



VULCABRAS
we live for the sports

EARNINGS
RELEASE

4Q23



Jundiaí/SP, March 07th, 2024 – Vulcabras S.A. [B3: VULC3] today announces its results for the fourth quarter of 2023 (4Q23). The operational and financial information of Vulcabras S.A. [Company] is presented based on consolidated figures and in millions of reais, prepared in accordance with accounting practices adopted in Brazil and international financial reporting standards [CPC 21 and ISA 34]. The data in this report refers to the performance in the fourth quarter of 2023, compared to the same period of 2022, unless specified otherwise

HIGHLIGHTS

GROSS VOLUME

8.7 million

pairs/pieces in **4Q23**, an increase of **0.5%** compared to **4Q22** and of **31.4 million** pairs/pieces in **2023**, a decrease of **0.9%** compared to **2022**.

NET REVENUE

R\$ 791.3 million

in **4Q23**, an increase of **7.1%** compared to **4Q22**, and **R\$ 2,817.7 million** in **2023**, an increase of **11.1%** compared to **2022**.

GROSS PROFIT

R\$ 337.5 million

in **4Q23**, an increase of **19.3%** compared to **4Q22**, and **R\$ 1,176.0 million** in **2023**, an increase of **25.5%** compared to **2022**.

GROSS MARGIN

42.7%

in **4Q23**, an increase of **4.4 p.p.** compared to **4Q22**, and **41.7%** in **2023**, an increase of **4.7 p.p.** compared to the margin for **2022**.

RECURRING NET INCOME AND RECURRING NET MARGIN

R\$ 144.7 million

in **4Q23**, an increase of **18.5%** compared to **4Q22**, with a recurring Net Margin of **18.3%**, **1.8 p.p.** higher than in **4Q22**, and **R\$ 489.7 million** in **2023**, an increase of **32.0%** compared to **2022**.

RECURRING EBITDA AND RECURRING EBITDA MARGIN

R\$ 177.7 million

in **4Q23**, growth of **22.8%** compared to **4Q22**, presenting **22.5%** of Recurring EBITDA Margin (**2.9 p.p.** higher than in **4Q22**) and **R\$ 640.5 million** in **2023**, with an increase of **31.5%** compared to **2022** and **22.7%** of Recurring EBITDA Margin in **2023** (**3.5 p.p.** higher than in **2022**).

Earnings Video Conference

03/08/2024 at 9h00 a.m.

(Brazilian time)

[Access in Portuguese](#)

VULC3 Quote
(12/31/2023)

R\$ 20.14

Market Value

R\$ 5.0 billion

Number of shares

Common
245.916.244

Investor Relations

Wagner Dantas da
Silva (CFO and IRO)

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MESSAGE FROM MANAGEMENT

With the combination of strong brands, a vertical business model 100% focused on sports and efficiency gains in operations, Vulcabras (VULC3) records in 2023 the best year in its history.

Gross revenue was R\$ 3.2 billion, a new record, with growth of 11.5% compared to 2022. The gross margin reached its highest historical level, reaching 41.7% in the year, an increase of 4.7 p.p. versus the consolidated figure for 2022. Recurring EBITDA increased by 31.5% against the result presented in 2022, reaching R\$ 640.5 million in 2023. The recurring EBITDA margin was 22.7%, 3.5 p.p. higher than in 2022. Recurring net profit was R\$ 489.7 million, an increase of 32.0% compared to the result in 2022.

The Company's own e-commerce channel continued to grow rapidly. Compared to 2022, it recorded a growth of 104.4%, with an increase from R\$ 136.9 million in 2022 to R\$ 279.8 million in net revenue in 2023. In the year, it reached a 9.9% share of total revenue.

The revenue of the Athletic footwear division grew by 13.1% in turnover, a result of the complementarity of the brand and channel mix, operation in new product categories, and portfolios aligned with the profile of each consumer, expanding the performance and revenue of the brands.

4th quarter of 2023

With revenue of R\$ 919.1 million, growth of 7.1% compared to 4Q22, Vulcabras also records the best quarter in its history, the 14th consecutive period of growth.

The gross margin, like revenue, also grew, reaching 42.7%, an increase of 4.4 p.p. against the same period of 2022. Recurring EBITDA was R\$ 177.7 million in 4Q23, growth of 22.8% compared to 4Q22, with a 22.5% recurring EBITDA margin (2.9 p.p. higher than in 4Q22). Recurring net profit reached R\$ 144.7 million in 4Q23, an increase of 18.5% compared to 4Q22, with a recurring Net Margin of 18.3%, 1.8 p.p. higher than in 4Q22.

The e-commerce channel recorded net revenue of R\$ 94.9 million in the quarter, growth of 101.1% compared to R\$ 47.2 million recorded in 4Q22. In the period, the share of the Company's total revenue was 12.0%. With a strategy focused on positioning and consumer experience, the channel evolves exponentially in both revenue and profitability, capturing relevant synergies and economies of scale and strengthening Vulcabras' performance.

The record performance in 2023 and 4Q23 consolidates the best year in Vulcabras' history, marked by the strong growth of our brands. The historical performance reflects a mix of complementary brands, knowledge of more than seven decades in building brands in the national market and a vertical business model, from development to production, which offers the Company's brands agility and an exclusive assortment to explore their respective avenues of growth.

At Olympikus, the expansion of revenue with the "Família do Corre", focused on sports performance, increased its presence in the running market and elevated the brand's perceived value. Today the category already represents more than 15% of the brand's revenue and the Corre 3, one of the models in the performance line, was the most used sneaker by Brazilians in runs recoded on the Strava app in Brazil in 2023.

Mizuno accelerated expansion in high-performance running with the development of national collections of performance Athletic footwear to complement the portfolio offered, and expansion of the assortment with the start of local manufacturing of the Morelia football boot line.

Under Armour maintained its growth focused on training and basketball categories, conquering Brazilian gyms and courts and becoming the leading brand in training footwear sales, with a focus on gyms, in the main clients of the Brazilian multi-brand retail.

Vulcabras, which throughout 2023 made dividend payments consistently, totaling R\$ 208.4 million and which recently announced an extraordinary payment of approximately R\$ 367.7 million, today announces another dividend payment in the approximate amount of R\$ 204.2 million (R\$ 0.75 per share). This recurrence and constancy reinforces the Company's ability to generate cash and constantly search for the best capital allocation, thus delivering to its investors one of the best Returns on Invested Capital on the market.

We closed 2023 in our best shape, maintaining the consistency of the evolution of the Company's results. For 2024, we will continue executing the strategy with a focus on sports, seeking to expand our operations based on the strengths of the business, investing in our brands and paying attention to new avenues of growth and synergies, aiming to maintain the consistent and sustainable growth cycle of our business.



With historical results, Vulcabras consolidates itself as a reference in the sector



CONSOLIDATED PERFORMANCE



| R\$ Million | 4Q23 | 4Q22 | Var.% 4Q23/ 4Q22 | 2023 | 2022 | Var. % 2023/2022 |
|---|--------------|--------------|------------------------|----------------|----------------|---------------------|
| Volume (million pairs and Itens) | 8.7 | 8.6 | 0.5% | 31.4 | 31.7 | -0.9% |
| Gross Operating Revenue | 919.1 | 858.0 | 7.1% | 3,267.7 | 2,931.9 | 11.5% |
| Net Revenue | 791.3 | 738.8 | 7.1% | 2,817.7 | 2,536.9 | 11.1% |
| Domestic Market | 768.0 | 689.5 | 11.4% | 2,651.3 | 2,309.0 | 14.8% |
| Foreign Market | 23.3 | 49.3 | -52.7% | 166.4 | 227.9 | -27.0% |
| Gross profit | 337.5 | 282.9 | 19.3% | 1,176.0 | 937.4 | 25.5% |
| Gross margin % | 42.7% | 38.3% | 4.4 p.p. | 41.7% | 37.0% | 4.7 p.p. |
| SG&A Operation Expenses | -185.1 | -173.8 | 6.5% | -641.3 | -549.4 | 16.7% |
| Other Net Operating Income (Expenses) | -2.2 | 43.6 | -105.1% | -0.1 | 50.2 | -100.2% |
| EBITDA | 177.7 | 176.6 | 0.6% | 641.3 | 525.8 | 22.0% |
| EBITDA Margin | 22.5% | 23.9% | -1.4 p.p. | 22.8% | 20.7% | 2.1 p.p. |
| Recurring EBITDA | 177.7 | 144.7 | 22.8% | 640.5 | 487.1 | 31.5% |
| Recurring EBITDA Margin | 22.5% | 19.6% | 2.9 p.p. | 22.7% | 19.2% | 3.5 p.p. |
| Net Income | 144.7 | 214.3 | -32.5% | 494.9 | 469.9 | 5.3% |
| Net Margin | 18.3% | 29.0% | -10.7 p.p. | 17.6% | 18.5% | -0.9 p.p. |
| Recurring Net Income | 144.7 | 122.1 | 18.5% | 489.7 | 370.9 | 32.0% |
| Recurring Net Margin | 18.3% | 16.5% | 1.8 p.p. | 17.4% | 14.6% | 2.8 p.p. |

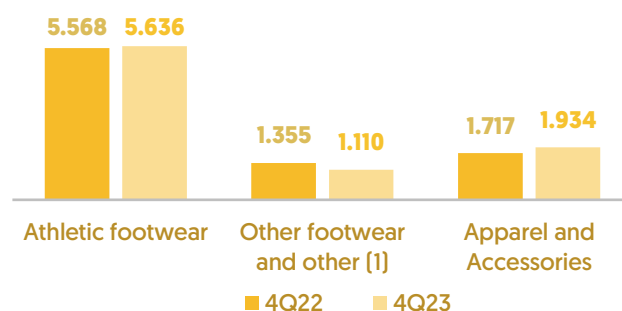
GROSS VOLUME

In 4Q23, gross volume reached the mark of 8.7 million pairs/pieces, an increase of 0.5% compared to 8.6 million pairs/pieces in 4Q22. When comparing the periods, the highlights were:

- (i) Athletic Footwear recorded an increase of 1.2% in 4Q23 compared to the volume sold in 4Q22. This growth is due to the increase in sales in the domestic market, but this was overshadowed by the reduction in sales in the foreign market, especially for the Argentine market.
- (ii) Other Footwear and Others there was a reduction of 18.1% mainly due to the decrease in the volume sold of flip-flops and boots for professional use.
- (iii) Apparel & Accessories recorded growth of 12.6% in 4Q23 when compared to the volume recorded in 4Q22. This growth is due to the increase in sales in the domestic market, mainly direct to Consumer.

GROSS VOLUME OF PAIRS AND PIECES/THOUSAND – 4Q23 vs 4Q22

| Pairs and itens (thousand) | 4Q23 | Share % | 4Q22 | Share % | Var. % 4Q23/4Q22 |
|--|--------------|---------------|--------------|---------------|------------------|
| Athletic footwear | 5,636 | 64.9% | 5,568 | 64.4% | 1.2% |
| Other footwear and other ⁽¹⁾ | 1,110 | 12.8% | 1,355 | 15.7% | -18.1% |
| Apparel and Accessories | 1,934 | 22.3% | 1,717 | 19.9% | 12.6% |
| Total | 8,680 | 100.0% | 8,640 | 100.0% | 0.5% |

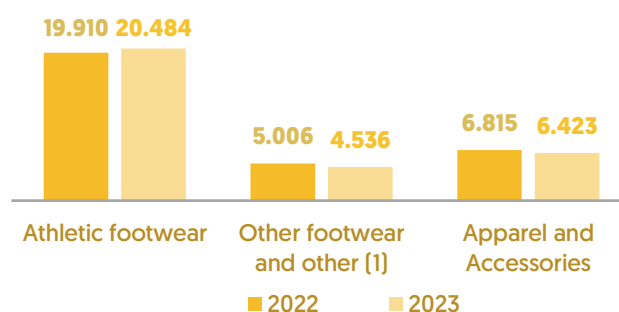


In 2023, gross volume reached 31.4 million pairs/pieces, a reduction of 0.9% compared to the volume of 2022, which reached 31.7 million pairs/pieces.

The dynamics throughout 2023 was one of volume growth in the domestic market, which was overshadowed by the retraction in sales in the foreign market and at the branch in Peru, especially for the Argentine market.

GROSS VOLUME OF PAIRS AND PIECES/THOUSAND - 2023 VS 2022

| Pairs and itens (thousand) | 2023 | Share % | 2022 | Share % | Var. % 2023/2022 |
|--|---------------|---------------|---------------|---------------|------------------|
| Athletic footwear | 20,484 | 65.1% | 19,910 | 62.7% | 2.9% |
| Other footwear and other ⁽¹⁾ | 4,536 | 14.4% | 5,006 | 15.8% | -9.4% |
| Apparel and Accessories | 6,423 | 20.5% | 6,815 | 21.5% | -5.8% |
| Total | 31,443 | 100.0% | 31,731 | 100.0% | -0.9% |



(1) Slippers, boots, women footwear and shoes component

NET OPERATING REVENUE: CATEGORY

Even in the face of the continued challenging scenario in the sports retail segment, the Company's net revenue reached the mark of R\$ 791.3 million, an increase of 7.1% compared to R\$ 738.8 million recorded in the same period of the previous year. This result highlights Vulcabras' resilience in facing market adversities, consolidating its leading position in the sector.

This was the 14th quarter with consecutive growth, reinforcing the solid pace of sales expansion and achieving positive performance across all of its sports brands.

The Athletic Footwear category recorded an increase of 7.8% in 4Q23 compared to the same period of the previous year. This growth in revenue is due to the increase in sales in the domestic market, which was overshadowed by the reduction in sales in the foreign market.

The Other Footwear and Others category decreased by 8.5% over 4Q22. The reduction in revenue in this category was caused by the decline in the performance of flip-flops sold in both the domestic and foreign markets.

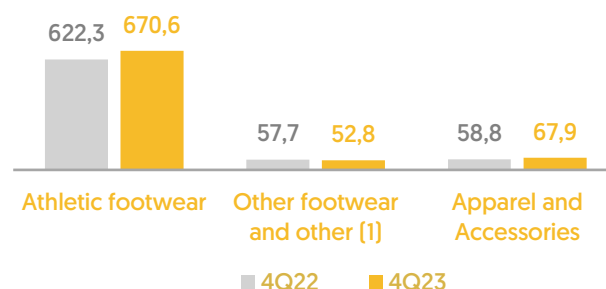
The Apparel and Accessories category increased by 15.5% over 4Q22. Despite the challenging retail scenario, especially in the specialized distribution of apparel and accessories, revenues of this category presented an increase in sales in the domestic market, both in the wholesale sales channel and mainly in the DTC (Direct to Consumer) channel.

In 2023, net revenue reached the mark of R\$ 2,817.7 million, reflecting a growth of 11.1% compared to the same period of the previous year, when it reached R\$ 2,536.9 million.

“Constant and consistent growth for the 14th consecutive quarter”

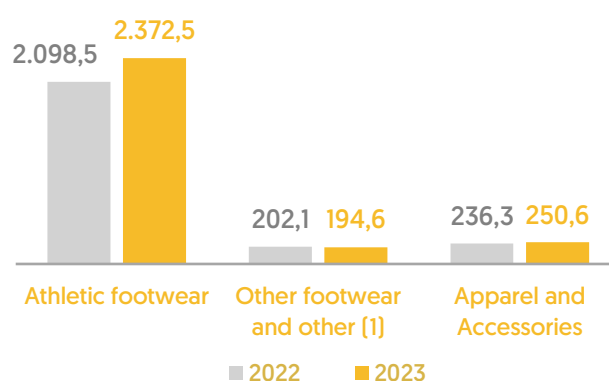
NET REVENUE BY CATEGORY – 4Q23 VS 4Q22

| R\$ Million | 4Q23 | Share % | 4Q22 | Share % | Var. % 4Q23/4Q22 |
|------------------------------|--------------|---------------|--------------|---------------|------------------|
| Athletic footwear | 670.6 | 84.7% | 622.3 | 84.2% | 7.8% |
| Other footwear and Other (1) | 52.8 | 6.7% | 57.7 | 7.8% | -8.5% |
| Apparel and Accessories | 67.9 | 8.6% | 58.8 | 8.0% | 15.5% |
| Total Net Revenue | 791.3 | 100.0% | 738.8 | 100.0% | 7.1% |



NET REVENUE BY CATEGORY – 2023 VS 2022

| R\$ Million | 4Q23 | Share % | 4Q22 | Share % | Var. % 4Q23/4Q22 |
|------------------------------|----------------|---------------|----------------|---------------|------------------|
| Athletic footwear | 2,372.5 | 84.2% | 2,098.5 | 82.7% | 13.1% |
| Other footwear and Other (1) | 194.6 | 6.9% | 202.1 | 8.0% | -3.7% |
| Apparel and Accessories | 250.6 | 8.9% | 236.3 | 9.3% | 6.1% |
| Total Net Revenue | 2,817.7 | 100.0% | 2,536.9 | 100.0% | 11.1% |



(1) Slippers, boots, women footwear and shoes component

NET OPERATING REVENUE: MARKETS

In the domestic market, net revenue reached the mark of R\$ 768.0 million in 4Q23, an increase of 11.4% compared to the same period of 2022, when it reached R\$ 689.5 million. This positive performance confirms the Company's constant growth rate in the domestic market.

The Company's three brands presented growth in the domestic market compared to 4Q22. The highlight of the quarter was the growth of Athletic footwear and the resumption of growth in the apparel and accessories category.

In the foreign market, net revenue for 4Q23 reached R\$ 23.3 million, a strong decrease of 52.7% compared to R\$ 49.3 million recorded in 4Q22.

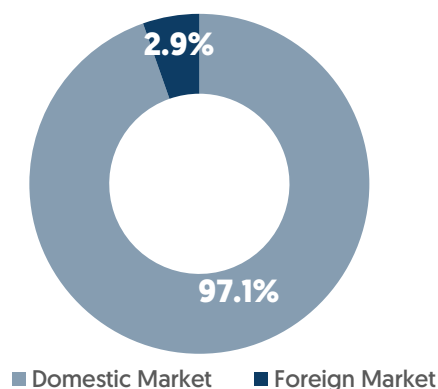
All categories had their revenues strongly impacted by the stagnation of sales to Argentina (the main destination for our exports) due to the unpredictability of the measures implemented by the new government and which led to the interruption of shipments pending greater clarity regarding the country's future behavior.

At the Peru branch, in 4Q23 there was a reduction in revenue compared to the same period of the previous year, reflecting the continuity of macroeconomic difficulties that impact the economic activity and consequently the consumption.

NET REVENUE BY MARKET – 4Q23 VS 4Q22

| R\$ Million | 4Q23 | Share % | 4Q22 | Share % | Var. % 4Q23/4Q22 |
|--------------------------|--------------|---------------|--------------|---------------|------------------|
| Domestic Market | 768.0 | 97.1% | 689.5 | 93.3% | 11.4% |
| Foreign Market | 23.3 | 2.9% | 49.3 | 6.7% | -52.7% |
| Total Net Revenue | 791.3 | 100.0% | 738.8 | 100.0% | 7.1% |

MARKET SHARE – 4Q23



NET OPERATING REVENUE: MARKETS

In 2023, net revenue in the domestic market totaled R\$ 2,651.3 million, a significant increase of 14.8% compared to the same period of 2022, when net revenue reached R\$ 2,309.0 million. This growth evidences our robust performance in the domestic market, highlighting the commitment and effectiveness in meeting the demands and expectations of the national scenario.

On the other hand, in the foreign market, net revenue in 2023 totaled R\$ 166.4 million, a reduction of 27.0% compared to R\$ 227.9 million obtained in the same period of the previous year.

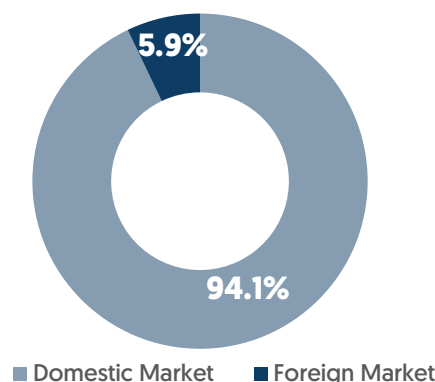
This variation highlights the specific challenges faced in Latin America, mainly in Argentina, which has repeatedly faced problems related to economic and exchange rate instability.

It is worth noting that in the comparison of the accumulated for the year, the accumulated value of 2022 was increased by the exports of flip-flops made with the Under Armour brand to the North American market, supporting our partner that was facing, at the time, complications in global supply of these models and increased the comparison base by 418 thousand pairs of flip-flops in the Other footwear and Others category.

NET REVENUE BY MARKET - 2023 vs 2022

| R\$ Million | 2023 | Share % | 2022 | Share % | Var. % 2023/2022 |
|--------------------------|----------------|---------------|----------------|---------------|------------------|
| Domestic Market | 2,651.3 | 94.1% | 2,309.0 | 91.0% | 14.8% |
| Foreign Market | 166.4 | 5.9% | 227.9 | 9.0% | -27.0% |
| Total Net Revenue | 2,817.7 | 100.0% | 2,536.9 | 100.0% | 11.1% |

MARKET SHARE— 2023



E-COMMERCE

Highlight in 4Q23, the Company's E-commerce recorded a significant growth of 101.1% in relation to the same period of the previous year, reaching the significant mark of R\$ 94.9 million in net revenue.

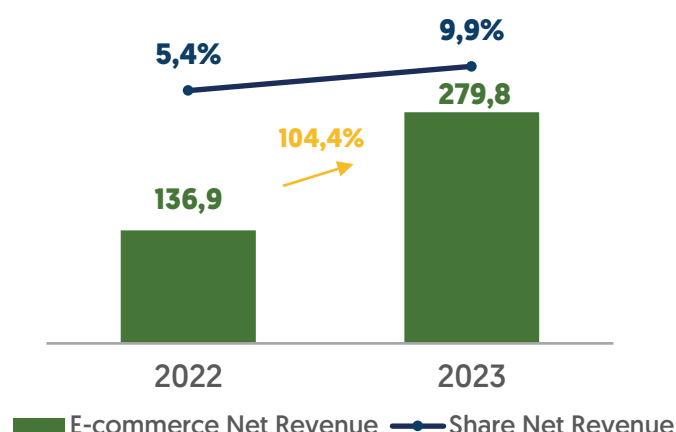
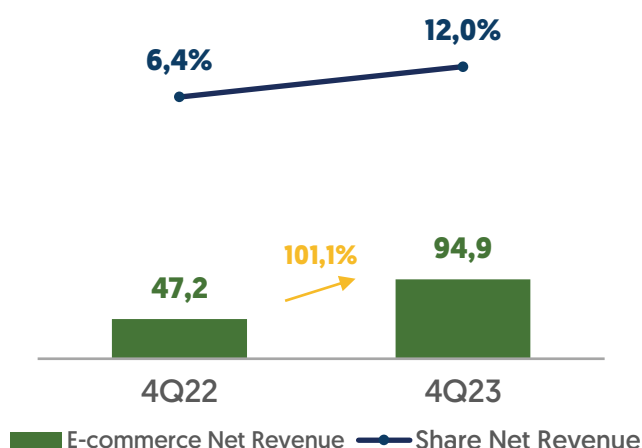
With a strategy focused on positioning and consumer experience, the channel continues to evolve rapidly. The share of digital sales in 4Q23 reached 12.0% of consolidated net operating revenue, an increase of 5.6 p.p. compared to 6.4% recorded in the same period of the previous year. In 2023, the share of digital sales reached 9.9% of consolidated net operating revenue, an increase of 4.5 p.p. compared to 5.4% in 2022.

These robust results highlight the Company's effectiveness in aligning its online presence with consumers' ever-changing expectations, thus consolidating a solid position in the e-commerce landscape.

Brands e-commerce grew 104%, improving revenue and profitability

NET REVENUE AND NOR PARTICIPATION

| R\$ Million | 4Q23 | 4Q22 | Var. % 4Q23/4Q22 | 2023 | 2022 | Var. % 2023/2022 |
|-------------------------------|-------|------|------------------|-------|-------|------------------|
| E-commerce Net Revenue | 94.9 | 47.2 | 101.1% | 279.8 | 136.9 | 104.4% |
| NOR Participation % | 12.0% | 6.4% | 5.6 p.p. | 9.9% | 5.4% | 4.5 p.p. |





COST OF GOODS SOLD (COGS)

In 4Q23, the cost of goods sold represented 57.3% of net sales revenue, in contrast to 61.7% recorded in the same period of 2022.

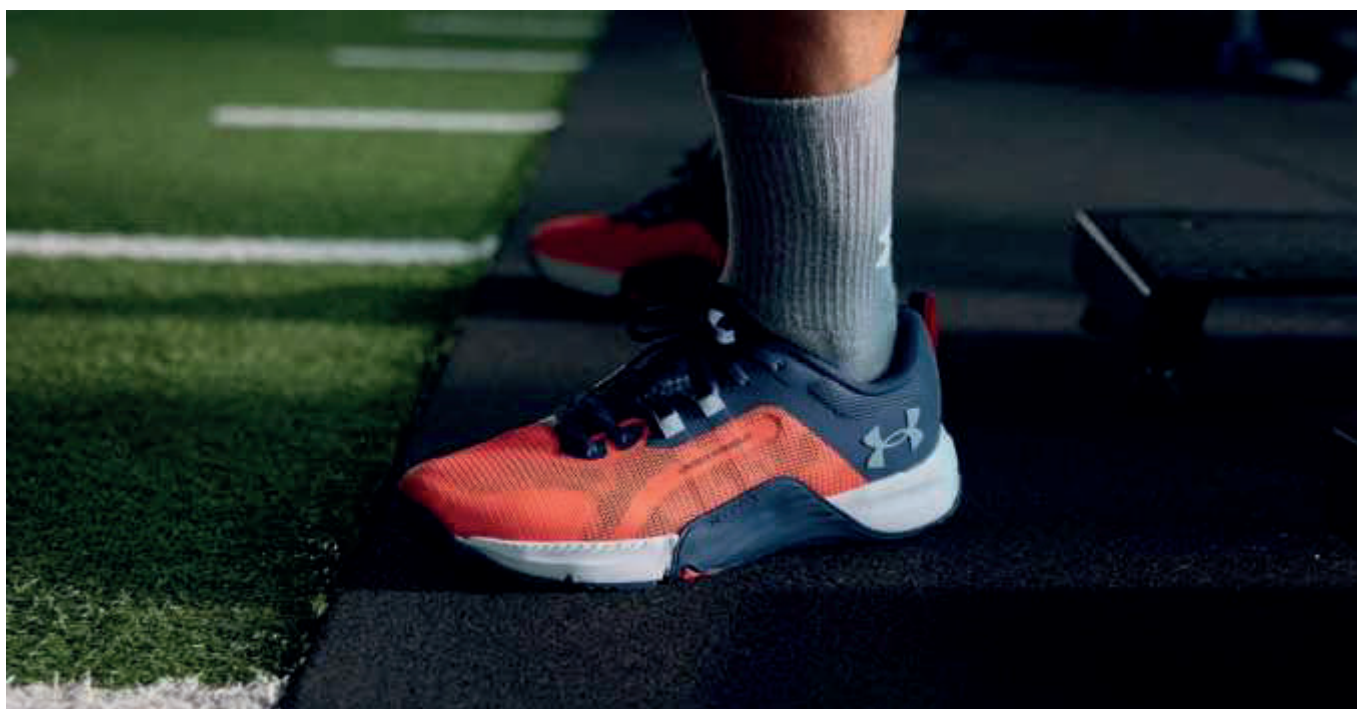
During 4Q23, the Company's plants operated at full capacity. The constitution of the order backlog for the last quarter of 2023 still during the previous quarter brought the necessary predictability for the preparation and execution of more assertive production plans and, combined with the high volumes produced, enabled the achievement of productive efficiency within the planned levels and consequently the obtainment of better costs of the

products produced.

In 4Q23, the costs of raw materials and inputs remained stable within normal limits. As is usually done every year, in December the plants were stopped for collective vacation, which ended up affecting the cost of products produced in that month, but without overshadowing the excellent performance obtained in October and November.

In 2023, as a percentage of net sales revenue, cost of sales represented 58.3% compared to 63.0% in the same period of 2022.

COST OF GOODS SOLD (% COGS/NOR)



GROSS PROFIT AND GROSS MARGIN

Gross profit in 4Q23 reached the mark of R\$ 337.5 million, a significant increase of 19.3% compared to R\$ 282.9 million in the same period of 2022. Gross margin reached 42.7% in 4Q23, reflecting a significant expansion of 4.4 percentage points compared to the 38.3% obtained in 4Q22.

The positive impact brought to costs due to the large volume produced in 4Q23 provided gains in production efficiency and the capture of operational synergies that resulted in the improvement of the gross margin.

For the twelfth consecutive quarter, the Company reports growth in its gross margin. The 4.4 p.p. gain achieved in 4Q23 compared to the margin obtained in 4Q22 demonstrates the consistency and robustness of the Company's business model.

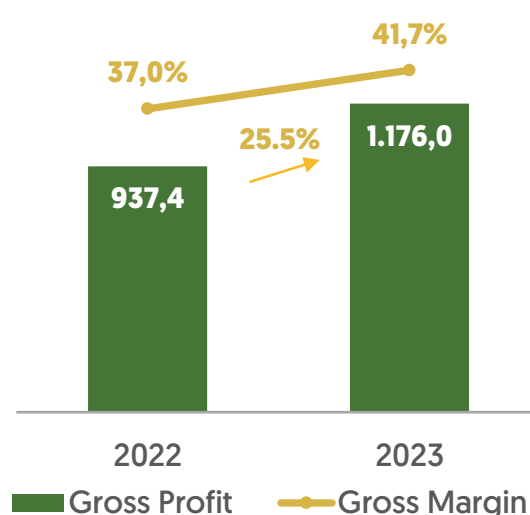
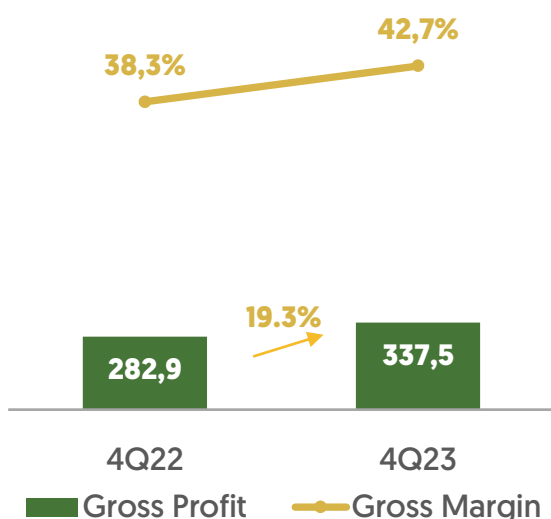
In 2023, gross profit was R\$ 1,176.0 million, an increase of 25.5% compared to R\$ 937.4 million obtained in 2022. Margin in 2023 reached 41.7%, 4.7 p.p. higher than the 37.0% obtained in 2022.

The main factors that contributed to this gross margin gain in 2023 were:

- i) Capturing synergies and economies of scale resulting from production growth;
- ii) Expansion of the product portfolio across all brands, exploring new categories and expanding the offer;
- iii) Growth in the share of DTC (Direct to Consumer) sales, where gross margins are higher than the Company's general average due to the characteristics of this channel;
- iv) Stabilization of prices of main raw materials.

Capturing of synergies and efficiencies and the growth of DTC resulted in the highest gross margin in history: 42.7%

GROSS PROFIT AND GROSS MARGIN





SELLING AND ALLOWANCE FOR DOUBTFUL ACCOUNTS EXPENSES

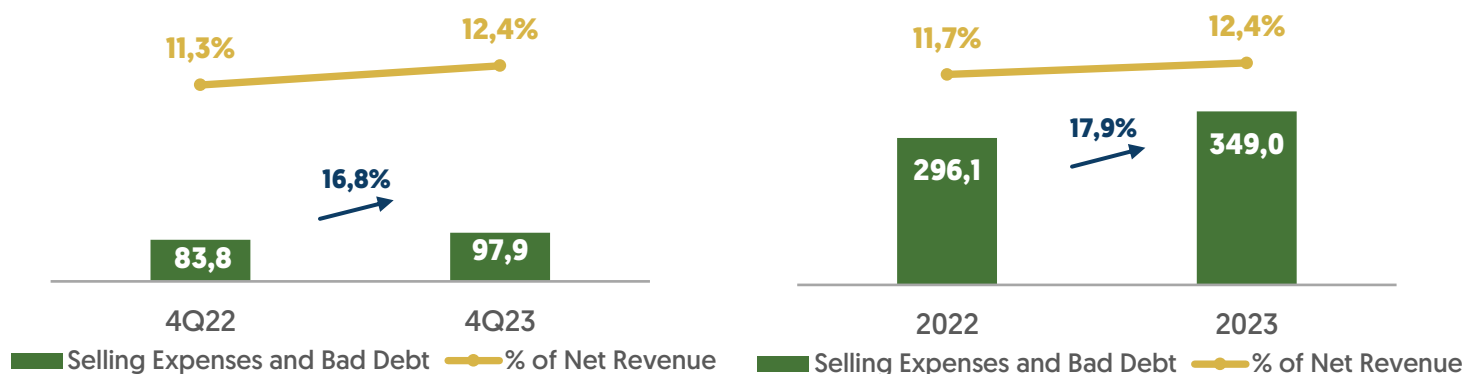
Selling, advertising and allowance for doubtful accounts expenses in 4Q23 totaled R\$ 140.7 million, an increase of 22.6% compared to the same period of 2022.

Direct expenses linked to sales and allowance for doubtful accounts, excluding those related to advertising, reached the mark of R\$ 97.9 million, growing 16.8% when compared to R\$ 83.8 million recorded in the same period of the previous year. In terms of revenue share, selling expenses, excluding advertising, in 4Q23 represented 12.4% and in 4Q22 the share was 11.3%.

During 4Q23, some variable selling expenses showed an increase in their representation relative to revenue, mainly due to changes in shares between channels. The increase in the share of sales made through E-commerce, with a considerable part of these sales made through marketplaces, led to an increase in expenses with commissions and shipping.

In 2023, selling expenses, excluding advertising, totaled R\$ 349.0 million, an increase of 17.9% compared to R\$ 296.1 million recorded in 2022. The relative share of these expenses over net revenue increased by 0.7 p.p. in the comparison between 2023 (12.4%) and 2022 (11.7%).

SELLING AND ALLOWANCE FOR DOUBTFUL ACCOUNTS EXPENSES (Excluding advertising expenses)





ADVERTISING AND MARKETING EXPENSES

In 4Q23, advertising and marketing expenses totaled R\$ 42.8 million, an increase of 38.1% compared to R\$ 31.0 million in 4Q22.

In relation to net revenue, advertising and marketing expenses represented 5.4% in 4Q23, an increase of 1.2 p.p. in relation to the share observed in 4Q22.

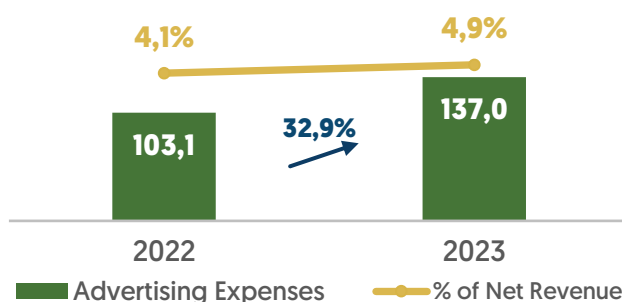
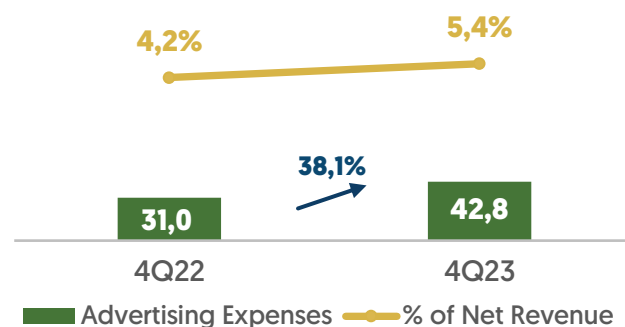
In 4Q23, Olympikus won some important awards in recognition of the work built in partnership with the running community. The “Bota Pra Correr” case won the Share Award in the “Campaign with Influencers” category; At the Effie Awards Brasil, the brand won bronze with “A Criação do Corre” in the Innovative Marketing Solution category. The Corre 3 was voted the best in the “Tênis Sem Placa Cost-Benefit” category of the Best of the Year Corrida no Ar Award, and was the big winner in 3 categories of the Tênis Certo 2023 Award: best “Pau Pra toda Obra”

sneaker, “Beginners” and “Best Value for Money”. Closing the year, in 2023, the Corre 3 was the most used sneaker by Brazilian runners on the Strava app, one of the biggest apps used by runners and cyclists to record their routes.

At Mizuno, to confirm the brand's presence with the high-performance running public, Mizuno's super sneaker, the Rebellion Pró, was chosen as the best “Super Sneaker” and “Sneaker of the Year” in the 'The Best Sneakers of the Year 2023' Awards from Canal Tênis Certo.

In December, Under Armour held the 2nd edition of SUAR. The event brought together more than 200 high-performance athletes and the country's main training influencers.

ADVERTISING AND MARKETING EXPENSES



GENERAL AND ADMINISTRATIVE EXPENSES

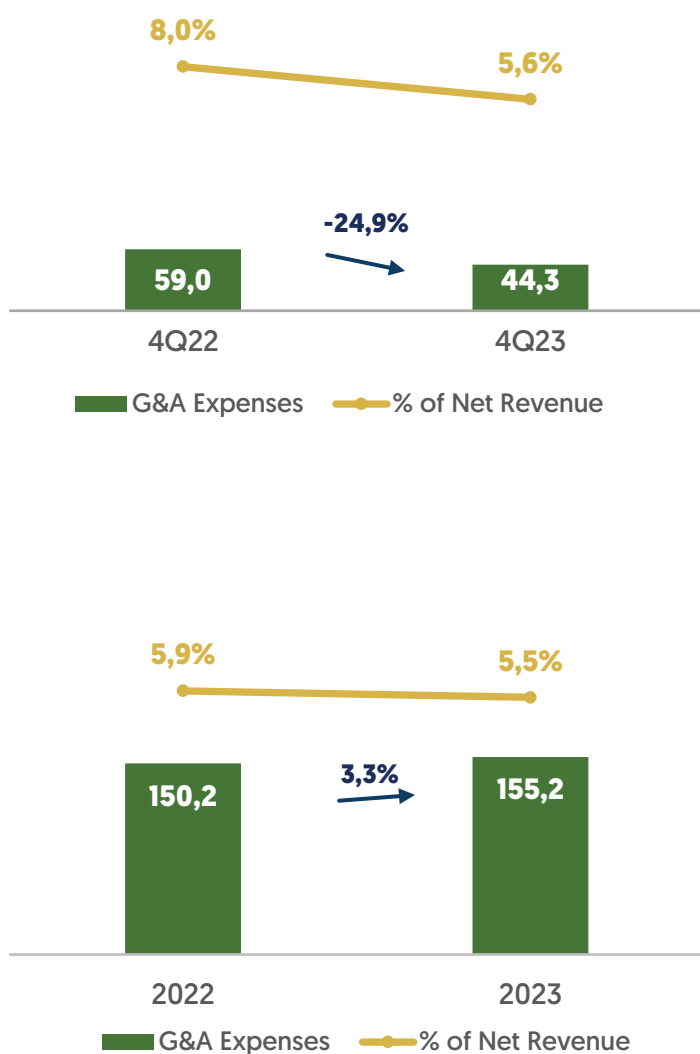
General and administrative expenses totaled R\$ 44.3 million in 4Q23, a decrease of 24.9% compared to 4Q22. As a percentage of net revenue, there was a reduction of 2.4 p.p., from 8.0% in 4Q22 to 5.6% in 4Q23.

The reduction in the comparison between the quarters of 2022 and 2023 is due to the recognition in 4Q22 of “non-recurring” expenses in the amount of R\$ 18.0 million in legal fees related to the gain in a Pis/Cofins lawsuit over ICMS in the subsidiary of

Ceará. Excluding the effect of this expense, the variation would be an 8% growth, most of which is linked to the increase in spending on Technology due to the growth in sales through ecommerce.

In 2023, there was an increase of 3.3% in general and administrative expenses compared to 2022, from R\$ 150.2 million to R\$ 155.2 million in 2023. When comparing the percentage of net revenue, there is an increase of 0.4 p.p. in 2023 compared to 2022.

GENERAL AND ADMINISTRATIVE EXPENSES



OTHER NET OPERATING INCOME (EXPENSES)

In 4Q23, Other Net Operating Income (Expenses) reported an expense of R\$ 2.2 million, compared to an income of R\$ 43.6 million in 4Q22.

It should be noted that in 4Q22 there was the recognition of "non-recurring income (expenses)" in the net amount of R\$ 50.0 million that impacted this item.

In 2023, compared to 2022, there was a reduction of 100.2%, resulting in an expense of R\$ 0.1 million in 2023.

The variation observed mainly refers to the recognition of "non-recurring" income (expenses) in 2022, which reached a net revenue amount of R\$ 56.8 million.

OTHER NET OPERATING INCOME (EXPENSES)

| R\$ Million | 4Q23 | 4Q22 | Var. % 4Q23/4Q22 | 2023 | 2022 | Var. % 2023/2022 |
|--|-------------|-------------|---------------------|-------------|-------------|---------------------|
| Other Net Operating Income (Expenses) | -2.2 | 43.6 | -105.1% | -0.1 | 50.2 | -100.2% |

NET FINANCIAL INCOME (EXPENSES)

In 4Q23, the Company reported a net financial expense of R\$ 2.9 million, a deterioration compared to the same period of 2022 when it reported a net financial income of R\$ 65.8 million.

It should be noted that in 4Q22 there was the recognition of "non-recurring" net financial income of R\$ 72.4 million that impacted the result. Comparing 4Q23 with 4Q22 excluding the effect of non-recurring income, the main variation was observed in the increase in financial income. This is due to the increase in cash and also the correction of Pis/Cofins credits to be recovered that were recognized during 2022.

In the year, financial income (expenses) presented a financial expense of R\$ 4.8 million in 2023, in contrast to a financial income of R\$ 41.3 million in 2022.

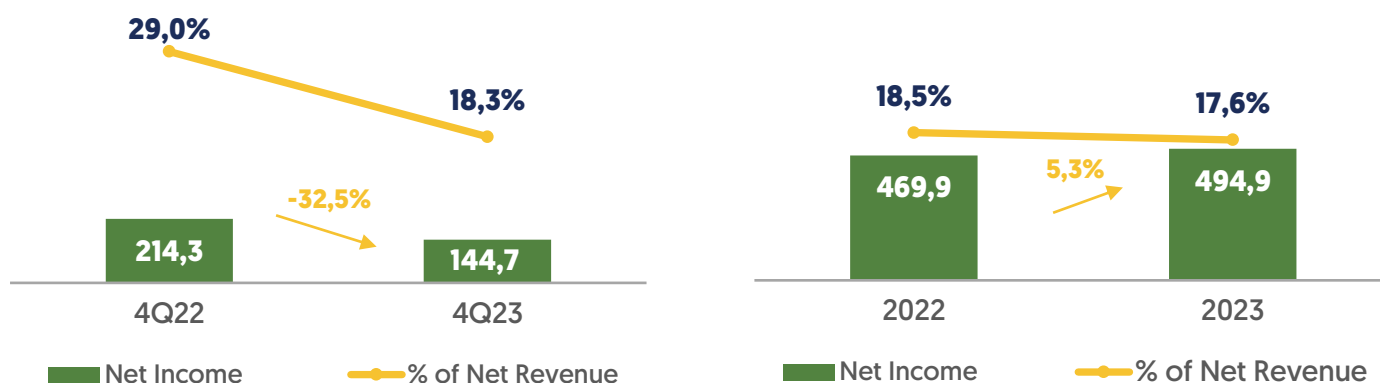
NET FINANCIAL INCOME (EXPENSES)

| R\$ Million | 4Q23 | 4Q22 | Var. % 4Q23/4Q22 | 2023 | 2022 | Var. % 2023/2022 |
|-----------------------------|--------------|--------------|---------------------|--------------|--------------|---------------------|
| Capital structure | -13.4 | -13.3 | 0.8% | -56.9 | -48.2 | 18.0% |
| Operating | -3.5 | -3.8 | -7.9% | -10.9 | -12.1 | -9.9% |
| Exchange differences | -3.0 | -2.0 | 50.0% | -23.2 | -24.3 | -4.5% |
| Financial Costs | -19.9 | -19.1 | 4.2% | -91.0 | -84.6 | 7.6% |
| Capital structure | 11.9 | 7.0 | 70.0% | 42.6 | 21.0 | 102.9% |
| Operating | 4.0 | 75.6 | -94.7% | 23.4 | 84.7 | -72.4% |
| Exchange differences | 1.1 | 2.3 | -52.2% | 20.2 | 20.2 | 0.0% |
| Financial Income | 17.0 | 84.9 | -80.0% | 86.2 | 125.9 | -31.5% |
| Net Financial Income | -2.9 | 65.8 | -104.4% | -4.8 | 41.3 | -111.5% |

NET INCOME

Net income in 4Q23 reached the mark of R\$ 144.7 million, a decrease of 32.5% over the income of R\$ 214.3 million in 4Q22. Net margin reached 18.3% in 4Q23, a decrease of 10.7 p.p. compared to 29.0% in 4Q22.

NET INCOME AND NET MARGIN



It is important to highlight that in 4Q22 there were “non-recurring” events that impacted the Company’s net income. Considering Recurring Net Income, the income in 4Q23 was R\$ 144.7 million, an increase of 18.5% compared to R\$ 122.1 million in 4Q22 .

The recurring net margin also increased by 1.8 p.p., from 16.5% in 4Q22 to 18.3% in 4Q23. The improvement in net margin in 4Q23 is mainly due to the improvement in operational performance, which resulted in increase in gross margin.

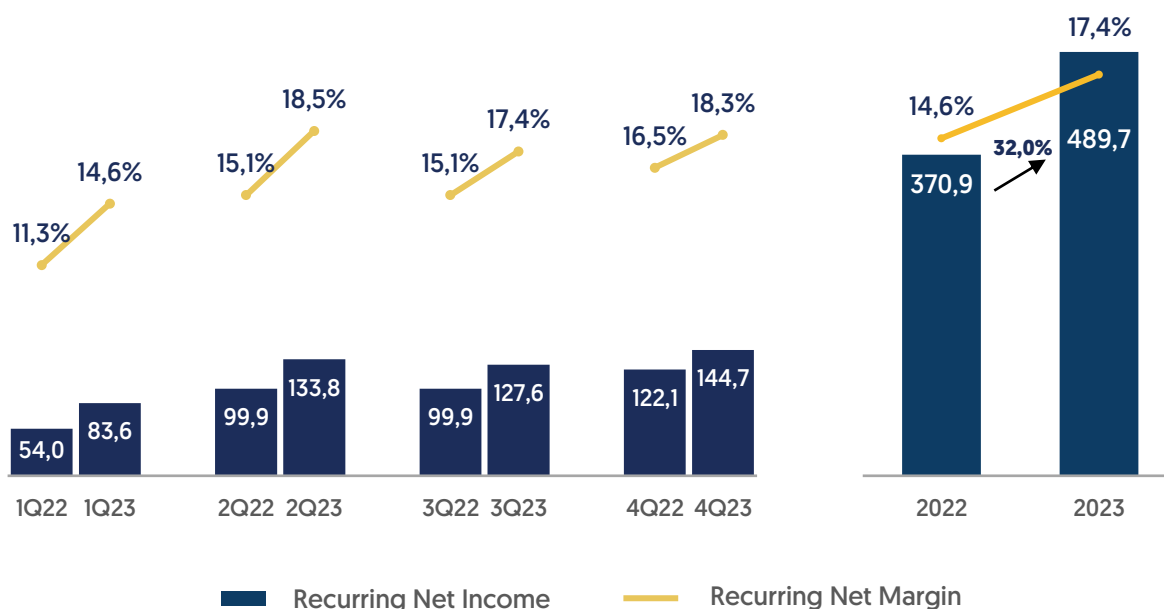
| R\$ Milhões | 4Q23 | 4Q22 | Var. % 4Q23 / 4Q22 | 2023 | 2022 | Var. % 2023/2022 |
|--|--------------|--------------|--------------------------|--------------|--------------|---------------------|
| Net Income | 144.7 | 214.3 | -32.5% | 494.9 | 469.9 | 5.3% |
| (-) Main Pis/Cofins Credit | 0.0 | -53.3 | N/A | 0.0 | -53.3 | N/A |
| (-) Credit for updating main values | 0.0 | -72.4 | N/A | 0.0 | -72.4 | N/A |
| (+) Pis/Cofins on updating Pis/Cofins credits and Judicial Deposits | 0.0 | 3.4 | N/A | 0.0 | 3.4 | N/A |
| (+) IRPJ / CSLL on credit update of recognized Pis/Cofins | 0.0 | 12.1 | N/A | 0.0 | 12.1 | N/A |
| (-) Undue IR/CSLL on recognized tax credits | 0.0 | 0.0 | N/A | 0.0 | -8.8 | N/A |
| (+) Lawyer fees on legal proceedings | 0.0 | 18.0 | N/A | 0.0 | 18.0 | N/A |
| (+) Spontaneous collection of ICMS from previous years | 0.0 | 0.0 | N/A | 0.0 | 2.0 | N/A |
| (+) Net principal value in share of Eletrobrás' compulsory deposits. | 0.0 | 0.0 | N/A | -0.8 | 0.0 | N/A |
| (-) Eletrobrás Credit Correction | 0.0 | 0.0 | N/A | -4.4 | 0.0 | N/A |
| Recurring Net Income | 144.7 | 122.1 | 18.5% | 489.7 | 370.9 | 32.0% |
| Recurring Net Income Margin | 18.3% | 16.5% | 1.8 p.p. | 17.4% | 14.6% | 2.8 p.p. |

NET INCOME

Net income in 2023 reached R\$ 494.9 million, an increase of 5.3% compared to 2022. The net margin decreased by 0.9 p.p. when comparing 2023 and 2022, from 18.5% to 17.6%.

In the comparison of recurring net income, the growth in 2023 was 32.0% and reached R\$ 489.7 million, compared to the adjusted income of R\$ 370.9 million obtained in 2022.

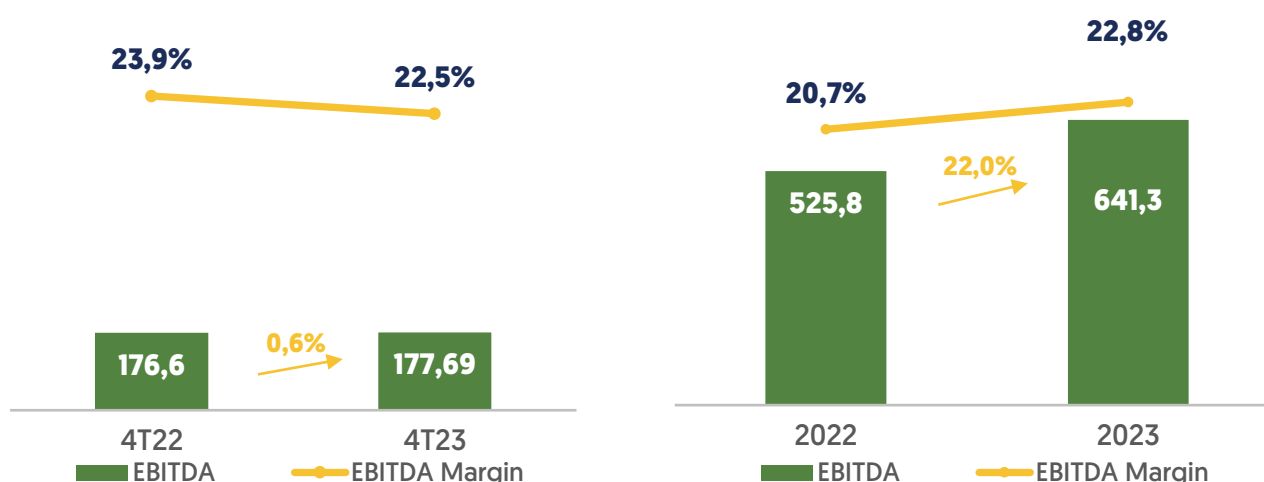
RECURRING NET INCOME AND RECURRING NET MARGIN



EBITDA

In 4Q23, EBITDA reached the mark of R\$ 177.7 million, a growth of 0.6% compared to R\$ 176.6 million obtained in 4Q22. The EBITDA margin decreased by 1.4 p.p., reaching 22.5% in 4Q23 compared to 23.9% in 4Q22.

EBITDA AND EBITDA MARGIN



It is important to highlight that in 4Q22 there were "non-recurring" events that impacted the Company's EBITDA. When considering the Recurring EBITDA, the result obtained in 4Q23 was R\$ 177.7 million, a growth of 22.8% compared to R\$ 144.7 million in 4Q22. The recurring EBITDA Margin also increased considerably by 2.9 p.p., from 19.6% in 4Q22 to 22.5% in 4Q23.

| R\$ Millions | 4Q23 | 4Q22 | Var. % 4Q23/4Q22 | 2023 | 2022 | Var. % 2023/2022 |
|---|--------------|--------------|---------------------|--------------|--------------|---------------------|
| EBITDA | 177.7 | 176.6 | 0.6% | 641.3 | 525.8 | 22.0% |
| (-) Main Pis/Cofins Credit | 0.0 | -53.3 | N/A | 0.0 | -53.3 | N/A |
| (+) Pis/Cofins on updating Pis/Cofins credits and Judicial Deposits | 0.0 | 3.4 | N/A | 0.0 | 3.4 | N/A |
| (-) Undue IR/CSLL on recognized tax credits | 0.0 | 0.0 | N/A | 0.0 | -8.8 | N/A |
| (+) Lawyer fees on legal proceedings | 0.0 | 18.0 | N/A | 0.0 | 18.0 | N/A |
| (-) Spontaneous collection of ICMS from previous years | 0.0 | 0.0 | N/A | 0.0 | 2.0 | N/A |
| (-) Net principal value in share of Eletrobrás' compulsory deposits. | 0.0 | 0.0 | N/A | -0.8 | 0.0 | N/A |
| Recurring EBITDA | 177.7 | 144.7 | 22.8% | 640.5 | 487.1 | 31.5% |
| Recurring EBITDA Margin | 22.5% | 19.6% | 2.9 p.p. | 22.7% | 19.2% | 3.5 p.p. |

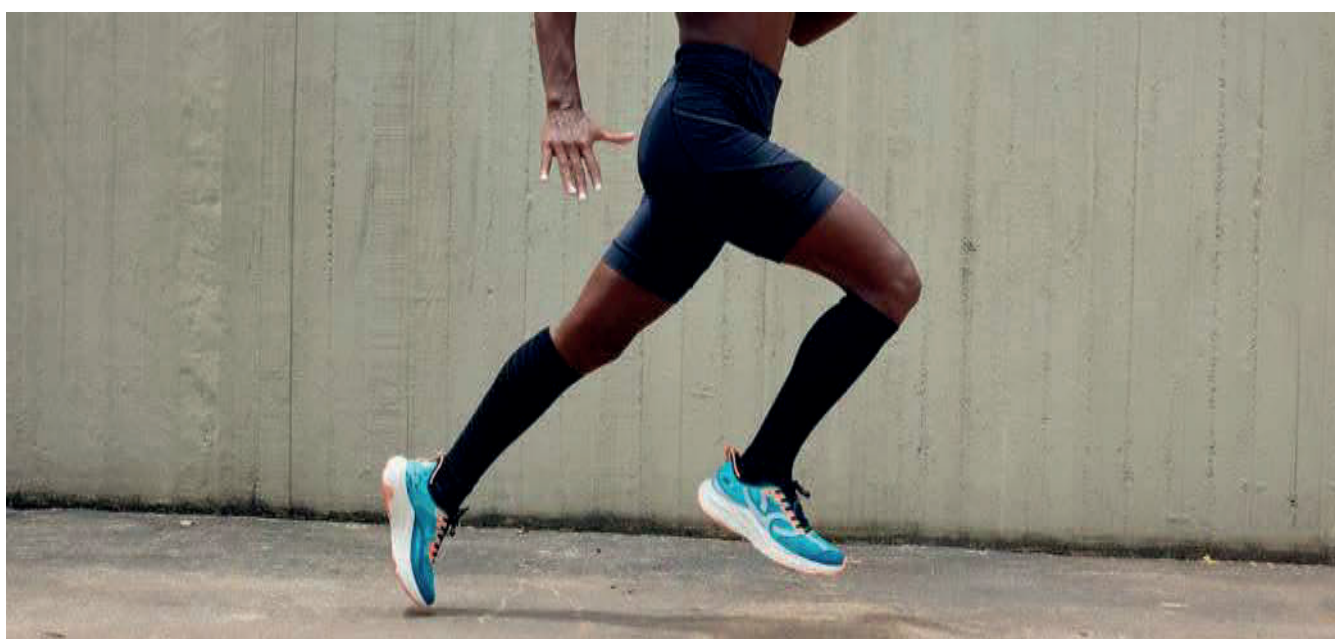
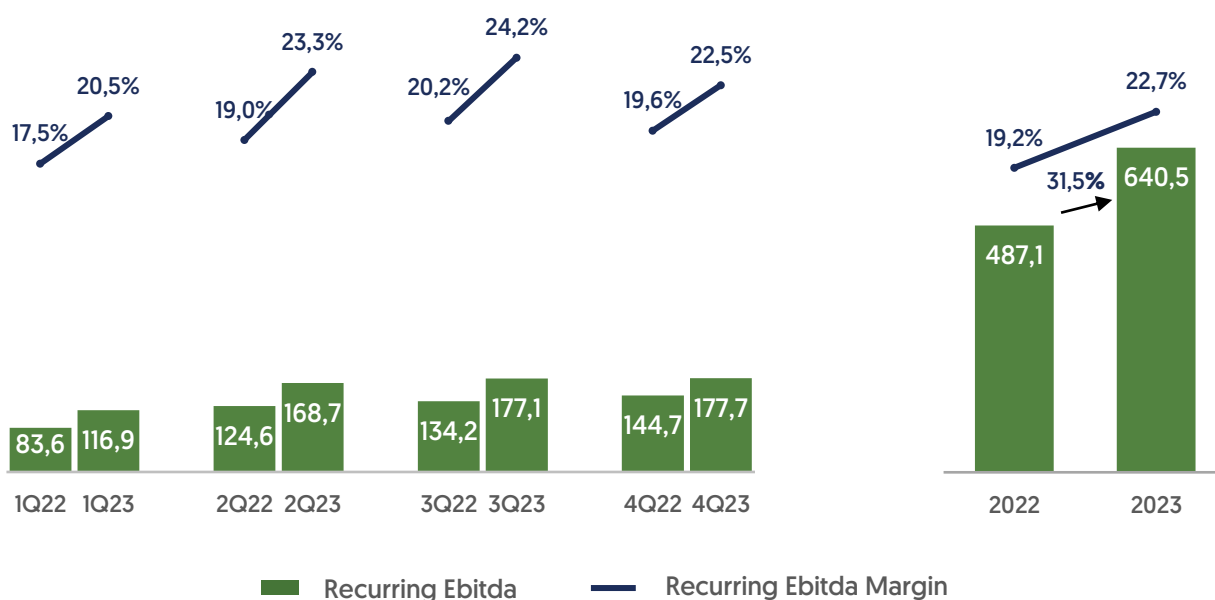
EBITDA

The 2.9 p.p. gain in EBITDA Margin in 4Q23 against the same period of the previous year is mainly due to the excellent operational performance, which resulted in an increase of 4.4 p.p. in gross margin.

In 2023, EBITDA reached R\$ 641.3 million, an increase of 22.0% compared to 2022. The EBITDA Margin when comparing 2023 to 2022 increased by 2.1 p.p., from 20.7% to 22.8%.

In the comparison of Recurring EBITDA, the growth in 2023 was 31.5% when compared to the recurring EBITDA obtained in 2022. Recurring EBITDA Margin when comparing 2023 to 2022 increased by 3.5 p.p., from 19.2% to 22.7%.

RECURRING EBITDA AND RECURRING EBITDA MARGIN



ROIC (RETURN ON INVESTED CAPITAL)



Annualized return on invested capital – ROIC² – reached 25.0% in 4Q23-LTM (last twelve months ended 12/31/2023), an increase of 0.9 p.p. over the 24.1% obtained at 12/31/2022

| ROIC | 2020 | 2021 | 2022 | 4Q23 |
|--|----------------|----------------|----------------|----------------|
| Net Income for the period (LTM) | 31.5 | 313.8 | 469.9 | 494.9 |
| (+) Net Financial Income (LTM) | 0.1 | (12.4) | (41.3) | 4.8 |
| NOPAT | 31.6 | 301.4 | 428.6 | 499.7 |
| Invested Capital | | | | |
| Loans and Financing | 311.6 | 361.3 | 417.0 | 437.8 |
| (-) Cash and cash equivalents | (158.6) | (114.6) | (197.2) | (361.0) |
| (-) Financial Investments | (90.5) | (10.3) | (8.9) | (13.4) |
| (+) Related Parties | 17.6 | 18.0 | 18.4 | – |
| (+) Equity | 1,125.4 | 1,356.6 | 1,711.8 | 1,995.3 |
| Invested Capital | 1,205.5 | 1,611.0 | 1,941.1 | 2,058.7 |
| Average invested capital for the period⁽¹⁾ | 1,144.0 | 1,408.2 | 1,776.0 | 1,999.9 |
| Annualized ROIC⁽²⁾ | 2.8% | 21.4% | 24.1% | 25.0% |

Annualized adjusted return on invested capital (Adjusted ROIC³) reached 28.4% in 4Q23-LTM (last twelve months ended 12/31/2023), an increase of 0.3 p.p. over the 28.1% obtained at 12/31/2022.

| ROIC AJUSTADO | 2020 | 2021 | 2022 | 4Q23 |
|---|--------------|----------------|----------------|----------------|
| Net Income for the period (LTM) | 31.5 | 313.8 | 469.9 | 494.9 |
| (+) Net Financial Income (LTM) | 0.1 | (12.5) | (41.3) | 4.8 |
| (-) Equity Results (LTM) | 2.0 | (3.1) | (5.3) | (7.9) |
| NOPAT (Adjusted) | 33.6 | 298.2 | 423.3 | 491.8 |
| Invested Capital | | | | |
| Loans and Financing | 311.6 | 361.3 | 417.0 | 437.8 |
| (-) Cash and cash equivalents | (158.6) | (114.6) | (197.2) | (361.0) |
| (-) Financial Investments | (90.5) | (10.3) | (8.9) | (13.4) |
| (+) Related Parties | 17.6 | 18.0 | 18.4 | – |
| (-) Goodwill on acquisition | (198.2) | (198.2) | (198.2) | (198.2) |
| (-) Investment in subsidiary | (60.0) | (69.4) | (75.7) | (62.9) |
| (+) Equity | 1,125.4 | 1,356.6 | 1,711.8 | 1,995.3 |
| Total Adjusted Invested Capital | 947.3 | 1,343.4 | 1,667.2 | 1,797.6 |
| Average adjusted invested capital for the period⁽¹⁾ | 884.8 | 1,145.4 | 1,505.3 | 1,732.4 |
| Adjusted Annualized ROIC³ | 3.8% | 26.0% | 28.1% | 28.4% |

ROIC: Return on invested capital.

(1) Average invested capital at the end of this period and the end of the previous year.

(2) ROIC calculation: NOPAT for the last 12 months divided by the average invested capital.

(3) Adjusted ROIC is a non-accounting measure calculated by dividing Adjusted NOPAT (defined as net income (loss) plus net financial income less equity and the result from discontinued operations), divided by average invested capital in the period. Adjusted Invested Capital is defined as the sum of own capital (equity) and Net Debt (as defined below), less goodwill recorded in intangible assets and investment in non-controlled companies.

CAPEX

In 4Q23, R\$ 39.6 million were invested in property, plant and equipment and intangible assets, a decrease of 9.6% compared to the amount invested in the same period of 2022.

In 4Q23, the highlight of investments in capex was the expansion of the industrial pavilion of the rectilinear machinery park at the Ceará plant, intended for the production of Knit uppers.

ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

| R\$ Million | 4Q23 | 4Q22 | Var. % 4Q23/4Q22 | 2023 | 2022 | Var. % 2023/2022 |
|--------------------------------------|-------------|-------------|---------------------|--------------|--------------|---------------------|
| Molds | 10.7 | 10.7 | 0.0% | 41.4 | 35.6 | 16.3% |
| Machinery and equipment | 8.7 | 18.5 | -53.0% | 44.8 | 63.0 | -28.9% |
| Industrial facilities | 3.5 | 4.9 | -28.6% | 14.6 | 22.1 | -33.9% |
| Others | 16.1 | 9.0 | 78.9% | 36.8 | 37.5 | -1.9% |
| Property, plant and equipment | 39.0 | 43.1 | -9.5% | 137.6 | 158.2 | -13.0% |
| Software | 0.6 | 0.7 | -14.3% | 1.7 | 2.5 | -32.0% |
| Intangible assets | 0.6 | 0.7 | -14.3% | 1.7 | 2.5 | -32.0% |
| Total | 39.6 | 43.8 | -9.6% | 139.3 | 160.7 | -13.3% |



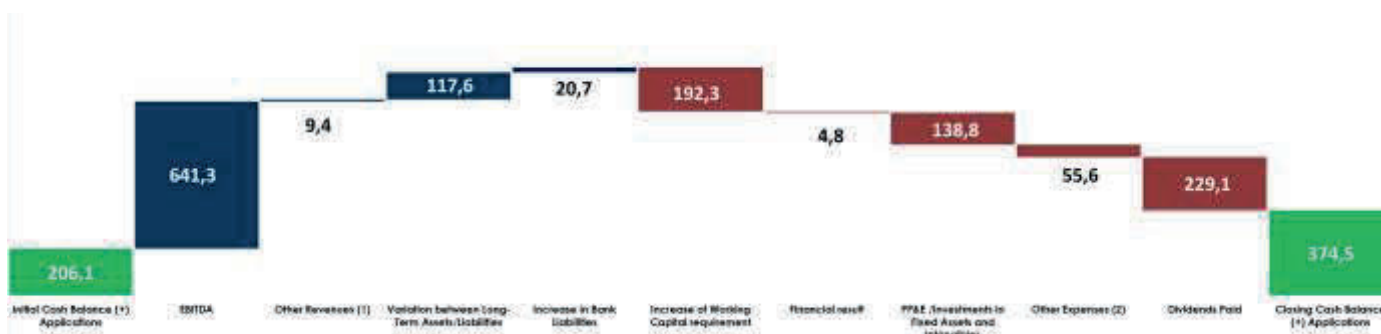
OPERATING CASH GENERATION

The variation in cash in 2023 was R\$ 168.4 million, essentially due to the following events

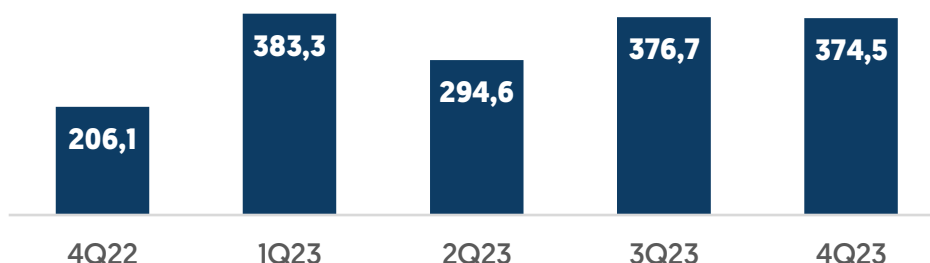
- (i) EBITDA of R\$ 641.3 million;
- (ii) Variation between Long-Term Assets/Liabilities of R\$ 117.6 million,
- (iii) Increase in bank liabilities by R\$ 20.7 million;
- (iv) Increase in the need for working capital of R\$ 192.3 million;
- (v) Investments in property, plant and equipment and intangible assets of R\$ 138.8 million;
- (vi) Dividends paid of R\$ 229.1 million.

These events combined resulted in a positive cash variation of R\$ 168.4 million over 2023, demonstrating the Company's financial health and cash generation capacity.

CASH FLOW – 2023



CASH FLOW – CASH



(1) Other Revenues : Sale/Write-off of Property, Plant and Equipment and Intangible Assets + Expenses with issuing Shares + Effect of the conversion of investees abroad.

(2) Other Expenses: Income Tax and Social Contributions+ Stock Options + Payment of finance lease liabilities.

NET DEBT

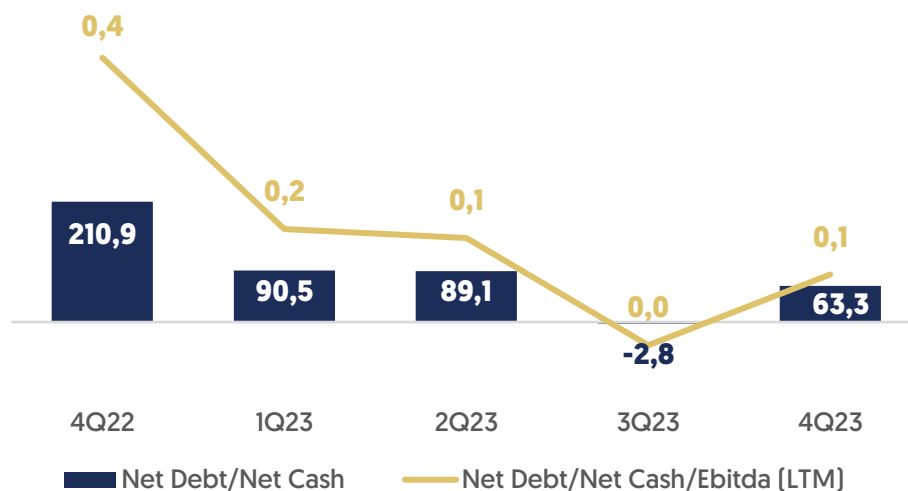
At 12/31/2023, the Company had a net debt of R\$ 63.3 million, 70.0% lower than at 12/31/2022.

The reduction in net debt was mainly due to the excellent generation of operating cash due to the expressive result recorded in 2023, despite the expansion of working capital and capex acquisitions, as well as the payment of dividends throughout the year.

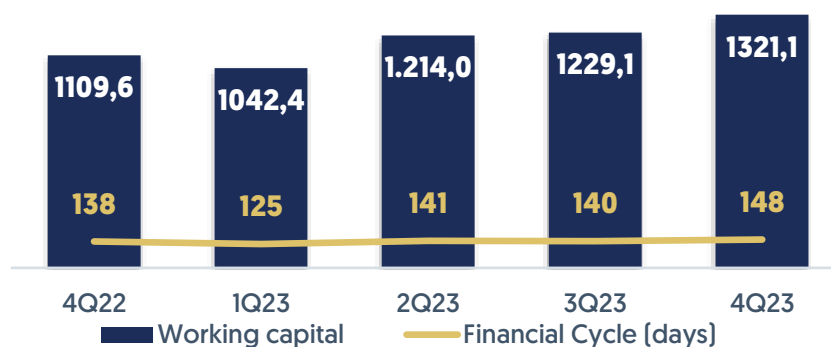
NET DEBT

| R\$ Million | 12/31/2021 | 12/31/2022 | 12/31/2023 | Var. % 12/31/2023 vs 12/31/2022 |
|---------------------------|--------------|--------------|-------------|---------------------------------|
| Loans and Financing | 361.3 | 417.0 | 437.7 | 5.0% |
| Cash and cash equivalents | (114.6) | (197.2) | (361.0) | 83.1% |
| Financial investments | (10.3) | (8.9) | (13.4) | 50.6% |
| Net Debt/Net Cash | 236.4 | 210.9 | 63.3 | -70.0% |

EVOLUTION OF NET DEBT AND LEVERAGE



WORKING CAPITAL AND FINANCIAL CYCLE



CAPITAL MARKET

DIVIDENDS

In 2023, Vulcabras announced a series of early dividend payments, demonstrating a commitment to returning value to shareholders.

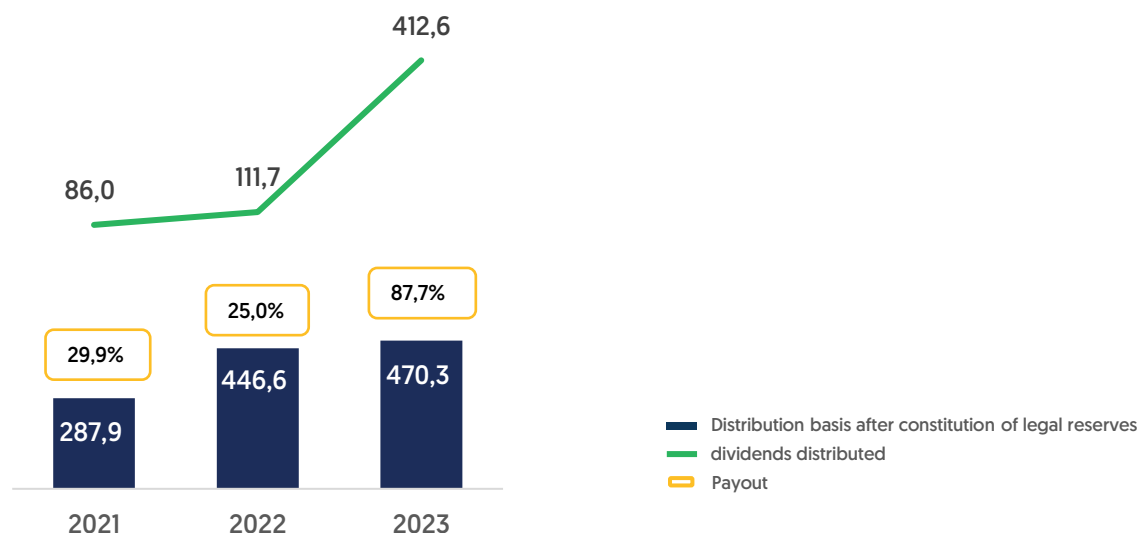
In total, four advance payments of dividends were made relating to the result for 2023, totaling R\$ 208.4 million.

On January 22, 2024, based on its statutory reserves, the Company informed its shareholders that it would make a new distribution of dividends, this time in the amount of R\$1.50 (one real and fifty cents) per share, totaling R\$ 367.7 million, where the first installment corresponding to R\$ 1.00 (one real) per share, totaling R\$ 245.1 million, was paid on February 8, 2024 and the second installment corresponding to R\$ 0,50 (fifty cents) totaling R\$ 122.6 million, which will be paid on April 17, 2024.

On March 7, 2024, the Board of Directors approved a new distribution of dividends in the amount of R\$ 0.75 (seventy-five cents) per share, totaling R\$ 204.2 million. These will be paid on March 25, 2024.

RETURN TO SHAREHOLDERS

| Type | Total Amount | Amount paid per Share | Base date for distribution | Payment Date |
|-----------------------------|--------------|-----------------------|----------------------------|--------------|
| Interim Dividends | 36.8 | 0.15 | 05/22/2023 | 06/06/2023 |
| Interim Dividends | 36.8 | 0.15 | 08/30/2023 | 09/14/2023 |
| Interim Dividends | 98.0 | 0.40 | 10/13/2023 | 11/24/2023 |
| Interim Dividends | 36.8 | 0.15 | 11/08/2023 | 11/24/2023 |
| Interim Dividends | 204.2 | 0.75 | 03/13/2024 | 03/25/2024 |
| Total Dividends 2023 | 412.6 | | | |
| Interim Dividends | 245.1 | 1.00 | 01/25/2024 | 02/08/2024 |
| Interim Dividends | 122.6 | 0.50 | 01/25/2024 | 04/17/2024 |
| Interim Dividends | 367.7 | | | |





CAPITAL MARKET

SHARE BUYBACK PROGRAM

Since May 2022, the Company has the Share Buyback Program, with the aim of maximizing capital allocation and generating value for shareholders. On October 31, 2023, the Board of Directors approved the extension of the Company's share buyback program for a period of 18 months. The program authorizes the repurchase of up to 5 million shares.

During 4Q23, the Company did not make any new purchases and the balance acquired and held in treasury was 766.2 thousand shares.

This share buyback program is a strategy that aims to optimize capital and increase value for shareholders, in addition to demonstrating the Company's confidence in its future performance.

| Type | Balance 12/31/2022 | Balance 03/31/2023 | Balance 06/30/2023 | Balance 09/30/2023 | Balance 12/31/2023 |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Treasury Shares Quantity | 491.6 | 567.2 | 680.1 | 766.2 | 766.2 |
| Treasury Shares BRL | 6.1 | 7.0 | 8.5 | 10.0 | 10.0 |



SUSTAINABILITY

SUSTAINABILITY

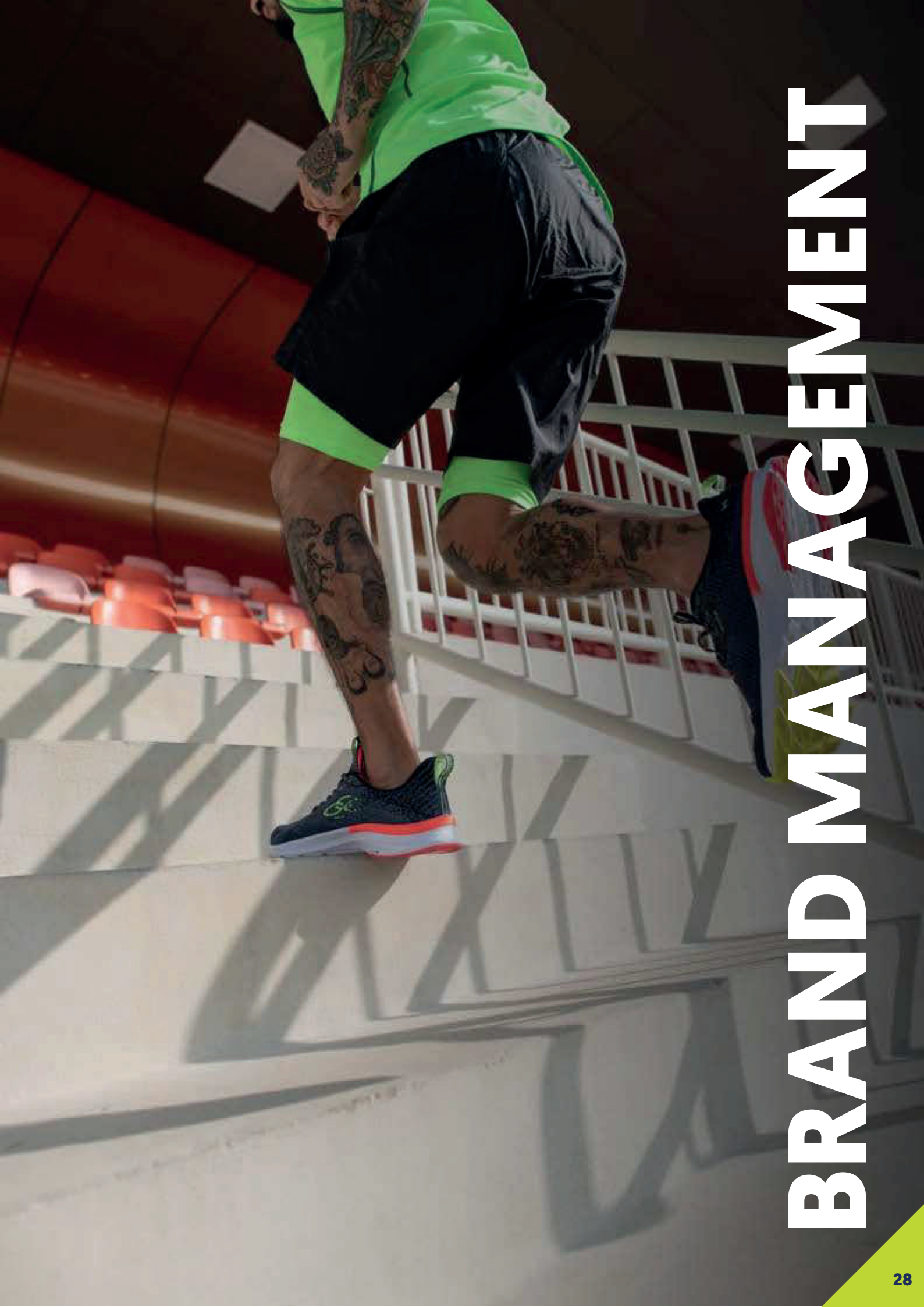


As part of our commitment to positive impact through sport, Vulcabras annually selects annually social projects focused on education and sport in the regions of our units to receive contributions via the Tax Incentive Law.

Since 2022, we have been building a long-term relationship with several institutions, so that pedagogical and educational projects are consistent and can contribute to the training of children, young people and adults in vulnerable situations.

In the 2024 cycle, 13 projects were selected, 5 of which were maintenance, 1 expansion and 8 new projects.

- **Sport:**
 - Horizonte Triathlon School
 - Pecém Triathlon School
 - Swimming with Thiago Pereira
- **Culture:**
 - World of Reading,
 - Palm to Palm
 - Mercosul Biennial
- **Fund for Children and Adolescents**
 - Sea Octopus - Early Childhood Project
 - Wimbelemdom
- **Elderly Fund:**
 - 60+ Wellbeing Program
 - Maturity
- **Pronon:**
 - Santa Casa de Misericórdia de Sobral,
 - Irmandade do Hosp. Nsa. Sra. Das Dores
- **Pronas:**
 - APAE Igrejinha

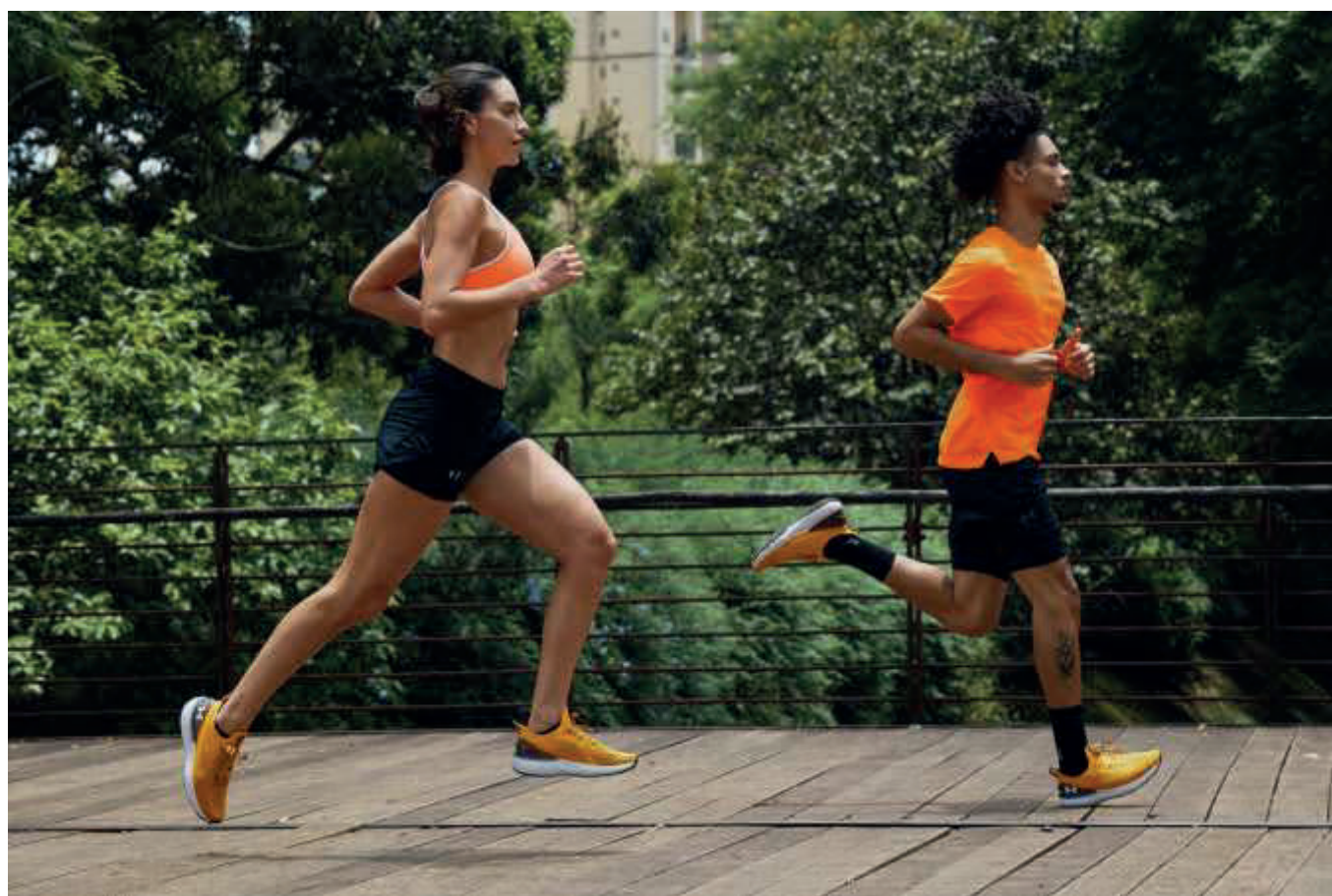


BRAND MANAGEMENT

BRAND MANAGEMENT

With a portfolio designed for the Brazilian market, our brands continued to expand their presence in the market in the last quarter of the year.

The launch of new products, supported by communication campaigns that connect brands with their respective communities, expanded the presence of the Mizuno, Olympikus and Under Armour brands in the national market.





MIZUNO

In the fourth quarter, Mizuno continued to expand the brand into high-performance running, brought new colors to its trail running models and continued with actions to connect the brand with its target audience. And to confirm the brand's presence with the high-performance public, Mizuno's super sneaker, the Rebellion Pró, was chosen as the best "Super Sneaker" and "Sneaker of the Year" in the 'The Best Sneakers of the Year 2023' Awards. from Canal Tênis Certo.

Running performance

One of the brand's flagships in the running performance category, the Wave Rider 27 won a commemorative edition for the Amsterdam Marathon, sponsored by the brand, in honor of the Dutch painter Vermeers Straatje. Especially for the competition, the sneakers were given the official colors of blue and yellow, characteristic of one of Vermeer's most famous works, "The Milkmaid". The result of an unprecedented collab with the Rijksmuseum, Amsterdam Art Museum, the commemorative sneaker brings the versatility of previous models added to a more breathable and technological upper. Another new feature is the internal part, which reproduces the artist's canvas on the sneaker's insole.

Recently updated, Mizuno Wave Rider 27 features the new version of Smooth Stretch Woven (SSW) technology, 20 grams lighter than the previous edition, with an elastic and breathable fabric upper, for a more secure, comfortable and soft fit. With a design inspired by the strength of sea waves, it is an excellent option for running, daily training and marathons. R\$ 999.00.

Neo Collection – Performance with sustainable materials

Combining performance and sustainability, Mizuno launched the Neo Collection in Brazil, a pack made up of the brand's two most sustainable models: Wave Neo Wind and Wave Neo Ultra. Combining Mizuno's latest technologies with the most sustainable materials ever developed by the brand, the two sneakers feature different processes and materials that make them more sustainable and emit less CO2 into nature.

Made with Mizuno Enerzy technologies, based on algae, and Mizuno Enerzy Lite, based on castor oil, the midsole of the models is biodegradable. Without any type of dyeing, the Wave Neo Ultra's upper has 70% recycled materials and the Wave Neo Wind's 60%, reducing 100% of water use in its production process.

The Wave Neo Ultra is a sneaker in the maximum cushioning category. For the first time, it has the triple combo of Enerzy technology, with Mizuno Enerzy Core, Mizuno Enerzy Lite and Mizuno Enerzy, providing a running sensation with lots of cushioning, great energy return and softness, without compromising stability. On the sole, G3 technology guarantees greater traction and less weight. The Wave Neo Wind features Mizuno Enerzy Lite and Mizuno Enerzy technology, combined with the Wave Plate also made from castor oil, which results in a run with excellent cushioning, softness, stability and a feeling of propulsion. The Wave Neo Wind's sole is also made with G3 technology, but with a design that further increases traction. Both models are now available on the brand's website. R\$ 1,499.99 and R\$ 1299.99.



OLYMPIKUS

Olympikus continued to consolidate itself in the running scene with the Corre line, democratizing access to high-end sports technology, based on an ecosystem that puts the consumer at the center, and includes high-performance products at more democratic prices, proprietary events, such as the Bota Pra Correr (BPC), event sponsorships, sports consultancy and elite athletes.

In the last quarter of the year, the brand won some important awards in recognition of the work built in partnership with the running community. The “Bota Pra Correr” case won the Share Award in the “Campaign with Influencers” category; At the Effie Awards Brasil, the brand won bronze with “A Criação do Corre” in the Innovative Marketing Solution category. The Corre 3 was voted the best in the “Tênis Sem Placa Cost-Benefit” category of the Best of the Year Corrida no Ar Award, and was the big winner in 3 categories of the Tênis Certo 2023 Award: best “Pau Pra toda Obra” sneaker, “Beginners” and “Best Value for Money”. Closing the year, in 2023, the Corre 3 was the most used sneaker by Brazilian runners on the Strava app, one of the biggest apps used by runners and cyclists to record their routes.

Bota pra Correr (BPC)

The brand continued to activate the running community with its proprietary running event, Bota Pra Correr. In November, the brand brought together the running community in Bento Gonçalves (RS) for the second edition of the year of Bota Pra Correr – this time in Vale dos Vinhedos. Despite the cancellation of the race, in respect for the families who were victims of the floods and safety risks brought by the rain, the edition showed that the BPC has become the biggest running festival in the country as it is in line with the main philosophy of the sport: learning from the challenges.

Until the eve of the race, the festival had a lot of exchange, human warmth and interactive activities, through a program that included workshops, talk with Vanderlei Cordeiro de Lima, talk with Elkana Kiptum Ruto, who shared knowledge of the 'Land of Champions' in the lecture “Mental Fortitude: the run of Champions”, followed by the first-hand presentation of the documentary “Mental: the Kenyan school”.

Olympics with Vanderlei

After 20 years, Vanderlei Cordeiro de Lima returns to the stage of his bronze medal at the 2004 Olympic Games: the city of Athens. And to celebrate the idol of Brazilian running, Olympikus invited the athlete, who is a brand ambassador, to run the Athens Marathon, on the same circuit where he became a global symbol of the sport. The former athlete's entire preparation journey was documented by Olympikus on its social networks. Vanderlei Cordeiro de Lima returned to his former training location in Paipa, Colombia, this time as a brand ambassador and with Corre 3 on his feet.

On November 12th, Vanderlei Cordeiro de Lima crossed the finish line. The emotion was intertwined with the significance of the event in the history of world athletics. The Corre 3 used in the race by Vanderlei, along with three photos taken throughout the race, were delivered to the Marathon Museum, strengthening the athlete's story and consolidating his legacy of resilience and sportsmanship.

Baw Collab

To strengthen the brand's presence in the sports lifestyle segment, Olympikus teamed up with the Brazilian brand Baw for an exclusive collaboration, getting closer to urban lifestyle fans. The collection, called "Do Corre pro Rolê", combined Olympikus' technical expertise in the sports segment with Baw's vision of style and design. The union of running and lifestyle resulted in an exclusive Corre 3 model in brown, incorporating elements of style and design, without giving up the technologies that make the sneaker the flagship among the brand's high-performance running products. The collab also brought an exclusive clothing collection, with pieces designed to reflect the style values of both brands, providing a complete offer to consumers. The collab is available on both brands' e-commerce sites and in Baw's physical stores. Prices vary between R\$ 59.00 and R\$ 599.99. (Link to website).





UNDER ARMOUR

In the fourth quarter of the year, Under Armour brought all of Vulcabras' knowledge to Brazilian athletes by launching the Tribase Cross SE on the national market, developed and manufactured by Vulcabras to revolutionize the experience of physical activity, during the 2nd edition of SUAR, the brand's immersive platform that brought together athletes and professionals connected to performance. This event renewed Under Armour's commitment to the Brazilian training community. In this way, it maintained its growth focused on training and basketball, conquering gyms and basketball courts, becoming the sales leader in training shoes, with a focus on gyms, among the main customers.

UA Tribase Cross SE

In December, UA launched the Tribase Cross SE, a sneaker developed and designed in Brazil by Vulcabras to meet the needs of exercisers in various modalities, such as gym, crossfit and functional. The product campaign featured major influencers in the training market and was launched at the brand's proprietary event, SUAR.

The sneaker stands out from the first contact with the foot, due to its exceptional comfort. Its upper is made of straight mesh, resembling a sock, providing a precise fit and eliminating unwanted friction. This innovation guarantees freedom of movement, avoiding pressure points and allowing the athlete to concentrate completely on their exercises, without distractions.

One of the main new features of the model is the application of High Frequency TPU on the toecap, significantly reinforcing the structure of the front area of the shoe, providing greater protection for the toes. This robust addition reinforces the durability of the shoe, protecting it against wear and impacts, even during the most intense workouts.

The ribbon lace loop not only adds a modern touch to the design, but also allows for a custom fit, keeping the shoe secure on your feet during dynamic workouts. R\$ 549.99.

SUAR – connection with the training community

In December, Under Armour held the 2nd edition of SUAR. The event brought together more than 200 athletes and training influencers in a program that united body and mind, a chat with Brazil's greatest cyclist, Henrique Avancini, and the Brazilian Olympic Committee's psychologist, Carla di Pierro, as well as a training session led by important names in the fitness universe, such as Juliana Hitomi, Lucas Pretto and Luciano D'Elia. During the action, guests were able to train with the UA Tribase Cross SE launch.



ATTACHMENTS

BALANCE SHEET

BALANCE SHEET (CONSOLIDATED)

In thousand of Reais

| ASSETS | 12/31/2023 | 12/31/2022 | LIABILITIES | 12/31/2023 | 12/31/2022 |
|---|------------------|------------------|---|------------------|------------------|
| Cash and cash equivalents | 361,020 | 197,197 | Suppliers | 83,779 | 104,925 |
| Financial Investments | 3 | 4 | Loans and financing | 234,497 | 283,638 |
| Trade accounts receivable | 830,672 | 769,457 | Lease liability | 8,433 | 8,509 |
| Inventories | 583,534 | 567,831 | Taxes payable | 39,332 | 19,670 |
| Recoverable taxes | 119,435 | 18,685 | Salaries and vacation payable | 56,070 | 56,139 |
| Income tax and social contribution | 26,786 | 13,859 | Provisions | 2,739 | 3,102 |
| Other accounts receivable | 39,177 | 26,074 | Commissions payable | 28,239 | 19,538 |
| | | | Dividends payable | 15 | 20,734 |
| | | | Other accounts payable | 58,576 | 53,716 |
| CURRENT ASSETS | 1,960,627 | 1,593,107 | CURRENT LIABILITIES | 511,680 | 569,971 |
| Financial Investments | 13,446 | 8,942 | Loans and financing | 203,253 | 133,410 |
| Trade accounts receivable | 3,873 | 5,153 | Loans with related parties | 0 | 18,448 |
| Recoverable taxes | 59,236 | 193,504 | Lease liability | 6,862 | 12,059 |
| Deferred income tax and social contribution | 1,286 | 13,591 | Provisions | 53,147 | 54,274 |
| Judicial deposits | 27,847 | 22,419 | Deferred income tax and social contribution | 2,071 | 17,079 |
| Goods intended for sale | 194 | 194 | Other accounts payable | 2,844 | 3,681 |
| Other accounts receivable | 2,090 | 1,934 | | | |
| LONG-TERM ASSETS | 107,972 | 245,737 | NON-CURRENT LIABILITIES | 268,177 | 238,951 |
| Investments | 62,883 | 75,662 | SHAREHOLDERS' EQUITY | | |
| Investment property | 2 | 4 | Capital | 1,108,354 | 1,106,717 |
| Right to use | 12,903 | 18,119 | Capital Reserves | -4,102 | -1,472 |
| Property, plant and equipment (PP&E) | 422,650 | 379,031 | Revaluation reserves | 4,020 | 4,175 |
| Intangible assets | 208,116 | 209,096 | Unrealized income reserve | 862,750 | 576,094 |
| | | | Equity valuation adjustments | 23,965 | 25,974 |
| | 706,554 | 681,912 | Shareholders' equity attributable to controllers | 1,994,987 | 1,711,488 |
| NON-CURRENT ASSETS | 814,526 | 927,649 | Non-controlling interests | 309 | 346 |
| | | | TOTAL SHAREHOLDERS' EQUITY | 1,995,296 | 1,711,834 |
| TOTAL ASSETS | 2,775,153 | 2,520,756 | TOTAL LIABILITIES | 779,857 | 808,922 |
| | | | TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 2,775,153 | 2,520,756 |

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

INCOME STATEMENT

| INCOME STATEMENT (CONSOLIDATED) | 4Q23 | 4Q22 | VAR (%) | 2023 | 2022 | VAR (%) |
|---|----------------|----------------|-------------------|------------------|------------------|------------------|
| In thousand of Reais | | | | | | |
| Net Revenue | 791,289 | 738,843 | 7.1% | 2,817,679 | 2,536,936 | 11.1% |
| Cost of sales | -453,776 | -455,991 | -0.5% | -1,641,645 | -1,599,498 | 2.6% |
| Gross Profit | 337,513 | 282,852 | 19.3% | 1,176,034 | 937,438 | 25.5% |
| Gross Margin | 42.7% | 38.3% | 4.4 p.p. | 41.7% | 37.0% | 4.7 p.p. |
| Sales Expenses | -139,705 | -108,515 | 28.7% | -486,315 | -384,695 | 26.4% |
| Expected losses for bad debts | -1,004 | -6,347 | -84.2% | 297 | -14,539 | -102.0% |
| General and Administrative Expenses | -44,349 | -58,969 | -24.8% | -155,252 | -150,168 | 3.4% |
| Other net Operating income (Expenses) | -2,173 | 43,597 | -105.0% | -108 | 50,233 | -100.2% |
| Equity in net income of subsidiaries | 2,174 | 1,376 | 58.0% | 7,864 | 5,298 | 48.4% |
| Net Income before net financial income and taxes | 152,456 | 153,994 | -1.0% | 542,520 | 443,567 | 22.3% |
| Financial income | 17,001 | 84,905 | -80.0% | 86,204 | 125,916 | -31.5% |
| Financial Expenses | -19,919 | -19,114 | 4.2% | -90,979 | -84,618 | 7.5% |
| Net financial Income | -2,918 | 65,791 | -104.4% | -4,775 | 41,298 | -111.6% |
| Net Income before taxes | 149,538 | 219,785 | -32.0% | 537,745 | 484,865 | 10.9% |
| Deferred income tax and social contribution | -4,833 | -5,485 | -11.9% | -42,862 | -14,935 | 187.0% |
| Net Income | 144,705 | 214,300 | -32.5% | 494,883 | 469,930 | 5.3% |
| Net Income Margin | 18.3% | 29.0% | -10.7 p.p. | 17.6% | 18.5% | -0.9 p.p. |
| Income (loss) attributable to: | | | | | | |
| Controlling Shareholders | 144,688 | 214,288 | | 494,892 | 469,900 | |
| Non-controlling Shareholders | 17 | 12 | | -9 | 30 | |
| Net Income | 144,705 | 214,300 | | 494,883 | 469,930 | |
| Earnings (loss) per share | | | | | | |
| Earnings per common share - basic | 0.5900 | 0.8721 | | 2.0180 | 1.9124 | |
| Earnings per common share - diluted | 0.5862 | 0.8690 | | 2.0051 | 1.9056 | |
| Number of shares at end of the year | | | | | | |
| Outstanding common shares | 245,237,428 | 245,710,968 | | 245,237,428 | 245,710,968 | |
| Outstanding common shares with a dilution effect | 246,820,783 | 246,595,701 | | 246,820,783 | 246,595,701 | |

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



CASH FLOW STATEMENT

| CASH FLOW STATEMENT (INDIRECT METHOD) | | 2023 | 2022 |
|---|--|-----------------|-----------------|
| In thousand of Reals | | | |
| Cash flows from operating activities | | | |
| Net Income for the period | | 494,883 | 469,930 |
| Adjustments for: | | | |
| Depreciation and amortization | | 98,720 | 82,253 |
| Provision (reversal) for impairment losses on Inventories | | 21,055 | 26,372 |
| Interest on provisioned leases | | 4,202 | 4,277 |
| Net value of written off tangible and intangible assets | | 6,168 | 10,174 |
| Income from financial investments | | -1,679 | -889 |
| Provision for contingency | | 9,550 | 5,767 |
| Equity in net income of subsidiaries | | -7,864 | -5,298 |
| Transaction with share-based payments | | 1,269 | -84 |
| Provision (Reversal) for expected losses for doubtful debt | | -297 | 14,539 |
| Tax overpayment - SELIC | | 0 | -8,792 |
| Financial charges and exchange variation recognized in profit or loss | | 46,995 | 42,078 |
| Current and deferred income tax and social contribution | | 42,862 | 14,935 |
| Non-controlling interest | | 9 | -30 |
| Recovery of PIS and COFINS on ICMS | | -11,062 | -126,151 |
| Adjusted Income for the period | | 704,811 | 529,081 |
| Changes in assets and liabilities | | | |
| Account Receivable | | -60,766 | -166,396 |
| Inventories | | -36,758 | -100,706 |
| Recoverable taxes | | 31,653 | 25,919 |
| Receivables for sale of operation | | 905 | 2,580 |
| Other accounts receivable | | -13,259 | -8,685 |
| Judicial deposits | | -3,595 | -8,497 |
| Suppliers | | -21,431 | 26,882 |
| Commissions payable | | 8,701 | 5,233 |
| Taxes to collect | | 25,191 | 20,362 |
| Salaries and vacations payable | | -69 | 10,521 |
| Other accounts payable | | 3,986 | 29,278 |
| Provisions | | -12,873 | -6,186 |
| Changes in assets and liabilities | | -78,315 | -169,695 |
| Cash provided by (used in) operating activities | | 626,496 | 359,386 |
| Interest paid | | -51,879 | -32,252 |
| Payment of lease interest | | -1,934 | -2,306 |
| Taxes paid on profit | | -49,431 | -24,203 |
| | | -103,244 | -58,761 |

CASH FLOW STATEMENT

| CASH FLOW STATEMENT (INDIRECT METHOD) | 2023 | 2022 |
|---|-----------------|-----------------|
| In thousand of Reals | | |
| Net Cash Flow provided by (used in) operating activities | 523,252 | 300,625 |
| Cash flow from investing activities | | |
| Acquisitions of property, plant and equipment | -137,115 | -157,217 |
| Redemption (application) of financial investments | -2,824 | 2,255 |
| Resources from the disposal of fixed assets | 1,537 | 1,057 |
| Acquisition of intangible assets | -1,695 | -2,537 |
| Receipt of dividends | 2,857 | 134 |
| Net Cash Flow used in investing activities | -137,240 | -156,308 |
| Cash flow from financing activities | | |
| Loans obtained - Main | 333,995 | 337,630 |
| Payment of loans obtained - Main | -312,490 | -291,073 |
| Acquisition of treasure shares | -3,899 | -6,119 |
| Dividends and interest on shareholders' equity paid | -229,110 | -90,930 |
| Capital Increase | 1,637 | 0 |
| Payment of lease liabilities | -12,407 | -12,397 |
| Net Cash Flow used in financing activities | -222,274 | -62,889 |
| Increase (decrease) in cash and cash equivalents | 163,738 | 81,428 |
| Cash and cash equivalents at beginning of the period | 197,197 | 114,635 |
| Effect of exchange variation on cash and cash equivalents | 85 | 1,134 |
| Cash and cash equivalents at end of the period | 361,020 | 197,197 |
| Increase (decrease) in cash and cash equivalents | 163,738 | 81,428 |

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

INSTITUTIONAL

Vulcabras has been operating in the Brazilian footwear sector for 71 years and during this period it has consolidated itself as the largest Athletic footwear industry in the country and has become the manager of leading brands in their respective segments, such as Olympikus, national champion in tennis sales, Under Armour, one of the world's largest brands of clothing, footwear and sports accessories, and Mizuno, the performance brand that believes in the value of sport and supports the journey of everyone who gives their best, regardless of who they are, level and type of sport.

Founded in July 1952 with the incorporation of the Company Industrial Brasileira de Calçados Vulcanizados SA, in São Paulo, it manufactured leather shoes with vulcanized rubber soles, and one of its first icons was the Vulcabras 752, whose name was a reference to the month and year of the company's foundation. In 1973 we started the production of sports brands in Brazil and since then we have specialized in delivering technology in shoes for the democratization of sports performance.

The shoes produced by the company are found in stores throughout Brazil, with an extensive commercial team that serves more than 10,000 customers nationwide and in South American countries, in e-commerce and the brands' own stores. There are more than 800 new models per year, designed and developed in the largest technology and development center for sports shoes in Latin America, located in Parobé - RS.

The products are made in two modern factories located in the Northeast region, in Horizonte/CE and Itapetinga/BA. The Company's administrative center, in turn, is located in Jundiaí - SP, in addition to a Logistics Distribution Center for the E-commerce Channel located in Extrema - MG. These five units in Brazil directly employ more 18,000 workers. There is also a branch with a distribution center in Peru.

The Company works with a portfolio diversification strategy, constantly seeking innovation and improvement.



INDEPENDENT AUDIT

INDEPENDENT AUDIT

In accordance with CVM Instruction 381/03, Vulcabras S.A. informs that since 01/01/2022, it has appointed “Ernst & Young Auditores Independentes S/S Ltda” to audit its individual and consolidated financial statements.

For the services to the annual review (2023) fees of approximately R\$ 690.6 thousand were disbursed.

BOARD STATEMENT

Pursuant to article 25, paragraph 1, item 5 of CVM Instruction 480/09, the Board of Directors, in a meeting held on 03/07/2024, declares that it has reviewed, discussed and agreed with the accounting information of Vulcabras S.A. for the fourth quarter of 2023 and the independent auditors’ report on the individual and consolidated financial information.



MANAGEMENT

MEMBERS OF THE BOARD OF DIRECTORS

| | |
|------------------------------|--------------------|
| Pedro Grendene Bartelle | Chairman |
| André de Camargo Bartelle | 1st Vice Chairman |
| Pedro Bartelle | 2nd Vice Chairman |
| Paulo Sérgio da Silva | Independent Member |
| Rafael Ferraz Dias de Moraes | Independent Member |

MEMBERS OF THE BOARD OF EXECUTIVE OFFICERS

| | |
|--------------------------|---|
| Pedro Bartelle | Chief Executive Officer |
| Rafael Carqueijo Gouveia | Superintendent-Director |
| Wagner Dantas da Silva | Chief Financial and Administrative Officer and Investor Relations Officer |
| Evandro Saluar Kollet | Chief Product Development and Technology Officer |
| Márcio Kremer Callage | Chief Marketing Officer |
| Rodrigo Miceli Piazer | Chief Supply Officer |



VULCABRAS

