

EARNINGS  
RELEASE

Q23  
3

**VULCABRAS**  
we live for the sports

Jundiaí/SP, October 31th, 2023 – Vulcabras S.A. [B3: VULC3] announces today its results for the third quarter of 2023 (3Q23). 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 third quarter of 2023, compared to the same period of 2022, unless specified otherwise.



# HIGHLIGHTS

## GROSS VOLUME

**7.8 million**

pairs/pieces in **3Q23**, a decrease of **5.7%** compared to **3Q22**, and of **22.8 million** pairs/pieces in **9M23**, a decrease of **1.4%** compared to **9M22**.

## NET REVENUE

**R\$ 731.4 million**

in **3Q23**, an increase of **10.2%** compared to **3Q22** and, of **R\$ 2,026.4 million** in **9M23**, an increase of **12.7%** compared to **9M22**.

## GROSS PROFIT

**R\$ 313.5 million**

in **3Q23**, an increase of **25.2%** compared to **3Q22**, and **R\$ 838.5 million** in **9M23**, an increase of **28.1%** compared to **9M22**.

## GROSS MARGIN

**42.9%**

in **3Q23**, an increase of **5.2 p.p.** compared to **3Q22** and, **41.4%** in **9M23**, an increase of **5.0 p.p.** compared to **9M22**.

## RECURRING NET INCOME AND RECURRING NET MARGIN

**R\$ 127.6 million**

in **3Q23**, an increase of **27.7%** compared to **3Q22**, with a recurring Net Margin of **17.4%**, **2.3 p.p.** higher than **3Q22** and, **R\$ 345.0 million** in **9M23**, an increase of **38.7%** compared to **9M22**.

## RECURRING EBITDA AND RECURRING EBITDA MARGIN

**R\$ 177.1 million**

in **3Q23**, growth of **32.0%** compared to **3Q22**, presenting **24.2%** of **Recurring EBITDA Margin (4.0 p.p. higher than 3Q22)** and, **R\$ 462.7 million** in **9M23**, with an increase of **35.1%** compared to **9M22** and, **22.8%** of **Recurring EBITDA Margin** in **9M23 (3.8 p.p. higher than 9M22)**.

Earnings Video Conference

**11/01/2023 às 10h00**

[Brazilian time]

[Access in Portuguese](#)

**VULC3 Quote**  
**(09/30/2023)**

**R\$ 19,79**

**Market Value**

**R\$ 4,9 billion**

**Number of shares**  
**Common**  
**245.916.244**

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

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# MESSAGE FROM MANAGEMENT



In another quarter of record results, Vulcabras continues to reach a new level of revenue and profitability, capturing synergies provided by the focus of its operations on the sports market. The results are consistent, regardless of the challenging retail scenario and adverse macroeconomic scenarios.

In 3Q23, net revenue reached R\$ 731.4 million, new record for the period, with growth of 10.2% versus 3Q22, this being the 13th quarter with consecutive growth above 2 digits. Gross margin reached its highest historical level, reaching 42.9%, 5.2 p.p. higher than the same period of the previous year. EBITDA of R\$177.1 million was the highest recorded in a quarter in the history of Vulcabras, increasing 34% over 3Q22. Net Income reached R\$ 127.6 million, 30.3% higher than that obtained in 3Q22.

Revenue from the footwear division recorded growth of 14.3% compared to 3Q22, a result of the expansion of the three brands. The complementarity of the mix of brands and channels, with portfolios aligned to the profile of each consumer, combined with operations in new product categories, have been increasing the average price and increasing the brands' revenue.

In Olympikus, the Corre Family product line focused on high performance has been driving the growth of the running category, which today represents more than 15% of the brand's revenue.

Under Armour maintains its expansion focusing on the training and basketball categories, global strengths of the brand. The expansion of the assortment through developments made in Brazil boosted growth in sales volume, reinforcing the brand's protagonism in these categories.

Mizuno, on the other hand, expanded its operations in the running category with the launch of a collection of performance sports footwear, developed and produced locally by the Company, exploring new price ranges, with positive performance since launch.

The e-commerce channel practically doubles its sales, with growth of 99.0% compared to 3Q22, jumping from R\$ 38.7 million to R\$ 77.0 million in this quarter. The channel's percentage share of the Company's total revenue reached 10.5% in the quarter, growth of 4.7 p.p. compared to 3Q22. With a strategy focused on positioning and consumer experience, the channel continues to evolve rapidly in both revenue and profitability, as it also captures relevant synergies and economies of scale.

Vulcabras, which throughout 2023 has been making dividend payments consistently every quarter, recently announced an extraordinary payment of approximately R\$ 98 million and today the Company announces another dividend payment in the amount of approximately R\$ 36.8 million (R\$ 0.15 per share), accumulating to date a distribution of R\$ 208,4 million for the 2023 financial year. This recurrence and constancy reinforces the Company's ability to generate cash and constantly search for the best capital allocation, thus delivering to its investor's one of the best Returns on Invested Capital on the market.

The constant evolution of the Company's results is the result of the execution of the strategy focused on sports, which provides growth and captures synergies. The order backlogs and sell-out performance of the three brands maintain our confidence that we will continue to grow consistently and lead Vulcabras to a year of historic results.



**With consistent results, a new level of revenue and profitability results from the focus in sports and capturing synergies.**



# CONSOLIDATED PERFORMANCE



R\$ Million	3Q23	3Q22	Var.% 3Q23/ 3Q22	9M23	9M22	Var. % 9M23/9M22
<b>Volume (million pairs and Itens)</b>	<b>7.8</b>	<b>8.3</b>	<b>-5.7%</b>	<b>22.8</b>	<b>23.1</b>	<b>-1.4%</b>
Gross Operating Revenue	839.7	764.7	9.8%	2,348.6	2,073.8	13.3%
<b>Net Revenue</b>	<b>731.4</b>	<b>663.5</b>	<b>10.2%</b>	<b>2,026.4</b>	<b>1,798.1</b>	<b>12.7%</b>
Domestic Market	692.1	621.8	11.3%	1,883.2	1,619.6	16.3%
Foreign Market	39.3	41.7	-5.8%	143.2	178.5	-19.8%
<b>Gross profit</b>	<b>313.5</b>	<b>250.3</b>	<b>25.2%</b>	<b>838.5</b>	<b>654.6</b>	<b>28.1%</b>
Gross margin %	42.9%	37.7%	5.2 p.p.	41.4%	36.4%	5.0 p.p.
SG&A Operation Expenses	-162.9	-138.0	18.0%	-456.2	-375.6	21.5%
Other Net Operating Income (Expenses)	-1.5	-3.3	-54.5%	2.1	6.6	-68.2%
<b>EBITDA</b>	<b>177.1</b>	<b>132.2</b>	<b>34.0%</b>	<b>463.5</b>	<b>349.2</b>	<b>32.7%</b>
EBITDA Margin	24.2%	19.9%	4.3 p.p.	22.9%	19.4%	3.5 p.p.
<b>Recurring EBITDA</b>	<b>177.1</b>	<b>134.2</b>	<b>32.0%</b>	<b>462.7</b>	<b>342.4</b>	<b>35.1%</b>
Recurring EBITDA Margin	24.2%	20.2%	4.0 p.p.	22.8%	19.0%	3.8 p.p.
<b>Net Income</b>	<b>127.6</b>	<b>97.9</b>	<b>30.3%</b>	<b>350.2</b>	<b>255.6</b>	<b>37.0%</b>
Net Margin	17.4%	14.8%	2.6 p.p.	17.3%	14.2%	3.1 p.p.
<b>Recurring Net Income</b>	<b>127.6</b>	<b>99.9</b>	<b>27.7%</b>	<b>345.0</b>	<b>248.8</b>	<b>38.7%</b>
Recurring Net Margin	17.4%	15.1%	2.3 p.p.	17.0%	13.8%	3.2 p.p.

# GROSS VOLUME



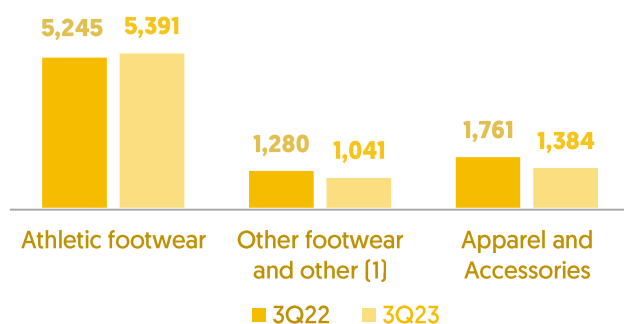
In 3Q23 gross volume billed totaled 7.8 million pairs/pieces, down 5.7% compared to the 8.3 million pairs/pieces in 3Q22.

When comparing the periods, the highlights were:

- (i) Athletic Footwear recorded an increase of 2.8% in 3Q23 compared to the volume sold in 3Q22. This growth is due to both the increase in sales in the domestic and foreign markets. The highlights in this quarter were the growth in the domestic market and the recovery in sales in the foreign market.
- (ii) Other Footwear and Others there was a reduction of 18.7% mainly due to the decrease in the volume sold of flip-flops to the foreign market, which was partially offset by the growth of flip-flops and boots for professional use in the domestic market.
- (iii) Clothing & Accessories there was a reduction of 21.4% in 3Q23 when compared to the volume recorded in 3Q22. In this quarter, the V&A category faced a challenging retail scenario, especially in its specialized distribution.

## GROSS VOLUME OF PAIRS AND PIECES/THOUSAND – 3Q23 vs 3Q22

Pairs and items (thousand)	3Q23	Partic. %	3Q22	Partic. %	Var. % 3Q23/3Q22
<b>Athletic footwear</b>	5,391	69.0%	5,245	63.3%	2.8%
<b>Other footwear and other <sup>(1)</sup></b>	1,041	13.3%	1,280	15.4%	-18.7%
<b>Apparel and Accessories</b>	1,384	17.7%	1,761	21.3%	-21.4%
<b>Total</b>	<b>7,816</b>	<b>100.0%</b>	<b>8,286</b>	<b>100.0%</b>	<b>-5.7%</b>

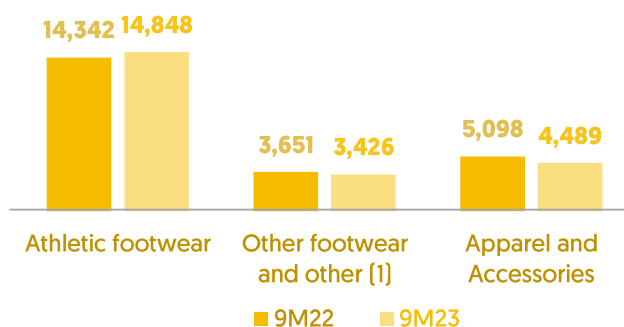


In 9M23, gross volume totaled 22.8 million pairs/pieces, a slight reduction of 1.4% compared to the volume of 9M22, which reached 23.1 million pairs/pieces.

The dynamics throughout 9M23 was one of volume growth in the domestic market, which was overshadowed by the retraction in the foreign market and the branch in Peru.

## GROSS VOLUME OF PAIRS AND PIECES/THOUSAND - 9M23 VS 9M22

Pairs and items (thousand)	9M23	Share %	9M22	Share %	Var. % 9M23/9M22
<b>Athletic footwear</b>	14,848	65.2%	14,342	62.1%	3.5%
<b>Other footwear and other <sup>(1)</sup></b>	3,426	15.1%	3,651	15.8%	-6.2%
<b>Apparel and Accessories</b>	4,489	19.7%	5,098	22.1%	-11.9%
<b>Total</b>	<b>22,763</b>	<b>100.0%</b>	<b>23,091</b>	<b>100.0%</b>	<b>-1.4%</b>



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

# NET OPERATING REVENUE: CATEGORY



In 3Q23, Vulcabras exhibited resilience in its operations, even in the face of the challenging sports retail scenario. Net revenue reached R\$ 731.4 million, which represented an increase of 10.2% compared to the R\$ 663.5 million recorded in 3Q22.

In this quarter, the Company continued to demonstrate revenue growth above the market average, maintaining a solid pace of sales expansion and achieving positive performance across all of its sports brands.

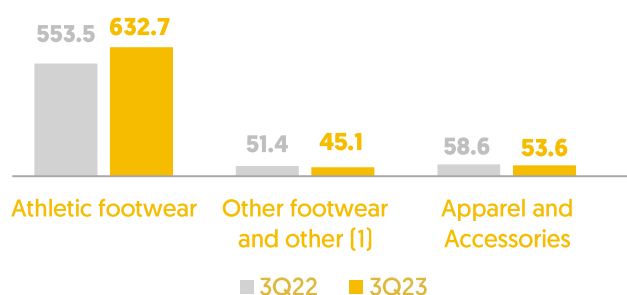
The Athletic Footwear category recorded an increase of 14.3% in 3Q23 compared to the same period of the previous year. This growth in revenue is due to the increase in sales, both in the domestic and foreign markets.

The Other Footwear and Others category decreased by 12.3% over 3Q22. The reduction in revenue in this category is mainly due to the decline in the performance of flip-flops sold on the foreign market, although it was partially offset by the increase in sales of flip-flops and boots for professional use in the domestic market.

The Apparel and Accessories category presented a reduction of R\$ 5.0 million, a decrease of 8.5% compared to 3Q22. Faced with a challenging retail scenario, especially in the specialized distribution of apparel and accessories, revenues of this categories ended up suffering a reduction.

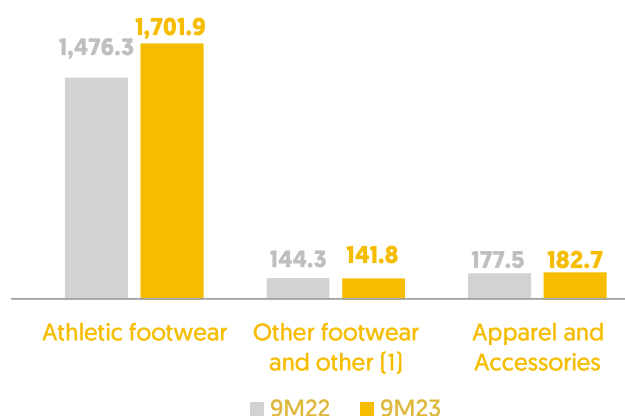
## NET REVENUE BY CATEGORY – 3Q23 VS 3Q22

R\$ Million	3Q23	Partic. %	3Q22	Partic. %	Var. % 3Q23/3Q22
Athletic footwear	632.7	86.5%	553.5	83.4%	14.3%
Other footwear and Other (1)	45.1	6.2%	51.4	7.8%	-12.3%
Apparel and Accessories	53.6	7.3%	58.6	8.8%	-8.5%
<b>Total Net Revenue</b>	<b>731.4</b>	<b>100.0%</b>	<b>663.5</b>	<b>100.0%</b>	<b>10.2%</b>



## NET REVENUE BY CATEGORY – 9M23 VS 9M22

R\$ Million	9M23	Partic. %	9M22	Partic. %	Var. % 9M23/9M22
Athletic footwear	1,701.9	84.0%	1,476.3	82.1%	15.3%
Other footwear and Other (1)	141.8	7.0%	144.3	8.0%	-1.7%
Apparel and Accessories	182.7	9.0%	177.5	9.9%	2.9%
<b>Total Net Revenue</b>	<b>2,026.4</b>	<b>100.0%</b>	<b>1,798.1</b>	<b>100.0%</b>	<b>12.7%</b>



“**The Footwear Division grew 14.3% as a result of the complementary mix of brands and channels, and portfolios aligned with the brand's consumer profile**”

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

# NET OPERATING REVENUE: MARKETS



In the domestic market, net revenue reached the mark of R\$ 692.1 million in 3Q23, an increase of 11.3% compared to the same period in 2022, when it totaled R\$ 621.8 million.

The Company's three brands showed growth in the domestic market compared to 3Q22. The highlight of the quarter was the growth of Athletic footwear, although there was a reduction in revenues in the apparel and accessories category.

In the foreign market, net revenue for 3Q23 reached R\$ 39.3 million, a decrease of 5.8% compared to the R\$ 41.7 million recorded in 3Q22. Although the Athletic footwear category has shown positive performance, the difficulties faced over the last few quarters in the Argentine market (main destination for our exports) still persist and this is the main challenge for exports to return to their historic level.

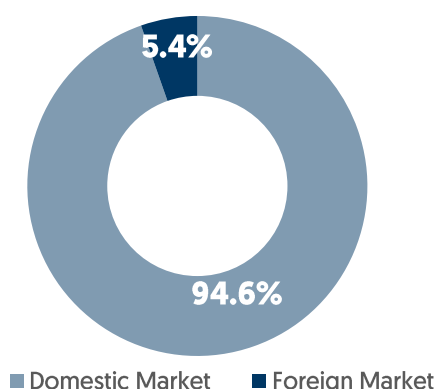
Regarding the drop in flip-flop exports, in 3Q22 we carried out, on a one-off basis, a significant export of 275 thousand pairs of Under Armour brand flip-flops to the North American market, supporting our partner who was, at the time, facing complications in global supply of these models. With the normalization of supplies, this one-off volume was not repeated in 3Q23 and this justifies the drop in flip-flop exports recorded this quarter.

At the Peru branch, we saw a reduction in revenue compared to the same period last year, reflecting these challenging conditions.

## NET REVENUE BY MARKET – 3Q23 VS 3Q22

R\$ Million	3Q23	Partic. %	3Q22	Partic. %	Var. % 3Q23/3Q22
Domestic Market	692.1	94.6%	621.8	93.7%	11.3%
Foreign Market	39.3	5.4%	41.7	6.3%	-5.8%
<b>Total Net Revenue</b>	<b>731.4</b>	<b>100.0%</b>	<b>663.5</b>	<b>100.0%</b>	<b>10.2%</b>

## MARKET SHARE – 3Q23



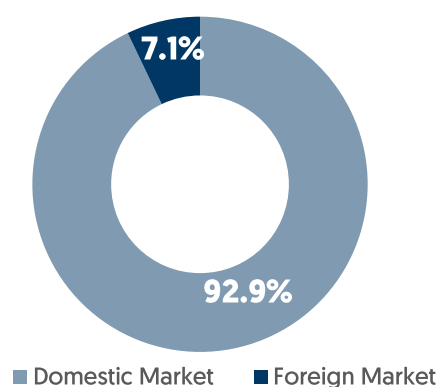
In 9Q23, net revenue in the domestic market totaled R\$ 1,883.2 million, an increase of 16.3% compared to the same period in 2022, when net revenue reached R\$ 1,619, 6 million. This growth highlights our solid performance in the domestic market.

On the other hand, in the foreign market, net revenue in 9M23 totaled R\$ 143.2 million, which represented a reduction of 19.8% compared to the R\$ 178.5 million obtained in the same period of the previous year. This decrease reflects the challenges faced in international markets. It is worth noting that also in the comparison of the accumulated nine months, 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 who was facing, at the time, complications in supply overall of these models and increased the comparison base by 418 thousand pairs in the Other footwear and Others category.

## NET REVENUE BY MARKET - 9M23 vs 9M22

R\$ Million	9M23	Partic. %	9M22	Partic. %	Var. % 9M23/9M22
Domestic Market	1,883.2	92.9%	1,619.6	90.1%	16.3%
Foreign Market	143.2	7.1%	178.5	9.9%	-19.8%
<b>Total Net Revenue</b>	<b>2,026.4</b>	<b>100.0%</b>	<b>1,798.1</b>	<b>100.0%</b>	<b>12.7%</b>

## MARKET SHARE– 9M23



# E-COMMERCE



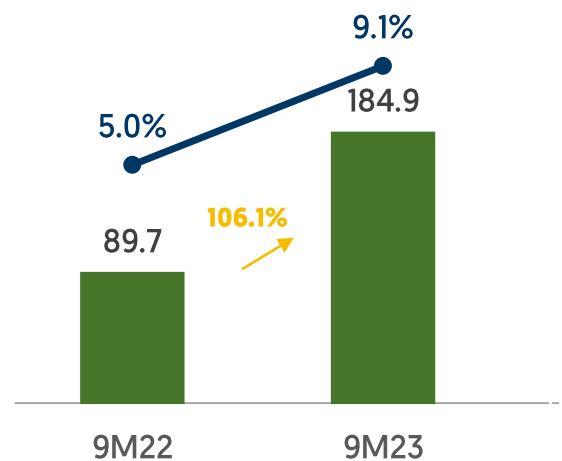
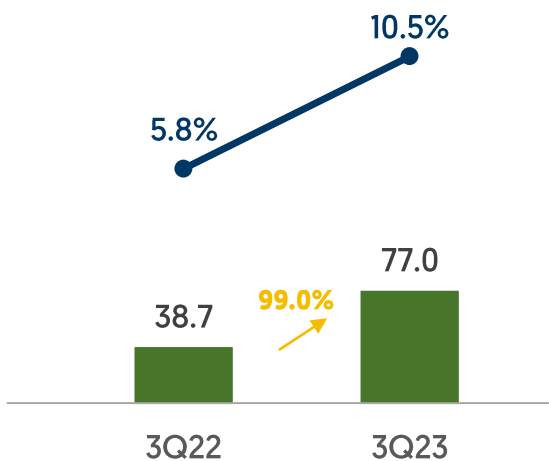
Highlight in the period, once again the Company's E-commerce recorded a significant growth of 99.0% in relation to the same period of the previous year, reaching the mark of R\$ 77.0 million in net revenue in 3Q23.

With a strategy focused on positioning and consumer experience, the channel continues to evolve rapidly. The share of digital sales in 3Q23 reached 10.5% of consolidated net operating revenue, representing an increase of 4.7 percentage points compared to the 5.8% recorded in 3Q22. In 9M23, the share of digital sales reached 9.1% of consolidated net operating revenue, which represents an increase of 4.1 percentage points compared to 5.0% in 9M22.

**“**  
**With growth of 99.0%, channel practically doubles its sales focused in the positioning and experience of the client.**  
**”**

## NET REVENUE AND NOR PARTICIPATION

R\$ Million	3Q23	3Q22	Var. % 3Q23/3Q22	9M23	9M22	Var. % 9M23/9M22
<b>E-commerce Net Revenue</b>	77.0	38.7	99.0%	184.9	89.7	106.1%
<b>NOR Participation %</b>	10.5%	5.8%	4.7 p.p.	9.1%	5.0%	4.1 p.p.



■ E-comm Net Revenue ● Share Net Revenue

■ E-comm Net Revenue ● Share Net Revenue



# COST OF GOODS SOLD (COGS)



In 3Q23, the cost of goods sold represented 57.1% of net sales revenue, in contrast to the 62.3% recorded in the same period of 2022.

Throughout 3Q23, the predictability of production plans, driven by the robust order backlog, guaranteed the maintenance of production efficiency within planned levels. This performance, combined with more favorable inflation, resulted in improvements in the costs of goods sold throughout the quarter.

In 9M23, as a percentage of net sales revenue, cost of sales represented 58.6% compared to 63.6% in the same period of 2022. This reduction reflects our ongoing commitment to operational efficiency and effective cost management, strengthening our market position and improving profitability.

## COST OF GOODS SOLD (% COGS/NOR)



# GROSS PROFIT AND GROSS MARGIN



Gross profit in 3Q23 reached the mark of R\$ 313.5 million, an increase of 25.2% compared to R\$ 250.3 million in the same period of 3Q22. Gross margin reached 42.9% in 3Q23, a significant increase of 5.2 percentage points compared to 37.7% in 3Q22.

For the eleventh consecutive quarter, the Company reports growth in its gross margin. The 5.2 p.p. gain achieved in 3Q23 compared to the margin obtained in 3Q22 demonstrates the consistency and robustness of the Company's business model.

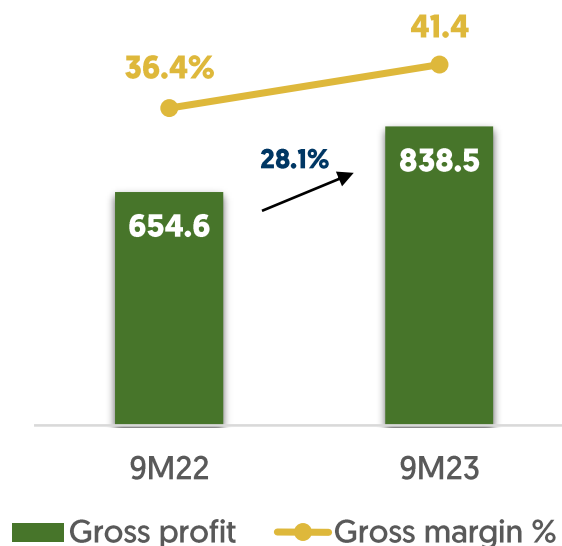
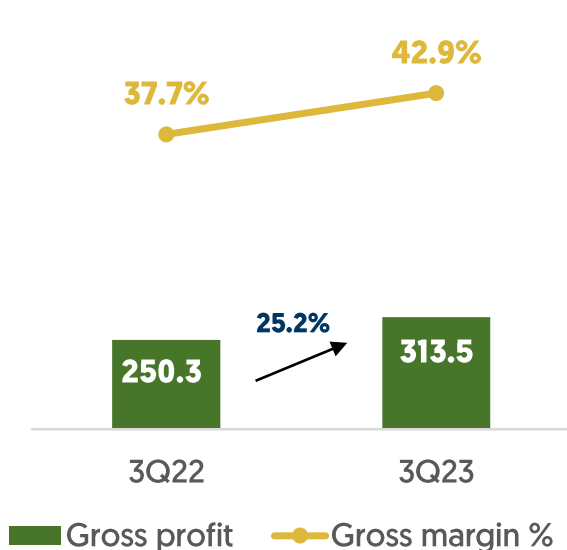
The main factors that contributed to this gross margin gain include:

- 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.

In 9M23, gross profit was R\$ 838.5 million, an increase of 28.1% over the R\$ 654.6 million obtained in the same period of 2022 (9M22). Margin in 9M23 reached 41.4%, 5.0 p.p. higher than the 36.4% obtained in 9M22.

**“The expansion of the brands' product portfolio, the growth in DTC sales and, the capture of synergies in the production process contributed to the growth in gross margin.”**

## GROSS PROFIT AND GROSS MARGIN



# SELLING AND ALLOWANCE FOR DOUBTFUL ACCOUNTS EXPENSES



Selling, advertising and allowance for doubtful accounts expenses in 3Q23 totaled R\$ 123.3 million, an increase of 16.9% compared to the same period in 2022.

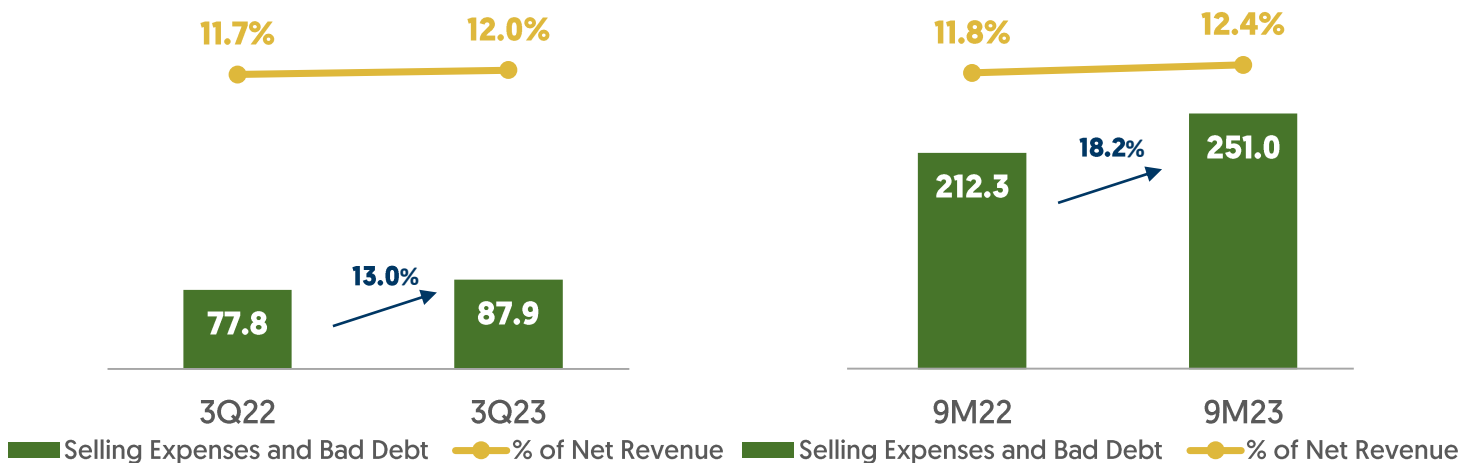
Direct expenses linked to sales and allowance for doubtful accounts, excluding those related to advertising, reached the mark of R\$87.9 million, growing 13.0% when compared to the R\$77.8 million recorded in the same period of the previous year. In terms of revenue share, selling expenses, excluding advertising, in 3Q23 represented 12.0% and in 3Q22 the share was 11.7%.

During 3Q23, some variable sales 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. The exception to this scenario was the item "Estimated Losses on Doubtful Credits" which presented a reversal of provision due to changes in expectations of receipt of certain receivables previously provisioned as probable losses.

In 9M23, selling expenses (excluding advertising expenses) totaled R\$ 251.0 million, an increase of 18.2% over the R\$ 212.3 million recorded in the same period in 2022. The share of selling expenses over net revenue increased by 0.6 p.p. in the comparison between 9M23 [12.4%] and 9M22 [11.8%].

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



# ADVERTISING AND MARKETING EXPENSES



In 3Q23, advertising and marketing expenses totaled R\$ 35.4 million, an increase of 27.8% over the R\$ 27.7 million in 3Q22.

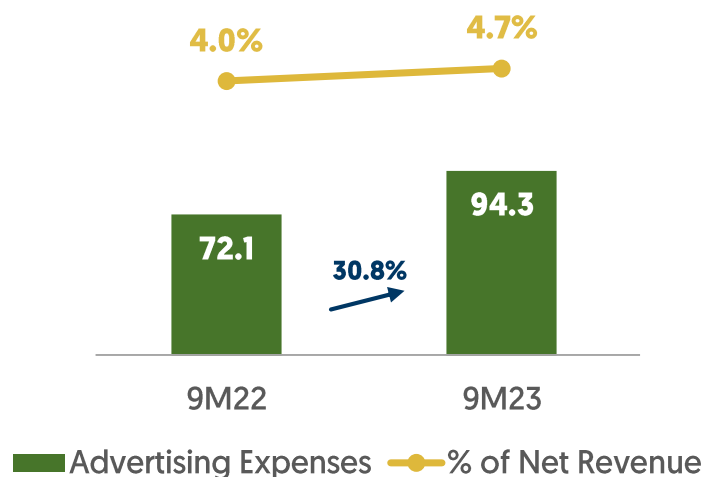
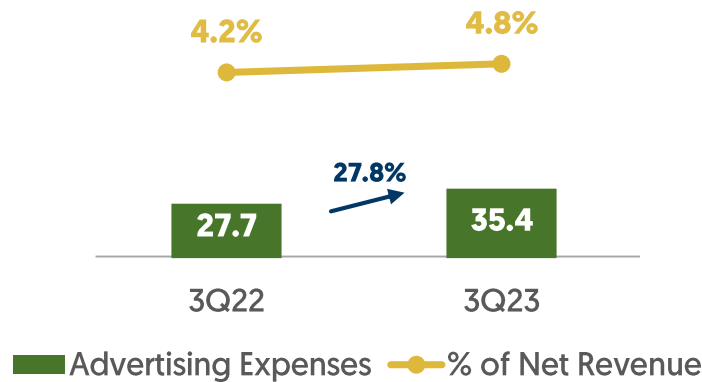
In relation to net revenue, advertising and marketing expenses represented 4.8% in 3Q23, an increase of 0.6 percentage points in relation to the share observed in 3Q22.

Investments in marketing supported the accelerated pace of revenue growth and guaranteed a prominent presence for our brands in the main

Brazilian sports retail windows.

During 3Q23, Olympikus conducted another stage of the "Bota Pra Correr" racing circuit, this time taking place in the stunning Costa do Conde, in Paraiba. The event was attended by hundreds of runners, all of whom were strongly engaged with the brand, contributing to the continuous evolution of the iconic line of running footwear known as the "Corre" family.

## ADVERTISING AND MARKETING EXPENSES



# GENERAL AND ADMINISTRATIVE EXPENSES



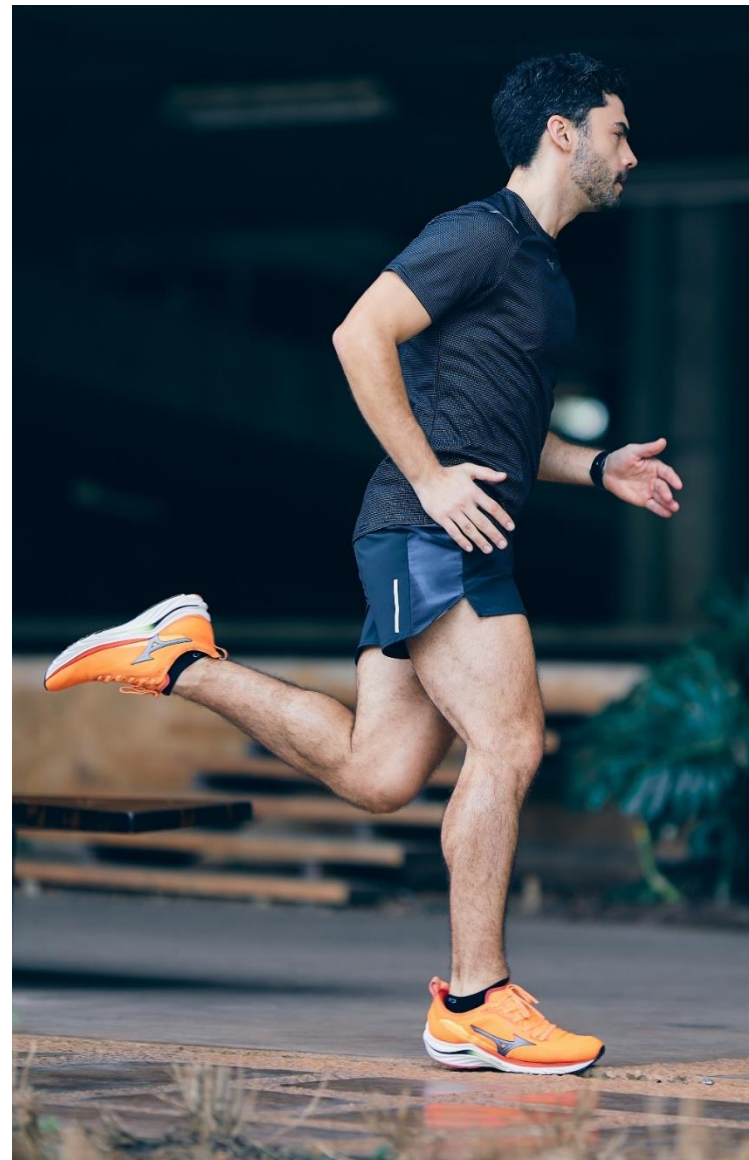
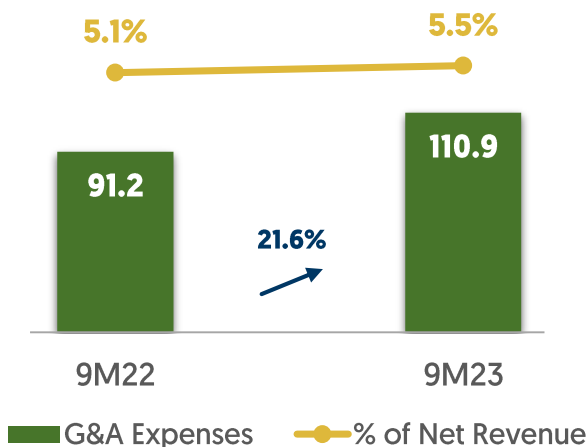
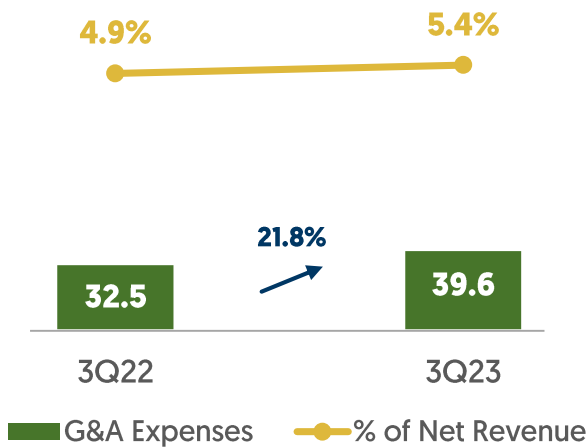
General and administrative expenses totaled R\$ 39.6 million in 3Q23, an increase of 21.8% compared to 3Q22. As a percentage of net revenue, there was an increase of 0.5 p.p., from 4.9% in 3Q22 to 5.4% in 3Q23.

In 3Q23, the growth in administrative expenses can be attributed mainly to the transfer to administrative salaries of the increases negotiated in collective agreements and, also, to the increase in personnel expenses as a result of specific reinforcements in the

teams and, in third-party services, the increase is due to the expansion of services related to DTC (Direct to Consumer) BackOffice.

In 9M23, there was an increase of 21.6% in general and administrative expenses compared to the same period in 2022, from R\$ 91.2 million to R\$ 110.9 million in the same period of 2023. When comparing the percentage of net revenue, there is an increase of 0.4 p.p. in 3Q23 in relation to the equivalent period of 2022.

## GENERAL AND ADMINISTRATIVE EXPENSES



# OTHER NET OPERATING INCOME (EXPENSES)



In 3Q23, Other Net Operating Income (Expenses) resulted in an expense of R\$ 1.5 million, marking an improvement in relation to the expense of R\$ 3.3 million in 3Q22.

It should be noted that in 3Q22 there was the recognition of "non-recurring" expense in the amount of R\$ 1.9 million that impacted this item.

In 9M23, compared to the same period of 2022, there was a reduction of 68.2% resulting in revenue of R\$ 2.1 million in 9M23.

## OTHER NET OPERATING INCOME (EXPENSES)

R\$ Million	3Q23	3Q22	Var. % 3Q23/3Q22	9M23	9M22	Var. % 9M23/9M22
<b>Other Net Operating Income (Expenses)</b>	-1.5	-3.3	-54.5%	2.1	6.6	-68.2%

# NET FINANCIAL INCOME (EXPENSES)

In 3Q23, the Company reported a net financial expense of R\$ 2.9 million, an improvement compared to the same period in 2022, when it reported a net financial expense of R\$ 6.5 million.

Comparing 3Q23 with 3Q22, 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. However, this increase was partially offset by the increase in interest paid and the increase in foreign exchange loss.

In the nine months, the financial income (expenses) presented a financial expense of R\$ 24.5 million in 9M22, in contrast to an expense of just R\$ 1.9 million in 9M23.

## NET FINANCIAL INCOME (EXPENSES)

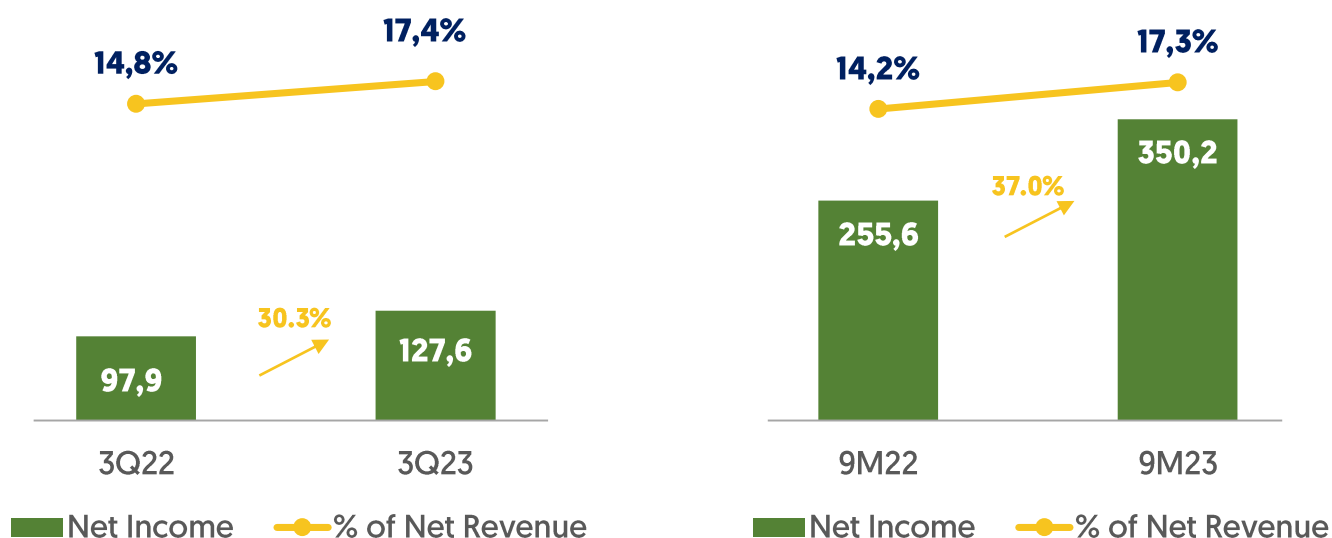
R\$ Million	3Q23	3Q22	Var. % 3Q23/3Q22	9M23	9M22	Var. % 9M23/9M22
Capital structure	-13.2	-10.4	26.9%	-43.5	-34.9	24.6%
Operating	-2.8	-3.1	-9.7%	-7.5	-8.3	-9.6%
Exchange differences	-8.7	-3.8	128.9%	-20.1	-22.3	-9.9%
<b>Financial Costs</b>	<b>-24.7</b>	<b>-17.3</b>	<b>42.8%</b>	<b>-71.1</b>	<b>-65.5</b>	<b>8.5%</b>
Capital structure	11.5	4.1	180.5%	30.7	13.9	120.9%
Operating	4.6	3.1	48.4%	19.4	9.1	113.2%
Exchange differences	5.7	3.6	58.3%	19.1	18.0	6.1%
<b>Financial Income</b>	<b>21.8</b>	<b>10.8</b>	<b>101.9%</b>	<b>69.2</b>	<b>41.0</b>	<b>68.8%</b>
<b>Net Financial Income</b>	<b>-2.9</b>	<b>-6.5</b>	<b>-55.4%</b>	<b>-1.9</b>	<b>-24.5</b>	<b>-92.1%</b>

# NET INCOME



Net income in 3Q23 reached the mark of R\$ 127.6 million, an increase of 30.3% over the income of R\$ 97.9 million in 3Q22. Net margin reached 17.4% in 3Q23, an increase of 2.6 p.p. compared to 14.8% in 3Q22.

## NET INCOME AND NET MARGIN



It is important to highlight that in 3Q22, there was a "non-recurring" event that impacted the Company's net income. Comparing Recurring Net Income, the income in 3Q23 was R\$ 127.6 million, an increase of 27.7% compared to R\$ 99.9 million in 3Q22. The recurring net margin also increased by 2.3 p.p., from 15.1% in 3Q22 to 17.4% in 3Q23.

The improvement in net margin in 3Q23 is mainly due to the increase in gross margin due to better operating performance.

R\$ Milhões	3Q23	3Q22	Var. % 3Q23 / 3Q22	9M23	9M22	Var. % 9M23/9M22
<b>Net Income</b>	<b>127.6</b>	<b>97.9</b>	<b>30.3%</b>	<b>350.2</b>	<b>255.6</b>	<b>37.0%</b>
(+) Spontaneous collection of ICMS from previous years	0.0	2.0	N/A	0.0	2.0	N/A
(+) Net principal value in share of Eletrobras' compulsory deposits.	0.0	0.0	N/A	-0.8	0.0	N/A
(+) Eletrobras Credit Correction	0.0	0.0	N/A	-4.4	0.0	N/A
(-) Indebtedness of IR/CSLL on recognized tax credits	0.0	0.0	N/A	0.0	-8.8	N/A
<b>Recurring Net Income</b>	<b>127.6</b>	<b>99.9</b>	<b>27.7%</b>	<b>345.0</b>	<b>248.8</b>	<b>38.7%</b>
<b>Recurring Net Income Margin</b>	<b>17.4%</b>	<b>15.1%</b>	<b>2.3 p.p.</b>	<b>17.0%</b>	<b>13.8%</b>	<b>3.2 p.p.</b>

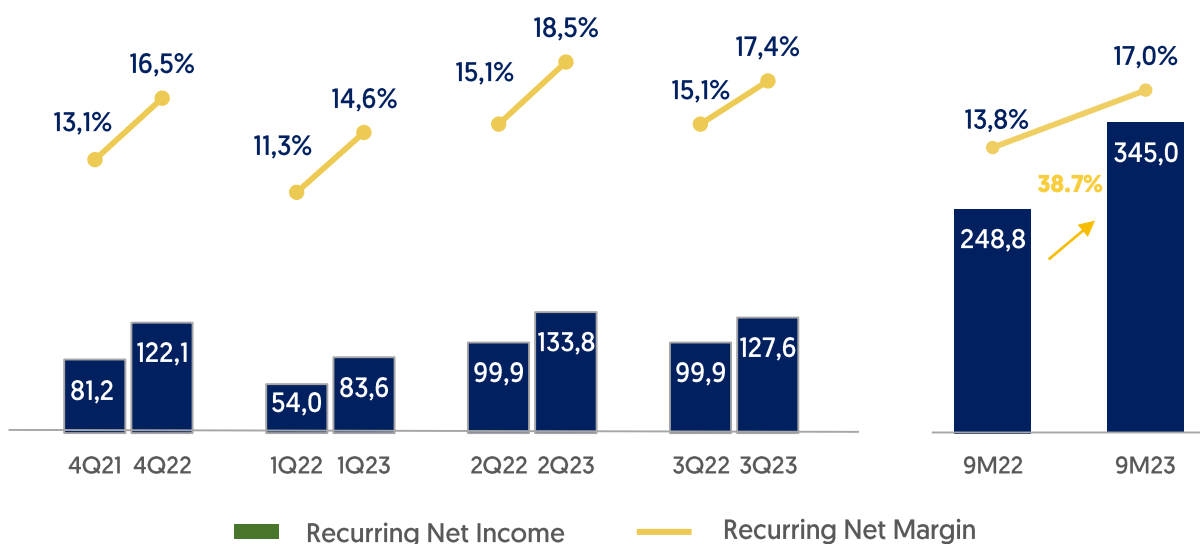
# NET INCOME



Net income in 9M23 was R\$ 350.2 million, an increase of 37.0% compared to the same period of the previous year. The net margin when comparing 9M23 to 9M22 also increased by 3.1 p.p., from 14.2% to 17.3%.

In the comparison of recurring net income, the growth in 9M23 was 38.7% and reached R\$ 345.0 million, compared to the adjusted income of R\$ 248.8 million obtained in 9M22.

## RECURRING NET INCOME AND RECURRING NET MARGIN



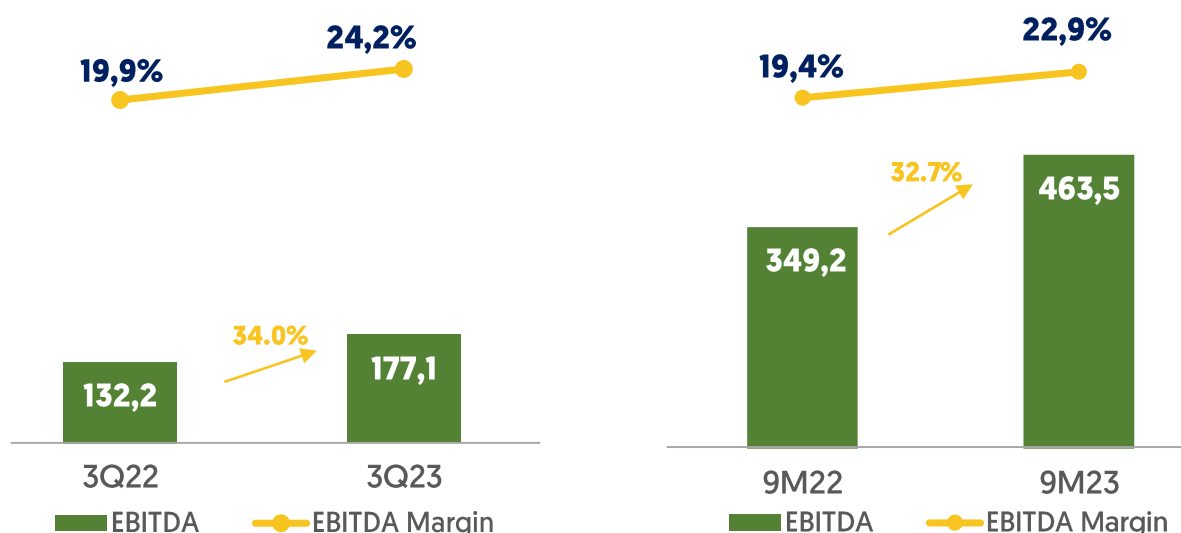


# EBITDA



In 3Q23, EBITDA reached the mark of R\$ 177.1 million, a notable growth of 34.0% compared to R\$ 132.2 million obtained in 3Q22. The EBITDA Margin also showed a significant increase of 4.3 p.p., reaching 24.2% in 3Q23, compared to 19.9% in 3Q22.

## EBITDA AND EBITDA MARGIN



It is important to highlight that in 3Q22 there was a "non-recurring" event that impacted the Company's EBITDA. When considering the Recurring EBITDA, the result obtained in 3Q23 was R\$ 177.1 million, a growth of 32.0% compared to R\$ 134.2 million in 3Q22. The recurring EBITDA Margin also increased considerably by 4.0 p.p., from 20.2% in 3Q22 to 24.2% in 3Q23.

R\$ Millions	3Q23	3Q22	Var. % 3Q23 / 3Q22	9M23	9M22	Var. % 9M23 / 9M22
<b>EBITDA</b>	<b>177.1</b>	<b>132.2</b>	<b>34.0%</b>	<b>463.5</b>	<b>349.2</b>	<b>32.7%</b>
(+) Spontaneous collection of ICMS from previous years	0.0	2.0	N/A	0.0	2.0	N/A
(+) Main value in Eletrobras Compulsory Deposit Shares	0.0	0.0	N/A	-0.8	0.0	N/A
(-) Indebtedness of IR/CSLL on recognized tax credits	0.0	0.0	N/A	0.0	-8.8	N/A
<b>Recurring EBITDA</b>	<b>177.1</b>	<b>134.2</b>	<b>32.0%</b>	<b>462.7</b>	<b>342.4</b>	<b>35.1%</b>
<b>Recurring EBITDA Margin</b>	<b>24.2%</b>	<b>20.2%</b>	<b>4.0 p.p.</b>	<b>22.8%</b>	<b>19.0%</b>	<b>3.8 p.p.</b>

The significant growth in EBITDA Margin in 3Q23 is mainly due to the excellent operational performance, which resulted in an increase of 5.2 p.p. in gross margin. This increase was partially offset by the increase in variable selling expenses.

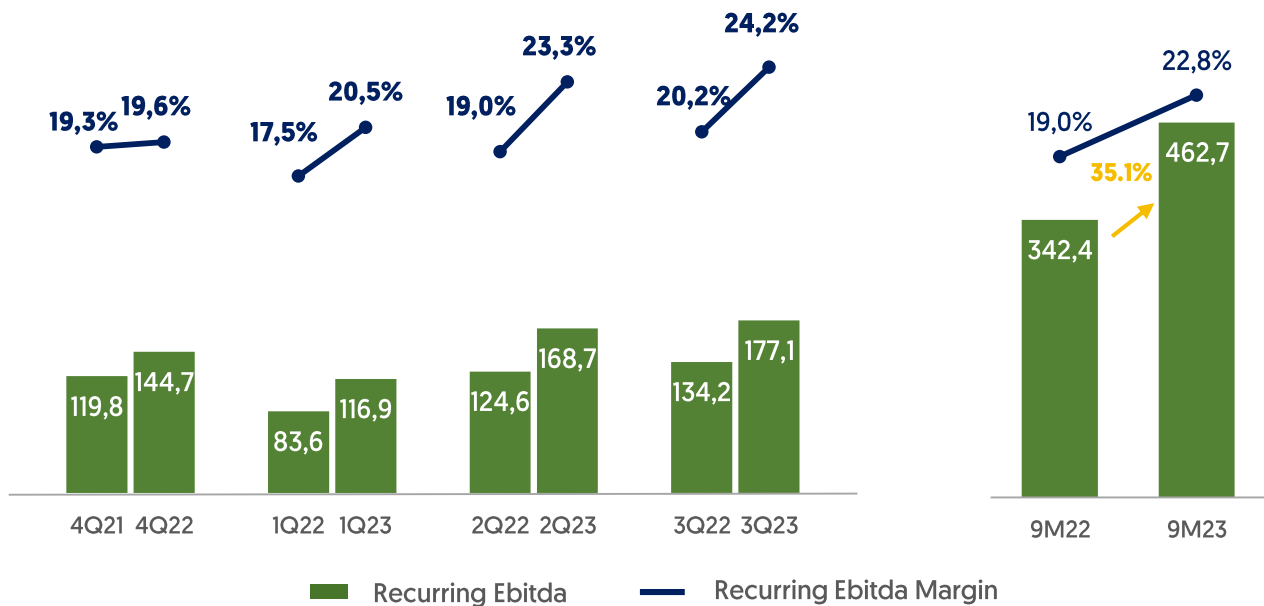
# EBITDA



In 9M23, EBITDA reached R\$ 463.5 million, an increase of 32.7% compared to the same period of the previous year. The EBITDA Margin when comparing 9M23 to 9M22 increased by 3.5 p.p., from 19.4% to 22.9%.

In the comparison of Recurring EBITDA, the growth in 9M23 was 35.1% when compared to the recurring EBITDA obtained in the same period of the previous year. Recurring EBITDA Margin when comparing 9M23 to 9M22 increased by 3.8 p.p., from 19.0% to 22.8%.

## RECURRING EBITDA AND RECURRING EBITDA MARGIN



# ROIC (RETURN ON INVESTED CAPITAL)



Annualized return on invested capital – ROIC<sup>2</sup> – reached 25.5% in 3Q23-LTM (last twelve months ended 9/30/2023), an increase of 1.4 p.p. over the 24.1% obtained at 12/31/2022.

ROIC	2020	2021	2022	3Q23
Net Income for the period (LTM)	31.5	313.8	469.9	564.5
(+) Net Financial Income (LTM)	0.1	(12.4)	(41.3)	(63.9)
<b>NOPAT</b>	<b>31.6</b>	<b>301.4</b>	<b>428.6</b>	<b>500.6</b>
<b>Invested Capital</b>				
Loans and Financing	311.6	361.3	417.0	373.9
(-) Cash and cash equivalents	(158.6)	(114.6)	(197.2)	(363.4)
(-) Financial Investments	(90.5)	(10.3)	(8.9)	(13.3)
(+) Related Parties	17.6	18.0	18.4	–
(+) Equity	1,125.4	1,356.6	1,711.8	1,985.7
<b>Invested Capital</b>	<b>1,205.5</b>	<b>1,611.0</b>	<b>1,941.1</b>	<b>1,982.9</b>
<b>Average invested capital for the period<sup>(1)</sup></b>	<b>1,144.0</b>	<b>1,408.2</b>	<b>1,776.0</b>	<b>1,962.0</b>
<b>Annualized ROIC<sup>(2)</sup></b>	<b>2.8%</b>	<b>21.4%</b>	<b>24.1%</b>	<b>25.5%</b>

Annualized adjusted return on invested capital (Adjusted ROIC<sup>3</sup>) reached 29.1% in 3Q23-LTM (last twelve months ended 9/30/2023), an increase of 1.0 p.p. over the 28.1% obtained at 12/31/2022.

ROIC AJUSTADO	2020	2021	2022	3Q23
Net Income for the period (LTM)	31.5	313.8	469.9	564.5
(+) Net Financial Income (LTM)	0.1	(12.5)	(41.3)	(63.9)
(-) Equity Results (LTM)	2.0	(3.1)	(5.3)	(7.1)
<b>NOPAT (Adjusted)</b>	<b>33.6</b>	<b>298.2</b>	<b>423.3</b>	<b>493.5</b>
<b>Invested Capital</b>				
Loans and Financing	311.6	361.3	417.0	373.9
(-) Cash and cash equivalents	(158.6)	(114.6)	(197.2)	(363.4)
(-) Financial Investments	(90.5)	(10.3)	(8.9)	(13.3)
(+) 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)	(62.0)
(+) Equity	1,125.4	1,356.6	1,711.8	1,985.7
<b>Total Adjusted Invested Capital</b>	<b>947.3</b>	<b>1,343.4</b>	<b>1,667.2</b>	<b>1,722.7</b>
<b>Average adjusted invested capital for the period<sup>(1)</sup></b>	<b>884.8</b>	<b>1,145.4</b>	<b>1,505.3</b>	<b>1,695.0</b>
<b>Adjusted Annualized ROIC<sup>3</sup></b>	<b>3.8%</b>	<b>26.0%</b>	<b>28.1%</b>	<b>29.1%</b>

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 3Q23, R\$ 29.4 million were invested in property, plant and equipment and intangible assets, a decrease of 34.5% compared to the amount invested in 3Q22.

The biggest investments in 3Q23 were made in the replacement of industrial machinery and equipment, highlighting the importance of modernizing and maintaining the Company's industrial facilities for its operational performance.

## ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

R\$ Million	3Q23	3Q22	Var. % 3Q23/3Q22	9M23	9M22	Var. % 9M23/9M22
Molds	6.2	8.9	-30.3%	30.7	24.9	23.3%
Machinery and equipment	14.0	22.6	-38.1%	36.0	44.5	-19.1%
Industrial facilities	4.5	8.9	-49.4%	11.2	17.2	-34.9%
Others	4.4	4.0	10.0%	20.7	28.5	-27.4%
<b>Property, plant and equipment</b>	<b>29.1</b>	<b>44.4</b>	<b>-34.5%</b>	<b>98.6</b>	<b>115.1</b>	<b>-14.3%</b>
Software	0.3	0.5	-40.0%	1.1	1.9	-42.1%
<b>Intangible assets</b>	<b>0.3</b>	<b>0.5</b>	<b>-40.0%</b>	<b>1.1</b>	<b>1.9</b>	<b>-42.1%</b>
<b>Total</b>	<b>29.4</b>	<b>44.9</b>	<b>-34.5%</b>	<b>99.7</b>	<b>117.0</b>	<b>-14.8%</b>



# OPERATING CASH GENERATION

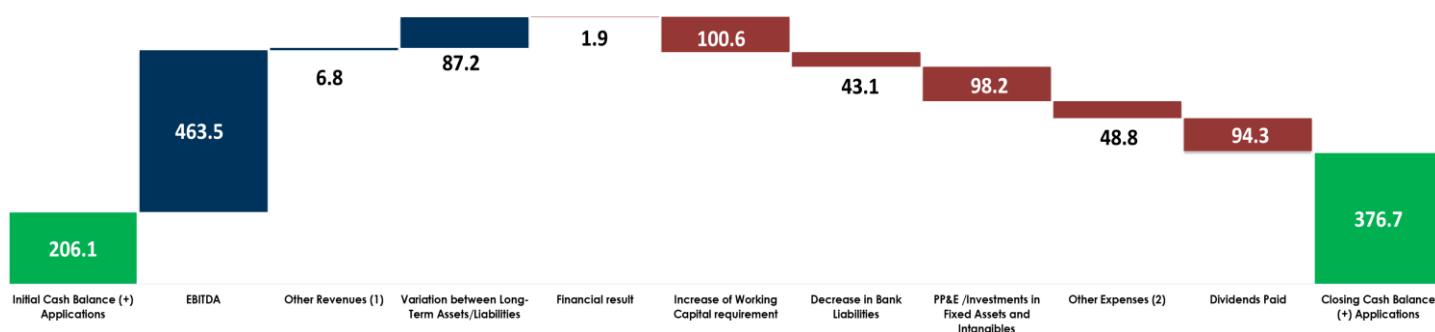


The variation in cash in 9M23 was R\$ 170.6 million, essentially due to the following events:

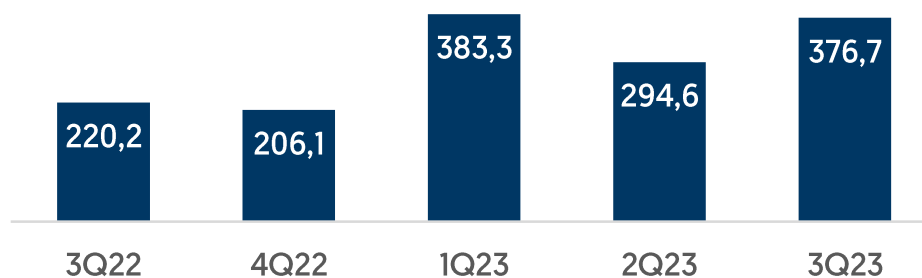
- (i) EBITDA of R\$ 463.5 million;
- (ii) Variation between Long-Term Assets/Liabilities of R\$ 87.2 million,
- (iii) Decrease in bank liabilities by R\$ 43.1 million;
- (iv) Increase in the need for working capital of R\$ 100.6 million;
- (v) Investments in property, plant and equipment and intangible assets of R\$ 98.2 million;
- (vi) Dividends paid of R\$ 94.3 million.

These events combined resulted in a positive cash variation of R\$ 170.6 million over 9M23, demonstrating the Company's financial health and cash generation capacity.

## CASH FLOW – 9M23



## 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

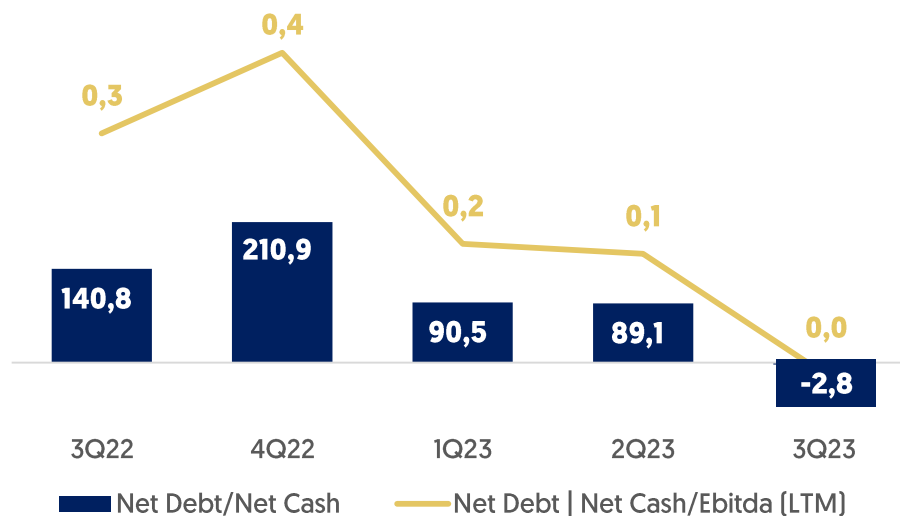


It is notable to note that Vulcabras has a solid financial situation. As at September 30, 2023, the Company achieved a net cash position, which means that its available assets, cash equivalents and short- and long-term financial investments exceeded its liabilities represented by short- and long-term loans and financing. The cash balance as of that date was R\$ 2.8 million, indicating a positive and healthy financial position.

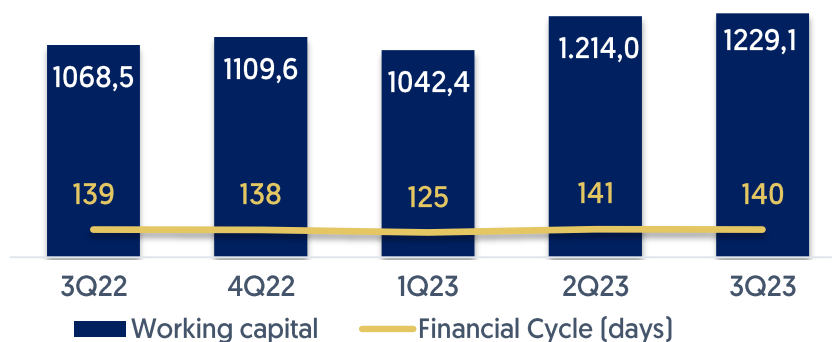
## NET DEBT

R\$ Million	12/31/2021	12/31/2022	09/30/2023	Var. % 09/30/2023 vs 12/31/2022
Loans and Financing	361.3	417.0	373.9	-10.3%
Cash and cash equivalents	(114.6)	(197.2)	(363.4)	84.3%
Financial investments	(10.3)	(8.9)	(13.3)	49.4%
<b>Net Debt/Net Cash</b>	<b>236.4</b>	<b>210.9</b>	<b>(2.8)</b>	<b>-101.3%</b>

## EVOLUTION OF NET DEBT AND LEVERAGE



## WORKING CAPITAL AND FINANCIAL CYCLE



# CAPITAL MARKET



## DIVIDENDS

In 9M23, Vulcabras announced a series of early dividend payments, demonstrating a commitment to returning value to shareholders. Below are the details of these events:

On April 14, 2023, the Company paid R\$ 20.7 million relating to supplementary dividends. These dividends were approved by the Board of Directors on March 2, 2023.

On June 6, 2023, the Company paid R\$ 36.8 million relating to interim dividends. These dividends were approved by the Board of Directors on May 2, 2023.

On September 14, 2023, the Company paid R\$ 36.8 million relating to interim dividends. These dividends were approved by the Board of Directors on August 1, 2023.

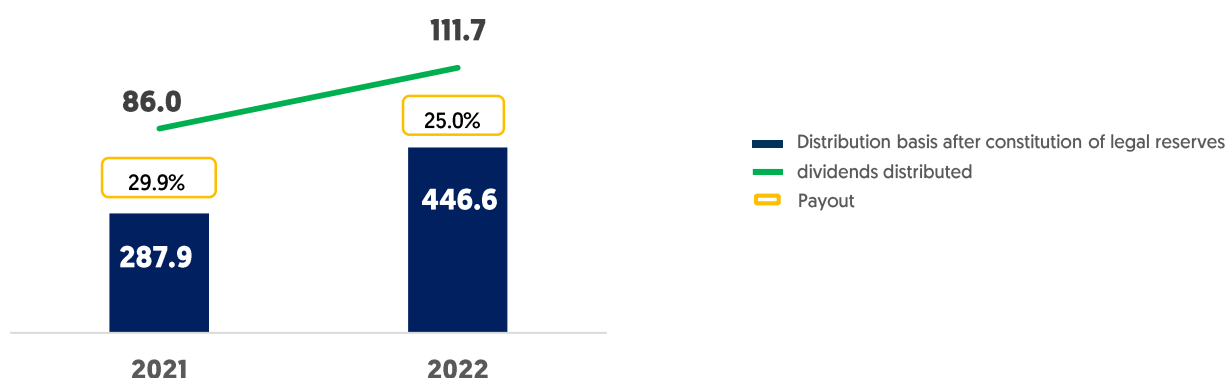
On October 9, 2023, the Board of Directors approved the early distribution of dividends in the amount of R\$ 0.40 [forty cents] per share, totaling R\$ 98.0 million. These dividends will be paid on November 24, 2023.

On October 31, 2023, the Board of Directors approved a new early distribution of dividends, this time in the amount of R\$ 0.15 [fifteen cents] per share, totaling R\$ 36.8 million. These dividends will be paid on November 24, 2023.

The Company intends to continue making quarterly dividend payments, reserving the right to do so more than once per quarter.

## RETURN TO SHAREHOLDERS

Type	Total Amount	Amount paid per Share	Base date for distribution	Payment Date
<b>Dividends</b>	86.0	0.35	11/3/2021	11/12/2021
<b>Total Dividends 2021</b>	<b>86.0</b>			
<b>Interim Dividends</b>	90.9	0.37	11/10/2022	11/22/2022
<b>Complementary Dividends</b>	20.8	0.08	04/03/2023	04/14/2023
<b>Total Dividends 2022</b>	<b>111.7</b>			
<b>Interim Dividends</b>	36.8	0.15	05/22/2023	06/06/2023
<b>Interim Dividends</b>	36.8	0.15	08/30/2023	09/14/2023
<b>Interim Dividends</b>	98.0	0.40	10/13/2023	11/24/2023
<b>Interim Dividends</b>	36.8	0.15	11/08/2023	11/24/2023
<b>Total Dividends 2023</b>	<b>208.4</b>			



# CAPITAL MARKET



## SHARE BUYBACK PROGRAM

In May 2022, the Board of Directors of Vulcabras approved the Share Buyback Program, with the aim of maximizing capital allocation and generating value for shareholders. The program is running and authorizes the repurchase of up to 5 million shares within 18 months. At the end of 3Q23, the Company had acquired and held in treasury a total of 766.2 thousand shares.

During 3Q23, the Company continued with the buyback program, acquiring 86.1 thousand shares with a total value of R\$ 1.5 million.

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	12/31/2022	1Q23 Acquisition	Balance 03/31/2023	2Q23 Acquisition	Balance 06/30/2023	3Q23 Acquisition	Balance 09/30/2023
Treasury Shares Quantity	491.6	75.6	567.2	112.9	680.1	86.1	766.2
Treasury Shares BRL	6.1	0.9	7.0	1.5	8.5	1.5	10.0





# SUSTAINABILITY

# SUSTAINABILITY



With the purpose of building a better country through sport, Vulcabras has been promoting a positive impact in the regions in which it operates for years, whether on the environmental or social side, bringing the best socio-environmental practices to society and future generations.

To reinforce its commitment to ESG (Environmental, Social and Governance) themes, the Company launched the 2022 Sustainability Report, which presents the main highlights of corporate, financial and operational performance, with an emphasis on sustainability, divided into five areas, as part of the ambitions announced for 2030:

**MORE KILOMETERS, LESS TRASH:** As a result of the effort to increase the volume of waste sold or recovered and to reduce the volume of waste sent to landfills, in 2022 we had a 20% increase in the total waste sold or recovered and a 12% reduction in the volume of waste sent to landfills.

**MARATONA CO2:** The change in the energy matrix of the manufacturing units to a 100% wind source allowed an 8% reduction in CO2 emissions during the year. Since 2022, all Vulcabras footwear production uses 100% wind energy. Over the 13 years of the contract with Casa dos Ventos, more than 15,000 tons of CO2 will no longer be emitted into the atmosphere, the equivalent of planting 67,000 trees. Furthermore, the R&D Center and all administrative operations are supplied with clean energy, purchased on the free energy market.

**BRAZILIAN TO BRAZILIAN:** the Company is committed to expanding the participation of local suppliers in its supply matrix, promoting the national industry. The Northeast region, given the location of the factories, concentrates the largest volume of purchases. Last year, 79% of purchases came from national suppliers, of which 46% went to suppliers in the

# SUSTAINABILITY



Northeast. Throughout the year, we recorded progress in the volume of contracting suppliers close to the regions where we operate, mainly in Bahia, increasing the share of suppliers from the state from 45% to 56% of the total allocated to purchases in the Northeast.

**SPORT FOR EVERYONE:** Education and sport create environments of cooperation and equality, healthier and more conscious habits, improve self-esteem and quality of life and promote values such as ethics and citizenship. Therefore, Vulcabras prioritizes projects encouraged in these two areas. In educational projects, we have already impacted more than 100,000 children, adults and elderly people, via 7 projects selected for funding via incentive law, of which 5 were implemented or began execution in 2022. In sport, we want to impact at least 1,000 children, young people and elderly people in situations of social vulnerability, offering access to quality sports. In 2022, sports projects were still being funded.

**DIVERSITY, EQUALITY AND INCLUSION:** To continue democratizing sport, representative management is necessary. In 2022, the number of women in management positions at units in Brazil remained stable, compared to 2021, but with a large jump since 2020 when this indicator began to be monitored. Considering the Brazilian unit, we increased the number of Brown, Black, Yellow and Indigenous employees in management positions by 2 p.p..

Vulcabras' vision of the future is already present!



# BRAND MANAGEMENT

# BRAND MANAGEMENT



With three iconic brands equipped with cutting-edge sports technology tailored to diverse athletes and consumer profiles, Vulcabras is broadening its reach in the domestic market, in line with the unique positioning strategies of each brand and ensuring seamless integration to their target audiences.

Over the last quarter, Mizuno expanded its footprint in the running performance category with a national launch of a premium performance sports shoe collection entirely developed and manufactured in Brazil by Vulcabras. The collection explores the R\$599–999 price range. In the soccer category, the brand kicked-off local production of the iconic Morelia boot, improving selection and expanding product distribution the domestic market.

Olympikus continues its mission of democratizing access to state-of-the-art sports technology and is consolidating its presence in the running scenario with the Corre Family. With an ecosystem that includes proprietary events such as Bota pra Correr, marathon sponsoring, sports advisors and partnerships with elite athletes, the brand is connecting to the running community and extending its reach in the market.

Under Armour brought important innovations within the training and basketball categories that enhanced the brand's product offerings in these segments and broadened its presence among these audiences.



# MIZUNO

## High Performance Running:

Another August launch that kept the focus on cushioning for the running performance market was the Wave Sky 7, a shoe whose main characteristics are cushioning and softness. With new updates and a stronger commitment to sustainability, the product incorporates more than 50% recycled materials.

One of the highlights is the augmented 3D geometry sole, which is split into smaller units. The wavy structure of the double-layered midsole provides a smoother landing and transition, improving the runner's sense of stability.

The Mizuno Wave Sky 7 also features the following technologies: U4icX, a lighter and softer evolution of U4ic for greater comfort while running; Mizuno Wave, the TPU or Pebax Wave plate for superior stability and impact absorption; Mizuno Energy, light and soft EVA for high-level cushioning and energy return; the Smooth Ride sole grooves that improve flexibility in stride transition areas; and X10, a rubber-carbon compound that increases sole step-in durability and grip.

With an 8mm (0.3in) drop and weighing 310g (11oz), the Wave Sky 7 is available in eight colors. R\$1,099.99.

## Response Foam Experience:

At an event for brand guests held in September in São Paulo, Mizuno introduced four new shoes to expand its high-performance running portfolio. The new collection styles are Advance RSP, Wave Superfast RSP, Wave Interceptor RSP and Victory RSP, all featuring the Response Foam technology exclusively developed for Mizuno by Vulcabras.

Advance RSP has the most advanced technology amongst the four shoes and is recommended for long-distance running. In the midsole, Response Foam ensures cushioning and stability with two foam pieces, one of which is equipped with Response Core technology for a smooth, light stride. The sole rubber is made of X10 carbon, ensuring durability and grip.

The Wave Superfast RSP integrates technologies that enhance energy return and stability with every step. This version also features Mizuno Wave technology, a pebax plate applied to the back of the sole between the EVA layers.

For those looking for practical shoes for everyday training, Wave Interceptor RSP is the right choice. The Wave and Response Foam technologies ensure a cushioned, stable and smooth running experience.

Victory RSP is a versatile shoe for all sorts of training situations, combining bounce, lightweight and cushioning. The jacquard structure delivers breathability for an upper that embraces the foot and stabilizes it during runs.

The main colorway is orange and all four styles are available in the Mizuno website. From R\$599.99 to R\$799.99.

### Wave Rider 27:

A brand flagship in running performance, the new Wave Rider 27 version reached the market in August, with a focus on lightweight and a bolder design inspired by the strength of sea waves.

More than half of the upper material is recycled and the Wave Rider 27 midsole structure with Mizuno Energy and Mizuno Wave technologies offers advanced cushioning, stability and energy return. The soft mesh upper was designed to deliver stretch and support during exercise for greater comfort and breathability.

This design also features a new version of Smooth Stretch Woven (SSW) technology, which is 20g lighter than in the previous edition, with an elastic and breathable fabric upper that delivers a firmer, softer and more comfortable fit.

With a 12mm (0.5in) drop and weighing 280g (10oz), the Wave Rider 27 is available in eight colors. R\$999.99.

### Soccer

To enhance its presence in Brazilian soccer, Mizuno started local production of the Morelia boot and offers an assortment of products at entry-level price points, beginning at R\$349. Achieving record turnover since Vulcabras assumed management, the Brazilian production of Morelia is an important step for Mizuno in Brazil.

### Sportstyle

#### Wave Prophecy Strap:

Launched last July to prove there are no barriers between sports and lifestyle, the Wave Prophecy Strap drew inspiration from the brand's running shoes, uniting the well-known sole design and a strap-based upper construction.

Using an elasticated format that makes for easy on/off, the Wave Prophecy Strap includes a highly breathable double-mesh toe and straps that ensure a perfect fit. Elastane improves flexibility and adjustment, while the structure and midsole offer cushioning for performance and comfort.

Offered in black or white, the shoe proposes a new style in line with Mizuno Performance's history of innovation. R\$1,799.99.



# OLYMPIKUS

## BPC Costa do Conde:

To celebrate sports and explore new scenarios as part of its brand activation strategy within the running community, Olympikus connected to the regional culture of Costa do Conde on the southern Paraíba state coast, where the Bota Pra Correr 2023 edition debuted in September. A record number of participants came for the 6th edition of the Olympikus BPC, which turned into a true festival for people who love discovering Brazil while running.

With 5km to 21km routes, BPC Costa do Conde received 1,200 participants and featured new events, such as the trail route. More than a racing experience, the program included lectures, talks, an exhibition of the best moments from earlier BPC events and a lot of connection with local culture.

On September 8th, the doors of Vila BPC opened for kit distribution, besides the guide shop, the talks, a recovery space with compression boots, a technical briefing and an autograph session with Olympian Vanderlei Cordeiro de Lima, the athlete who conquered global sympathy in 2004 with his “airplane wings” at the finish line and who is now the new Olympikus ambassador.

The BPC event launched in 2019 and has offered exponential contribution to Olympikus' presence in the high-performance market. It has become a relationship tool for the running community as well as a testing ground for new Olympikus shoes, generating knowledge, product experimentation and a wealth of content produced by both the brand and the runner community.

## BPC Training Days

On July 22, in the city of Recife, the Corre Family was put to the test on participants' feet in another asphalt and trail run. The asphalt route ran along the Boa Viagem beach avenue and participants could choose to run 5 or 10km. For the trail route, Olympikus brought runners to the Reserva do Paiva neighborhood where hikers were able to test the Corre Trilha model on an 11km route.

In August, the Belo Horizonte running community also had the opportunity to embrace the brand spirit on asphalt and trail routes. The asphalt route ran around the Pampulha Lake and participants could choose to run 5 or 10km. The trail run was 8km long in the campus of the Federal University of Minas Gerais.

In Rio de Janeiro, Olympikus was part of the Chapadinhos de Endorfina (The Endorphin Junkies) Training Day at the Mauá Pier, also in August. For this event aimed at women, Olympikus brought in a functional training instructor for a mobility session. The Junkies team and guest influencers wore the Corre 3 shoe.

## Vanderlei Cordeiro de Lima and SP CITY Marathon:

After running in the 2004 Athens Olympics carrying the Olympikus logo on his chest, Vanderlei Cordeiro de Lima is back on the tracks, now as an ambassador for Olympikus Running. A symbol of Brazilian athletic potential, offering inspiration far beyond the running and track community. A national icon in the team of brand ambassadors reinforces Olympikus' commitment to democratizing high performance.

The new partnership between the Athens bronze medalist and Olympikus took off at the SP CITY Marathon, the biggest São Paulo marathon, on July 30th, where Cordeiro de Lima ran the half marathon alongside the team of athletes from Olympikus and from the Vanderlei Institute.



The athletes from the Olympikus “Corre Team”, including Wellington Cipó, Jéssica Ladeira and Raisa Marcelino, training to reinforce its strategy of activations, Corre Family product test-drives and closeness to the running community and running assistants, Olympikus held training sessions on several Brazilian towns, amplifying brand experiences.

### Pride 3

In this quarter, Olympikus introduced the Pride 3, designed for individuals who seek enhanced comfort during light runs. Featuring ELEVA+ technology on the sole, it not only offer comfort and cushioning but also generates a trampoline effect by converting energy into momentum. The shoe showcases GRIPPER non-slip rubber technology for increased durability and exceptional resistance. Its two-tone Oxitec fabric upper, with a new yarn composition, results in a lighter, more breathable design that improves thermal and reduces water absorption on rainy days. R\$399.99.

### ELEVA+: Ridiculous comfort

To improve the visibility of the technology advantages of ELEVA+, an EVA injection concept that offer lightness and comfort, Olympikus launched the campaign “The technology that runners use when they are not running”. In addition to marketing products with ELEVA+, communications highlight the main technological attributes and the “ridiculous comfort” delivered by this technology when running daily errands. The outdoor media strategy took over the main streets of São Paulo and Porto Alegre and highlighted the technology’s maximum comfort level. The products were shown on digital panels with 3D elements spread across more than 100 points in both cities.

### Classics

For those looking for everyday style, protection and comfort, Olympikus introduced Forever, their newest women's casual shoe. Classics never go out of style. Olympikus Forever hit the market in July featuring the on-trend straight sole for casual sneakers and elastic straps for added comfort and easy step-in. The design features the traditional box sole look. The upper is made of double-front, flexible soft fabric with elastane for a high level of comfort. Wide, cross-banded elastics on the vamp create a modern look and make the shoe secure, versatile and easy to put on. R\$229.99.

To reinforce the brand in the off-track universe, Olympikus Versa is a casual shoe for those who need style and comfort on a daily basis. It offers EVASENSE EVA technology in the sole for comfort and cushioning, and the GRIPPER technology, a non-slip rubber product that increases abrasion resistance and provides improved grip and safety. The upper is made from textured synthetic laminate, with details such as double stitching, zigzag stitching and side perforations distributed across the vamp. Olympikus Versa is lined in polyester with foam, with a flat insole made of polyester fabric and EVA and side graphics. R\$259.99.





# UNDER ARMOUR

## Training category

To meet the growing demand for performance, comfort and style in training, Under Armour launched Charged HIT. The sum of internal and external qualities and the sleek look allows for a firm stride while the athlete can move lightly and effortlessly improve their performance thanks to a unique balance between impact and comfort.

One of the highlights of Charged Hit is the sole. High Abrasion Rubber outlines the modern, sleek sole design, with perfect, safe traction. The midsole uses the Under Armour exclusive Charged Cushioning technology, which guarantees lightweight and impact absorption.

The upper offers a classic design with elastane to ensure a perfect fit. With a seamless vamp structure, there is no contact with the skin. The inner polyester-padded lining and the 4mm [2.5in] Celfit insole offer extra comfort. The relief prism effect of the logo stands out elegantly on the side. R\$449.99.

## Basketball category

For basketball lovers in Brazil, Vulcabras took an important step in its partnership with Under Armour Global: it is now producing the first Curry product in Brazil. The Curry 3Z7 is part of the Curry Brand, a line signed by court legend Stephen Curry.

With local production of the Curry 3Z7 at an entry price of R\$699.00, the brand expands the assortment of the global star's signature line.

For basketball fans, Curry 3Z7 offers better technology and innovation and combines the best features of a basketball shoe: cushioning, stability and support. Engineered to absorb impact, its anatomic design guarantees stability and the necessary confidence for every step on the court.

With extra [higher] heel support for safer plays, the Curry 3Z7 offers two special features: Micro G technology for impact absorption and cushioning during jumps, and High Abrasion Rubber for traction from one end of the court to the other. R\$699.99.

## Curry Flow 10 "Unicorn & Butterfly" and Curry Flow "Father to son"

Continuing its expansion in the basketball segment, Under Armour brings two new Curry Brand colorways to the Brazilian market: the Curry Flow 10 'Unicorn & Butterfly', in honor of Curry's daughters, and the Curry Flow 10 "Father to Son", dedicated to his son.

Being a "girl dad" in the NBA is an important topic for Stephen, who has been very vocal about it. Thus, the bright pink Curry Flow 10 'Unicorn & Butterfly' colorway is a tribute to Riley and Ryan, Curry's daughters, as are previous unofficial 'Girl Dad' releases.

Curry Flow 10 'Father to son' celebrates the three generations of men in the family: Stephen, his father Dell and his son Cannon. Taking inspiration from previous releases' colors, the main upper is gray, with gold touches that nod to Cannon's status as heir to Curry's NBA throne. The shoe includes technology to make it lighter and more breathable. R\$1.599,00.

## Flow Velociti Elite

And as a further development of the running portfolio, Under Armour presented Flow Velociti Elite. Tested on the feet of some of the world's best runners during the toughest competitions, Under Armour's Flow Velociti Elite is designed to break records. Geared towards medium or long distance running, such as marathons, the shoe provides the runner with a sense of lightness, speed and explosiveness.

The carbon fiber plate construction runs the entire length of the shoe and offers explosive elevation with each step. Exclusive UA Flow technology eliminates rubber and seams on any of the shoe surfaces, delivering lighter strides that adhere to the ground. The one-piece midsole offers long-lasting cushioning, while the sole is equipped with super-durable material that increases ground traction. The upper features Warp™ 2.0 technology to optimize containment through lightweight lockdown while maintaining maximum breathability. The TPE insole offers superior resilience and bounce with each step.

Visually, the UA Flow Velociti Elite has 360° reflectivity, ensuring optimal visibility during low light runs. R\$1,799.99.



# ATTACHMENTS

## BALANCE SHEET

### BALANCE SHEET (CONSOLIDATED)

In thousand of Reais

ASSETS	09/30/2023	09/30/2022	LIABILITIES	09/30/2023	09/30/2022
Cash and cash equivalents	363,385	197,197	Suppliers	147,255	104,925
Financial Investments	3	4	Loans and financing	76,420	283,638
Trade accounts receivable	797,220	769,457	Lease liability	8,771	8,509
Inventories	673,913	567,831	Taxes payable	46,775	19,670
Recoverable taxes	97,434	18,685	Salaries and vacation payable	93,068	56,139
Income tax and social contribution	17,865	13,859	Provisions	2,740	3,102
Other accounts receivable	13,237	26,074	Commissions payable	26,286	19,538
			Dividends payable	7	20,734
			Other accounts payable	45,633	53,716
<b>CURRENT ASSETS</b>	<b>1,963,057</b>	<b>1,593,107</b>	<b>CURRENT LIABILITIES</b>	<b>446,955</b>	<b>569,971</b>
Interest earning bank deposits	13,314	8,942	Loans and financing	297,526	133,410
Trade accounts receivable	3,791	5,153	Loans with related parties	0	18,448
Recoverable taxes	94,101	193,504	Lease liability	8,267	12,059
Deferred income tax and social contribution	2,723	13,591	Provisions	52,654	54,274
Judicial deposits	26,917	22,419	Deferred income tax and social contribution	6,159	17,079
Goods intended for sale	194	194	Other accounts payable	3,057	3,681
Others Account to receive	2,793	1,934			
<b>LONG-TERM ASSETS</b>	<b>143,833</b>	<b>245,737</b>	<b>NON-CURRENT LIABILITIES</b>	<b>367,663</b>	<b>238,951</b>
Investments	61,974	75,662	<b>SHAREHOLDERS' EQUITY</b>		
Investment property	3	4	Capital	1,108,354	1,106,717
Right to use	14,347	18,119	Capital Reserves	-4,764	-1,472
Property, plant and equipment (PP&E)	408,844	379,031	Revaluation reserves	4,058	4,175
Intangible assets	208,217	209,096	Equity valuation adjustments	24,848	25,974
			Profit reserve	539,322	576,094
			Accumulated profits	313,536	0
			<b>Shareholders' equity attributable to controllers</b>	<b>1,985,354</b>	<b>1,711,488</b>
			Non-controlling interests	303	346
<b>NON-CURRENT ASSETS</b>	<b>837,218</b>	<b>927,649</b>	<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,985,657</b>	<b>1,711,834</b>
			<b>TOTAL LIABILITIES</b>	<b>814,618</b>	<b>808,922</b>
<b>TOTAL ASSETS</b>	<b>2,800,275</b>	<b>2,520,756</b>	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,800,275</b>	<b>2,520,756</b>

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



## INCOME STATEMENT

INCOME STATEMENT (CONSOLIDATED)	3Q23	3Q22	VAR (%)	9M23	9M22	VAR (%)
<b>In thousand of Reais</b>						
<b>Net Revenue</b>	<b>731,352</b>	<b>663,535</b>	<b>10.2%</b>	<b>2,026,390</b>	<b>1,798,093</b>	<b>12.7%</b>
Cost of sales	-417,826	-413,258	1.1%	-1,187,869	-1,143,507	3.9%
<b>Gross Profit</b>	<b>313,526</b>	<b>250,277</b>	<b>25.3%</b>	<b>838,521</b>	<b>654,586</b>	<b>28.1%</b>
<b>Gross Margin</b>	<b>42.9%</b>	<b>37.7%</b>	<b>5.2 p.p.</b>	<b>41.4%</b>	<b>36.4%</b>	<b>5.0 p.p.</b>
Sales Expenses	-126,012	-101,482	24.2%	-346,610	-276,180	25.5%
Expected losses for bad debts	2,693	-4,028	-166.9%	1,301	-8,192	-115.9%
General and Administrative Expenses	-39,569	-32,501	21.7%	-110,903	-91,199	21.6%
Other net Operating income (Expenses)	-1,519	-3,268	-53.5%	2,065	6,636	-68.9%
Equity in net income of subsidiaries	2,817	2,500	12.7%	5,690	3,922	45.1%
<b>Net Income before net financial income and taxes</b>	<b>151,936</b>	<b>111,498</b>	<b>36.3%</b>	<b>390,064</b>	<b>289,573</b>	<b>34.7%</b>
Financial income	21,785	10,819	101.4%	69,203	41,011	68.7%
Financial Expenses	-24,659	-17,354	42.1%	-71,060	-65,504	8.5%
<b>Net financial Income</b>	<b>-2,874</b>	<b>-6,535</b>	<b>-56.0%</b>	<b>-1,857</b>	<b>-24,493</b>	<b>-92.4%</b>
<b>Net Income before taxes</b>	<b>149,062</b>	<b>104,963</b>	<b>42.0%</b>	<b>388,207</b>	<b>265,080</b>	<b>46.4%</b>
Deferred income tax and social contribution	-21,465	-7,072	203.5%	-38,029	-9,450	302.4%
<b>Net Income</b>	<b>127,597</b>	<b>97,891</b>	<b>30.3%</b>	<b>350,178</b>	<b>255,630</b>	<b>37.0%</b>
<b>Net Income Margin</b>	<b>17.4%</b>	<b>14.8%</b>	<b>2.6 p.p.</b>	<b>17.3%</b>	<b>14.2%</b>	<b>3.1 p.p.</b>
<b>Income (loss) attributable to:</b>						
Controlling Shareholders	127,613	97,890		350,204	255,612	
Non-controlling Shareholders	-16	1		-26	18	
<b>Net Income</b>	<b>127,597</b>	<b>97,891</b>		<b>350,178</b>	<b>255,630</b>	
<b>Earnings (loss) per share</b>						
Earnings per common share - basic	0.5203	0.3983		1.4279	1.0401	
Earnings per common share - diluted	0.5174	0.3971		1.4198	1.0369	
<b>Number of shares at end of the year</b>						
Outstanding common shares	245,266,998	245,756,244		245,266,998	245,756,244	
Outstanding common shares with a dilution effect	246,658,785	246,513,543		246,658,785	246,513,543	

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



## CASH FLOW STATEMENT

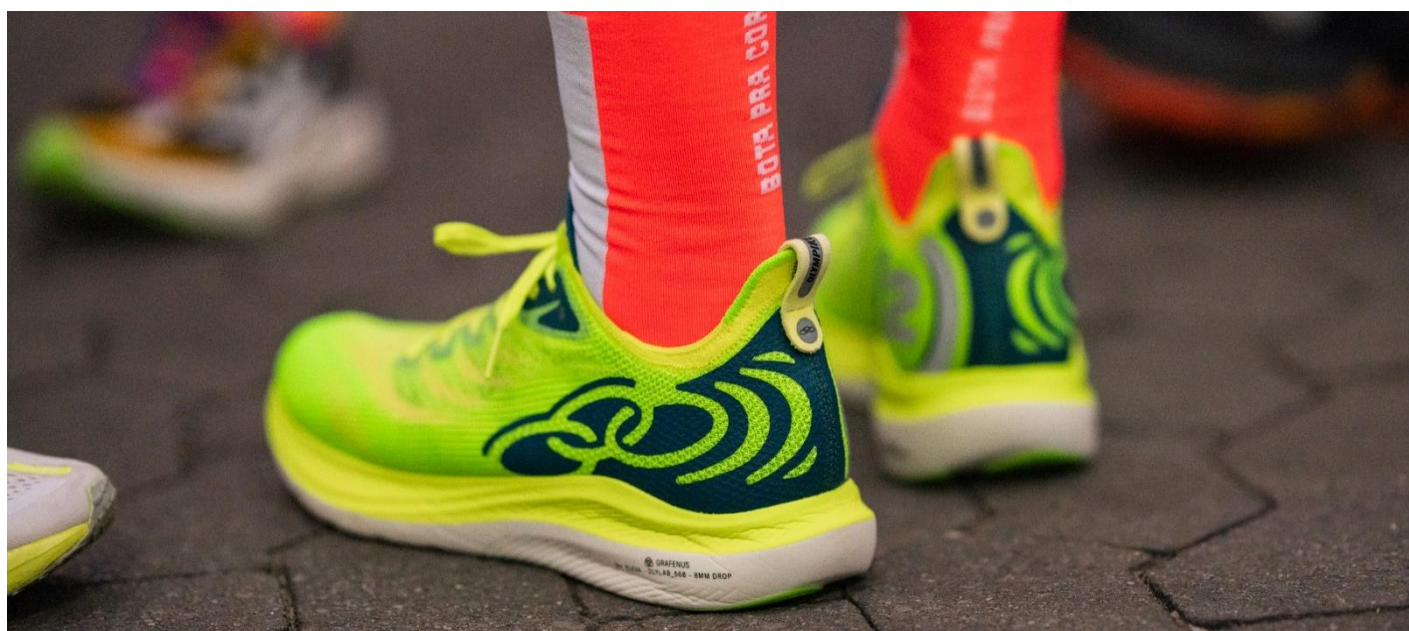
CASH FLOW STATEMENT (INDIRECT METHOD)		9M23	9M22
In thousand of Reais			
<b>Cash flows from operating activities</b>			
<b>Net Income for the period</b>		<b>350,178</b>	<b>255,630</b>
<b>Adjustments for:</b>			
Depreciation and amortization		73,452	59,611
Provision (reversal) for impairment losses on Inventories		26,319	17,563
Interest on provisioned leases		3,060	2,611
Net value of written off tangible and intangible assets		3,537	9,677
Income from financial investments		-1,373	-722
Provision for contingency		6,616	4,465
Equity in net income of subsidiaries		-5,690	-3,922
Transaction with share-based payments		607	-202
Estimated loss from allowance for doubtful accounts		-1,301	8,192
Tax overpayment - SELIC		0	-8,792
Financial charges and exchange variation recognized in profit or loss		35,432	27,119
Current and deferred income tax and social contribution		38,029	9,450
Non-controlling interest		26	-18
Recovery of PIS and COFINS on ICMS		-8,921	-4,015
<b>Adjusted Income for the period</b>		<b>519,971</b>	<b>376,647</b>
<b>Changes in assets and liabilities</b>			
Account Receivable		-24,815	-101,016
Inventories		-132,401	-158,291
Recoverable taxes		25,569	24,748
Deferred taxes		0	-73
Receivables for sale of operation		905	2,580
Other accounts receivable		11,978	-1,599
Judicial deposits		-4,594	-4,493
Suppliers		39,969	59,008
Commissions payable		6,748	5,100
Taxes to collect		18,485	12,002
Salaries and vacations payable		36,929	36,447
Other accounts payable		-8,750	10,825
Provisions		-8,502	-3,067
<b>Changes in assets and liabilities</b>		<b>-38,479</b>	<b>-117,829</b>
<b>Cash provided by (used in) operating activities</b>		<b>481,492</b>	<b>258,818</b>
Interest paid		-42,346	-29,198
Payment of lease interest		-1,512	-1,688
Taxes paid on profit		-28,365	-11,348
		<b>-72,223</b>	<b>-42,234</b>



## CASH FLOW STATEMENT

CASH FLOW STATEMENT (INDIRECT METHOD)	9M23	9M22
In thousand of Reais		
<b>Net Cash Flow provided by (used in) operating activities</b>	<b>409,269</b>	<b>216,584</b>
<b>Cash flow from investing activities</b>		
Acquisitions of property, plant and equipment	-97,112	-112,539
Redemption (application) of financial investments	-2,998	2,755
Resources from the disposal of fixed assets	1,534	919
Acquisition of intangible assets	-1,113	-1,883
Receipt of dividends	1,401	134
<b>Net Cash Flow used in investing activities</b>	<b>-98,288</b>	<b>-110,614</b>
<b>Cash flow from financing activities</b>		
Loans obtained - Main	262,678	278,831
Payment of loans obtained - Main	-301,869	-279,482
Acquisition of treasure shares	-3,899	0
Dividends and interest on shareholders' equity paid	-94,284	-4
Capital Increase	1,637	0
Payment of lease liabilities	-9,224	-8,726
<b>Net Cash Flow used in financing activities</b>	<b>-144,961</b>	<b>-9,381</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>166,020</b>	<b>96,589</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>197,197</b>	<b>114,635</b>
Effect of exchange variation on cash and cash equivalents	168	735
<b>Cash and cash equivalents at end of the period</b>	<b>363,385</b>	<b>211,959</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>166,020</b>	<b>96,589</b>

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 review services of September 30, 2023 (3Q23), fees of approximately R\$ 212.4 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 10/31/2023, declares that it has reviewed, discussed and agreed with the accounting information of Vulcabras S.A. for the third 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



EARNINGS  
RELEASE

3Q23

**VULCABRAS**  
we live for the sports