EARNINGS RELEASE

2Q21

VULCABRAS

BUILDING
A BETTER COUNTRY
THROUGH SPORTS.

Jundiaí, August 10, 2021

Vulcabras S.A. (B3: VULC3) announces today its results for the second quarter of 2021(2Q21). The Company's operational and financial information 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 (CPC21 e IAS 34). The data in this report refers to the performance in the second quarter of 2021, compared to the same period of 2020, unless specified otherwise.

HIGHLIGHTS

Gross Volume

5.7 million pairs/pieces in 2Q21, an increase of **105.3%** compared to 2Q20, and **10.8 million** pairs/pieces in 6M21, an increase of **43.5%** compared to 6M20.

Net Revenue

R$ 399.4 million in 2Q21, an increase of **304.7%** compared to 2Q20, and **R$ 711.3 million** in 6M21, an increase of **110.9%** compared to 6M20.

Gross Profit

R$ 136.2 million in 2Q21, up **415.9%** compared to 2Q20, and **R$ 242.4 million** in 6M21, up **134.2%** compared to 6M20.

Gross Margin

34.1% in 2Q21, up 7.3 pp when compared to 2Q20, and **34.1%** in 6M21, up **3.4 pp**. in relation to the margin in 6M20.

Net Income

R$ 91.5 million in 2Q21, an increase of **R$ 166.9 million** compared to loss of **R$ 75.4 million** in 2Q20, and **R$ 106.1 million** in 6M21, an increase of **R$ 172.5 million** in contrast to the loss of **R$ 66.4** in 6M20.

EBITDA

R$ 102.7 million in 2Q21, compared to **(R$ 55.1) million** in 2Q20 and **R$ 140.0 million** in 6M21, an increase of **R$ 167.9 million** compared to 6M20.

> **VULC3 Quote (6/30/2021)**
> R$ 9,73

> **Number of shares**
> Common: 245.756.346

> **Market value**
> R$ 2.4 billion

> **Investor Relations**
> Wagner Dantas da Silva (CFO and IRO)

> **Vulcabras IR website**
> http://vulcabrasri.com

> **Conference call:**
> 8/11/2021 at 10 am (Brasilia)

> **Telephones Brazil**
> +55 11 3181-8565
> +55 11 4210-1803

> **IR email**
> dri@vulcabras.com.br

> **IR telephone**
> +55 (11) 5225-9500

MESSAGE FROM MANAGEMENT

In 2Q21, Vulcabras reported yet another positive result, overcoming the challenges imposed by the socioeconomic scenario, which is still affected by the effects of the Covid-19 pandemic.

According to data from the Brazilian Institute of Geography and Statistics (IBGE), the fabric, clothing and footwear segment registered a growth in sales volume of 26% in the first five months of 2021. considering the sharp drop registered in 2020 and the impacts caused by the second wave of Covid-19 in 2021, the resumption of the sector in 2021 was still timid and below expectations.

The second wave of Covid-19, once again imposed a sequence of restrictive measures that began in March and lasted until the end of April, impacting directly operating retail trade across the country. With the trade closed and due to the impossibility of carrying out scheduled deliveries, the Company decided to bring forward the vacation initially planned for the 2nd half of 2021, paralyzing its manufacturing operations throughout the second half of April.

Despite all the difficulties faced at the beginning of the quarter, Vulcabras managed to remain above the performance of the sector, recording total net revenue of R$ 399.4 million, an increase of 304.7% over the R$ 98.7 million 2Q20 and grew 22.1% compared to the R$ 327.0 million recorded in 2Q19, reiterating the strength of the current result.

Net income for 2Q21 was R$ 91.5 million, an increase of R$ 166.9 million over the net loss of R$ 75.4 million in 2Q20 (period heavily affected by the first wave of COVID-19 in the country), and also a growth of 205.0% compared to the result for 2Q19, which was R$ 30.0 million.

EBITDA was R$ 102.7 million, an increase of R$ 157.8 million compared to the (R$ 55.1) million in 2Q20, and a growth of 103.4% in relation to the R$ 50.5 million in 2Q19.

The revenue from Athletic Footwear in the 2nd quarter of 2021, presented an increase of 438.1%, compared to the same period of 2020, and a growth of 42.1% over the 2nd quarter of 2019. Both the revenue from Olympikus shoes, as well as that of Under Armour footwear, growth compared to the same quarters of previous years (2Q20 and 2Q19). This was the first quarter of the year in which sales of shoes and apparel with the Mizuno brand present since the beginning of the period. This quarter, the last stage of the transfer of the operation to Vulcabras was also completed, with the definitive assumption of all existing distribution channels of the brand in Brazil

> **“Vulcabras managed to remain above the performance of the sector, recording an increase of 304.7% in the Net Revenue”**
>
> Pedro Bartelle

In the sustainability pillar, the Company released its first sustainability report, which compiled the main actions carried out in 2020. The document addressed the company's main social and environmental initiatives, whose pillars of action are carbon reduction and clean energy Consumption, reuse and save water, circular economy, social responsibility and impact on the communities where it operates

In this way, the positive result is the result of a consistent strategy and decisions taken during the hardest moments of the pandemic which consisted in not demobilizing the operations and adapting the Company to the resumption. We trust in the strength of our brands and in our business model, which dominates all stages of the chain from conception, production, replacement and sale. We continue to invest and offer a portfolio of products that seeks to meet the needs of the most diverse consumers and athletes.

This quarter we took another important step towards Vulcabras' growth. We are confident in our decisions and remain confident in our purpose of building a better country based on sport

\>

CONSOLIDATED PERFORMANCE

R$ Milion	2Q21	2Q20	2Q19	VAR 2Q21 vs 2Q20	VAR 2Q21 vs 2Q19	6M21	6M20	6M19	VAR 6M21 vs 6M20	VAR 6M21 vs 6M19
Gross Volume (milion pairs and tens)										
Volume	5.7	2.8	6.6	105.3%	-13.6%	10.8	7.5	12.6	43.5%	-14.3%
Net Revenue	**399.4**	**98.7**	**327.0**	304.7%	22.1%	**711.3**	**337.3**	**626.8**	110.9%	13.5%
Domestic Market	365.2	91.6	300.6	298.7%	21.5%	645.7	295.1	575.7	118.8%	12.2%
Foreign Market	34.2	7.1	26.4	381.7%	29.5%	65.6	42.2	51.1	55.5%	28.4%
Gross profit	**136.2**	**26.4**	**111.2**	415.9%	22.5%	**242.4**	**103.5**	**213.3**	134.2%	13.6%
Gross margin %	34.1%	26.8%	34.0%	7.3 p.p.	0.1 p.p.	34.1%	30.7%	34.0%	3.4 p.p.	0.1 p.p.
Operation Expenses	**51.9**	**100.1**	**80.1**	**-48.2%**	**-35.2%**	**136.8**	**172.1**	**154.0**	**-20.5%**	**-11.2%**
EBITDA	**102.7**	**-55.1**	**50.5**	**N/A**	**103.4%**	**140.0**	**-27.9**	**97.6**	**N/A**	**43.4%**
EBITDA Margin	25.7%	-55.8%	15.4%	81,5 p.p	10.3 p.p.	19.7%	-8.3%	15.6%	28.0 p.p.	4,1 p.p
EBITDA - recurring	**67.3**	**-18.7**	**52.5**	**N/A**	**28.2%**	**104.6**	**8.5**	**99.6**	**1130.6%**	**5.0%**
EBITDA Margin Adjusted	16.9%	-18.9%	16.1%	35.8 p.p.	0.8 p.p.	14.7%	2.5%	15.9%	12.2 p.p.	-1.2 p.p.
Net Income	**91.5**	**-75.4**	**30.0**	**N/A**	**205.0%**	**106.1**	**-66.4**	**56.2**	**N/A**	**88.8%**
Net Income - adjusted	**30.9**	**-39.0**	**29.7**	**N/A**	**4.0%**	**45.5**	**-30.0**	**55.9**	**N/A**	**-18.6%**

>
GROSS VOLUME

In 2Q21, gross volume totaled 5.7 million pairs/pieces, an increase of 105.3% compared to the total in 2Q20 of 2.8 million pairs/pieces.

The performance of volumes sold in all categories in 2Q21 was very positive, even with the closure of most physical retail during the months of March an April due to the intensification of the COVID-19 pandemic, given the advance of a 2nd wave of contamination. It should be noted that this was the first quarter of the year in which sales of Mizuno brand shoes and clothing were present since the beginning of the period. In this quarter, there was also no sale of women's footwear in the domestic and foreign markets due to licensing of the Azaleia brand, and that the sale of this type of shoes was maintained only in the Peru and Colombia subsidiaries.

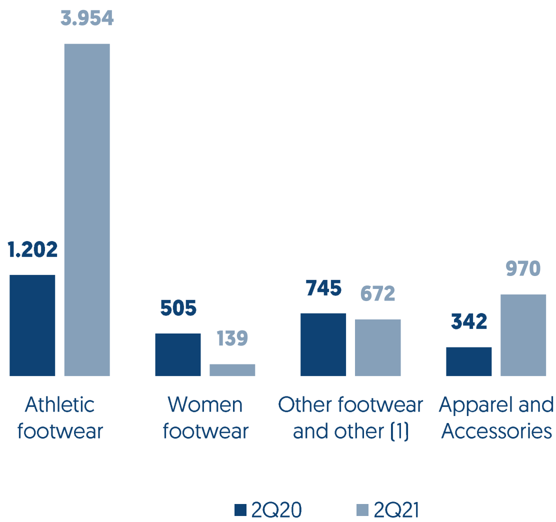
Despite the difficult scenario experienced at the beginning of 2Q21, the result was once again influenced by Vulcabras´s competitive differencials.

The second quarter of 2021 began with a large volume of ready-made goods in the Company's inventories waiting for the reopening of retail to be delivered. As the resumption process was slower than expected, the Company decided to interrupt production at its two industrial plants for 15 days as of 4/15/21, thus advancing vacations that were scheduled to be granted during the 2nd half of the year.

The impact of the interruption in deliveries during March and April partially affected the performance of all categories during 2Q21, but even so, the athletic categories showed excellent performance. In comparison with the same period in 2020, the following considerations were highlighted; (i) in Athletic Footwear, there was a robust growth of 229.0%, due to the positive performance of the Olympikus and Under Armour brands, and also the addition of Mizuno's sales volume; (ii) a decrease of 72.5% in Women's Footwear, due to the discontinuity of business in the domestic and foreign markets; (iii) reduction of 9.8% in Other Footwear and Others, (iv) increase of 183.6% in Apparel and Accessories, due to the expansion recorded with the Olympikus and Under Armour brands and also the addition of Mizuno's sales volume.

GROSS VOLUME OF PAIRS AND PIECES/THOUSAND – 2Q21 VS 2Q20

Pairs and itens (thousand)	2Q21	Share. %	2Q20	Share. %	Var. % 2Q21/2Q20
Athletic footwear	3.954	68,9%	1.202	43,0%	229,0%
Women footwear	139	2,4%	505	18,1%	-72,5%
Other footwear and other (1)	672	11,8%	745	26,7%	-9,8%
Apparel and Accessories	970	16,9%	342	12,2%	183,6%
Total	5.735	100,0%	2.794	100,0%	105,3%

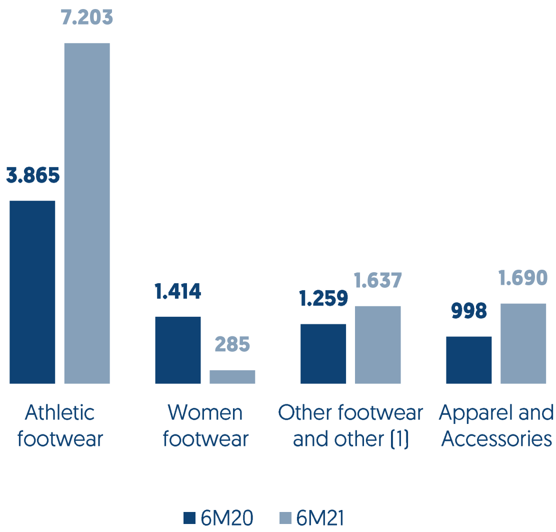


[1] Slippers, boots and shoe components

In the first half of 2021 gross volume totaled 10.8 million pairs/pieces, an increase of 43.5% compared to the total of 7.5 million pairs/pieces in the first half of 2020.

GROSS VOLUME OF PAIRS AND PIECES/THOUSAND – 6M21 VS 6M20

Pairs and pieces (thousand)	6M21	Share. %	6M20	Share. %	Var. % 6M21/6M20
Athletic footwear	7.203	66,6%	3.865	51,3%	86,4%
Women footwear	285	2,6%	1.414	18,8%	-79,8%
Other footwear and other (1)	1.637	15,2%	1.259	16,7%	30,0%
Apparel and Accessories	1.690	15,6%	998	13,2%	69,3%
Total	10.815	100,0%	7.536	100,0%	43,5%



[1] Slippers, boots and shoe components..

>

NET OPERATING REVENUE:

CATEGORY

In 2Q21, net revenue was R$ 399.4 million, an increase of 304.7% over the R$ 98.7 million in 2Q20, and grew 22.1% compared to the R$ 327.0 million in 2Q19.

The start of 2Q21 was challenging. The quarter began with most physical retail closed due to the intensification of the COVID-19 pandemic, which once again culminated in the enactment of social distancing measures in all Brazilian states. As a result of this retail shutdown and due to the impossibility of delivering the products to customers, billing for the month of April was significantly affected. In the following months, deliveries were normalized and retail performance reacted and presented significant improvement. On the main commemorative dates of the quarter, Mother's Day and Valentine's Day, there were significant growths compared to the same dates in 2020.

Athletic Footwear revenue increased by 438.1% over the same period in 2020 and by 42.1% over 2Q19. Both revenues from Olympikus footwear and Under Armour footwear grew in relation to the same quarters of previous years (2Q20 and 2Q19), in addition to the increase in revenue from Mizuno footwear.

The Women Footwear category decreased by 14.6% compared to the same period in 2020, and by 76.4% over 2Q19. This is due to the interruption in sales of women's footwear due to the licensing of the brand. The only channel that presented revenue in this category and that will continue to be active was that of foreign branches.

The Apparel and Accessories category increased by 237.8% compared to 2Q20 and by 36.5% over 2Q19. In the period, there was an increase in revenues from Olympikus and Under Armour brands, and also the start of sales of the Mizuno brand.

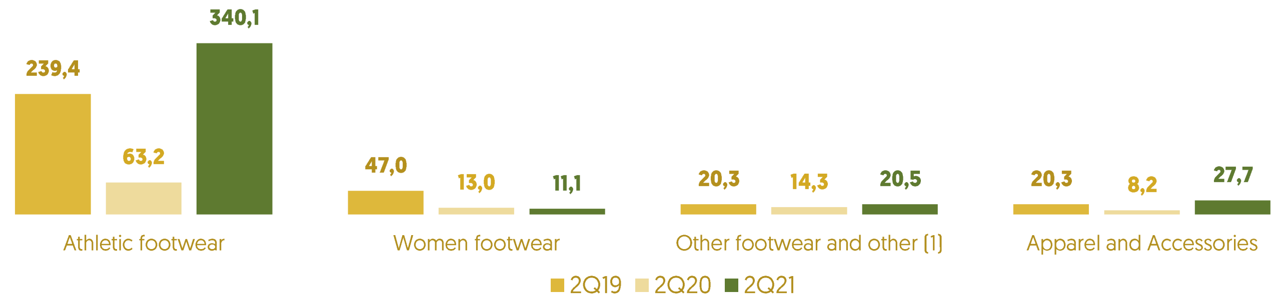
The Other footwear and others category increased by 43.4% and 1.0% compared to the same quarters of 2020 and 2019, respectively, with growth in all subcategories.

NET REVENUE BY CATEGORY – 2Q21 VS 2Q20 AND 2Q21 VS 2Q19

R$ Million	2Q21	Share. %	2Q20	Share. %	2Q19	Share. %	Var. % 2Q21/2Q20	Var. % 2Q21/2Q19
Athletic footwear	340.1	85.2%	63.2	64.0%	239.4	73.2%	4381%	42.1%
Women footwear	11.1	2.8%	13.0	13.2%	47.0	14.4%	-14.6%	-76.4%
Other footwear and other (1)	20.5	5.1%	14.3	14.5%	20.3	6.2%	43.4%	1.0%
Apparel and Accessories	27.7	6.9%	8.2	8.3%	20.3	6.2%	237.8%	36.5%
Total Net Revenue	399.4	100.0%	98.7	100.0%	327.0	100.0%	304.7%	22.1%

[1] Slippers, boots and shoe components.

NET REVENUE BY CATEGORY– 2Q21 VS 2Q20 AND 2Q21 VS 2Q19

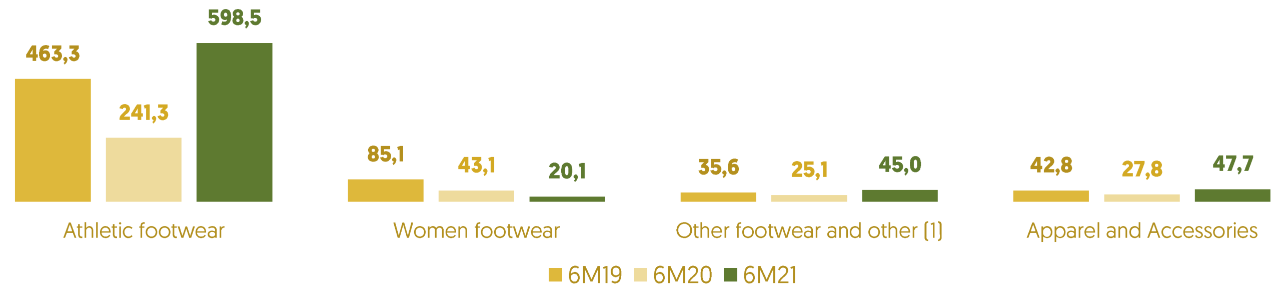


Net revenue in 1H21 totaled R$ 711.3 million, an increase of 110.9% compared to 1H20, when it was R$ 337.3 million, and of 13.5% over the net revenue of R$ 626.8 million in 1H19.

NET REVENUE BY CATEGORY– 6M21 VS 6M20 AND 6M21 VS 6M19

R$ Million	6M21	Share %	6M20	Share. %	6M19	Share %	Var.% 6M21/6M20	Var. % 6M21/6M19
Athletic footwear	598,5	84,1%	241,3	71,5%	463,3	73,9%	148,0%	29,2%
Women footwear	20,1	2,8%	43,1	12,8%	85,1	13,6%	-53,4%	-76,4%
Other footwear and other (1)	45,0	6,4%	25,1	7,4%	35,6	5,7%	79,3%	26,4%
Apparel and Accessories	47,7	6,7%	27,8	8,3%	42,8	6,8%	71,6%	11,4%
Total Net Revenue	711,3	100,0%	337,3	100,0%	626,8	100,0%	110,9%	13,5%

NET REVENUE BY CATEGORY– 6M21 VS 6M20 AND 6M21 VS 6M19



[1] Slippers, boots and shoe components.

\>

NET OPERATING REVENUE

MARKETS

Net revenue in 2Q21 in the domestic market totaled R$ 365.2 million, an increase of 298.7% compared to 2Q20, when it was R$ 91.6 million, and of 21.5% over the net revenue of R$ 300.6 million in 2Q19 In the foreign market, net revenue in 2Q21 totaled R$ 34.2 million, an increase of 381.7% compared to the R$ 7.1 million in 2Q20 and of 29.5% over the R$ 26.4 million in 2Q19.

In the domestic market, when compared to 2Q20, the increase is due to the general increase in almost all categories, with the only exception being the revenue from women's footwear, which decreased.
In this quarter, there was an increase in direct sales to the foreign market when compared to the same period of previous years (2Q20 and 2Q19).

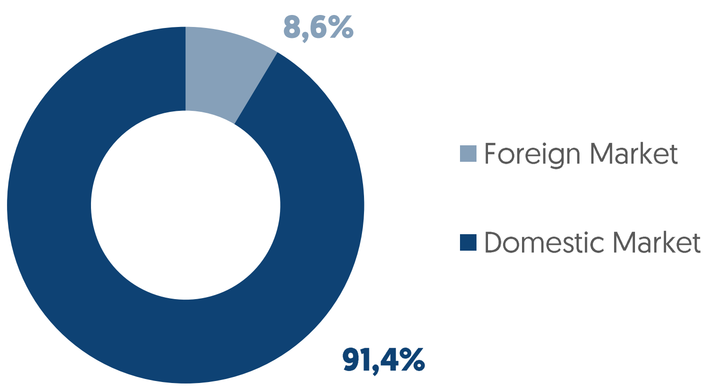
The athletic footwear category posted a significant expansion, but the drop observed in the women's footwear category due to the licensing of the Azaleia brand overshadowed this expansion .

In sales from foreign branches (Peru and Colombia), there was an increase in revenue compared to the same period of the previous year, but still below the revenue in 2Q19. In the foreign branches, a slow recovery was observed, with gradual openings of retail throughout 2Q21. In Peru, efforts to recover the operation continue, but the level of consumption in the economy has dropped sharply due to the effects of the Covid-19 pandemic and also to economic insecurity due to the country's slurred political process. In Colombia, the Company decided to discontinue the branch's activities in the coming months and, therefore, sales in 2Q21 were made only with the balance of existing inventories.

NET REVENUE BY MARKET – 2Q21 VS 2Q20 AND 2Q21 VS 2Q19

R$ Million	2Q21	Share %	2Q20	Share %	2Q19	Share %	Var. % 2Q21/2Q20	Var. % 2Q21/2Q19
Domestic Market	365,2	91,4%	91,6	92,8%	300,6	91,9%	298,7%	21,5%
Foreign Market	34,2	8,6%	7,1	7,2%	26,4	8,1%	381,7%	29,5%
Total Net Revenue	399,4	100,0%	98,7	100,0%	327,0	100,0%	304,7%	22,1%

MARKET SHARE – 2Q21



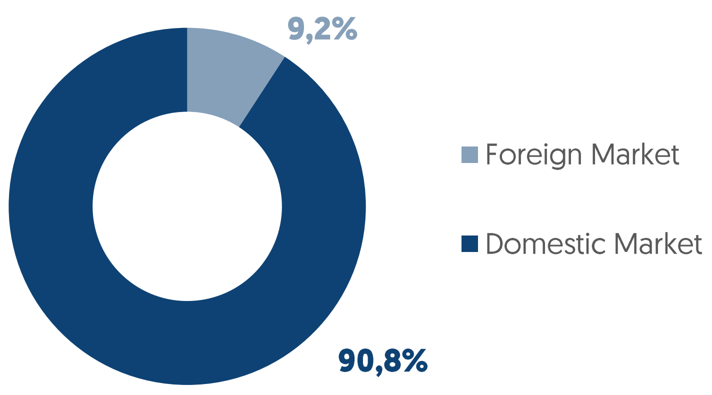
In 1H21, net revenue in the domestic market totaled R$ 645.7 million, an increase of 118.8% compared to 1H20, when it was R$ 295.1 million, and of 12.2% compared to the R$ 575.7 million in 1H19.

In the foreign market, net revenue in 1H21 was R$ 65.6 million, up 55.5% compared to the R$ 42.2 million in 1H20 and up 28.4% compared to the R$ 51.1 million in 1H19.

NET REVENUE BY MARKET – 6M21 VS 6M20 AND 6M21 VS 6M19

R$ Million	6M21	Share. %	6M20	Share. %	6M19	Share. %	Var. % 6M21/6M20	Var. % 6M21/6M19
Domestic Market	645,7	90,8%	295,1	87,5%	575,7	91,8%	118,8%	12,2%
Foreign Market	65,6	9,2%	42,2	12,5%	51,1	8,2%	55,5%	28,4%
Total Net Revenue	711,3	100,0%	337,3	100,0%	626,8	100,0%	110,9%	13,5%

MARKET SHARE - 6M21

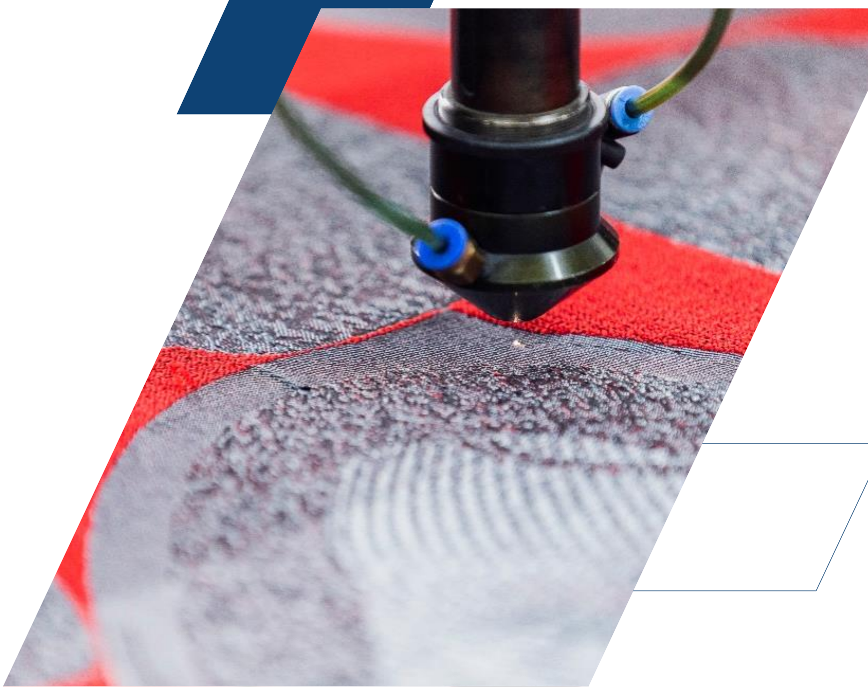


>
E-COMMERCE

In 2Q21, following the general behavior of the market, e-commerce with the Company's brands continued the expansion trend, but at a more moderate pace and grew by 1.6% compared to the same period of the previous year, and by 186.4% compared to 2Q19.

The slowdown in the pace of growth in this channel is due to the Company's strategy of prioritizing the positioning of its brands against an online market fostered by aggressive discounts during this period.

Comparing the accumulated figures for the period, in 1H21 there was growth of 7.9% compared to 1H20, and of 163.0% compared to 1H19. As a share of revenue, e-commerce represented 2.7% in 1H21, down 2.6 pp compared to 5.3% in 1H20 (time of the peak of the pandemic and general drop in revenues from other channels) and growth of 1.5 p.p compared to 1H19.



NET REVENUE AND NOR PARTICIPATION

R$ Million	2Q21	2Q20	2Q19	Var. % 2Q21/2Q20	Var. % 2Q21/2Q19	6M21	6M20	6M19	Var. % 6M21/6M20	Var. % 6M21/6M19
e-commerce Net Revenue	12,6	12,4	4,4	1,6%	186,4%	19,2	17,8	7,3	7,9%	163,0%
Share Net Revenue %	3,2%	12,6%	1,3%	-9,4 p.p.	1,9 p.p.	2,7%	5,3%	1,2%	-2,6 p.p.	1,5 p.p.

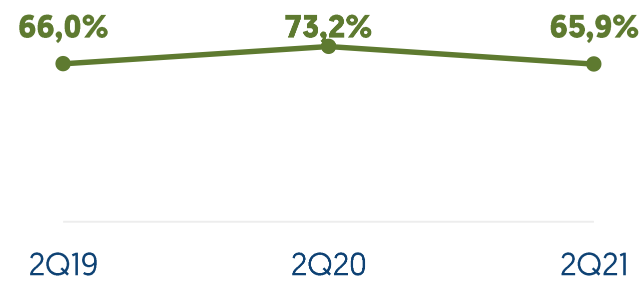
COST OF GOODS SOLD (COGS)

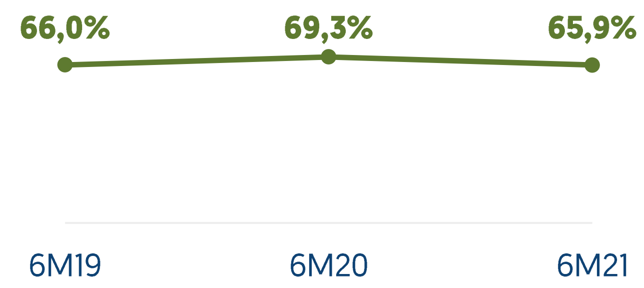
In 2Q21, as a percentage of net sales revenue, cost of goods sold represented 65.9%, compared to 73.2% in the same period in 2020 and 66.0% in 2Q19.

The second quarter of 2020 began in a very challenging scenario for the Company. Factors such as the increase in the number of Covid-19 cases that increased the level of absenteeism at the factories, added to the start of production of the Mizuno footwear collection, not yet developed by the Company, and with the increase in the inventory of products produced due to the impossibility of delivery to customers due to trade restrictions, ended up taking the decision to shut down the factories for 15 days as of 04/15/21, anticipating vacations that would be granted during the 2nd half of the year. Given these facts, the cost of products produced was negatively affected in April and ended up significantly contaminating the Cost of Goods Sold – "CPV", for the entire quarter. In this quarter, the factors that contributed to pressure the cost of the products produced and ended up having a significant impact on the profitability of sales were: (i) anticipation of vacations for 15 days in the second half of April; (ii) problems with the introduction of the collection of manufactured products under the Mizuno brand, which required the adaptation of production processes to a collection that had not been developed by the Company; (iii) the absenteeism rate to grow above what is normally observed and; (iv) pressure on costs due to the impact of higher prices for various raw materials.

In the six months of 2021, as a percentage of net sales revenue, cost of sales represented 65.9%, compared to 69.3% in the same period in 2020 and to 66.0% in 1H19.

COST OF GOODS SOLD (% COGS/NOR)



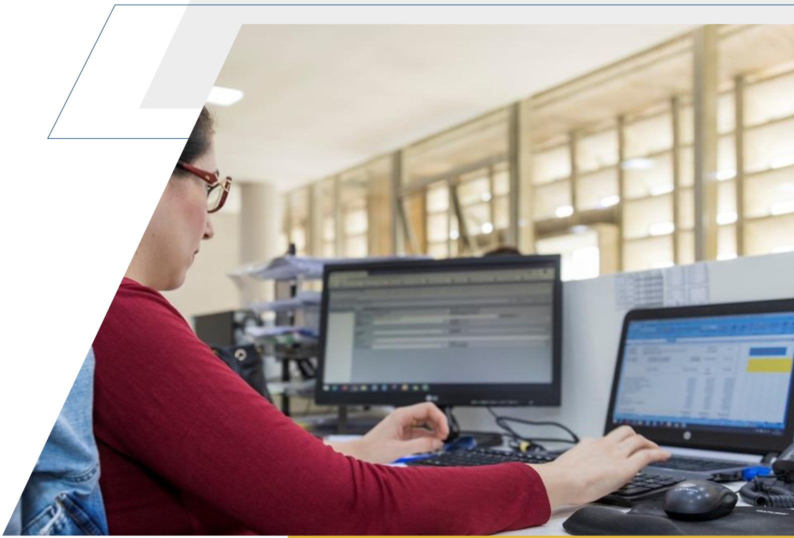


GROSS PROFIT

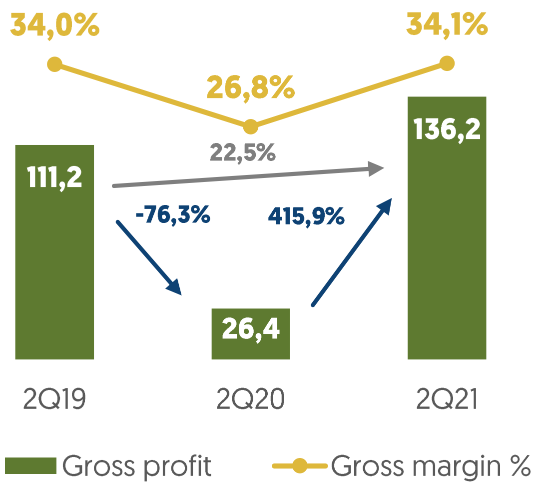
Gross profit in 2Q21 was R$ 136.2 million, an increase of 415.9% compared to R$ 26.4 million in 2Q20 and of 22.5% over the R$ 111.2 million in 2Q19. Gross margin was 34.1% in 2Q21, 7.3 pp higher than the 26.8% in 2Q20 and 0.1 pp higher than the 34.0% in 2Q19.

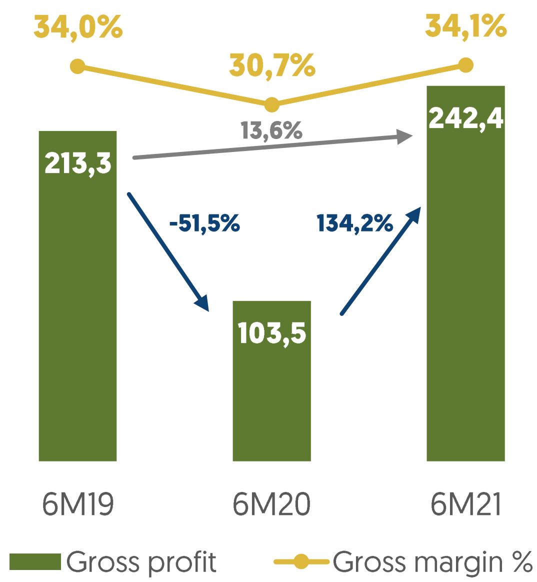
Even having been negatively impacted by the increase in cost components that ended up putting pressure on the costs of products produced, the gross margin increased in relation to the same period of the previous year, and also in comparison with 2Q19, thus maintaining an increase trend in its behavior.

In 1H21, gross profit was R$ 242.4 million, an increase of 134.2% compared with the R$ 103.5 million in 1H20 and of 13.6% over the R$ 213.3 million in 1H19. The margin in 1H21 was 34.1%, 3.4 pp higher than in 1H20 (30.7%) and 0.1 pp higher than in 1H19.



GROSS PROFIT AND GROSS MARGIN





SELLING AND ADVERTISING EXPENSES

Selling and advertising expenses in 2Q21 totaled R$ 61.7 million, an increase of 75.8% compared to 2Q20 and of 14.3% over 2Q19.

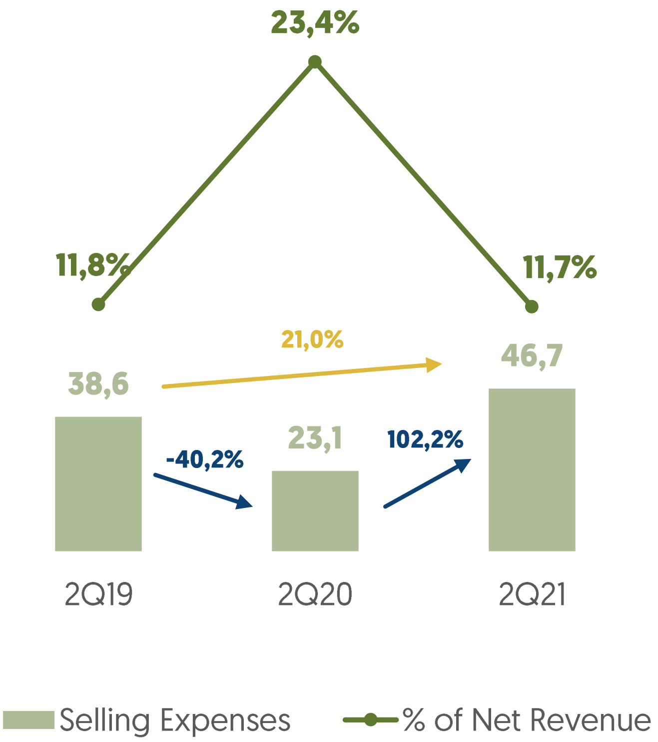
Selling expenses (excluding advertising expenses) increased by 102.2% in 2Q21, compared to expenses in 2Q20, and by 21.0% in relation to 2Q19. A total of R$ 46.7 million was recorded in 2Q21, against R$ 23.1 million and R$ 38.6 million in the same periods of 2020 and 2019. As a share of revenue, selling expenses (excluding advertising expenses) accounted for 11.7% in 2Q21, compared to 23.4% in 2Q20 and 11.8% in 2Q19, a decrease of 11.7 pp compared to 2Q20 and of 0.1 pp over 2Q19.

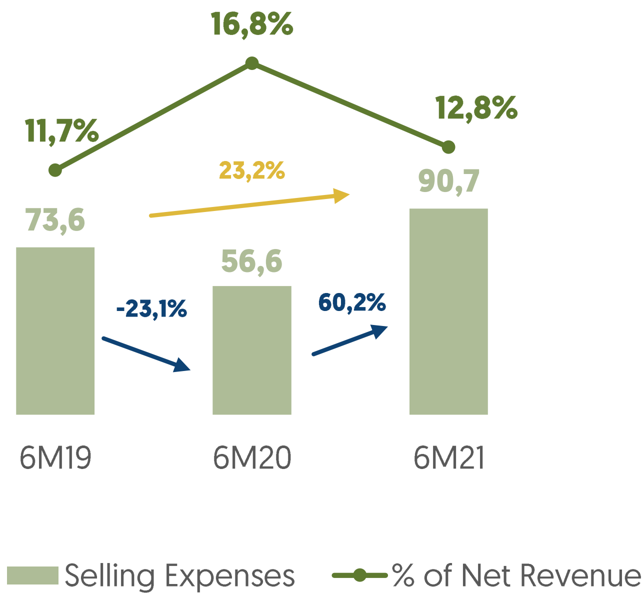
In the quarter comparison, there was an increase in all expenses compared to 2Q20, due to the robust growth in revenue, which increases the volume of variable expenses with commissions, freight and royalties. The exception was the line item "Allowance for doubtful accounts", which presented a reversal of allowance in the amount of R$ 8.6 million due to a sale with discount of credit rights related to trade notes included in the reversed allowance.

The write-off of these notes was transferred to the line item "Discounts granted" in financial income (expenses).

In 1H21, selling expenses (excluding advertising expenses) were R$ 90.7 million, an increase of 60.2% compared to the R$ 56.6 million in 1H20 and of 23.2% in relation to 1H19. The share of selling expenses over net revenue decreased by 4.0 pp in 1H21 compared to 1H20 and increased by 1.1 pp compared to 1H19, reaching 12.8%, 16.8% and 11 .7% in the first six months of 2021, 2020 and 2019 respectively.

SELLING EXPENSES (excluding advertising expenses)



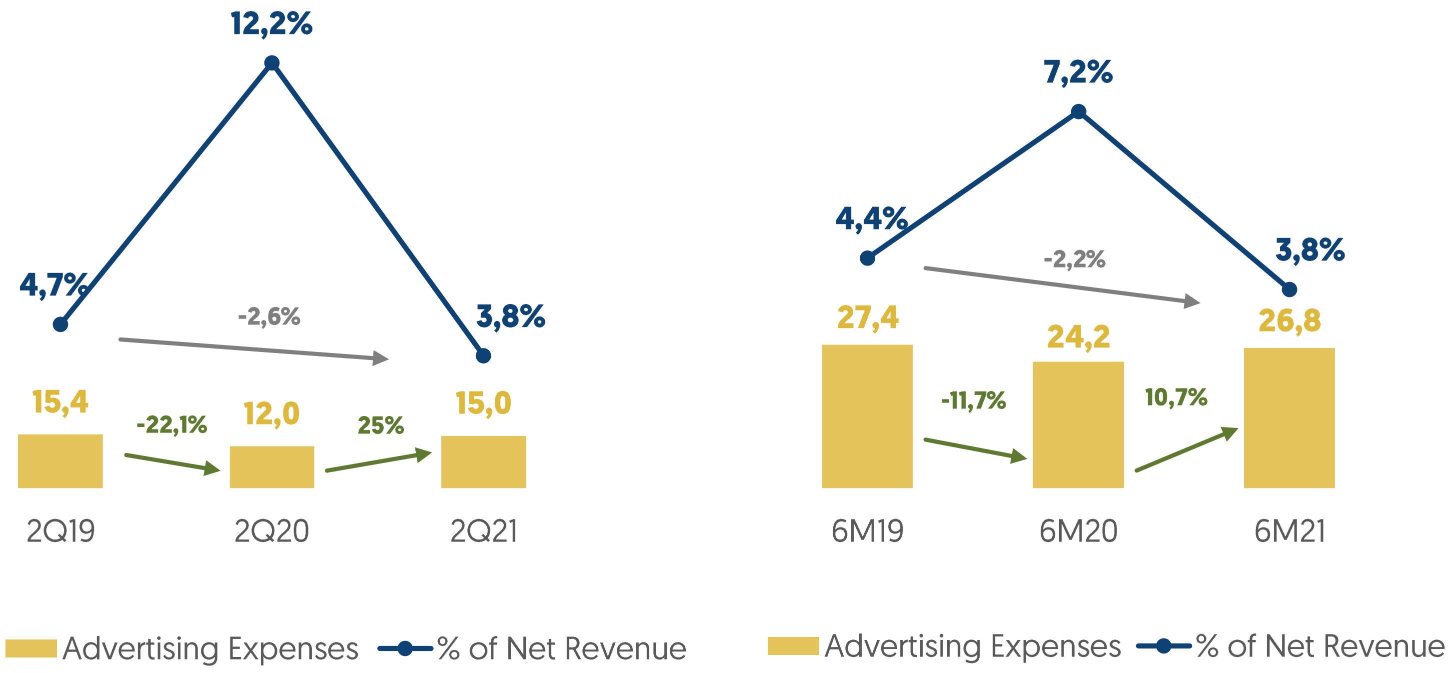


In 2Q21, advertising and marketing expenses totaled R$ 15.0 million, an increase of 25.0% over the R$ 12.0 million in 2Q20 and a decrease of 2.6% compared to 2Q19

The share of advertising and marketing expenses on net revenue represented 3.8% in 2Q21, against 12.2% in 2Q20 and 4.7% in 2Q19, a reduction of 8.4 p.p. and 0.9 p.p., respectively. The relative reduction in marketing expenses, mainly in comparison with 2Q20, is explained by the abrupt reduction in revenue and the impossibility of carrying out marketing actions in 2Q20. In 2Q21, despite the distancing restrictions still in force, throughout May and June, there was a return of some field actions, which focused on the reinforcement of point-of-sale materials for better product exposure

In the 1st half of 2021, advertising and marketing expenses totaled R$ 26.8 million, an increase of 10.7% compared to those in the 1st half of 2020, which totaled R$ 24.2 million and, a reduction of 2.2% when compared to the R$ 27.4 million for the same period of 2019

ADVERTISING AND MARKETING EXPENSES



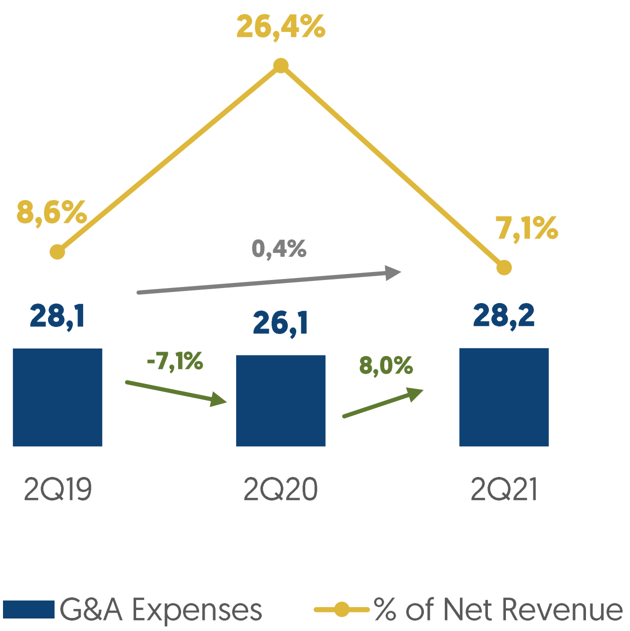
GENERAL AND ADMINISTRATIVE EXPENSES

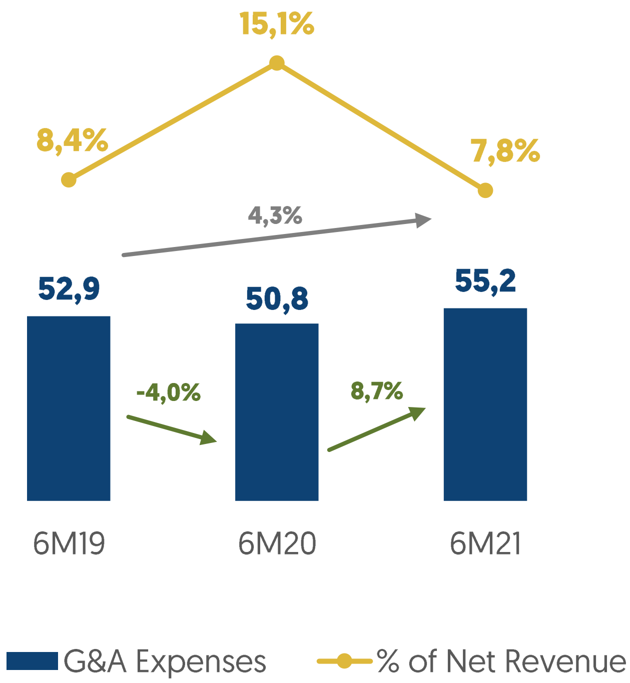
Administrative expenses totaled R$ 28.2 million in 2Q21, an increase of 8.0% compared to 2Q20 and of 0.4% over the R$ 28.1 million in 2Q19. As a percentage of net revenue, there was a reduction of 19.3 pp, from 26.4% in 2Q20 to 7.1% in 2Q21, and a reduction of 1.5 pp when compared to 8.6% in 2Q19.

In the quarter, there was an increase in personnel, IT/telecommunications and leasing expenses, which were partially offset by reductions in third-party services.

In 1H21, compared to the same period of 2020, there was an increase of 8.7% in general and administrative expenses, from R$ 50.8 million to R$ 55.2 million, and an increase of 4.3% compared to the R$ 52.9 million in 1H19. When comparing the percentage of net revenue, there is a decrease of 7.3 p.p. in 1H21 in relation to the equivalent period of 2020, and a reduction of 0.6 pp compared to 1H19.

GENERAL AND ADMINISTRATIVE EXPENSES





>

OTHER NET OPERATING INCOME (EXPENSES)

In 2Q21, Other Net Operating Income (Expenses) resulted in an income of R$ 37.9 million, compared to an expense of R$ 38.0 million in 2Q20. Two "non-recurring" events recorded in this group impacted the results for the period: (i) recognition of R$ 28.6 million, related to the main amount of PIS/COFINS credit on ICMS: (ii) recognition of Pis/Cofins debit on the monetary adjustment of the recognized Pis/Cofins credit in the amount of R$ 1.8 million.

In 2Q21 there was also the effect of the settlement of a pre-existing relationship in the acquisition of assets of the Mizuno brand, which resulted in revenue of R$ 14.0 million. A transaction took place with the acquisition of shares of the company Running Com. and Ind. Art. Esport. Ltd. by the subsidiary Vulcabras CE, which brought with it the assets and rights of use of the 03 stores of the brand and contemplates the adjustments for compensation for royalties assumed by the Company, discount on assets received and price adjustments for the inventories acquired.

In 1H21, the amount generated an income of R$ 36.9 million, compared to an expense of R$ 38.1 million in 1H20.

OTHER NET OPERATING INCOME (EXPENSES)

R$ Million	2Q21	2Q20	Var. % 2Q21/2Q20	6M21	6M20	Var. % 6M21/6M20
Other Net Operating Income (Expenses)	37,9	-38,0	-199,7%	36,9	-38,1	-196,9%

>

NET FINANCIAL INCOME (EXPENSES)

In 2Q21, the company reported a net financial income of R$ 17.7 million, compared to the same period in 2020, when it reported a net financial expense of R$ 1.6 million. In the comparison between 2Q21 and 2Q20, the main variations were observed in the increase in interest paid, due to the expansion of indebtedness over the last few months, and also, the recognition of the foreign exchange losses in 2Q21.

Some "non-recurring" events impacted the performance of the net financial income (expenses) in 2Q21: (i) recognition of R$ 38.9 million in financial income, related to the monetary adjustment of the PIS/COFINS credit on ICMS,; (ii) granting of a financial discount in the amount of R$ 8.6 million due to the sale with a discount of credit rights related to trade notes that were included in the "Allowance for doubtful accounts".

Comparing the six-month periods, the net financial income (expenses) changed from a finance income equivalent to R$ 3.3 million in 1H20 to an income of R$ 11.9 million in 1H21.

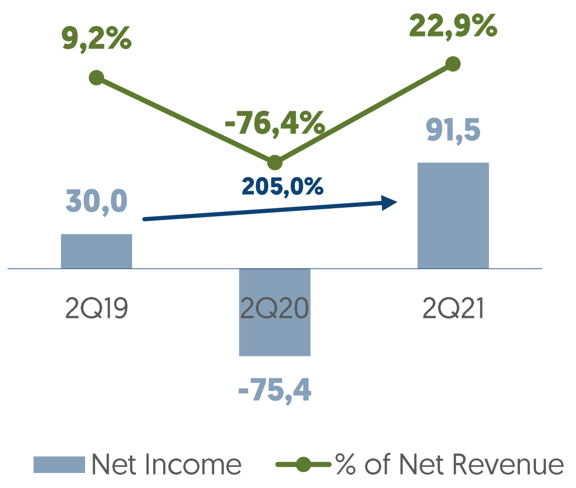
R$ Million	2Q21	2Q20	Var. % 2Q21/2Q20	6M21	6M20	Var. % 6M21/6M20
Capital structure	-7,6	-3,9	94,9%	-14,3	-6,4	123,4%
Operating	-10,9	-0,9	1111,1%	-12,6	-3,0	320,0%
Exchange differences	-7,8	-5,5	41,8%	-13,5	-10,7	26,2%
Financial Costs	**-26,3**	**-10,3**	**155,3%**	**-40,4**	**-20,1**	**101,0%**
Capital structure	1,2	1,3	-7,7%	2,4	2,3	4,3%
Operating	40,1	0,6	6583,3%	42,2	2,9	1355,2%
Exchange differences	2,7	6,8	-60,3	7,7	18,2	-57,7%
Financial Income	**44,0**	**8,7**	**405,7%**	**52,3**	**23,4**	**123,5%**
Net Financial Income	**17,7**	**-1,6**	**-1206,3%**	**11,9**	**3,3**	**260,6%**

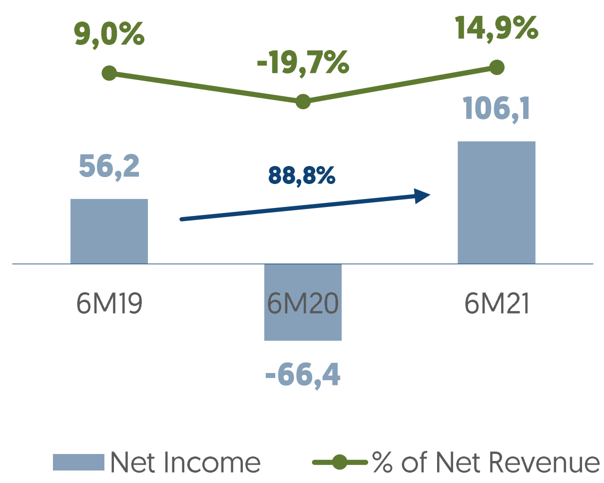
NET INCOME

In 2Q21, the Company posted a net income of R$ 91.5 million, an increase of R$ 166.9 million over the net loss of R$ 75.4 million in 2Q20, and an increase of 205.0% over the result for 2Q19, which was R$ 30.0 million.

The net margin reached 22.9% in 2Q21, an increase of 99.3 pp, compared to the -76.4% in 2Q20, and of 13.7 pp over the net margin in 2Q19, which was 9.2%.

NET INCOME AND NET MARGIN





In 2Q21, some "non-recurring" events impacted the Company's net income. For a better understanding, the amounts and respective effects of each of these events on net income for the quarter and accumulated for the period are shown below.

Net income for 1H21 was R$ 106.1 million, R$ 172.5 million higher than in the same period of the previous year and 88.8% higher than in1H19, when it was R$ 56.2 million. In the comparison between 1H21 and 1H20, net margin increased by 34.6 pp, from (19.7%) in 1H20 to 14;9% in 2021, and increased by 5.9 pp in relation to the net margin in 1H19 which was 9.0%.

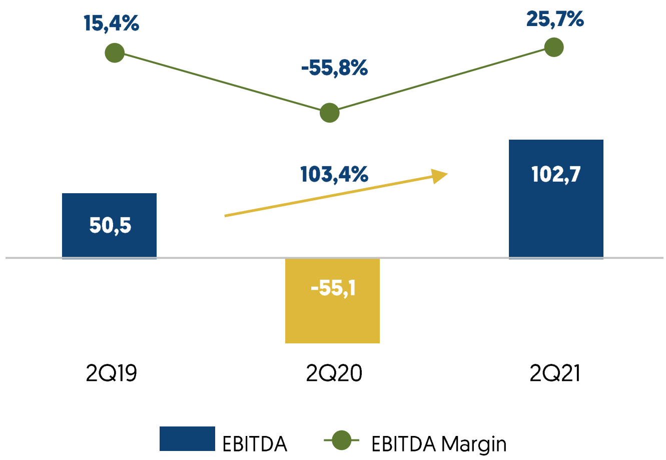
R$ Million	2Q21	2Q20	2Q19	Var. % 2Q21 / 2Q20	Var. % 2Q21 / 2Q19	6M21	6M20	6M19	Var. % 6M21/6M20	Var. % 6M21/6M19
Net Income	91,5	-75,4	30,0	-221,4%	205,0%	106,1	-66,4	56,2	-259,8%	88,8%
(-) Main Pis/Cofins Credit	-28,6	0,0	-2,8	N/A	921,4%	-28,6	0,0	-2,8	N/A	921,4%
(-) Pis/Cofins Credit update	-38,9	0,0	-2,3	N/A	1591,3%	-38,9	0,0	-2,3	N/A	1591,3%
(-) Pis/Cofins on Pis/Cofins Credit update	1,8	0,0	0,0	N/A	N/A	1,8	0,0	0,0	N/A	N/A
(-) PECLD reversal	-8,6	0,0	4,8	N/A	-279,2%	-8,6	0,0	4,8	N/A	-279,2%
(-) Discount granted for the sale of securities Estimated loss for loan losses	8,6	0,0	0,0	N/A	N/A	8,6	0,0	0,0	N/A	N/A
(-) IRPJ/CSLL on recognized Pis/Cofins credit	5,1	0,0	0,0	N/A	N/A	5,1	0,0	0,0	N/A	N/A
(-) Expenses due to the effects of Covid-19	0,0	36,4	0,0	N/A	N/A	0,0	36,4	0,0	N/A	N/A
Ajusted Net Income	30,9	-39,0	29,7	-179,2%	4,0%	45,5	-30,0	55,9	-251,7%	-18,6%
Ajusted Net Income Margin	7,7%	-39,5%	9,1%	47,3 p.p.	-1,3 p.p.	6,4%	-8,9%	8,9%	15,3 p.p.	-2,5 p.p.

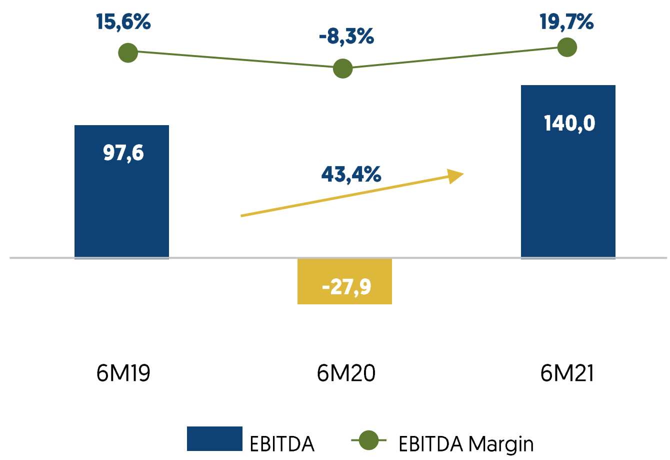
>

EBITDA

In 2Q21, EBITDA was R$ 102.7 million, an increase of R$ 157.8 million compared to (R$ 55.1) million in 2Q20 and of 103.4% compared to R$ 50.5 million in 2Q19. EBITDA margin increased by 81.5 p.p., reaching 25.7% in 2Q21 against -55.8% in 2Q20, and increased by 10.3 p.p compared to 15.4% in 2Q19.

EBITDA – 2Q21 vs. 2Q20 and 2Q21 vs. 2Q19 |6M21 vs 6M20 and 6M21 vs 6M19





In 2Q21, some "non-recurring" events impacted the Company's EBITDA. For a better understanding, the amounts and respective effects of each of these events on EBITDA for the quarter and accumulated for the period are shown below.

R$ Million	2Q21	2Q20	2Q19	Var. % 2Q21/2Q20	Var. % 2Q21/2Q19	6M21	6M20	6M19	Var. % 6M21/6M20	Var. % 6M21/6M19
EBITDA	**102.7**	**-55.1**	**50.5**	**-286.4%**	**103.4%**	**140.0**	**-27.9**	**97.6**	**-601.8%**	**43.4%**
(-) Main Pis/Cofins Credit	-28.6	0.0	-2.8	N/A	921.4%	-28.6	0.0	-2.8	N/A	921.4%
(-) Pis/Cofins on Pis/Cofins Credit update	1.8	0.0	0.0	N/A	N/A	1.8	0.0	0.0	N/A	N/A
(-) PECLD reversal	-8.6	0.0	4.8	N/A	-279.2%	-8.6	0.0	4.8	N/A	-279.2%
(-) Expenses due to the effects of Covid-19	0.0	36.4	N/A	N/A	N/A	0.0	36.4	0.0	N/A	N/A
EBITDA (Adjusted)	**67.3**	**-18.7**	**52.50**	**-459.9%**	**28.2%**	**104.6**	**8.5**	**99.6**	**1130.6%**	**5.0%**
EBITDA Margin (Adjusted)	**16.9%**	**-18.9%**	**16.1%**	**35.8 p.p.**	**0.8 p.p.**	**14.7%**	**2.5%**	**15.9%**	**12.2 p.p.**	**-1.2 p.p.**

(1) EBITDA: Earnings before interest, taxes, depreciation and amortization.

In 1H21, EBITDA was R$ 140.0 million, an increase of R$ 167.9 million over the (R$ 27.9) million in 1H20 and of 43.4% over the R$ 97.6 million in 1H19. EBITDA margin increased by 26.0 pp, reaching 19.7% in 2021, and increased by 4.1 pp over the margin in 1H19, which was 15.6%.

>

ROIC (RETURN ON INVESTED CAPITAL)

Annualized return on invested capital - ROIC1 reached 14.7% in 1H21 - LTM (last twelve months ended 6/30/2021), an increase of 11.9 pp over the 2.8% obtained at 12/31/2020.

ROIC	2018	2019	2020	6M21
Net Income for the period (LTM)	152,1	143,1	31,5	204,1
(+) Net Financial Income (LTM)	6,2	(5,1)	0,1	(8,6)
NOPAT	**158,3**	**138,0**	**31,6**	**195,5**
Invested Capital				
Loans and Financing	60,0	43,1	311,6	377,1
(-) Cash and cash equivalents	(68,6)	(62,2)	(158,6)	(84,7)
(-) Financial Investments	(2,5)	(2,8)	(90,5)	(90,2)
(+) Related Parties	16,3	16,9	17,6	17,8
(+) Equity	941,5	1.087,4	1.125,4	1.232,4
Invested Capital	**946,7**	**1.082,4**	**1.205,5**	**1.452,4**
Average invested capital for the period (1)	**864,3**	**1.014,6**	**1.144,0**	**1.329,0**
Annualized ROIC (2)	**18,3%**	**13,6%**	**2,8%**	**14,7%**

Annualized adjusted return on invested capital (Adjusted ROIC3) was 18.3% in 2Q21 - LTM (last twelve months ended 6/30/2021), an increase of 14.5 pp compared to 3.8% at 12/31/2020.

ADJUSTED ROIC	2018	2019	2020	6M21
Net Income for the period (LTM)	152,1	143,1	31,5	204,1
(+) Net Financial Income (LTM)	6,2	(5,1)	0,1	(8,6)
(-) Gain by advantageous acquisition (LTM)	(13,6)	-	-	–
(-) Equity Results (LTM)	(1,8)	(0,3)	2,0	0,8
NOPAT (Adjusted)	**142,9**	**137,7**	**33,6**	**196,3**
Invested Capital				
Loans and Financing	60,0	43,1	311,6	377,1
(-) Cash and cash equivalents	(68,6)	(62,2)	(158,6)	(84,7)
(-) Financial Investments	(2,5)	(2,8)	(90,5)	(90,2)
(+) Related Parties	16,3	16,9	17,6	17,8
(-) Goodwill on acquisition	(198,2)	(198,2)	(198,2)	(198,2)
(-) Investment in subsidiary	(61,8)	(62,0)	(60,0)	(58,9)
(+) Equity	941,5	1.087,4	1.125,4	1.232,4
Total Adjusted Invested Capital	**686,7**	**822,2**	**947,3**	**1.195,3**
Average adjusted invested capital for the period (1)	**615,2**	**754,5**	**884,8**	**1.071,3**
Adjusted Annualized ROIC 3	**23,2%**	**18,3%**	**3,8%**	**18,3%**

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 profit (loss) plus net financial income less equity and the result from discontinued operations, divided by the average Adjusted Invested Capital. 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 investments in non-controlled companies.

>

CAPEX (CAPITAL EXPENDITURES)

In the 2nd quarter of 2021, R$ 18.8 million were invested in property, plant and equipment and intangible assets. The amount of R$ 18.0 million was invested in property, plant and equipment, an increase of 32.4% compared to 2Q20. The investment in intangible assets in 2Q21 was R$ 0.8 million. The investments made in this quarter are due to the support of the Company's operations, mainly with the growth in investments in molds and dies to support the start-up of production of the new footwear collections.

The amount of R$ 0.8 million was invested in intangible assets in 2Q21, mainly in the acquisition of software licenses. In the first half of 2021, the amount invested in property, plant and equipment totaled R$ 64.9 million. In intangible assets, the amount invested in 1H21 totaled R$ 2.0 million

ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

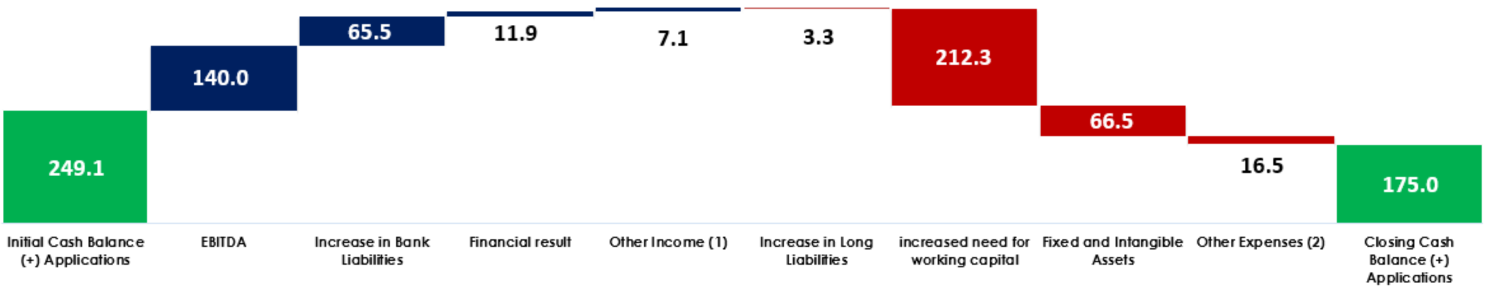
R$ Million	2Q21	2Q20	Var. % 2Q21 / 2Q20	6M21	6M20	Var. % 6M21 / 6M20
Molds	9,1	4,7	93,6%	22,0	11,9	84,9%
Machinery and equipment	3,2	7,0	-54,3%	28,0	11,3	147,8%
Industrial facilities	1,1	1,6	-31,3%	4,2	6,5	-35,4%
Others	4,6	0,3	1433,3%	10,7	1,5	613,3%
Property, plant and equipment	**18,0**	**13,6**	**32,4%**	**64,9**	**31,2**	**108,0%**
Software	0,8	0,8	0,0%	2,0	1,4	42,9%
Assignment of right	0,0	0,0	0,0%	0,0	0,0	0,0%
Others	0,0	0,0	0,0%	0,0	0,0	0,0%
Intangible assets	**0,8**	**0,8**	**0,0%**	**2,0**	**1,4**	**42,9%**
Total	**18,8**	**14,4**	**30,6%**	**66,9**	**32,6**	**105,2%**

CASH FLOW – 1H21

The cash variation in the period was R$ 74.1 million. The variation presented was essentially made up of the following events: (i) EBITDA of R$ 140.0 million; (ii) increase in bank liabilities of R$ 65.5 million; (iii) increase in long-term liabilities of R$ 3.3 million; (iv) investments in property, plant and equipment and intangible assets of R$ 66.5 million; and (v) increase in the need for working capital of R$ 212.3 million.

The main variation in working capital in 2Q20 is due to the increase in inventories of finished products due to the receipt of inventories with the Mizuno brand and the strategic increase in inventories of raw materials.

CASH FLOW – 1H21



>

NET DEBT

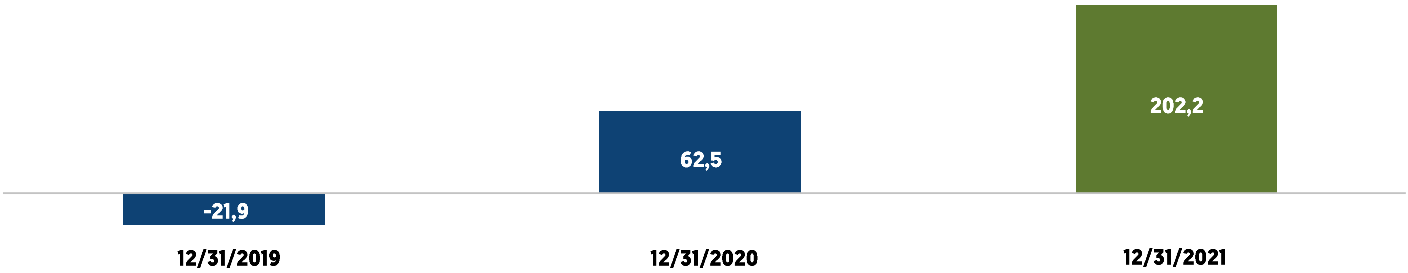
At the end of 2Q21, the Company had a net debt of R$ 202.2 million, R$ 139.7 million higher than at 12/31/2020.

The increase in net debt is due to the significant increase in working capital due to the increase in inventories of finished products, mainly due to the receipt of Mizuno brand products and also to the increase in inventories of some strategic raw materials that continue to show volatility in supply and price. Since the beginning of the pandemic, the Company has maintained its financial discipline and has sought to reinforce its cash using pre-approved credit lines.

NET DEBT

R$ Million	12/31/2019	12/31/2020	06/30/2021	Var% 06/30/2021 – 12/31/2020
Loans and Financing	43,1	311,6	377,1	21,0%
Cash and cash equivalents	62,2	158,6	84,7	-46,6%
Financial investments	2,8	90,5	90,2	-0,3%
Net Debt	**(21,9)**	**62,5**	**202,2**	**223,5%**

NET DEBT EVOLUTION



GROSS DEBT PER CURRENCY

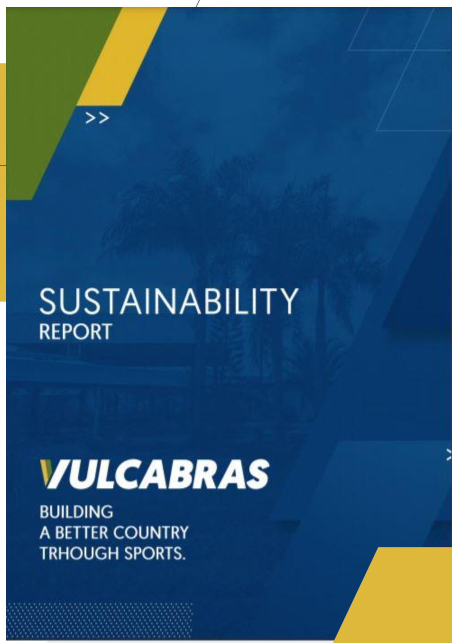
R$ Million	12/31/2020	12/31/2021	Var% 06/30/2021 – 12/31/2020
Local currency	285,1	368,1	29,1%
Foreign currency	26,5	9,0	-66,0%
Total Loans and Financing	**311,6**	**377,1**	**21,0%**

SUSTAINABILITY

In the sustainability pillar, the Company released its first report that compiled the main actions carried out in 2020.

The material was prepared in accordance with the guidelines of the Global Reporting Initiative (GRI) and provides a summary of information on the corporate profile, financial and operational performance, achievements and most important projects of the year, in addition to topics such as governance, strategy, environmental commitment , human resources, social responsibility, health and safety.

The document addresses the company's main socio-environmental initiatives, whose pillars of action are carbon reduction and clean energy, water reuse and saving, circular economy and social responsibility and impact on communities.



Click here and acess the sustainability report.

\>

BRAND MANAGEMENT

The arrival of Mizuno to Vulcabras' portfolio in early 2021 marked the Company's consolidation as the largest sports brand manager in the country. The second quarter was when the results and actions under the new management were actually carried out, as will be further detailed below.

Olympikus and Under Armour continued bringing new products to the market, with new products for the running segment and events related to the sport. It's Vulcabras' way of building solid structures to continue growing, and acting on its purpose, which is to build a better country based on sport.

MIZUNO

After an intense work of two years of research and development at Mizuno's laboratories in Japan, the brand brought to the market the best technology ever developed for performance products.

In the second quarter of 2021 there were two important moments for Mizuno. The first one was the launch of a worldwide and exclusive partnership made with Japanese artist Hajime Sorayama. The second was the arrival of new colors for THE MIZUNO ENERZY, the brand's main focus on the running market. See more details below:

WAVE PROPHECY SORAYAMA

In early 2021, Mizuno took a step forward in its history by releasing the 10th edition of the iconic Wave Prophecy. To celebrate this special moment, the brand, in co-creation with Japanese artist Hajime Sorayama, brought to Brazil in April a special version for sneakerheads: the Mizuno Wave Prophecy Sorayama. The model, which has the latest generation of the modern Infinity Wave damping technology, brings adaptations in the design and sole construction to reinforce the damping and further improve the feeling of comfort.

With more than 40 years of work, Hajime Sorayama became known worldwide for his High-tech and avant-garde work, gaining space in galleries in Europe and the USA, finally reaching the sneakers universe, of which the artist is a great fan. For this partnership with Mizuno, Sorayama tried to bring aspects that speak with his long work recognized around the world, in gray and silver tones, referring to the futuristic aspect of his works.

To reinforce the launch, some special activations were made, such as special content for social networks and special art for Mizuno's e-commerce. Moreover, a seeding was sent to a select group of 23 influencers from the sports and lifestyle segment, who helped to generate interest and desire for the product with more than 85 posts and a total reach of more than 5 million people.

With these efforts, the launch in Brazil was a sales success, with the units available in the brand's e-commerce, YourID and Guadalupe Store (exclusive points of sale for the product) being sold out in a few hours.

Click here and see details of the Wave Prophecy Sorayama creation.

THE MIZUNO ENERZY

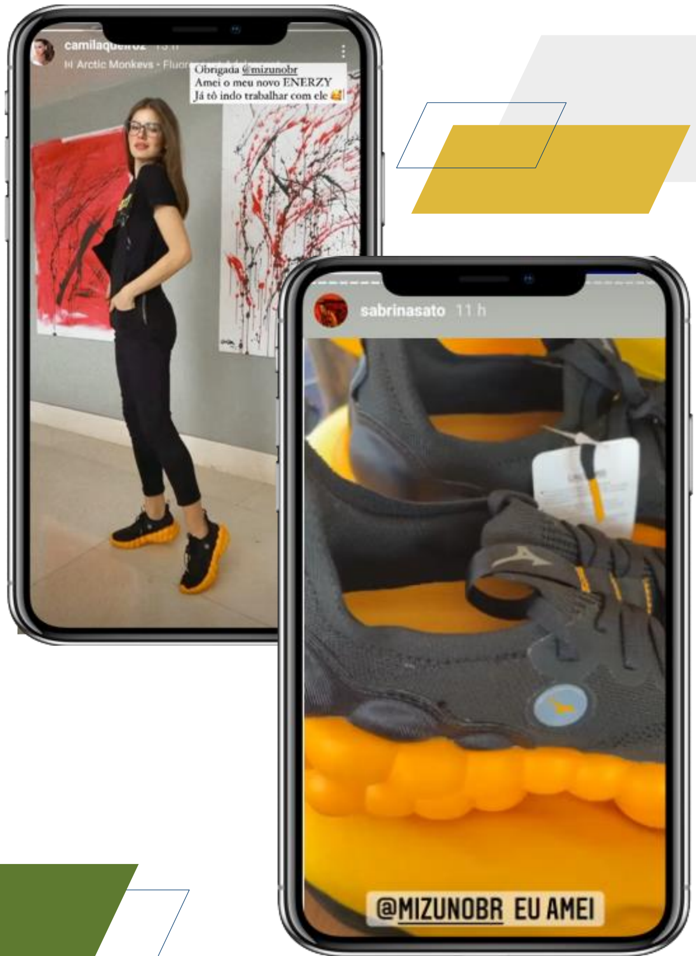
With a purposefully disruptive design, **THE MIZUNO ENERZY** returned to the market in April with new colors - Black & Mustard, Night Blue, Gray & Black, and Black.

After an intense two year work of research and development at Mizuno's laboratories in Japan, the brand brought to the market the best technology ever developed for performance products, which is divided into two parts, the **Mizuno Enerzy**, located in the EVA, and the **Mizuno Enerzy Core**, air-injected rubber that is located on the inside of some models of the brand.

Compared to regular EVA (EVA U4IC), both provide up to 293% more softness and 56% more energy feedback.

The revolutionary technology came to life with THE MIZUNO ENERZY, which as a concept sneaker has the proposal to quickly provide the consumer with the best that Mizuno Enerzy technology has to offer: maximum softness and extreme energy feedback. The technology, however, is already present in other recent launches of the brand, such as Sky 4, Sky Neo, Prorunner Neo, Prorunner 24, Shadow 4 and Revolt. And it will continue to be in several novelties in the coming months.

To mark the arrival of the new colors, some special actions were carried out, both in the area of trade marketing and communication. To tell the story in the best way, a partnership was made with World Tennis, with special point-of-sale materials about the launch in more than 100 stores and exclusive shop windows in 5 selected doors. In addition, special content was produced to activate the launch on the brand's social networks and e-commerce and an exclusive seeding for more than 40 influencers in the sports segment, with a potential reach of more than 40 million people. As a result, big names like Camila Queiroz and Sabrina Sato used and talked a lot about the product in their networks.



OLYMPIKUS

Olympikus Molécula was inspired by nature, designed as a reference to an organic material, similar to the tentacles of an Octopus, providing greater grip and softness across the entire surface.

The second quarter was marked by the arrival of some launches in stores throughout Brazil.

One of the highlights was the Olympikus Molécula model, a product in the athleisure category whose main differential is the sole design with EVASense Plus technology. It was inspired by nature, designed with the reference of an organic material, similar to octopus' tentacles, providing greater grip and softness across the surface.

Click here and knows the creative process of Olympikus Molécula.

To activate this product, digital networks had a major boost with varied content, all with the objective of highlighting both the model and its creation process. One of the most successful content was the product launch video, which had over 6 million views. In addition to digital media, the brand had a large presence at points of sale with activation of shop window displays throughout the country.

OLYMPIKUS HOLOGRAMA

Another release that gained prominence during this period was Olympikus Holograma. A product with a look that stands out for its sole with Zomax technology, a bubble-shaped display that provides stability, combined with EVASense technology that provides more comfort in everyday activities.

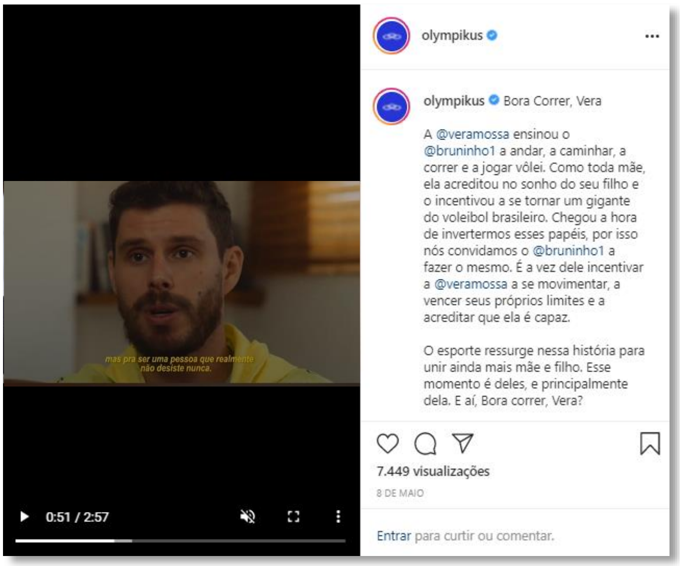
Olympikus Holograma was highly visible in June, close to the Valentine's Day period, an important date for retail, where it took the streets of the city of São Paulo through an activation with external media. In all, the brand had coverage with 480 points, with a total of 1,834,355 insertions in digital media over two weeks. The communication strategy also included digital media investment and presence in shop windows in the same period.

MOTHER'S DAY

Olympikus has as its brand purpose to democratize access to high technology and a sporting lifestyle, supporting the Brazilian running. In a period where sport and physical activity is gaining more and more importance as a topic of physical and mental health, Olympikus has the role of encouraging Brazilians to practice sports.

To mark Mother's Day, and amplify this message, the brand created the "Let's run, mom? " action, an invitation from Olympikus to the children to call their mothers for a run.

As the main activation piece, a video was worked on in which the volleyball player, Bruninho, invites his mother, Vera Mossa, a former volleyball athlete, to run. A message of encouragement, an invitation to practice sports. The video had a reach of 3.5 million users.



Click here to check the special content.

The activation continued on digital, bringing the story of running mothers, and also with a PR action in which running children received a kit from Olympikus to present their mothers with an invitation to run too.

OLYMPIKUS FLASH, VOTED BEST BUY BY CONTRA-RELÓGIO MAGAZINE

In April, the Footwear Guide of Contra-Relógio Magazine, an important publication in the running segment, was released. The Olympikus Flash model received the best buy stamp in this edition of the guide.

Click here to read the full article.

UNDER ARMOUR

This was the first time that the brand manufature models with UA HOVR techology outside Asia, thus attesting the high capacity of the industrial park and also the Vulcabras Technology and Develpment Center.

Under Armor focused on special activations, both at points of sale and online events. At the beginning of the quarter, the brand presented the arrival of the Project Rock collection, whose ambassador was the American actor Dwayne Johnson. The collection includes clothing, shoes and accessories and in Brazil it gained a special activation in the Centauro store chain.

The Under Armor Challenge was launched, a series of trainings in the format of challenges to encourage the audience to break their own barriers. The brand invited the influencer Felipe Titto and the physical trainer Allan Menache to record a schedule of daily exercises that can be performed from anywhere. All training sessions are now available on the store's Instagram profile (@centauroesporte).

HOVR PLATFORM

The period was also marked by the start of production at Vulcabras of shoes with the HOVR damping technology, the main technology of Under Armor shoes. This was the first time that the brand manufactured models with the UA HOVR technology outside Asia, thus attesting to the high capacity of the industrial park and also the Vulcabras Technology and Development Center.

Since the month of May, the UA HOVR Infinite 3 and UA HOVR Infinite Summit 2 shoes, which are global launches for this half of the year; and the UA HOVR Phantom 2, which already exists in the collection, are developed in Brazil with all the benefits and connectivity for runners, who are always seeking to improve their performance.

The launch was marked by intense trade marketing activation at strategic points throughout the country, with shop windows at premium customers, MPDV activations, employee training and digital actions with influencers for Centauro, Deny and Procorrer.

The big highlight was the brand action with Centauro. In partnership with the sporting goods network, Under Armor held the HOVR Challenge and invited five performance influencers to run the most miles over ten days using the UA HOVR Infinite 3 and the UA MapMyRun App.

The three competitors who accumulated the most kilometers during the period participated in a final at the Centauro store on Av. Paulista, with live broadcasts on the store's Instagram profile.

Click here for more information about the Challenge.

Click here to check the best moments of the final.

In addition to customer efforts, the launch of HOVR featured a major press office effort with the launch of the 1st Under Armor High Performance Summit. An activation idealized, developed and produced – as well as HOVR – by UA Brazil with the objective of reinforcing that Under Armor is the brand of human performance that seeks to bring products and technologies that make the athlete even better.

And, to talk about high performance, the brand brought two coaches who influence the greatest athletes in the world when it comes to high performance: Brandon Payne, coach of Stephen Curry and Tom House, coach of Tom Brady. The person responsible for conducting the event was Bruno Vicari, ESPN host.

The online event was open to the public and had more than a thousand subscribers on the access platform. For more details, watch the video:

Click here to watch the event.

So far, 29 press articles have been published, reinforcing the brand's positioning and the launch of the platform, totaling more than 25 million in potential reach and more than R$ 1.8 million in media return. On social networks, more than 50 posts were published, totaling a potential reach of over 15 million and an exposure time of over 3 hours.

RECOVER LINE

Also in the quarter, the brand brought to Brazil the UA Recover line, which has products that enhance the recovery process of an athlete, even while he is not practicing physical activities. The collection reinforces its position as a brand of human performance that believes in and works with products that reach the entire human performance system, which has three recurring processes: training, competition and recovery.

The UA Recover line scientifically guarantees a faster recovery, in addition to providing more energy and less muscle fatigue. The products are made with materials that have mineral infusions and reflect infrared energy that the body radiates back to the muscles. Thus, blood flow and oxygenation are increased, helping to recover and relieve muscle fatigue.

The launch featured an exclusive content production for the retailer Cartel 011, with posts on the client's social networks and selected influencers.

Curry 8

At the end of June, Under Armor reached another important achievement – being marketed by Grupo Afeet, responsible for the Authentic Feet, ARTWALK and Magicfeet stores. The initial milestone for this partnership began with the Curry 8 collection at ArtWalk, with a great brand positioning activation within the so-called Energy Space, a space dedicated to brand activations within Oscar Freire's ArtWalk, a concept store located in the city of São Paulo.

To promote the space, Under Armor invited four influencers from the basketball and sneakerhead segment to get to know the space and a new color for Curry 8 – "Smooth Butter Flow". The subject reverberated on social networks, generating a potential reach of 700 thousand people.

ATTACHMENTS

BALANCE SHEET

BALANCE SHEET (CONSOLIDATED)

R$ millions

ASSETS	06/30/2021	12/31/2020	LIABILITIES	06/30/2021	12/31/2020
Cash and cash equivalents	84,739	158,552	Suppliers	81,797	62,457
Financial Investiments	80,556	80,949	Loans and financing	288,133	127,894
Trade accounts receivable	494,896	574,104	Taxes payable	14,044	11,938
Inventories	518,291	256,924	Salaries and vacation payable	44,391	30,105
Recoverable taxes	92,728	18,330	Provisions	21,839	22,021
Income tax and social contribution	5,443	5,108	Lease liability	9,553	8,343
Amounts receivable for disposal of operation	3,440	3,440	Commissions payable	8,132	16,121
Other accounts receivable	14,477	13,478	Other accounts payable	44,660	26,296
CURRENT ASSETS	**1,294,570**	**1,110,885**	**CURRENT LIABILITIES**	**512,549**	**305,175**
Interest earning bank deposits	9,676	9,594	Loans and financing	89,000	183,735
Trade accounts receivable	8,868	0	Loans with related parties	17,824	17,632
Recoverable taxes	6,715	6,787	Provisions	36,321	34,542
Deferred income tax and social contribution	1,230	1,359	Deferred taxes on revaluation of PP&E	2,335	2,406
Judicial deposits	14,503	15,080	Lease liability	15,513	10,187
Amounts receivable for disposal of operation	3,440	5,160	Other accounts payable	183	183
Other accounts receivable	2,702	2,702			
Assets held for sale	194	194			
LONG-TERM ASSETS	**47,328**	**40,876**	**NON-CURRENT LIABILITIES**	**161,176**	**248,685**
Investments	58,917	59,999			
Investment property	1,940	2,121			
Right to use	22,101	15,145			
Property, plant and equipment (PP&E)	271,654	241,311			
Intangible assets	209,636	208,917			
	564,248	**527,493**			
NON-CURRENT ASSETS	**611,576**	**568,369**	**LIABILITIES**	**673,725**	**553,860**
			Capital	1,106,717	1,106,717
			Revaluation reserves	4,534	4,670
			Capital reserves	3,817	3,034
			Equity valuation adjustments	21,268	21,114
			Accumulated Profits and Losses	95,787	-10,457
			Equity attributable to controlling shareholders	**1,232,123**	**1,125,078**
			Non-controlling interests	**298**	**316**
			SHAREHOLDERS' EQUITY	**1,232,421**	**1,125,394**
TOTAL ASSETS	**1,906,146**	**1,679,254**	**TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY**	**1,906,146**	**1,679,254**

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

STATEMENT OF INCOME

INCOME STATEMENT (CONSOLIDATED)	2Q21	2Q20	VAR (%)	6M21	6M20	VAR (%)
In thousands of Reais						
Net Revenue	**399,412**	**98,681**	**304.8%**	**711,298**	**337,317**	**110.9%**
Cost of sales	-263,176	-72,280	264.1%	-468,930	-233,793	100.6%
Gross Profit	**136,236**	**26,401**	**416.0%**	**242,368**	**103,524**	**134.1%**
Gross Margin	*34.1%*	*26.8%*	*7.3 p.p.*	*34.1%*	*30.7%*	*3.4 p.p.*
Sales expenses	-71,099	-27,675	156.9%	-125,374	-71,964	74.2%
Expected losses for loan losses	9,421	-7,467	n/a	7,942	-8,892	n/a
General and Administratives expenses	-28,207	-26,071	8.2%	-55,207	-50,766	8.7%
Other net operating income (expenses)	37,914	-37,985	-199.8%	36,891	-38,136	-196.7%
Equity in net income of subsidiaries	55	-973	-105.7%	-1,082	-2,373	-54.4%
Net Income before net financial income and taxes	**84,320**	**-73,770**	**-214.3%**	**105,538**	**-68,607**	**-253.8%**
Financial income	43,946	8,695	405.4%	52,283	23,351	123.9%
Financial Expenses	-26,296	-10,279	155.8%	-40,336	-20,080	100.9%
Net financial Income	**17,650**	**-1,584**	**-1214.3%**	11,947	3,271	265.2%
Net Income before taxes	**101,970**	**-75,354**	**-235.3%**	**117,485**	**-65,336**	**-279.8%**
Deferred income tax and social contribution	-10,465	0	n/a	-11,378	-1,104	930.6%
Net Income	**91,505**	**-75,354**	**-221.4%**	**106,107**	**-66,440**	**-259.7%**
Net Income Margin	*22.9%*	*-76.4%*	*99.3 p.p.*	*14.9%*	*-19.7%*	*34.6 p.p.*
Income (loss) attributable to:						
Controlling shareholders	91,500	-75,307		106,108	-66,378	
Non-controlling shareholders	5	-47		-1	-62	
Net Income	**91,505**	**-75,354**		**106,107**	**-66,440**	
Earnings (loss) per share						
Earnings per common share - basic	0.3723	-0.3063		0.4318	-0.2701	
Earnings per common share - diluted	0.3675	-0.3047		0.4262	-0.2686	
Number of shares at end of the year						
Outstanding common shares	245,756,346	245,756,346		245,756,346	245,756,346	
Outstanding common shares with a dilution effect	248,986,346	247,146,346		248,986,346	247,146,346	

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

STATEMENT OF CASH FLOWS

CASH FLOW STATEMENT (INDIRECT METHOD)	6M21	6M20
In thousands of Reais		
Cash flows from operating activities		
Net Income for the period	**106,107**	**-66,440**
Adjustments for:		
Depreciation and amortization	34,519	40,680
Change in the provision for impairment losses in inventory	4,136	9,708
Interest on provisioned leases	819	2,370
Net value of written off tangible and intangible assets	5,209	1,753
Income from financial investments	-1,084	-40
Change in provision for contingency losses	4,597	5,661
Equity in net income of subsidiaries	1,082	2,373
Transaction with share-based payments	783	470
Estimated loss from allowance for doubtful accounts	-7,942	8,892
Loss on sale of subsidiary	0	2,356
Financial charges and exchange-rate change recognized in income (loss)	12,695	11,241
Current Tax	11,378	0
Deferred taxes	0	-343
Minority Interest	1	62
Gain or loss on lease termination	-13	0
Gain on settlement of pre-existing relationship	-13,980	0
Recovery of PIS and COFINS without ICMS	-67,506	-3,359
Ajusted Income for the period	**90,801**	**15,384**
Changes in assets and liabilities		
Financial Investiments	0	0
Account Receivable	77,263	164,459
Inventories	-262,525	-69,529
Prepaid expenses	0	3,649
Recoverable taxes	-7,155	-5,722
Other accounts receivable	-973	-1,637
Judicial deposits	1,988	-4,940
Suppliers	74,894	-8,066
Commissions payable	-7,989	-5,879
Taxes and social contributions	-6,701	-3,413
Salaries and vacations payable	14,121	-11,554
Other accounts payable	10,428	7,386
Provisions	-4,411	-2,411
Receivables for sale of operation	1,720	0
	(109,340)	**62,343**
Interest paid	-12,227	-2,614
Payment of lease interest	-1,101	0
Taxes paid on profit	-2,242	-1,104
	-15,570	**-3,718**
Net Cash Flow provided by (used in) operating activities	**-34,109**	**74,009**
Cash flow from investing activities		
Acquisitions of property, plant and equipment	-63,726	-31,152
Redemption (application) of financial investments	1,395	-151,711
Resource from the sale of subsidiary, net of cash in the consolidated	0	-4,122
Resources from the sale of fixed assets	1,072	387
Intangible acquisitions	-2,002	-1,453
Payment for acquisition of subsidiary	-37,273	0
Net Cash Flow used in investing activities	**- 100,534**	**- 188,051**
Cash flow from financing activities		
Loans obtained - Principal	190,000	232,201
Payment of loans obtained - Principal	-124,493	-384
Loans with related parties	192	0
Payment of financial lease liabilities	-4,554	-4,536
Mutual with related parties	0	346
Net Cash Flow used in financing activities	**61,145**	**227,627**
Increase (decrease) in cash and cash equivalents	**-73,440**	**113,585**
Cash and cash equivalents at beginning of the period	158,552	62,164
exchange variation on cash and cash equivalents	-373	-3,362
Cash and cash equivalents at end of the period	84,739	172,387
Increase (decrease) in cash and cash equivalents	**-73,440**	**113,585**

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

>

INSTITUTIONAL

Vulcabras has been operating in the Brazilian footwear sector for more than six decades; The Company uses all the knowledge already acquired together with the constant search for innovation, to bring to the Brazilian consumer the best proposal for technologically developed products and fashion icons.

During this period, the Company consolidated itself as the largest athletic footwear industry in Brazil and has become a leading brand manager in its respective segments, such as Olympikus, the national sneaker sales champion, Under Armor, one of the largest major apparel, footwear and athletic accessories brand in the world, and Mizuno, the brand that believes in the value of sports and supports the journey of all who give their best regardless of who they are, level and type of sport.

This expertise began in July 1952, with the establishment of Companhia Industrial Brasileira de Calçados Vulcanizados S.A., in São Paulo, a manufacturer of leather shoes with vulcanized rubber soles; Vulcabras 752 was one of its first icons, the name of which is in reference to the month and year of the Company's foundation.

Vulcabras' business model also ensures significant competitiveness, which results in better services to customers. The Company masters all production process stages, from research to production, as well as from marketing to sale to retailers.

The shoes produced are found in stores all over Brazil, with a wide commercial team that serves more than 10,000 customers in the national territory and in more than 20 countries, especially in South America. Consumers can also find Olympikus, Under Armor and Mizuno on their online channels.

There are more than 800 new models per year, designed and developed in one of the largest centers for footwear technology and development in Latin America, located in the municipality of Parobé in the Rio Grande do Sul State.

The products are made in two modern factories located in Brazil's Northeast region; namely, in the cities of Horizonte in the Ceará State, and Itapetinga in the Bahia State. The Company's administrative centers are located in the city of Jundiaí-SP and in the city of São Paulo-SP, in addition to a logistics distribution center for the e-commerce channel located in the city of Extrema-MG. These six units in Brazil directly employ more than 15,900 workers. There are also two branches and distribution centers in Peru and Colombia.

Besides mastering this process, Vulcabras also knows how to transform itself. With these values in tune with its day-to-day operations, the Company is working on a strategy of portfolio diversification and expansion of its base in South America. The focus is on business continuity, constantly seeking innovation and refinement.

>
INDEPENDENT AUDIT

INDEPENDENT AUDITORS

In accordance with CVM Instruction 381/03, Vulcabras S.A. informs that since 01/01/2017, it has appointed “KPMG Auditores Independentes” to audit its individual and consolidated financial statements.

For the review services of June 30, 2021 (2Q21), fees of approximately R$ 190.6 thousand were disbursed.

BOARD STATEMENT

Pursuant to article 25, paragraph 1, item 5 of CVM Instruction No. 480/09, the Board of Directors, at a meeting held on 08/10/2021, declares that it has reviewed, discussed and agreed with the accounting information for the 2nd quarter of 2021 of Vulcabras SA and with the review report of the independent auditors on the individual and consolidated quarterly financial information.

MANAGEMENT

MEMBERS OF THE BOARD OF DIRECTORS

Pedro Grendene Bartelle
Chairman of the Board of Directors

André de Camargo Bartelle
1st Vice Chairman

Pedro Bartelle
2nd Vice Chairman

Hector Nunez
Independent Member

Octávio Ferreira de Magalhães
Independent Member

MEMBERS OF THE BOARD OF EXECUTIVE OFFICERS

Pedro Bartelle
Chief Executive Officer

Rafael Carqueijo Gouveia
Superintendent Director

Wagner Dantas da Silva
Chief Administrative, Financial and Investor Relations Officer

Flávio de Carvalho Bento
Chief Industrial Officer

Evandro Saluar Kollet
Chief Product Development and Technology Officer

Márcio Kremer Callage
Chief Marketing Officer

Rodrigo Miceli Piazer
Chief Supply Chain Officer

EARNINGS RELEASE

2Q21

VULCABRAS

BUILDING
A BETTER COUNTRY
TRHOUGT SPORTS.