar Gestora de Recursos Ltda and Grendene S.A. share joint control of the operation.	United Kingdom	Joint Venture	-	49.90%
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%

⁽ⁱ⁾ Grendene New York, LLC ceased activities on March 31, 2024.

⁽ⁱⁱ⁾ As from December 1, 2024, Grendene Global Brands Limited ('GGB') ceased to be a joint venture, and is now a subsidiary of Grendene S.A., as a result of the acquisition of 50.1% of the shares in GGB from Radar Private Fund I LP and affiliates ('the Radar Funds').

11. Investments--Continued

b) Changes

The changes in investments are as follows:

	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. ^{(i) (ii)}	2,792	-	2,241	-	-	-	-	-	(5,018)	103	118
Grendene Italy, S.R.L. ⁽ⁱ⁾	3,098	-	-	-	-	4,554	-	-	(3,469)	370	4,553
Grendene Global Brands Limited ⁽ⁱ⁾	-	-	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 ⁽ⁱ⁾	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

	Balances at 2022	Investments							Equity in the results of subsidiaries	Exchange differences on subsidiaries and joint venture abroad	Balances at 2023
		Capital reduction	Capital increase	Write-down / transfer of investment	Write-down / transfer of unrealized earnings	Loss on investment	Dividends				
Subsidiaries	71,538	(20,560)	33,544	-	-	-	-	(62,490)	(1,438)	-	20,594
MHL Calçados Ltda.	13,651	-	-	-	-	-	-	1,053	-	-	14,704
Grendene USA, Inc. ^{(i) (ii)}	49,281	(20,560)	31,923	-	-	-	-	(56,518)	(1,334)	-	2,792
Grendene UK Limited. ^{(i) (ii)}	8,606	-	1,621	(4,658)	889	-	-	(6,347)	(111)	-	-
Grendene Italy, S.R.L. ⁽ⁱ⁾	-	-	-	4,658	(889)	-	-	(678)	7	-	3,098
Affiliated Company	236,973	(34,036)	21,400	-	-	(957)	(2,137)	1,812	-	-	223,055
YOUPE Participações S.A.	14,714	(3,853)	-	-	-	-	(2,137)	2,238	-	-	10,962
HIPE Participações S.A.	126,140	-	8,567	-	-	-	-	(8)	-	-	134,699
NM GAP II Participações S.A.	44,307	(30,183)	8,791	-	-	(957)	-	(415)	-	-	21,543
NM IBIRAI Participações S.A.	51,812	-	4,042	-	-	-	-	(3)	-	-	55,851
Joint venture	99,332	-	61,629	-	-	-	-	(64,783)	(7,847)	-	88,331
Grendene Global Brands Limited	99,332	-	61,629	-	-	-	-	(64,783)	(7,847)	-	88,331
Shareholding interests in other companies	-	-	5,652	-	-	-	-	-	-	-	5,652
NM GAP Participações Ltda.	-	-	5,652	-	-	-	-	-	-	-	5,652
Other investments	412	-	-	-	-	-	-	-	-	-	412
Others	412	-	-	-	-	-	-	-	-	-	412
	408,255	(54,596)	122,225	-	-	(957)	(2,137)	(125,461)	(9,285)	-	338,044

⁽ⁱ⁾ Review by other independent auditors, until December 31, 2023.

⁽ⁱⁱ⁾ Amount consolidated in the subsidiary Grendene USA Inc, and indirect subsidiary Grendene New York L.L.C., until June 2024; and amount consolidated in the subsidiary Grendene UK Limited and indirect subsidiary Grendene Italy, S.R.L., until August 2023.

11. Investments--Continued

c) Summarized financial information of direct and indirect subsidiaries (consolidated), affiliated company, joint venture and other companies

	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. ⁽ⁱ⁾ ⁽ⁱⁱ⁾	100.00%	118	187	69	118	2,608	(7,626)	(5,018)
Grendene Italy, S.R.L. ⁽ⁱ⁾	100.00%	5,030	7,059	2,029	5,030	3,032	(6,304)	(3,272)
Grendene Global Brands Limited ⁽ⁱ⁾	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 ⁽ⁱ⁾	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.

	2023							
	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%	14,704	15,227	523	14,704	1,740	(687)	1,053
Grendene USA, Inc. ⁽ⁱ⁾ ⁽ⁱⁱ⁾	100.00%	2,792	28,868	26,076	2,792	5,215	(62,195)	(56,980)
Grendene UK Limited ⁽ⁱ⁾ ⁽ⁱⁱ⁾	100.00%	-	-	-	-	4,311	(10,658)	(6,347)
Grendene Italy, S.R.L. ⁽ⁱ⁾	100.00%	3,377	6,458	3,081	3,377	624	(1,911)	(1,287)
Affiliated company								
YOUPE Participações S.A.	18.952%	10,962	62,382	4,538	57,844	11,837	(28)	11,809
HIPE Participações S.A.	49.92%	134,699	269,822	-	269,822	16	(33)	(17)
NM GAP II Participações S.A.	42.77%	21,543	105,586	55,222	50,364	14	(985)	(971)
NM IBIRA Participações S.A.	59.48%	55,852	87,719	569	87,150	9	(13)	(4)
Joint venture								
Grendene Global Brands Limited ⁽ⁱ⁾	49.9%	88,331	283,295	106,279	177,016	148,982	(278,808)	(129,826)
Shareholding interests in other companies								
NM GAP Participações Ltda.	15.1%	5,652	44,279	2,318	41,961	6,891	(2,327)	4,564

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, 2023.

⁽ⁱ⁾ Review by other independent auditors, until December 31, 2023.

⁽ⁱⁱ⁾ Amount consolidated in the subsidiary Grendene USA Inc, and indirect subsidiary Grendene New York L.L.C.; and amount consolidated in the subsidiary Grendene UK Limited and indirect subsidiary Grendene Italy, S.R.L., until August 2023.

⁽ⁱ⁾ The meeting of the Executive Board on July 6, 2023, approved dissolution and liquidation of the subsidiary Grendene UK Limited (recorded in the 166th Minutes).
With the extinction of Grendene UK Limited, Grendene Italy S.R.L., as from September 2023, is now directly controlled by Grendene S.A.



Transactions and balances in foreign currency: The monetary assets and liabilities of transactions in foreign currency are converted to the entity's functional currency, using the exchange rate of the reporting date, and profit and loss account items are converted at the average monthly rates for the periods. Non-monetary assets are converted from their functional currency to Reais at the FX rate of the accounting transaction. The functional currencies used in the conversion of the financial statements of these subsidiaries outside Brazil are: US dollars and Euros.

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

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.

The business combination carried out by the Company took place in stages, by acquisition of an additional interest in "GGB", obtaining control of the business. In this context, accounting is carried out progressively, with the effect of the transaction being recognized on the date of acquisition of control. The measurement of the previously-held interest at the recognized fair value is posted in the income statement as gain or loss, if any, or in Other comprehensive income, as appropriate.

On December 1, 2024 the Company acquired 50.1% of the shares in Grendene Global Brands Limited ('GGB'), for R\$63,884. The amount of R\$46,146 was paid at sight, while R\$22,738 remains as a balance to be paid. With this transaction Grendene, which previously held 49.9% of the shares, became the controlling stockholder of "GGB", holding 100% of the shares. This approach is in line with the Company's brand internationalization strategy, strengthening its global presence, and with progress in the initiatives of digitalization and the direct-to-consumer ('DTC') model.

The goodwill of R\$24,617 generated by the acquisition is attributable to: the client portfolio base acquired; and the expected future profitability of the business combination comprising the operations of GGB.

The details of the net acquired assets, and the goodwill, are:

Components in the purchase consideration	12/1/2024
Acquisition price	63,884
Stockholder's equity of the acquired entity	(54,856)
Fair value of the identifiable net assets	15,589
Net assets purchased	(39,267)
Goodwill premium	24,617

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.

	Valor contábil da adquirida	Valor justo reconhecido na aquisição
Assets	171,744	77,603
Cash and cash equivalents	24,252	24,252
Accounts receivable from clients	4,799	4,799
Inventories	96,517	96,517
Prepaid expenses	2,672	2,672
Other credits	8,377	8,377
Property, plant and equipment	26,051	2,512
Relationship with clients	8,247	7,799
Intellectual property	829	18,209
Amount not allocated	-	37,723
Liabilities	(93,366)	(93,366)
Leasing contracts	(19,439)	(19,439)
Accounts payable	(69,385)	(69,385)
Other liabilities	(4,542)	(4,542)
Total of the net assets acquired	78,378	109,494
Interest of 50.1% acquired	39,267	54,856
Goodwill premium	24,617	37,723
Total consideration	63,884	85,582

The Company contracted an independent valuation for preparation of the PPA (*Purchase Price Allocation*). Accounting of the book value of the identifiable net assets in this financial statement was carried out on the basis of a preliminary assessment of fair value, and reflects the best estimate up to the time of finalization of this financial statement. Any adjustments that may come to be identified after the issuance of this financial statement will be duly registered in the 2025 financial year, in accordance with CPC 15 (items 45 and B67).

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

	Fair value
Property, plant and equipment	23,539
Intellectual property	448
Relationship with clients	(17,380)
Amount not allocated	(37,723)
	(31,116)

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 by the Indirect Cost Rate 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

PP&E is recorded as cost of acquisition or construction, less depreciation, net of credits of PIS, COFINS and ICMS taxes, and reduced to recovery value if appropriate, when applicable. Assets are depreciated by the straight-line method based on their estimated useful life. Residual values and the useful life of assets are reviewed at the end of each business year and adjusted a whenever necessary.

An item of fixed assets is written off when it is sold, or when no future economic benefit is expected from its use or sale. The gain or loss resulting from writing off of an asset is recognized in the Profit and loss account.

When significant parts of PP&E need to be replaced, their cost is recognized at the book value of the asset as a replacement, if the criteria for recognition had been met. The expenses on repairs and maintenance are recognized directly in the profit and loss account, when they take place, and the book value of items or parts replaced is written off.

12. Property, plant and equipment--Continued

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 (i)	Production of goods in progress (ii)	Environmental Installations (iii)	Other	Total
Assets in use fully depreciated									
At 12/31/2023	110,511	172,176	14,133	35,449	-	-	5,493	5,388	343,150
At 12/31/2024	168,836	204,775	16,562	35,147	-	-	10,694	5,085	441,099
Cost of PPE									
Balances at 12/31/2022	407,466	550,026	41,876	66,197	47,130	16,064	12,063	7,114	1,147,936
Purchases	2,418	5,263	2,429	3,544	64,404	20,802	-	198	99,058
Anticipations/Imports in progress	-	4,873	96	-	1,918	34	-	19	6,940
Disposals	(25)	(17,515)	(1,775)	(1,739)	(1,162)	(2,127)	-	-	(24,343)
Transfers	17,264	29,373	1,930	146	(38,692)	(23,376)	13,359	(4)	-
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
Accumulated depreciation									
Balances at 12/31/2022	(257,357)	(325,876)	(26,535)	(44,053)	-	-	(9,675)	(5,660)	(669,156)
Depreciation	(19,641)	(40,621)	(3,024)	(6,075)	-	-	(1,081)	(329)	(70,771)
Disposals	13	10,157	1,613	1,652	-	-	-	-	13,435
Transfers	5,478	9	(10)	-	-	-	(5,478)	1	-
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)
Net book value									
At 12/31/2023	155,616	215,689	16,600	19,672	73,598	11,397	9,188	1,339	503,099
At 12/31/2024	210,732	226,419	17,407	16,080	38,321	8,402	13,780	1,620	532,761

12. Property, plant and equipment--Continued

	Consolidated									
	Land, buildings, facilities and leasehold improvements	Machinery and equipment and tools	Furniture and fittings	Data processing equipment	PPE in progress (i)	Production of goods in progress (ii)	Environmental Installations (iii)	Right of use (iv)	Other	Total
Assets in use fully depreciated										
At 12/31/2023	110,511	172,176	14,133	35,501	-	-	5,493	-	5,388	343,202
At 12/31/2024	168,836	204,775	16,562	35,209	-	-	10,694	-	5,085	441,161
Cost of PPE										
Balances at 12/31/2022	422,710	550,026	43,432	69,551	47,130	16,064	12,063	93,414	7,114	1,261,504
Purchases	2,418	5,263	2,429	3,594	64,404	20,802	-	-	198	99,108
Anticipations/Imports in progress	-	4,873	96	-	1,918	34	-	-	19	6,940
Disposals	(14,422)	(17,515)	(3,239)	(4,867)	(1,162)	(2,127)	-	(7,089)	-	(50,421)
Transfers	17,264	29,373	1,930	146	(38,692)	(23,376)	13,359	-	(4)	-
Foreign exchange variation	(847)	-	(92)	(182)	-	-	-	(6,833)	-	(7,954)
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
Accumulated depreciation										
Balances at 12/31/2022	(266,395)	(325,876)	(27,517)	(46,874)	-	-	(9,675)	(50,773)	(5,660)	(732,770)
Depreciation	(20,963)	(40,621)	(3,112)	(6,185)	-	-	(1,081)	(13,047)	(329)	(85,338)
Disposals	9,865	10,157	2,622	4,360	-	-	-	3,177	-	30,181
Transfers	5,478	9	(10)	-	-	-	(5,478)	-	1	-
Foreign exchange variation	508	-	61	153	-	-	-	4,084	-	4,806
Balances at 12/31/2023	(271,507)	(356,331)	(27,956)	(48,546)	-	-	(16,234)	(56,559)	(5,988)	(783,121)
Depreciation ^(v)	(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)
Net book value										
At 12/31/2023	155,616	215,689	16,600	19,696	73,598	11,397	9,188	22,933	1,339	526,056
At 12/31/2024	215,355	226,419	21,639	16,229	38,321	8,402	13,780	17,130	1,620	558,895

- (i) Refers to: Industrial Buildings R\$9,459 (R\$37,704 on December 31, 2023); Facilities R\$12,871 (R\$29,667 on December 31, 2023); Spare parts and replacement kits R\$15,991 (R\$6,227 on December 31, 2023).
- (ii) The main characteristics in the group relate to goods manufactured or developed internally, especially Machinery & equipment, Tools, Facilities and Furniture and utensils.
- (iii) Mainly facilities for action related to renewable energy and treatment of effluents.
- (iv) Refers to leasing contracts, as described in Note 15.
- (v) In 2024, the Company began to recognize tax credits at a 25% of corporate income tax (IRPJ) rate, calculated on the depreciation and amortization costs of establishments incentivized by ICMS (Note 19.a) related to the implementation or expansion of the economic enterprise.

Estimated useful life

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

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

13. Intangible assets



Intangible assets have a defined useful life and are recognized at acquisition cost, net of accumulated amortization and impairment, when applicable. *Goodwill*, or a “goodwill premium”, is the difference between the price paid for the acquisition of a business and the net amount of the fair value of the assets and liabilities of the subsidiary acquired. The goodwill premium obtained on acquisition of a subsidiary (‘the acquisition goodwill’) is posted in Intangible assets in the consolidated financial statement.

	Parent Company						Total
	Software	Trademarks and patents	Goodwill	Technology	Development of software	Others	
Cost of intangible assets							
Balances at 12/31/2022	84,001	37,146	990	11,927	20,931	543	155,538
Purchases	705	1,104	-	-	14,594	-	16,403
Disposals	(14,391)	(6,085)	-	-	(259)	-	(20,735)
Transfers	13,470	-	-	-	(13,470)	-	-
Balances at 12/31/2023	83,785	32,165	990	11,927	21,796	543	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	990	11,927	18,667	543	169,679
Accumulated amortization							
Balances at 12/31/2022	(67,146)	(20,159)	(822)	(10,833)	-	-	(98,960)
Amortization	(6,991)	(2,540)	(38)	(485)	-	-	(10,054)
Disposals	14,018	5,928	-	-	-	-	19,946
Balances at 12/31/2023	(60,119)	(16,771)	(860)	(11,318)	-	-	(89,068)
Amortization ^(*)	(9,428)	(2,485)	(38)	(384)	-	-	(12,335)
Disposals	19	67	-	1	-	-	87
Balances at 12/31/2024	(69,528)	(19,189)	(898)	(11,701)	-	-	(101,316)
Net book value							
At 12/31/2023	23,666	15,394	130	609	21,796	543	62,138
At 12/31/2024	33,678	15,157	92	226	18,667	543	68,363

	Consolidated							Total
	Software	Trademarks and patents	Goodwill	Technology	Development of software	Goodwill Premium	Others	
Cost of intangible assets								
Balances at 12/31/2022	86,153	40,538	990	11,927	20,931	-	543	161,082
Purchases	1,130	1,104	-	-	14,594	-	-	16,828
Disposals	(16,864)	(6,812)	-	-	(259)	-	-	(23,935)
Transfers	13,470	-	-	-	(13,470)	-	-	-
Foreign exchange variation	(104)	(245)	-	-	-	-	-	(349)
Balances at 12/31/2023	83,785	34,585	990	11,927	21,796	-	543	153,626
Purchases	2,462	2,337	-	-	16,861	-	14,995	36,655
Controlled acquisition ⁽ⁱⁱ⁾	-	-	-	-	-	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	990	11,927	19,183	24,617	15,882	212,267
Accumulated amortization								
Balances at 12/31/2022	(68,861)	(20,159)	(822)	(10,833)	-	-	-	(100,675)
Amortization	(7,395)	(2,540)	(38)	(485)	-	-	-	(10,458)
Disposals	16,063	5,928	-	-	-	-	-	21,991
Foreign exchange variation	74	-	-	-	-	-	-	74
Balances at 12/31/2023	(60,119)	(16,771)	(860)	(11,318)	-	-	-	(89,068)
Amortization ⁽ⁱ⁾	(10,673)	(2,485)	(38)	(384)	-	-	(6,769)	(20,349)
Disposals	20	67	-	-	-	-	-	87
Foreign exchange variation	(24)	-	-	-	-	-	(133)	(157)
Balances at 12/31/2024	(70,796)	(19,189)	(898)	(11,702)	-	-	(6,902)	(109,487)
Net book value								
At 12/31/2023	23,666	17,814	130	609	21,796	-	543	64,558
At 12/31/2024	34,526	15,157	92	225	19,183	24,617	8,980	102,780

13. Intangible assets--Continued

⁽ⁱ⁾ In 2024, the Company began to recognize tax credits at a 25% of corporate income tax (IRPJ) rate, calculated on the depreciation and amortization costs of establishments incentivized by ICMS (Note 19.a) related to the implementation or expansion of the economic enterprise.

⁽ⁱⁱ⁾ The value of the premium was recognized on the basis of the best estimate of the preliminary values of the PPA report, as shown in Note 11.d.

On December 31, 2024 and 2023, the Company does not have internally generated intangible assets.

Estimated useful life

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

Asset	Estimated useful life
 Software	5 years
 Brands and patents	10 years
 Goodwill on premises	5 years and/or according to contracts
 Technology	5 years
 Software in development	According to classification, when activated



Impairment

Fixed assets, intangible assets and other assets which present indications that their recorded costs are higher than their recovery value should be reviewed in detail to determine the need for posting of any impairment.

The Company carries out an annual analysis of impairment. In the periods of October 31, 2024 and 2023 no assets were identified that presented a need to calculate impairment, according to reports issued on December 1, 2024 and 2023.

14. Borrowings



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						
		2024			2023			
	Index	Interest rate (y.y.)	Current liabilities	Non-current liabilities	Total	Current liabilities	Non-current liabilities	Total
In local currency								
Incentive-bearing financings	Long-term Interest Rate (TJLP)	7.43% and 6.55%	2,118	12,310	14,428	1,775	10,017	11,792
In foreign currency								
Post-shipment financing of exports (ACEs)	US Dollar +	5.54% and 6.51%	54,511	-	54,511	80,638	-	80,638
			56,629	12,310	68,939	82,413	10,017	92,430

14. Borrowings--Continued

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	2026	2027	2028	2029	Total
Proapi	1,360	704	1,496	1,347	4,907
Provin	983	-	-	-	983
Proade	780	2,011	1,774	1,855	6,420
Total	3,123	2,715	3,270	3,202	12,310

b) Post-shipping 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 July 2025. Operations are guaranteed through the transfer of rights over installment sales to the bank.

15. Leasing contracts



The Group assesses, on the start date of the contract, whether that contract is or contains leasing, that is to say, whether the contract transmits the right to control the use of an identified asset for a given period.

The Group applies a single approach of recognition and measurement to all leasing arrangements, except contracts for leasing whose periods end in 12 months and leasing arrangements in which the assets are of low value.

Until January 2024, the Company maintained a rental contract with outside parties for the store premises of Grendene New York LLC. This contract provided options for renewal and termination and was classified as a commercial leasing transaction. With the acquisition of control of Grendene Global Brands, the Group began to report the contracts of the subsidiary. These options were negotiated by Management to obtain flexibility in managing the leased asset portfolio and align with the Group's business needs.

The discount rates that express the time of realization of the rights of use have been obtained based on the principal inflation indices of the market and an estimated rate for interest on lending, in the event that the Company were to opt to obtain the object of the leasing for similar periods and in similar scenarios.

15. Leasing contracts--Continued

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 – Miami Office	03/31/2027	5 years and 3 months	1.15%
Grendene Global Brands USA – Store	07/31/2028	6 years and 6 months	1.08%
Grendene Global Brands USA – Saw Grass	07/31/2026	4 years and 4 months	1.61%
Grendene Global Brands USA – Ceva	05/31/2026	3 years	1.61%
Grendene Global Brands USA – Baybrook Mall	11/30/2033	10 years	4.47%
Grendene Global Brands USA – Glendale	12/31/2033	10 years	4.47%
Grendene Global Brands Shanghai – China Office	08/31/2025	2 years and 6 months	4.75%

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

	Consolidated
Balance at 12/31/2022	43,907
Disposals	(3,912)
Interest appropriated and paid	(235)
Payments	(12,889)
Foreign exchange variation	(2,874)
Balance at 12/31/2023	23,997
Addition ⁽ⁱ⁾	47,389
Disposals ⁽ⁱⁱ⁾	(36,934)
Interest appropriated and paid	(1,139)
Payments	(15,049)
Foreign exchange variation	1,621
Balance at 12/31/2024	19,885
Current liabilities	8,859
Non-current liabilities	11,026

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

⁽ⁱⁱ⁾ Refers to the termination (and write-down) of the Grendene New York, L.L.C. contract and one of the Grendene Global Brands (Aventura Store) contracts.

On December 31, 2024, the Company recognized as short-term rental expenses the amount of R\$4,429 (R\$3,650 in 2023), and in the consolidated the amount of R\$4,429 (R\$12,256 in 2023).

16. Provisions, contingent liabilities and contingent asset



The Company and its subsidiaries are parties in administrative and court actions of an 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.

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

a) Provisions – Probable loss risk

The estimated losses have been provisioned in an amount sufficient to cover any adverse judgments.

The changes in provisions for employment-law, tax and civil risks are as follows:

	Parent company				Consolidated			
	Labor	Tax	Civil	Total	Labor	Tax	Civil	Total
Balances at 12/31/2022	1,190	2,042	205	3,437	1,398	2,042	205	3,645
Additions	4,086	3,781	286	8,153	4,387	3,781	286	8,454
Realizations	(1,511)	(3,781)	-	(5,292)	(1,511)	(3,781)	-	(5,292)
Reversals	(198)	-	(10)	(208)	(198)	-	(10)	(208)
Monetary updating	-	68	-	68	-	68	-	68
Balances at 12/31/2023	3,567	2,110	481	6,158	4,076	2,110	481	6,667
Current liabilities	1,139	865	116	2,120	1,148	865	116	2,129
Non-current liabilities	2,428	1,245	365	4,038	2,928	1,245	365	4,538
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
Current liabilities	325	5,494	39	5,858	325	5,494	39	5,858
Non-current liabilities	2,409	1,297	6	3,712	3,259	1,297	6	4,562

Employment-law cases: 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: Refers: (i) PIS and COFINS ("Import PIS/COFINS") taxes on services received outside Brazil (R\$1,297); (ii) Activity of the State of Ceará in relation to the FDI program (R\$4,656); and (iii) Legal fees in state tax execution (R\$838).

Civil cases: Refers: (i) Annulment action of assessment of Procon (Public Consumer Protection Agency) of the São Paulo State (R\$39) and (ii) action for cancellation of the trademark registration (R\$6).

b) Contingent liabilities – Possible loss risk

The Company has labor, tax, civil and environmental contingencies involving risks classified by management as possible losses, based on the evaluation of the legal advisors, for which no provision was recognized. The analysis and the estimates are as follows:

	Parent company		Consolidated	
	2024	2023	2024	2023
Labor	2,559	2,376	2,669	2,486
Tax	46,385	43,451	46,385	43,451
Civil	29,124	38,753	29,124	38,753
Environmental	350	340	350	340
	78,418	84,920	78,528	85,030

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

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

b) Contingent liabilities – Possible loss risk--Continued

Tax issues: These comprise litigation on the following subjects: (i) the Social Security Contribution on the collective life insurance made available to the employees (R\$621); (ii) 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) (R\$8,451); (iii) execution related to the COFINS compensation gloss (R\$1,729); (iv) exclusion of offsetting of credits recognized under the *Reintegra* program with debits of COFINS tax (R\$6,483); (v) 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) (R\$11,511); and (vi) Collection of CIDE tax – Shipments (R\$17,590).

Civil cases: Refers to: (i) action for indemnity by former commercial representatives (R\$9,477); (ii) action for indemnity by a former client alleging the existence of a distribution contract (R\$6,000); (iii) actions to annul a tax claim for supposed non-compliance with consumer rules (R\$13,280); and (iv) legal action relating to intellectual property in a product (R\$367).

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\$8,001.

17. Other payables (Liabilities)

The composition of other accounts payable, classified as current and non-current liabilities, is shown below:

	Parent company		Consolidated	
	2024	2023	2024	2023
Accounts payable resulting from acquisition (*)	22,738	-	22,738	-
Miscellaneous advances	3,264	4,097	3,264	4,097
Advances from affiliates	2,079	13,950	2,079	13,950
Contracted derivatives – Hedge	-	496	-	496
Marketing found	83	49	83	49
Financial obligations	563	898	563	898
Other debts	172	1,006	2,768	1,006
	28,899	20,496	31,495	20,496
Current liabilities	26,469	16,415	29,065	16,415
Non-current liabilities	2,430	4,081	2,430	4,081

(*) Refers to the amount to be paid for the acquisition of the subsidiary (Note 11.d).

18. Equity

a) Capital

The Extraordinary General Meeting of Stockholders of April 22, 2024 approved a capital increase of R\$ 1,024,828, arising from capitalization of federal corporate income tax ('IRPJ') incentive amounts, without any issue of new shares. The new value of the Company's share capital is R\$ 2,256,130.

On December 31, 2024 and 2023 the share capital, fully paid-up, comprised 902,160,000 nominal book-entry common shares without par value. The shares are all of the same class as regards their holders' rights, and all have equal right to vote, subject to the conditions of law.

This table shows the Company's ownership structure:

	Ownership structure			
	2024		2023	
	Common Shares	%	Common Shares	%
Alexandre Grendene Bartelle	376,328,607	41.71%	371,651,807	41.20%
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	29,201,277	3.24%	29,201,277	3.24%
Gabriella de Camargo Bartelle	28,912,677	3.20%	28,912,677	3.20%
Radar Gestora de Recursos Ltda	86,592,400	9.60%	72,443,300	8.03%
Executive Board and Boar of Directors' Members	2,696,783	0.30%	2,560,389	0.28%
Treasury shares	-	0.00%	2,671	0.00%
Outstanding shares	181,425,686	20.11%	200,385,309	22.21%
	902,160,000	100.00%	902,160,000	100.00%

b) Capital Reserve

This corresponds to the amount of stock options granted by the Company to its managers as described in Note 24.

c) Treasury shares

On August 8, 2024, the 110nd 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 6, 2025.

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

	Parent company		
	Common shares	R\$	Medium cost
Balances at 12/31/2022	(467,650)	(3,458)	7.39
Acquisition of shares	464,979	3,438	7.39
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 24)	433,613	3,056	7.05
Balances at 12/31/2024	-	-	-

18. Equity--Continued

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\$270,163 on December 31, 2024 (R\$246,260 in 2023).

d.2) Reserve for acquisition of shares

This comprises the balance of R\$10,683 on December 31, 2024 (R\$10,052 in 2023), 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.

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 12/31/2022	235,437	577,470	949,316	1,762,223
Incentives generated by the operation	-	199,177	75,512	274,689
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

(*) As of January 1, 2024, the ICMS tax incentive (Proade) will be subject to PIS, COFINS, corporate income tax (IRPJ) and the Social Contribution tax (CSLL), resulting in the net amount allocated to reserves.

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.

18. Equity--Continued

f) Dividends and interest on equity



The Bylaws and the Corporate Law both require distribution of a minimum mandatory dividend of 25% of the net profit for the period, after constitution of the Reserves required by law.

Earlier distribution of dividends may be made quarterly or half-yearly, with the status of 'Interim Dividends', and/or 'Proposed Additional Dividends'.

When decided by the Board of Directors, payments of Interest on Equity are deemed to be part of the total of dividends. They are calculated on the basis of the Long-Term Interest Rate (*Taxa de Juros de Longo Prazo – TJLP*) in effect in the period. Amounts of Interest on Equity are posted in Stockholders' equity. Their tax effect is posted in the Profit and loss account.

Dividends not claimed by stockholders within 3 (three) years from the date of their declaration revert to the Company.

Dividends on December 31, 2024 and 2023 were calculated as follows:

	Parent company	
	2024	2023
Profit for the year	735,236	557,671
Legal reserve	(23,903)	-
Tax incentive reserve	(257,189)	(274,689)
Minimum mandatory dividends calculation basis	454,144	282,982
Minimum mandatory dividend – 25%	113,536	70,746
Dividend proposed in addition to the minimum mandatory amount	340,608	212,236
Total of dividends proposed by management	454,144	282,982
Proposed allocation:		
<u>Prepaid corporate action payments:</u>		
Interim dividends	168,589	117,167
Interest on equity imputed as part of dividends (R\$46,750 and R\$17,000, net of tax withheld at source)	55,000	20,000
<u>Corporate action payments proposed:</u>		
Additional dividend proposed	120,555	50,815
Interest on equity imputed as part of dividends (R\$93,500 and R\$80,750, net of tax withheld at source)	110,000	95,000
	454,144	282,982
Prescribed dividends	16	6
	454,160	282,988

f.1) Distributions of dividends made and proposed in 2023

i) Interim dividends

The Board of Directors approved distribution of dividends and interim payment of Interest on Equity, in the amount of R\$137,172 (representing R\$0.0152 per share), which were paid to stockholders as follows:

- 1Q23: on June 7, 2023, dividends in the amount of R\$68,122 (representing R\$0.0755 per share), as follows: (i) R\$68,120 in interim dividends; and (ii) R\$2 in prescribed dividends;
- 2Q23: on September 6, 2023, dividends in the amount of R\$17,137 (representing R\$0.0189 per share), as follows: (i) R\$17,134 in interim dividends; and (ii) R\$3 in prescribed dividends; and

18. Equity--Continuedf) Dividends and interest on equity—Continuedf.1) Distributions of dividends made and proposed in 2023--Continuedi) *Interim dividends--Continued*

- c) 3Q23: on December 6, 2023, dividends in the amount of R\$51,913 (representing R\$0.0575 per share), as follows: (i) R\$31,913 of interim dividends; and (ii) R\$20,000 (R\$17,000 net of tax) in Interest on Equity.

ii) *Additional dividend proposed*

The 107nd meeting of the Board of Directors, held on February 29, 2024, approved payment of additional dividends proposed by Management on December 31, 2023. The amounts were paid to stockholders as from May 2, 2024, as follows: (i) R\$50,815 as additional dividends; (ii) R\$95,000 (R\$ 80,750, net of income tax withheld at source) as Interest on Equity. Additionally, the amount of R\$1 of prescribed dividends.

f.2) Distributions of dividends made and proposed in 2024i) *Interim dividends*

The Board of Directors approved distribution of dividends and interim payment of Interest on Equity, in the amount of R\$223,601 (representing R\$0.2479 per share), which were paid to stockholders as follows:

- a) 1Q24: on June 5, 2024, dividends in the amount of R\$75,787 (representing R\$0.0840 per share);
b) 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
c) 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*

Management submitted for decision by the Annual General Meeting (AGM) the proposal for distribution of additional dividends in the amount of R\$120,555 (R\$0.1336 per share) and R\$110,000 in Interest on Equity (R\$93,500, net of income tax withheld at source), on the net profit for the 2024 business year. Additionally, the amount of R\$4 of prescribed dividends.

These amounts are presented in Stockholders' equity for approval by 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	
	2024	2023
Numerator		
Profit for the year (a)	735,236	557,671
Denominator		
Weighted average number of common shares	902,160,000	902,160,000
Weighted average number of common treasury shares	(78,159)	(98,477)
Weighted average number of outstanding common shares (b)	902,081,841	902,061,523
Potential increase (decrease) in common shares due to the stock option or subscription plan	(287,320)	(67,939)
Weighted average of the number of common shares, considering potential increment (c)	901,794,521	901,993,584
Basic earnings per common share (a/b)	0.8150	0.6182
Diluted earnings per common share (a/c)	0.8153	0.6183

19. Government grants for investments



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.

Proapi - The incentive program for port and industrial activities of the State of Ceará, which was in effect up to March 31, 2017, for the Company's unit at Sobral, in the State of Ceará.

Resolution 131 of the Industrial Development Council (CEDIN) of Ceará State, published on 11/14/2019, enabled the State to pay the balance of the credits of the Proapi incentive amounts receivable in 60 successive, equal monthly installments.

As a result, the balance posted by the Company as amounts receivable – which was R\$14,530 – when brought to present value is reduced to R\$12,737 at December 31, 2024 (R\$26,256 in 2023, which when brought to present value was R\$22,949).

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 in the table 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



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	
	2024	2023	2024	2023
Income tax	(1,220)	(2,459)	(1,449)	(2,727)
Amount due	(121,978)	(77,971)	(122,207)	(78,239)
Tax incentives	120,758	75,512	120,758	75,512
Social contribution	(47,602)	(29,839)	(47,694)	(29,943)
Amount due	(47,602)	(29,839)	(47,694)	(29,943)
	(48,822)	(32,298)	(49,143)	(32,670)

20. Income tax and social contribution tax--Continued

b) Deferred income tax and social contribution tax



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	
	2024	2023	2024	2023
Estimated losses on doubtful receivables	358	3,285	358	3,285
Punctuality discounts estimated	7,225	6,723	7,225	6,723
Adjustment to Present Value	4,303	4,972	4,303	4,972
Fair value of Structured Transaction Certificates (Specific purpose company – SPE)	1,202	-	1,202	-
Fair value of Structured Transaction Certificates (Certificados de Operações Estruturadas – COEs)	-	(5,699)	-	(5,699)
Estimated losses for obsolete inventory	1,294	1,555	1,294	1,555
Provision for labor risks, tax and civil	1,459	939	1,459	939
Interest on equity (counted as part of total dividends)	-	32,300	-	32,300
Other	(57)	119	(130)	76
	15,784	44,194	15,711	44,151

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	
	2024	2023	2024	2023
2024	-	42,608	-	42,565
2025	13,723	908	13,650	908
2026	448	466	448	466
2027	227	63	227	63
2028	39	38	39	38
2029 to 2074	1,347	111	1,347	111
	15,784	44,194	15,711	44,151

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	
	2024	2023	2024	2023
Pretax income	812,468	591,760	812,819	591,969
Combined nominal rate of Income Tax (25%) and Social Contribution (9%)	(276,239)	(201,198)	(276,358)	(201,269)
Adjustments to show effective rate				
<u>Additions</u>				
Adjustments to fair value	-	(2,696)	-	(2,696)
Equity in the results of subsidiaries	(24,186)	(43,637)	(21,573)	(22,026)
Other additions	(937)	(545)	(3,550)	(22,477)
<u>Exclusions</u>				
Adjustments to fair value	10,016	-	10,016	-
Non-deductible costs and expenses	2,315	7,303	2,316	7,323
Tax credits related to subsidy for investment ^(*)	4,921	-	4,921	-
State tax incentives	-	67,720	-	67,720
The Workers' Food Program (PAT)	5,288	-	5,288	-
Corporate tax incentive deductions – Income tax	4,939	4,889	4,939	4,889
Technological innovation incentive	9,518	10,447	9,518	10,447
Interest on equity counted as part of total dividends	18,700	39,100	18,700	39,100
Equity in the results of subsidiaries	37,370	616	37,370	616
Other financial instruments – Dividends	6,266	5,626	6,266	5,626
Other exclusions	4,039	2,774	3,806	2,937
Amount before deduction of corporate tax incentives (Operational profit)	(197,990)	(109,601)	(198,341)	(109,810)
Tax incentive reductions of corporate income tax (Calculated on operational profit)	120,758	75,512	120,758	75,512
Total taxes posted in profit and loss account	(77,232)	(34,089)	(77,583)	(34,298)
Current taxes	(48,822)	(32,298)	(49,143)	(32,670)
Deferred taxes	(28,410)	(1,791)	(28,440)	(1,628)
Effective rate	9.5%	5.8%	9.5%	5.8%

^(*) In 2024, the Company began to recognize tax credits at a 25% of corporate income tax (IRPJ) rate, calculated on the depreciation and amortization costs of establishments incentivized by ICMS (Note 19.a) related to the implementation or expansion of the economic enterprise.

21. Financial instruments



Financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. These are measured at amortized cost or at fair value and classified in one of the following three 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.

Their subsequent measurement takes place at each recording date in accordance with the rules established for each type of classification of financial assets and liabilities.

The Company and its subsidiaries have classified their financial assets and liabilities at amortized cost or at fair value through profit or loss, in accordance with the characteristics of the contract and the purpose for which they were acquired or issued:

- a. Financial assets at amortized cost: These are measured in a business model the objective of which is to receive contractual cash flows where the contractual terms give rise to cash flows which are, exclusively, payment of the principal and/or interest on it.
- b. Financial assets measured at fair value through profit or loss: Any financial assets that are not classified in the aforementioned category stated above are measured and recognized at fair value through Profit or loss. Financial assets that are held for trading and managed on the basis of fair value are also included in this category.
- c. Financial liabilities: The entity should classify all financial liabilities as measured at amortized cost, except in the case of: (a) financial liabilities measured at fair value through Profit or loss; (b) financial liabilities that arise when the transfer of the financial asset does not qualify for derecognition, or when the continuing involvement approach is applicable; (c) a financial guarantee contract; (d) undertakings to grant loans with interest rates below market; or (e) a contingent consideration recognized by an acquiring party in a business combination to which CPC 15 should be applied.

Derivative financial instruments and hedging activities

The Company operates with derivative financial statements for the purpose of hedging but does not use the practice of hedge accounting to account for its derivative transactions, which are not made for speculative purposes.

Derivatives are recorded initially at fair value on the date of contracting, and subsequently revalued, also at fair value, with any gains or losses being recognized in financial revenue/expenses.

The Company has transactions with financial instruments, the risks of which are managed through financial position strategies and exposure limit systems. All transactions are fully recognized in the accounting records.

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	
	2024	2023	2024	2023
Financial assets at amortized cost ^(*)				
Cash and cash equivalents	48,016	56,968	76,109	73,735
Financial investments and other financial assets ^(a)	1,324,875	912,375	1,324,875	912,375
Trade receivables	1,274,282	1,131,747	1,210,309	1,131,602
Financial assets measured at fair value through profit of loss				
Other financial assets ^{(ii) (a)}	202,213	266,186	202,213	266,186
Derivatives ^{(i) (*)}	815	-	851	-
Financial liabilities at amortized cost ^(*)				
Borrowings	68,939	92,430	68,939	92,430
Leasing contracts	-	-	19,885	23,997
Trade payables	57,799	49,110	69,701	49,359
Commissions payable	59,497	53,966	58,912	54,285
Financial liabilities measured at fair value through profit of loss				
Derivatives ^{(i) (*)}	-	496	-	496

^(*) The accounting balances at December 31, 2024 and December 31, 2023 reflect the fair values of the financial instruments.

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

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

^(a) In May 2024, an assessment was made of the method for classification of the cash investment instrument COEs – (Structured Transactions Certificates, or *Certificados de Operações Estruturadas*). This resulted in a decision to reclassify this category of asset from “financial assets at fair value through profit or loss” to “financial assets at amortized cost”. This change aims to provide an appropriate reflection of the results to the Company of contracting this type of financial instrument, since the Company’s intention is to hold them to maturity.

Foreign exchange rate hedging transactions

The strategy when contracting these transactions is to hedge the sales revenue and financial assets of the Company and its subsidiaries that are subject to foreign exchange exposure. These instruments are used for the specific purpose of hedging, and the portfolio includes sale of U.S. dollar futures through financial instruments used for this purpose such as: Commodities and Securities Exchange – B3 and advances on future exports (ACE).

In transactions involving B3 sales, the impact on the cash flow of the Company and its subsidiaries occurs as adjustments to the U.S. dollar exchange rate are determined until the settlement of the contracts.

To reduce the net effects of exposure of its business, the Company’s management determines the managers may negotiate future contracts for sale of US\$, exclusively at B3 up to the maximum limit defined by the sum of the following items: (i) bank balances in foreign currency held outside Brazil; (ii) financial investments held outside Brazil; (iii) balances of accounts receivable (denominated in US\$) of exchange transactions to be contracted; (iv) up to 25% of the forecasts of annual exports equivalent to approximately 90 days of forecast exports (normally corresponding to orders in the order book and negotiations for sales in progress), less: (a) balances of suppliers held in foreign currency; (b) imports in progress; and (c) ACCs (Advances against exchange contract).

21. Financial instruments--Continued

Foreign exchange rate hedging transactions--Continued

The risks are monitored daily and administered through internal controls aimed to demonstrate the limits of exposure and adapt them to the Company's risk management policy.

Foreign exchange hedging transactions are made with the B3, are carried out through specialized brokers, with the requirement of specific guarantees. The guarantee amounted to R\$52,477 on December 31, 2024 (R\$37,497 on 2023), comprises the Company's investments in government securities, observing the limits and exposures to foreign exchange risk, as defined in the policy for management of counterparty risk.

The table below shows the positions at December 31, 2024 and 2023, with the notional and fair value.

	Notional value – US\$		Notional value – R\$		Amount receivable (payable)	
	2024	2023	2024	2023	2024	2023
Futures contracts						
Sell commitment	(47,000)	(21,000)	(292,326)	(102,250)	851	(496)

These transactions are directly associated with the receipt of sales and financial assets denominated in foreign currency, which are subject to exchange rate variation. These operations aim to offset any gains or losses resulting from these exchange rate fluctuations. The balance receivable reported at December 31, 2024, is R\$851, and is classified in "credits receivable". The balance of R\$496 payable on December 31, 2023 was classified in "Other accounts payable".

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;

22. Risk management--Continued

a) Operational risks management--Continued

- (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.

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) Management of social and environmental risks

The Company is exposed to social and environmental risks due to the possibility of occurrence of environmental damage, inappropriate use of natural resources, non-compliance with requirements and regulations, obsolescence of inventory, impacts of extreme climate factors and failings in responses to climate change.

Risk of inappropriate use of natural resources: There are risks related to inappropriate disposal of waste generated in our operations.

To mitigate these risks, in all its units the Company implements its *Solid Waste Management Plan* and its *Selective Collection Program* – which set clear directives for storage, transportation and environmentally appropriate disposal of waste. In addition, we invest in advanced industrial technologies, such as machinery and equipment that increase our efficiency in the use of materials and help reduce waste.

Non-compliance with social/environmental requirements/regulations: These risks arise from creation or alteration of rules by the regulatory bodies, potentially affecting control of the regulated activities, conditions of supply and/or environmental or fiscal regulations.

The Company constantly monitors the legal requirements applicable to its activities and carries out regular assessments to ensure compliance with national and international environmental standards. It uses a modular management software, which functions as an Applicable Law Management and Monitoring System, providing efficient, safe and agile management in real time. This minimizes risks and losses, optimizes processes, and ensures compliance with law and with the international standards of ISO certification.

Obsolescence of inventory: With the increasing importance of climate issues in consumer decisions, there is a risk of certain products potentially becoming obsolete if they do not meet consumers' new expectations for sustainability and environmental responsibility. These changes can affect demand for products, resulting in inventories that do not meet market preferences.



22. Risk management--Continued

b) Management of social and environmental risks--Continued

We implement proactive measures to mitigate this risk, such as diversification of the supply chain, investments in clean technologies, and continuous engagement with stakeholders. These actions are fundamental in adapting products to emerging demands, ensuring they continue to be relevant in the market, and avoiding obsolescence of inventory.

Climate risks: There is a risk of failure in responses to climate issues; and the risk of extreme climate phenomena. These risks can lead to problems such as shortages of water, or electricity, especially since part of our industrial operations is located in Brazil's Semi-arid region. Excessive rainfall, too, can affect routes for logistics, with an impact on performance and delivery times.

To minimize these risks, we have adopted measures for reduction and re-use of water, and for energy efficiency, through use of renewable-source energy to reduce the greenhouse gas emissions associated with our operation. Strategically, the Company has investments in the energy business (SPE – Geradora Várzea Solar II S.A.), aiming to meet part of its energy consumption needs through renewable sources.

The mechanisms for management and monitoring of these risks obey the Company's Sustainability Policy. This Policy is based on three pillars: (i) appreciation and respect for people; (ii) operations that are eco-efficient; and (iii) products of lower impact.

c) Financial risks management

c.1) Credit risks

The Group is exposed to credit risk in its operational activities arising from accounts receivable from clients and counterparties in financial investments, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The following are the risk management practices: (i) Accounts receivable from clients: Management aims to minimize any problems arising from default by its clients, through analysis of credit in the client portfolio, establishment of sales limits and sales well spread out between multiple clients. No single client represented more than 5% of the total of the Company's accounts receivable on December 31, 2024 and December 31, 2023; and (ii) Financial instruments, cash and cash equivalents, and other financial assets: The Company's financial resources are allocated in a diversified manner in financial assets that may be securities issued by financial institutions that are considered by the market to be first-tier, public securities or private securities such as, for example, debentures, real estate receivable certificates, real estate financing transactions, credits receivable, or others, that seek remuneration tied to a basket of indicators, such as: the CDI rate, and securities with fixed rates or indexed to inflation indices.

22. Risk management--Continued

c) Financial risks management--Continued

c.1) Credit risks--Continued

Investment opportunities of greater risk (those made in private securities) are evaluated by the investment committee created for this purpose, which, under the Company's policy, may allocate up to R\$850 million for this type of investment.

c.2) Liquidity risk

The Company monitors the policy on cash generated by its activities, to avoid mismatch between accounts receivable and accounts payable, thus ensuring liquidity for compliance with its obligations. The principal source of funds used by the company is the volume of proceeds from the sale of its products. One characteristic of the strong cash flow generation is low default. The Company, additionally, holds balances in cash investments that may be redeemed at any moment, and has solid financial and equity conditions, for complying with its short and medium-term obligations.

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

	Parent company / Consolidated					
	2024			2023		
	Up to 1 year	From 1 to 5 years	Total	Up to 1 year	From 1 to 5 years	Total
Incentive-bearing financings	2,203	14,629	16,832	1,835	12,000	13,835
Post-shipment financing of exports (ACEs)	55,894	-	55,894	83,226	-	83,226
	58,097	14,629	72,726	85,061	12,000	97,061

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

This risk relates to the possibility of the Company incurring losses due to variations in interest rates, which could increase its financial expenses on loans and financings or reduce the return on its cash investments. The Company constantly monitors the volatility of market interest rates.

The Company's policy aims to maintain its resources invested in financial instruments linked to the CDI rate, at pre-fixed rates or adjusted for inflation, which helps to mitigate the impacts of variations in market interest rates.

We present the open positions as of December 31, 2024, including sensitivity tests for rate or indicator variation scenarios. These tests consider a probable scenario, with decreasing impacts for financial investments and increasing impacts for financing, as follows:

22. Risk management--Continued

c) Financial risks management--Continued

c.3) Market risks--Continued

i) *Interest rate risk*--Continued

		Sensitivity Scenarios					
Risk factor	% y.y.	Balances at 2024	Remote - 50%	Possible - 25%	Probable	Possible + 25%	Remote + 50%
<u>Fixed income cash investments</u>							
CDI rate	11.7489%	1,062,167	15,364	22,843	30,194	40,963	48,090
IPCA rate	4.8730%	52,477	3,914	4,466	5,018	5,569	6,120
INCC rate	6.3339%	110,061	12,271	13,297	14,323	15,349	15,401
<u>Incentive-bearing financings</u>							
TJLP rate	7.4300%	(14,428)	(936)	(1,170)	(1,404)	(702)	(468)

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, 2024, 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\$8,804 (US\$16,658 in 2023).

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, 2025, as follows:

				Sensitivity scenarios				
Risk factor	Short position in US\$	FX rate	Balances at 12/31/2024	Remote - 50%	Possible - 25%	Probable	Possible + 25%	Remote + 50%
<u>Contracted derivative - Hedge</u>								
Dollar rise	(47,000)	6.2197	(292,326)	146,163	73,081	851	(73,081)	(146,163)

22. Risk management—Continued

c) Financial risks management--Continued

c.3) Market risks--Continued

ii) Exchange rate risk--Continued

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

				Sensitivity scenarios				
Risk factor	Cash position in US\$	FX rate	Balances at 2024	Remote - 50%	Possible - 25%	Probable	Possible + 25%	Remote + 50%
<u>FX exposure</u>								
<u>Assets</u>								
Current account	15	6.1917	92	(46)	(23)	-	23	46
Accounts receivable from clients	42,483	6.2034	263,539	(131,769)	(65,885)	-	65,885	131,769
<u>Liabilities</u>								
Advances from clients	(3,276)	6.1917	(20,286)	10,143	5,072	-	(5,072)	(10,143)
Accounts payable	(2,654)	6.1923	(16,434)	8,217	4,108	-	(4,108)	(8,217)
Post-shipping financing of exports (ACEs)	(8,804)	6.1917	(54,511)	27,255	13,628	-	(13,628)	(27,255)
Derivatives contracted – Hedge	(47,000)	6.2196	(292,326)	146,163	73,081	851	(73,081)	(146,163)
Net exposure	(19,236)		(119,926)	59,963	29,981	851	(29,981)	(59,963)

iii) 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.

iv) 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, 2024, as shown below:

			Sensitivity scenarios			
Risk factor	Average rate of return	Balances at 2024	Remote - 50%	Possible - 25%	Possible + 25%	Remote + 50%
<u>Other financial assets - SCPs</u>						
Values of real estate properties	10.9784%	157,563	283	157	(82)	(195)

22. Risk management--Continued

d) Capital management

Management has the objective of ensuring continuity of the Company's business, protecting its capital from economic changes and conditions, so as to support reduction of costs of capital and maximize return to stockholders. To maintain or adjust the capital structure, the Company may, among other possible actions, make adjustments to its dividend payment policy, or contract loans, or issue securities in the financial markets.

The Company's policy of a low level of leverage is monitored through the financial leverage index, as shown below.

	Parent company		Consolidated	
	2024	2023	2024	2023
Current and non-current borrowings	68,939	92,430	68,939	92,430
Leasing contracts	-	-	19,885	23,997
(-) Cash and cash equivalents	(48,016)	(56,968)	(76,109)	(73,735)
Net debt	20,923	35,462	12,715	42,692
Equity	4,040,946	3,659,443	4,040,946	3,659,443
Gearing ratio	0.5%	1.0%	0.3%	1.2%

23. Related parties



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.

The Company's related parties are: subsidiaries, affiliates, joint ventures, other companies with shareholder participation and key management professionals of the Company.

23. Related parties--Continued

a) Amounts of balances and transactions with subsidiaries

	Nature of transaction	Relationship	Parent company		Consolidated	
			2024	2023	2024	2023
Assets			560,125	468,772	383,878	446,199
Other financial assets			31,649	56,630	31,649	56,630
SCP Gouda Even II	Investment	Other transactions	3,750	15,000	3,750	15,000
SCP Jesuino Maciel	Investment	Other transactions	-	5,531	-	5,531
SCP Mairinque	Investment	Other transactions	23,358	24,538	23,358	24,538
SCP Saloá	Investment	Other transactions	-	6,410	-	6,410
SCP Venâncio	Investment	Other transactions	4,541	5,151	4,541	5,151
Accounts receivable			69,051	49,423	1,083	49,051
Grendene Italy SRL ⁽ⁱ⁾	Sales of footwear	Direct subsidiaries	1,044	372	-	-
Grendene Global Brands Limited. ⁽ⁱ⁾	Sales of footwear	Direct subsidiaries	66,924	47,091	-	47,091
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	1,059	1,960	1,059	1,960
Inventories			588	67	588	67
Vulcabras - CE, Calçados e Artigos Esportivos S.A.	Purchase of footwear	Other transactions	296	67	296	67
	Purchases of dies and tooling	Other transactions	292	-	292	-
Other credits			14,953	25,014	14,878	23,407
Grendene Italy SRL ⁽ⁱ⁾	Other credits	Direct subsidiaries	75	1,607	-	-
YOUPE Participações S.A.	Other credits	Affiliated company	3,771	140	3,771	140
NM GAP II Participações S.A.	Other credits	Affiliated company	17	23,267	17	23,267
HIPE Participações S.A.	Other credits	Affiliated company	367	-	367	-
NM IBIRA Participações S.A.	Other credits	Affiliated company	10,723	-	10,723	-
Investments			443,884	337,632	311,063	317,038
MHL Calçados Ltda.	Investment	Direct subsidiaries	15,308	14,704	-	-
Grendene USA, Inc	Investment	Direct subsidiaries	118	2,792	-	-
Grendene Italy S.R.L. ⁽ⁱ⁾	Investment	Direct subsidiaries	4,553	3,098	-	-
Grendene Global Brands Limited. ⁽ⁱ⁾	Investment	Direct subsidiaries	112,842	-	-	-
YOUPE Participações S.A.	Investment	Affiliated company	635	10,962	635	10,962
HIPE Participações S.A.	Investment	Affiliated company	229,575	134,699	229,575	134,699
NM GAP II Participações S.A.	Investment	Affiliated company	25,545	21,543	25,545	21,543
NM IBIRA Participações S.A.	Investment	Affiliated company	41,996	55,851	41,996	55,851
NM Vila Participações S.A.	Investment	Affiliated company	7,660	-	7,660	-
Grendene Global Brands Limited.	Investment	Joint Venture	-	88,331	-	88,331
NM GAP Participações Ltda	Investment	Other transactions	5,652	5,652	5,652	5,652
Property, plant and equipment	PPE in progress		-	6	-	6
Unicasa Industria de Móveis S.A.		Other transactions	-	6	-	6
Intangible			-	-	24,617	-
Grendene Global Brands Limited.	Goodwill premium	Direct subsidiaries	-	-	24,617	-
Liabilities			26,461	15,707	25,876	15,707
Trade payables			-	5	-	5
Vulcabras - CE, Calçados e Artigos Esportivos S.A.	Purchase of footwear and inputs	Other transactions	-	5	-	5
Contractual obligations			1,035	1,346	1,035	1,346
Vulcabras - CE, Calçados e Artigos Esportivos S.A.	Licensing (Use of the brand "Azaleia")	Other transactions	1,035	1,346	1,035	1,346
Commissions payable			585	406	-	406
Grendene Global Brands Limited.	Commission services	Direct subsidiaries	585	406	-	406
Advances from clients			24	-	24	-
Vulcabras - CE, Calçados e Artigos Esportivos S.A.	Purchase of footwear and inputs	Other transactions	24	-	24	-
Other accounts payable			2,079	13,950	2,079	13,950
YOUPE Participações S.A.	Advances received	Affiliated company	657	-	657	-
HIPE Participações S.A.	Advances received	Affiliated company	154	-	154	-
NM GAP II Participações S.A.	Advances received	Affiliated company	877	12,622	877	12,622
NM IBIRA Participações S.A.	Advances received	Affiliated company	391	1,328	391	1,328
Grendene Global Brands Limited.	Controlled acquisition	Direct subsidiaries	22,738	-	22,738	-

23. Related parties--Continued

a) Amounts of balances and transactions with subsidiaries--Continued

	Nature of transaction	Relationship	Maturity	Parent company		Consolidated	
				2024	2023	2024	2023
P&L				113,133	(54,902)	119,410	6,454
Net sales and services revenue				65,893	70,584	64,462	69,514
Grendene USA, Inc.	Sales of footwear	Direct subsidiaries	189 days	-	244	-	-
Grendene Italy S.R.L. ⁽ⁱ⁾	Sales of footwear	Direct subsidiaries	168 days	1,431	826	-	-
Grendene Global Brands Limited	Sales of footwear	Joint venture	176 days	67,949	64,397	67,949	64,397
	Punctuality discounts		-	(8,162)	(1,035)	(8,162)	(1,035)
Vulcabras BA Calçados e Artigos Esportivos S.A.	Sales of inputs	Other transactions	58 days	20	-	20	-
Vulcabras - CE, Calçados e Artigos Esportivos S.A.	Sales of inputs	Other transactions	19 days	283	48	283	48
	Revenue from services (Use of the Brand "Melissa")		50 days	85	33	85	33
Calzados Azaleia Peru S.A.	Sales of footwear	Other transactions	95 days	4,287	6,071	4,287	6,071
Selling expenses				(4,883)	(4,348)	(4,883)	(4,304)
Grendene USA, Inc.	Commission services	Direct subsidiaries	79 days	-	(44)	-	-
Grendene Italy S.R.L. ⁽ⁱ⁾	Advertising and publicity ^(*) ^(**)	Direct subsidiaries	-	(182)	-	(182)	-
	Shoe samples ^(*)		-	(73)	-	(73)	-
	Other expenses ^(*)		-	(5)	-	(5)	-
Grendene Global Brands Limited	Commission services	Joint venture	55 days	(859)	(1,216)	(859)	(1,216)
	Shoe samples ^(*)		-	(247)	(21)	(247)	(21)
	Other expenses ^(*)		-	-	(6)	-	(6)
Vulcabras BA Calçados e Artigos Esportivos S.A.	Advertising and publicity ^(*) ^(**)		-	(4)	(16)	(4)	(16)
Vulcabras - CE, Calçados e Artigos Esportivos S.A.	Advertising and publicity ^(**)	Other transactions	63 days	(6)	-	(6)	-
	Licensing ((Use of the brand "Azaleia")	Other transactions	91 days	(3,443)	(3,040)	(3,443)	(3,040)
	Loss of business		7 days	(23)	-	(23)	-
	Shoe samples ^(*)		-	-	(5)	-	(5)
Calzados Azaleia Peru S.A.	Advertising and publicity ^(**)		90 days	(1)	-	(1)	-
	Shoe samples ^(*)	Other transactions	-	(25)	-	(25)	-
	Publicity ^(*) ^(**)		-	(15)	-	(15)	-
General and administrative expenses				-	(24)	-	(24)
Vulcabras - CE, Calçados e Artigos Esportivos S.A.	Employment-law indemnity claim against Grendene Argentina S.A. (subsidiary that has been extinguished).	Other transactions	4 days	-	(24)	-	(24)
Equity in the results of investees				38,579	(125,461)	46,462	(62,971)
MHL Calçados Ltda.	Equity	Direct subsidiaries		604	1,053	-	-
Grendene USA, Inc.	Equity	Direct subsidiaries		(5,018)	(56,518)	-	-
Grendene UK Limited. ⁽ⁱ⁾	Equity	Direct subsidiaries		-	(6,347)	-	-
Grendene Italy S.R.L. ⁽ⁱ⁾	Equity	Direct subsidiaries		(3,469)	(678)	-	-
YOUPE Participações S.A.	Equity	Affiliated company		501	2,238	501	2,238
HIPE Participações S.A.	Equity	Affiliated company		99,178	(8)	99,178	(8)
NM GAP II Participações S.A.	Equity	Affiliated company		6,644	(415)	6,644	(415)
NM IBIRA Participações S.A.	Equity	Affiliated company		4,430	(3)	4,430	(3)
NM Vila Participações S.A.	Equity	Affiliated company		(840)	-	(840)	-
Grendene Global Brands Limited	Equity	Joint venture		(63,451)	(64,783)	(63,451)	(64,783)
Other operating income				-	2,444	-	2,444
NM GAP Participações Ltda.	Capital gain	Other transactions		-	2,444	-	2,444
Other Operating Expenses				-	(957)	-	(957)
NM GAP II Participações S.A.	Loss of capital	Affiliated company		-	(957)	-	(957)
Financial result				13,544	2,860	13,369	2,752
Grendene USA, Inc.	Exchange rate variation, net	Direct subsidiaries		3	110	-	-
Grendene UK Limited	Exchange rate variation, net	Direct subsidiaries		-	(3)	-	-
Grendene Italy S.R.L. ⁽ⁱ⁾	Exchange rate variation, net	Direct subsidiaries		105	(1)	-	-
	Other financial income			67	2	-	-
Grendene Global Brands Limited	Exchange rate variation, net	Joint venture		10,218	(1,176)	10,218	(1,176)
Vulcabras - CE, Calçados e Artigos Esportivos S.A.	Other financial income - Discounts obtained	Other transactions		-	2	-	2
Calzados Azaleia Peru S.A.	Exchange rate variation, net	Other transactions		395	(81)	395	(81)
SCP Jesuino Maciel	Return and AVJ	Other transactions		285	1,341	285	1,341
SCP Mairinque	Return and AVJ	Other transactions		1,895	2,634	1,895	2,634
SCP Neto de Araújo	Return and AVJ	Other transactions		-	(309)	-	(309)
SCP Pensilvânia	Return and AVJ	Other transactions		-	(20)	-	(20)
SCP Saioá	Return and AVJ	Other transactions		-	(202)	-	(202)
SCP Venâncio	Return and AVJ	Other transactions		576	563	576	563

⁽ⁱ⁾ With the extinction of Grendene UK Limited, Grendene Italy S.R.L., as from September 2023, is directly controlled by Grendene S.A. – as reported in Note 11, letter c.

⁽ⁱⁱ⁾ As from December 1, 2024, Grendene Global Brands Limited ('GGB') ceased to be a joint venture, and is now a subsidiary of Grendene S.A., as a result of the acquisition of 50.1% of the shares in GGB from Radar Private Fund I LP and affiliates ('the Radar Funds').

^(*) Transactions without commercial value, measured at cost value.

^(**) 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 22, 2024, the global remuneration of administrators for the year 2024 was approved, in the amount of up to R\$9,300 (R\$8,500 in 2023), 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					
	2024			2023		
	Fees	Remuneration	Variable (*)	Fees	Remuneration	Variable (*)
Board of Directors	1,854	188	-	1,787	181	-
Executive Board	6,107	-	896	5,652	-	524
	7,961	188	896	7,439	181	524

(*) 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	
	2024	2023
Dall'Onder Viagens & Turismo Ltda.	470	359
Mailson da Nóbrega Consultoria S/S Ltda.	72	72
Ochman Advogados Associados	154	321
	696	752

The amounts spent on these services total approximately 0.03% of the Company's general expenses. There were no outstanding balances on December 31, 2024. On December 31, 2023, there was a balance of R\$6 payable to "Mailson da Nóbrega Consultoria S/S Ltda." referring to the advisory service provided.

23. Related parties--Continued

c) Other related parties--Continued

On December 31, 2024 and 2023, there were transactions with indirect related parties, stockholders and members of the Company's key management personnel, as follows:

Related parties	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 Pensilvânia (waxed in Feb/23), (ii) SCP Neto de Araujo (waxed in Jun/23), (iii) SCP Jesuino Maciel (waxed in Sep/24), (iv) SCP Saioá (waxed in Apr/24), (v) SCP Venâncio, (vi) SCP Mairinque, and (vii) SCP Gouda Even II.
Veneza Negócios e Participação 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: (i) 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 Gestora de Recursos Ltda.	Partner in the joint venture Grendene Global Brands Limited.	Investment in the joint venture Grendene Global Brands Limited. (waxed in 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, Purchases of dies and tooling (Inventories held by third parties), 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 Indústria de Móveis S.A.	An affiliated company, since the controlling stockholder of Unicasa is part of the controlling stockholder block of Grendene.	Purchase of materials.

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



The stock options or subscription plan approved the stockholders or the Company in Extraordinary General Meeting of April 14, 2008, grants stock options, on the terms described in the plan, to directors and managers, other than the controlling stockholders.

The share options may be exercised in up to six years from the date of grant, with a vesting period of three years, under which 33% is released as from expiry of the first year, 66% on completion of the second year and 100% on completion of the third year.

To comply with plans for exercise of stock purchase options, in 2024 a total of 430,942 shares was acquired, for an average price of R\$7.05, totaling R\$3,036. In the first quarter of 2024 options were exercised on 433,613 shares at an average price of R\$4.56, resulting in a total amount of R\$1,977.

The difference between the average exercise price of the options and the average cost of the shares acquired and canceled in 2024, for compliance with the exercise of stock options resulted in recognition of a gain of R\$631. This was posted in Stockholders' equity, since settlement of the stock option plans takes place with equity instruments.

a) Bases for recognition of expenses on share-based remuneration

Shares are valued at fair value on the date of the grant, and expenses recognized in the Profit and loss account as Personnel expenses, over the period in which the right to the exercise of the option is acquired, with counterpart in Stockholders' equity.

The fair value of the options granted was estimated using the Black & Scholes options pricing model. The economic parameters used were: (i) expected dividends, obtained on the basis of the average of dividend payments per share, in relation to the market value of the shares in the last 12 months; (ii) volatility, based on the historic average variation of the share price in the 18 months prior to the date of the grant; and (iii) the risk-free interest rate, assumed to be the projected average of the Selic rate, published by the Central Bank. This table gives this information in detail:

	15 th Plan	17 th Plan
Grant date	2/24/2022	02/29/2024
Total purchase options granted	1,402,950	1,385,736
Exercise price	4.50	3.70
Estimated volatility	25.95%	17.05%
Expected dividends	5%	5%
Weighted average risk-free interest rate	12.25%	9.00%
Maximum maturity	6 years	6 anos
Average maturity	2.5 years	2.5 anos
Fair value on the date of the concession	3.79	2.75

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

24. Stock option or subscription plan--Continued

b) Movement of stock options or subscription

This table shows the changes arising from the transactions of purchase or subscription of shares:

	15 th Plan	17 th Plan	Final Balance
Total at 12/31/2022	1,394,937	-	1,394,937
Exercised	(464,979)	-	(464,979)
Canceled	(53,478)	-	(53,478)
Total at 12/31/2023	876,480	-	876,480
Granted	-	1,385,736	1,385,736
Exercised	(433,613)	-	(433,613)
Canceled	(9,254)	(25,797)	(35,051)
Total at 12/31/2024	433,613	1,359,939	1,793,552
Options exercisable in 2025	433,613	453,313	886,926
Options exercisable in 2026	-	453,313	453,313
Options exercisable in 2027	-	453,313	453,313
	433,613	1,359,939	1,793,552
Result of options granted, recognized on 12/31/2023	(1,865)	-	(1,865)
Result of options granted, recognized on 12/31/2024	(1,677)	(33)	(1,710)
Expense on personnel at 12/31/2023	(1,602)	-	(1,602)
Expense on personnel at 12/31/2024	(628)	(2,127)	(2,755)

25. Net sales and services revenue



Revenue is measured based on the fair value of the consideration received for the commercialization of products.

Operational revenue is recognized when: (i) there is certainty that it will be realized; (ii) the control of the products is transferred to the client and the Company and its subsidiaries longer have control or responsibility over the merchandise sold; (iii) the amount of the revenue can be reliably measured; and (iv) it is probable that the economic/financial benefits will flow to the Group.

Revenue is presented net of taxes, returns, reductions in price and discounts, and also with elimination of sales between companies of the Group in the consolidated statements.

Net sales and services revenue is comprised as follows:

	Parent company		Consolidated	
	2024	2023	2024	2023
Gross sales and services revenue	3,235,635	3,002,977	3,236,823	3,010,376
Domestic market	2,750,915	2,558,034	2,750,915	2,558,034
Adjustment to Present Value (AVP)	(96,052)	(103,130)	(96,052)	(103,130)
Special System for Refund of Tax Amounts (Reintegra)	35	-	35	-
Foreign market	596,352	562,351	597,540	569,750
Adjustment to Present Value (AVP)	(16,184)	(14,826)	(16,184)	(14,826)
Special System for Refund of Tax Amounts (Reintegra)	569	548	569	548
Sales returns	(92,252)	(116,440)	(92,684)	(116,767)
Financial discounts	(137,522)	(130,268)	(137,572)	(130,794)
Taxes on sales and services	(540,597)	(492,444)	(540,597)	(492,604)
ICMS tax incentives (Proade) (*)	201,670	199,177	201,670	199,177
Social Security contribution on gross revenue	(39,060)	(35,781)	(39,060)	(35,781)
	2,627,874	2,427,221	2,628,580	2,433,607

(*) As of January 1, 2024, the amount of the benefit of reduction in ICMS tax (the Proade tax incentive for investment, granted by Ceará State) was subject to the PIS and COFINS taxes on billing, therefore, the incentive is being presented net of taxation.

26. Segment reporting



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	
	2024	2023	2024	2023
Domestic market (Brazil)	2,654,898	2,454,904	2,654,898	2,454,904
Export market	580,737	548,073	581,925	555,472
<i>North America</i>	82,330	73,675	82,330	77,247
<i>Asia and Oceania</i>	115,856	110,521	115,859	110,548
<i>Europe</i>	127,488	123,843	128,650	127,643
<i>Central and South America – Latam</i>	221,785	203,296	221,785	203,296
<i>Middle East and Africa – MEA</i>	33,278	36,738	33,301	36,738
	3,235,635	3,002,977	3,236,823	3,010,376

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 8% are investments made outside Brazil by its subsidiaries (direct and indirect). The summary financial information of these companies is presented in Note 11.

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	
	2024	2023	2024	2023
Cost of goods sold	(1,387,763)	(1,346,203)	(1,387,506)	(1,349,924)
Raw materials	(591,090)	(596,407)	(590,993)	(597,682)
Personnel expenses	(532,369)	(490,904)	(532,249)	(492,526)
Business consumption/operational losses	(50,418)	(49,336)	(50,418)	(49,336)
Intermediate material consumption	(11,577)	(12,591)	(11,577)	(12,591)
Expenses on materials	(11,088)	(10,353)	(11,088)	(10,353)
Maintenance expenses	(27,437)	(24,252)	(27,437)	(24,252)
Depreciation and amortization (*)	(50,008)	(66,146)	(50,008)	(66,146)
Outsourced services	(13,153)	(12,755)	(13,153)	(12,755)
IT expenses	(13,518)	(12,026)	(13,518)	(12,026)
Travel and accommodation	(3,821)	(3,872)	(3,821)	(3,872)
Energy, water and environmental costs	(39,348)	(34,980)	(39,348)	(34,980)
Other costs	(43,936)	(32,581)	(43,896)	(33,405)
Selling expenses	(610,111)	(554,189)	(618,441)	(600,218)
Commissions	(113,144)	(103,594)	(114,283)	(103,680)
Freight	(156,663)	(146,796)	(157,322)	(147,706)
Copyrights	(42,079)	(38,776)	(42,079)	(38,776)
Advertising and publicity	(124,208)	(96,879)	(126,469)	(111,929)
Shoe samples	(18,475)	(18,534)	(18,475)	(18,534)
Congresses	(11,812)	(10,642)	(11,812)	(10,642)
Personnel expenses	(72,770)	(71,400)	(73,833)	(77,563)
Depreciation and amortization	(8,545)	(6,711)	(9,559)	(21,673)
Outsourced services	(5,918)	(5,670)	(6,033)	(6,577)
IT expenses	(10,075)	(9,443)	(10,819)	(9,970)
Travel and accommodation	(9,136)	(8,771)	(9,373)	(8,878)
Energy, water and environmental expenses	(406)	(385)	(478)	(685)
Rentals	(4,097)	(3,539)	(4,097)	(3,539)
Other expenses	(32,783)	(33,049)	(33,809)	(40,066)
General and administrative expenses	(110,093)	(103,194)	(111,264)	(106,510)
Personnel expenses	(79,788)	(74,920)	(80,014)	(76,097)
Depreciation and amortization	(4,569)	(4,129)	(4,570)	(4,138)
Outsourced services	(6,245)	(7,199)	(6,920)	(8,561)
IT expenses	(4,442)	(4,048)	(4,544)	(4,370)
Travel and accommodation	(1,007)	(756)	(1,007)	(756)
Energy, water and environmental expenses	(1,255)	(924)	(1,255)	(924)
Tax expenses	(9,125)	(7,953)	(9,170)	(7,992)
Other expenses	(3,662)	(3,265)	(3,784)	(3,672)

(*) In 2024, the Company began to recognize tax credits at a 25% of corporate income tax (IRPJ) rate, calculated on the depreciation and amortization costs of establishments incentivized by ICMS (Note 19.a) related to the implementation or expansion of the economic enterprise.

28. Other operational expenses

On December 31, 2023, the main variations in other operating expenses were: (i) R\$13,229 on internalization of the management of the Melissa and Mini Melissa Clubs; (ii) R\$17,158 for estimated losses on doubtful receivables; and (iii) R\$8,606 arising from termination of a rental contract.

On December 31, 2024, the main variation recognized in other operating expenses is due to the reversal due to receipt of estimated losses for doubtful accounts, in the amount of R\$14,276.

29. Finance result

	Parent company		Consolidated	
	2024	2023	2024	2023
Financial income	395,467	399,303	396,908	401,328
Gains on foreign exchange hedge – B3	20,732	24,611	20,732	24,611
Foreign exchange gains	68,651	50,769	68,654	50,913
Income from financial investments ⁽ⁱ⁾	127,275	135,454	128,837	137,154
Result of variable income financial instruments ⁽ⁱⁱ⁾	-	(6,050)	-	(6,050)
Profit/loss on other financial assets - SCPs ⁽ⁱⁱⁱ⁾	52,233	18,204	52,233	18,204
Results of Structured Transaction Certificates (COEs) ^(iv)	(3,105)	29,532	(3,105)	29,531
Adjustment to Present Value ^(v)	116,621	116,186	116,621	116,186
Interest income ^(vi)	16,922	35,611	16,939	35,684
Interest received from customers	2,969	2,972	2,969	2,972
PIS and COFINS tax on financial revenues	(7,287)	(8,237)	(7,360)	(8,320)
Other financial income	456	251	388	443
Financial expenses	(141,336)	(81,682)	(141,653)	(84,287)
Losses on foreign exchange hedge – B3	(68,317)	(9,649)	(68,317)	(9,649)
Foreign exchange losses	(51,281)	(51,606)	(51,304)	(52,011)
Bank expenses	(6,729)	(7,287)	(6,749)	(7,407)
Financing expenses ⁽ⁱ⁾	(9,967)	(9,106)	(9,967)	(9,106)
Other finance expenses	(5,042)	(4,034)	(5,316)	(6,114)
	254,131	317,621	255,255	317,041

⁽ⁱ⁾ This refers to interest revenue and expenses on cash investments and financings, recognized at the effective interest rate on the amount of the principal still payable.

⁽ⁱⁱ⁾ This includes the results of: (i) yields on investments; (ii) gains or losses on sales of shares; (iii) dividends and Interest on Equity; (iv) adjustment to fair value; and (v) taxation;

⁽ⁱⁱⁱ⁾ This includes the results of: (i) yields on investments; (ii) dividends and Interest on Equity; (iii) adjustments to fair value; and (iv) taxation;

^(iv) This includes the results of: (i) yields on investments; (ii) adjustments to fair value; and (iii) taxation;

^(v) Includes adjustment to present value of Accounts Receivable from clients; and

^(vi) Refers mainly comprises monetary updating (by the Selic rate) of the balances arising from legal actions: (i) exclusion of ICMS tax amounts from calculation of PIS and COFINS taxes; and (ii) credits of corporate income tax and the Social Contribution tax on net profit (CSLL) on interest allocated at the Selic rate on tax credits resulting from tax legal actions, as described in 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	
	2024	2023	2024	2023
Exchange variation in investments	(16,540)	9,285	(14,231)	7,847
Right of use – Write-off	-	-	(22,444)	(3,912)
Lease Liabilities – Write-off	-	-	22,444	3,912
Proposed dividends	120,559	50,816	120,559	50,816
Interest on equity proposed, net	93,500	80,750	93,500	80,720

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\$556,200
 Loss of profits	Coverage of fixed expenses arising from payroll.	R\$38,850
 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.	USD6,278
 Aviation	Fuselage, third party liability, medical expenses, rescue/emergency, substitute aircraft and personal damages.	USD3,460
 Vehicles	Fuselage, third party liability for property and corporate damage and pain and suffering.	100% of FIPE valuation plus R\$150 MD R\$200 third party property damages and R\$1,000 third party personal injury US\$2,500 per shipment
 Transportation	Export and import.	
 Financial guarantees	Legal actions rental contracts	R\$42,868

32. Subsequent event

MN Vila Participações S.A.: In accordance with the guidelines established by the Investment Committee, on February 21, 2025 the Company executed the First Amendment to the shareholders' agreement of MN Vila Participações S.A., consisting of adjustments to the special-purpose companies in which it is a participating partner for development of real estate ventures.



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