Interim Financial Information

Vulcabras S.A.

March 31, 2025
with Report on Review of Interim Financial Information

Vulcabras S.A.

Interim financial information

March 31, 2025

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A free translation from Portuguese into English of Independent Auditor's Review Report on quarterly information (ITR) prepared in Brazilian currency in accordance with the Brazilian and International Standards on Review Engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively) and with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the reparation of Quarterly Information (ITR)

Independent auditor's review report on quarterly information

To the Shareholders, Board of Directors and Officers of
Vulcabras S.A.
Jundiaí - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information contained in the Quarterly Information Form (ITR) of Vulcabras S.A. (the "Company") for the quarter ended March 31, 2025, which comprises the statement of financial position as of March 31, 2025 and the related statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the three month then ended, including the explanatory notes.

The executive board is responsible for the preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement CPC 21 Interim Financial Reporting, and IAS 34 Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) (currently referred by the IFRS Foundation as "IFRS Accounting Standards"), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Conclusion on the individual and consolidated interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above is not prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Statements of value added

The abovementioned quarterly information includes the individual and consolidated statements of value added (SVA) for the three month period ended March 31, 2025, prepared under the Company management's responsibility and presented as supplementary information under IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if their format and content are in accordance with the criteria set forth by Accounting Pronouncement CPC 09 Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, in accordance with the criteria set forth by this standard and consistently with the overall individual and consolidated interim financial information.

Recife, May 06, 2025.

ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC SP-015199/O

Original report in Portuguese signed by
Francisco da Silva Pimentel
Accountant CRC SP-171230/O

Vulcabras S.A.

(Publicly-held company)

Statements of financial position

As of March 31, 2025 and December 31, 2024

(In thousands of reais)

		Consolidated		Parent Company	
Assets	**Note**	**03/31/2025**	**12/31/2024**	**03/31/2025**	**12/31/2024**
Cash and cash equivalents	4	243.846	307.660	34.369	78.612
Trade accounts receivable	6	833.169	988.310	-	-
Inventories	7	794.512	648.390	-	-
Recoverable taxes	8	107.484	111.933	689	680
Income tax and social contribution	9a	28.736	31.161	4.061	4.722
Dividends and income receivable		-	-	94.723	94.723
Other accounts receivable - related parties	11b	-	-	87.667	151.117
Other accounts receivable and other receivables		43.783	40.304	1.456	1.469
Total current assets		**2.051.530**	**2.127.758**	**222.965**	**331.323**
Interest earning bank deposits	5	3.714	6.567	2	2
Trade accounts receivable	6	4.419	3.754	-	-
Recoverable taxes	8	15.182	15.496	1.974	1.962
Deferred income tax and social contribution	9b	7.156	7.263	933	933
Judicial deposits	10	11.179	11.305	242	242
Goods for sale		194	194	-	-
Other accounts receivable		1.615	1.447	234	234
Long-term assets		**43.459**	**46.026**	**3.385**	**3.373**
Investments	12a	65.680	64.320	2.015.624	1.912.935
Investment property		1	1	-	-
Right of use	18	24.714	25.982	-	-
Property, plant and equipment	13	533.403	516.489	3	3
Intangible assets	14	214.516	212.732	115	111
		838.314	**819.524**	**2.015.742**	**1.913.049**
Total non-current assets		**881.773**	**865.550**	**2.019.127**	**1.916.422**
Total assets		**2.933.303**	**2.993.308**	**2.242.092**	**2.247.745**

		Consolidated		Parent Company	
Liabilities	**Note**	**03/31/2025**	**12/31/2024**	**03/31/2025**	**12/31/2024**
Suppliers	16	145.349	94.950	296	252
Financing and loans	17	155.253	200.209	-	-
Lease liabilities	18	7.944	7.855	-	-
Taxes payable		32.930	55.356	130	255
Salaries and vacation payable		76.495	67.942	22	21
Provision	19	2.737	2.792	64	71
Commissions payable		33.808	38.039	-	-
Dividends and profits payable		34.505	136.141	34.505	136.141
Other accounts payable		59.979	65.596	125	177
Total current liabilities		**549.000**	**668.880**	**35.142**	**136.917**
Financing and loans	17	102.452	136.643	-	-
Lease liabilities	18	20.737	22.433	-	-
Provision	19	51.291	51.243	778	643
Deferred income tax and social contribution	9b	1.972	1.992	209	209
Other accounts payable		1.552	1.778	-	-
Total non-current liabilities		**178.004**	**214.089**	**987**	**852**
Shareholders' equity					
Capital	20a	1.277.962	1.273.553	1.277.962	1.273.553
Capital reserves	20b	275.270	287.701	275.270	287.701
Revaluation reserves	20c	3.828	3.866	3.828	3.866
Equity valuation adjustments	20d	29.162	31.225	29.162	31.225
Profit reserve	20e	513.631	513.631	513.631	513.631
Retained earnings		106.110	-	106.110	-
Shareholders' equity attributable to controlling shareholders		**2.205.963**	**2.109.976**	**2.205.963**	**2.109.976**
Non-controlling interest		**336**	**363**	**-**	**-**
Total shareholders' equity		**2.206.299**	**2.110.339**	**2.205.963**	**2.109.976**
Total liabilities		**727.004**	**882.969**	**36.129**	**137.769**
Total liabilities and shareholders' equity		**2.933.303**	**2.993.308**	**2.242.092**	**2.247.745**
		-	-	-	-

See the notes to the individual and consolidated interim financial information.

Vulcabras S.A.

(Publicly-held company)

Statements of profit or loss

Periods ended March 31, 2025 and 2024

(In thousands of reais, except net earnings per share)

		Consolidated		Parent Company	
	Note	**03/31/2025**	**03/31/2024**	**03/31/2025**	**03/31/2024**
Continued operation					
Net sales	21	701.194	597.267	-	-
Cost of sales and resales	22	(419.293)	(357.381)	-	-
Gross profit		**281.901**	**239.886**	**-**	**-**
Sales expenses	23	(132.616)	(108.587)	-	-
Provision for expected losses for allowance for doubtful accounts	23	(1.451)	(2.112)	-	-
Administrative expenses	24	(43.941)	(37.465)	(813)	(819)
Other operating revenue, net	25	4.947	4.011	1.899	1.721
Equity in net income of subsidiaries	12b	956	1.380	104.753	81.564
Income (loss) before net financial expenses and revenues and taxes		**109.796**	**97.113**	**105.839**	**82.466**
Financial revenues		29.221	20.999	412	6.362
Financial expenses		(26.896)	(20.219)	(14)	(16)
Financial income (loss)	26	**2.325**	**780**	**398**	**6.346**
Income (loss) before income taxes		**112.121**	**97.893**	**106.237**	**88.812**
Deferred income tax and social contribution	9c	(6.056)	(9.131)	(165)	(44)
Net income for the period		**106.065**	**88.762**	**106.072**	**88.768**
Income (loss) attributable to:					
Controlling shareholders		106.072	88.768	106.072	88.768
Non-controlling shareholders		(7)	(6)	-	-
Net income for the period		**106.065**	**88.762**	**106.072**	**88.768**
Earnings per share					
Earnings per common share - basic				0,3915	0,3395
Earnings per common share - diluted				0,3910	0,3380
Weighted average of shares during the period					
Outstanding common shares				270.929.739	261.447.583
Outstanding common shares with a dilution effect				271.282.772	262.628.711

See the notes to the individual and consolidated interim financial information.

Vulcabras S.A.

(Publicly-held company)

Statements of comprehensive income

Periods ended March 31, 2025 and 2024

(In thousands of reais)

	Consolidated		Parent Company	
	03/31/2025	**03/31/2024**	**03/31/2025**	**03/31/2024**
Net assets for the period	106.065	88.762	106.072	88.768
Other comprehensive income - OCI	(2.063)	854	(2.063)	854
Items that can be subsequently reclassified to income (loss)				
Foreign exchange differences from translation of foreign operations	(2.221)	854	(2.221)	854
Financial assets at fair value through other comprehensive income	158	-	158	-
Total comprehensive income	104.002	89.616	104.009	89.622
Comprehensive income attributable to:				
Controlling shareholders	104.009	89.622	104.009	89.622
Non-controlling shareholders	(7)	(6)	-	-

See the notes to the individual and consolidated interim financial information.

Vulcabras S.A.

(Publicly-held company)

Statement of changes in equity

Periods ended March 31, 2025 and 2024

(In thousands of reais)

	Consolidated										
	Parent Company										
		Capital reserves			Other comprehensive income	Profit reserves					
	Capital	**Goodwill in the issue of shares**	**Stock option and treasury shares**	**Reflected revaluation reserve in subsidiaries**	**Equity valuation adjustment**	**Legal reserve**	**Statutory reserve**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total shareholders' equity**
Balances at January 1, 2024	**1.108.354**	**-**	**(4.102)**	**4.020**	**23.965**	**63.931**	**798.819**	**-**	**1.994.987**	**309**	**1.995.296**
Realization of revaluation reserve in subsidiary, net of taxes	-	-	-	(38)	-	-	-	38	-	-	-
Transaction with share-based payments	-	-	(681)	-	-	-	-	-	(681)	-	(681)
Capital increase (Note 20.a)	10.441	-	-	-	-	-	-	-	10.441	-	10.441
Capital increase, including goodwill on issuing shares (Note 20.a)	176.350	325.000	-	-	-	-	-	-	501.350	-	501.350
Costs with issue of shares (Note 20.a)	(21.105)	-	-	-	-	-	-	-	(21.105)	-	(21.105)
Other comprehensive income											
Foreign exchange differences from translation of foreign operations	-	-	-	-	854	-	-	-	854	7	861
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Net income for the period	-	-	-	-	-	-	-	88.768	88.768	(6)	88.762
Allocation of income:											
Payment of dividends	-	-	-	-	-	-	(571.912)	-	(571.912)	-	(571.912)
Balances at March 31, 2024	**1.274.040**	**325.000**	**(4.783)**	**3.982**	**24.819**	**63.931**	**226.907**	**88.806**	**2.002.702**	**310**	**2.003.012**
Balances at January 01, 2025	**1.273.553**	**325.000**	**(37.299)**	**3.866**	**31.225**	**92.425**	**421.206**	**-**	**2.109.976**	**363**	**2.110.339**
Realization of revaluation reserve in subsidiary, net of taxes	-	-	-	(38)	-	-	-	38	-	-	-
Transaction with share-based payments	-	-	(894)	-	-	-	-	-	(894)	-	(894)
Treasury shares acquired	-	-	(11.537)	-	-	-	-	-	(11.537)	-	(11.537)
Capital increase (Note 20.a)	4.409	-	-	-	-	-	-	-	4.409	-	4.409
Other comprehensive income											
Foreign exchange differences from translation of foreign operations	-	-	-	-	(2.221)	-	-	-	(2.221)	(20)	(2.241)
Financial assets at fair value through other comprehensive income	-	-	-	-	158	-	-	-	158	-	158
Net income for the period	-	-	-	-	-	-	-	106.072	106.072	(7)	106.065
Balances at March 31, 2025	**1.277.962**	**325.000**	**(49.730)**	**3.828**	**29.162**	**92.425**	**421.206**	**106.110**	**2.205.963**	**336**	**2.206.299**

See the notes to the individual and consolidated interim financial information.

Vulcabras S.A.

(Publicly-held company)

Statements of cash flows – Indirect method

Periods ended March 31, 2025 and 2024

(In thousands of reais)

	Note	Consolidated		Parent Company	
		03/31/2025	03/31/2024	03/31/2025	03/31/2024
Cash flow from operating activities					
Net income for the period		106.065	88.762	106.072	88.768
Adjustments for:					
Depreciation and amortization		30.592	25.319	-	-
Provision for impairment losses on inventories	7b	7.188	14.743	-	-
Interest on provisioned leases	18	1.946	649	-	-
Net value of written off tangible and intangible assets		931	5.888	-	-
Yields from interest earning bank deposits		(251)	(3.763)	-	(3.464)
Provision for contingencies	19	3.988	19.128	135	65
Equity in net income of subsidiaries	12b	(956)	(1.380)	(104.753)	(81.564)
Transaction with share-based payments	20b	(894)	(681)	(894)	(681)
Provision (reversal) for expected losses for doubtful accounts	6d	1.451	2.112	-	-
Gain or loss on lease termination		-	(459)	-	-
Recovery of PIS and COFINS on ICMS		(690)	(1.724)	-	-
Financial charges and exchange-rate change recognized in income (loss)		6.435	11.787	-	-
Current and deferred income tax and social contribution	9c	6.056	9.131	165	44
Non-controlling interest		7	6	-	-
		161.868	**169.518**	**725**	**3.168**
Changes in assets and liabilities					
Trade accounts receivable		148.176	95.439	-	-
Inventories		(153.310)	(81.899)	-	-
Recoverable taxes		7.878	15.966	640	(1.428)
Other accounts receivable		(3.647)	13.004	63.463	246.542
Judicial deposits		(2.283)	(2.122)	-	1
Suppliers		51.910	45.276	44	(910)
Taxes payable		(6.973)	(21.242)	(290)	97
Salaries and vacation payable		8.553	(1.882)	1	-
Provision	19	(1.586)	(1.419)	(7)	(47)
Commissions payable		(4.231)	(1.894)	-	-
Other accounts payable		(5.870)	(4.080)	(52)	73
Cash from (used in) operating activities		**200.485**	**224.665**	**64.524**	**247.496**
Interest paid	17d	(6.975)	(7.480)	-	-
Payment of lease interest	17d	(918)	(377)	-	-
Income taxes paid		(21.136)	(1.895)	-	-
		(29.029)	**(9.752)**	**-**	**-**
Net cash flow from operating activities		**171.456**	**214.913**	**64.524**	**247.496**
Cash flow from investing activities					
Acquisition of property, plant and equipment	13b	(43.349)	(29.041)	-	(3)
Redemption (investment) of interest earning bank deposits		3.104	(246.879)	-	(249.220)
Funds from disposal of property, plant and equipment		16	154	-	-
Acquisitions of intangible assets	14b	(2.725)	(637)	(4)	-
Decrease in investee's interest		-	-	1	-
Net cash flows used in investment activities		**(42.954)**	**(276.403)**	**(3)**	**(249.223)**
Cash flow from financing activities					
Loans obtained - Principal	17d	2.349	31.892	-	-
Payment of loans obtained - Principal	17d	(82.688)	(58.328)	-	-
Acquisition of treasury shares	20b	(11.537)	-	(11.537)	-
Dividends and interest on own capital paid	17d	(101.636)	(449.323)	(101.636)	(449.323)
Capital increase	20a	4.409	186.791	4.409	186.791
Goodwill on the subscription of shares	17d	-	325.000	-	325.000
Realization of expenditure with issue of shares	20a	-	(21.105)	-	(21.105)
Payment of lease liabilities	17d	(3.345)	(2.721)	-	-
Net cash flow from (used in) financing activities		**(192.448)**	**12.206**	**(108.764)**	**41.363**
Increase (decrease) in cash and cash equivalents		**(63.946)**	**(49.284)**	**(44.243)**	**39.636**
Cash and cash equivalents at the beginning of the year		307.660	361.020	78.612	1.023
Effect of exchange-rate changes on cash and cash equivalents		132	(49)	-	-
Cash and cash equivalents at the end of the year		243.846	311.687	34.369	40.659
Increase (decrease) in cash and cash equivalents		**(63.946)**	**(49.284)**	**(44.243)**	**39.636**
		-	-	-	-

(*) The amount of R$ 2,317 from property, plant and equipment acquisitions not settled with suppliers (R$ 0 as of March 31, 2024) had no cash effect for the period ended March 31, 2025.

See the notes to the individual and consolidated interim financial information.

Vulcabras S.A.

(Publicly-held company)

Statements of value added

Periods ended March 31, 2025 and 2024

(In thousands of reais)

	Consolidated		Parent Company	
	03/31/2025	**03/31/2024**	**03/31/2025**	**03/31/2024**
Revenues	**802.175**	**684.619**	**286**	**415**
Sale of goods, products and services	796.985	680.333	-	-
Other revenues and expenses	6.641	6.398	286	415
Expected losses for allowance for doubtful accounts	(1.451)	(2.112)	-	-
Inputs acquired from third parties	**(327.417)**	**(281.015)**	**(347)**	**(421)**
Raw material used	(151.964)	(124.421)	-	-
Cost of products and goods sold and services rendered	(99.230)	(94.508)	-	-
Materials, energy, outsourced services and other	(76.223)	(62.086)	(347)	(421)
Gross added value	**474.758**	**403.604**	**(61)**	**(6)**
Retentions	**(30.592)**	**(25.320)**	**-**	**-**
Depreciation and amortization	(30.592)	(25.320)	-	-
Net added value generated by the Company	**444.166**	**378.284**	**(61)**	**(6)**
Added value received as transfer	**31.589**	**24.798**	**107.143**	**89.804**
Equity in net income of subsidiaries	956	1.380	104.753	81.564
Financial revenues	29.221	20.999	412	6.362
Other	1.412	2.419	1.978	1.878
Total added value to be distributed	**475.755**	**403.082**	**107.082**	**89.798**
Distribution of value added	**475.755**	**403.082**	**107.082**	**89.798**
Personnel	**223.043**	**190.090**	**291**	**291**
Direct remuneration	128.162	110.681	-	-
Benefits	25.508	20.818	-	-
FGTS	9.103	7.607	-	-
Sales commissions	55.082	46.084	-	-
Directors’ fees	5.188	4.900	291	291
Taxes, rates and contributions	**119.573**	**104.300**	**705**	**737**
Federal	100.850	87.702	620	649
State	18.536	16.379	-	-
Municipal	187	219	85	88
Third-party capital remuneration	**27.074**	**19.930**	**14**	**2**
Interest	26.000	18.984	13	2
Rents	1.072	945	-	-
Other	2	1	1	-
Remuneration of own capital	**106.065**	**88.762**	**106.072**	**88.768**
Retained earnings	106.072	88.768	106.072	88.768
Non-controlling interest	(7)	(6)	-	-

See the notes to the individual and consolidated interim financial information.

1 Operations

Vulcabras S.A. ("Company") is a publicly-held company headquartered in Jundiaí - State of São Paulo (SP), Brazil. Manufacturing operations are concentrated in subsidiaries located in the Northeast region, in the States of Ceará and Bahia. The Company is registered with B3 S.A. - Brasil, Bolsa, Balcão - in the Novo Mercado (New Market) segment, under the ticker VULC3.

The Company has also investments in other companies, and is engaged in trading and production in the domestic and foreign markets of apparel and accessories products, particularly sportswear, male, female and professional footwear, through its direct and indirect subsidiaries:

- Vulcabras Empreendimento Imobiliário SPE Ltda.;
- Vulcabras CE, Calçados e Artigos Esportivos S.A. ("Vulcabras CE") which has the following subsidiaries:
  - Vulcabras SP, Comércio de Artigos Esportivos Ltda. ("Vulcabras SP");
  - Vulcabras Distribuidora de Artigos Esportivos Ltda. ("Vulcabras Distribuidora");
  - Distribuidora de Calçados e Artigos Esportivos Cruzeiro do Sul Ltda.;
  - Vulcabras BA, Calçados e Artigos Esportivos S.A. ("Vulcabras BA");
  - Calzados Azaléia Peru S.A.; and
  - Running Comércio e Indústria de Artigos Esportivos Ltda.

The brands managed by the companies include:

Own brands: Azaléia, Dijean, Olk, Olympikus, Opanka and Vulcabras.
Third parties' brands: Under Armour and Mizuno.

(In thousands of reais)

1.1 List of subsidiaries

The interim consolidated financial information includes the information of the Company and its subsidiaries the following direct and indirect subsidiaries, with the following percentage interest on the balance sheet date:

		% Direct interest		% Indirect interest		% Total interest	
	Country	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Calzados Azaleia Peru S.A.	Peru	-	-	99.11	99.11	99.11	99.11
Distribuidora de Calçados e Artigos Esportivos Cruzeiro do Sul Ltda.	Brazil	-	-	100.00	100.00	100.00	100.00
Running Comércio e Indústria de Artigos Esportivos Ltda	Brazil	-	-	100.00	100.00	100.00	100.00
Vulcabras BA, Calçados e Artigos Esportivos S.A.	Brazil	-	-	99.99	99.99	99.99	99.99
Vulcabras CE, Calçados e Artigos Esportivos S.A.	Brazil	99.99	99.99	-	-	99.99	99.99
Vulcabras Distribuidora de Artigos Esportivos Ltda.	Brazil	0.22	0.22	99.78	99.78	100.00	100.00
Vulcabras Empreendimento Imobiliário SPE Ltda	Brazil	100.00	100.00	-	-	100.00	100.00
Vulcabras SP, Comércio de Artigos Esportivos Ltda.	Brazil	-	-	100.00	100.00	100.00	100.00

a. *Main characteristics of subsidiaries included in consolidation*

Calzados Azaleia Peru S.A.
Calzados Azaleia Peru S.A. is responsible for the import and sale of shoes and sport gear and women's shoes in the Peruvian market.

Distribuidora de Calçados e Artigos Esportivos Cruzeiro do Sul Ltda.
Distribuidora de Calçados e Artigos Esportivos Cruzeiro do Sul Ltda. is engaged in the trading and distribution of footwear and sports apparel and boots for professional use.

Running Comércio e Indústria de Artigos Esportivos Ltda.
Running Comércio e Indústria de Artigos Esportivos Ltda. is engaged in marketing footwear, apparel and sports accessories under the Mizuno brand.

Vulcabras BA, Calçados e Artigos Esportivos S.A.
Vulcabras BA, Calçados e Artigos Esportivos S.A is mainly engaged in the manufacture, sale, import and export of sports shoes, women's shoes and boots for professional use.

Vulcabras CE, Calçados e Artigos Esportivos S.A.
Vulcabras CE, Calçados e Artigos Esportivos S.A. is mainly engaged in the development, manufacture, sale, import and export of sports shoes.

Vulcabras Distribuidora de Artigos Esportivos Ltda.
Vulcabras Distribuidora de Artigos Esportivos Ltda. is responsible for the sale and distribution of sports shoes and apparel.

Vulcabras Empreendimento Imobiliário SPE Ltda.
Vulcabras Empreendimento Imobiliário SPE Ltda. has as its specific corporate purpose the planning, promotion, real estate development and commercialization of a real estate project, to be developed in the property located in Jundiaí - SP.

Vulcabras SP, Comércio de Artigos Esportivos Ltda.
Vulcabras SP, Comércio de Artigos Esportivos Ltda. is engaged in the trading and distribution of footwear, sports apparel and accessories by means of its stores, e-commerce and distribution center.

2 Preparation basis and presentation of individual and consolidated interim financial information

2.1 Statement of conformity regarding the International Financial Reporting Standards (IFRS) and Accounting Pronouncement Committee (CPC) standards and measurement basis

The interim financial information was prepared and is being presented in accordance with the accounting practices adopted in Brazil, which comprise the rules of the Brazilian Securities and Exchange Commission (CVM) and the Brazilian Accounting Standards – NBCs of the Technical Pronouncement CPC 21 - Interim Financial Reporting [equivalent to IAS 34, issued by the International Accounting Standards Board (IASB)].

All relevant information in individual and consolidated interim financial information, and only this, is being evidenced and corresponds to that used by Management.

The presentation of the Statement of Added Value, although not required by IFRS, is mandatory for publicly-held companies in Brazil. As a result, this statement is presented by Company as supplementary information for IFRS purposes, without prejudice to the interim financial information.

The interim financial information was prepared based on the historical cost, with the exception of debt securities at FVTOCI that are measured at fair value and financial assets measured at fair value through profit or loss and other financial liabilities measured at fair value.

The authorization for the conclusion and issue of this individual and consolidated interim financial information was given by the Board of Directors on May 6, 2025.

2.2 Use of estimates and judgments

The preparation of this interim financial information, Management used judgments, estimates and assumptions that affect the application of accounting policies of the Company, and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Reviews of estimates are recognized on a prospective basis.

a. Judgments

Information about judgment referring to the adoption of accounting policies which impact significantly the amounts recognized in the interim financial information are included in the following notes:

- **Note 18 -** Lease term: whether the Company's subsidiaries are reasonably certain to exercise extension options.

b. Uncertainties on assumptions and estimates

Information about assumptions and estimates uncertainties as of March 31, 2025 that have a significant risk of resulting in a material adjustment to the book values of assets and liabilities in the next financial year is included in the following notes:

- **Note 6** – Trade accounts receivable: measurement of estimated credit loss for accounts receivable;
- **Note 7 -** Inventories: recognition of provision for losses in inventories without movement;
- **Note 15 -** Analysis of recoverability of non-financial assets: impairment test of non-financial assets: main assumptions in relation to recoverable values;
- **Note 19 -** Provision: recognition and measurement of provision for lawsuits: key assumptions regarding the likelihood and magnitude of an outflow of resources.

3 Material accounting policies

The practices, policies and significant accounting judgments and sources of uncertainties on estimates adopted in the preparation of interim financial information are consistent with those adopted and disclosed in individual and consolidated financial statements for the year ended December 31, 2024, which were disclosed as of March 11, 2025 and should be read jointly with this interim financial information.

This individual and consolidated interim financial information is presented in Reais, which is the Company's functional currency, and has been rounded to the nearest thousand, unless otherwise indicated.

New standards and interpretations not yet effective

The following amended standards and interpretations did not have a significant impact on Company's individual and consolidated interim financial information.

- Deferred tax related to assets and liabilities arising from a single transaction - amendments to CPC 32/IAS 12
- IFRS 17 - Insurance Contracts.
- Disclosure of accounting policies (amendment to CPC 26/IAS 1 and IFRS Practice Statement 2)
- Definition of accounting estimates (amendments to CPC 23/IAS 8).

The new standards and changes did not have a significant impact on the company's individual and consolidated interim financial information.

The Company and its subsidiaries decided not to early adopt any other standard, interpretation or change that has been issued but is not yet effective.

(In thousands of reais)

4 Cash and cash equivalents

	Consolidated		Parent Company	
	03/31/2025	**12/31/2024**	**03/31/2025**	**12/31/2024**
Current account	34,188	34,615	33,871	33,965
Floating rate CDB (Invest Fácil)	19,509	24,335	498	167
Floating-rate CDBs	188,941	243,778	-	44,480
Cash and cash equivalents abroad	1,208	4,932	-	-
	243,846	**307,660**	**34,369**	**78,612**

Balance of checking account is represented by bank deposits without interest accrual.

Interest earning bank deposits classified as cash equivalents consist of short-term investments, with daily liquidity, which can be redeemed at any time regardless of maturity, without forfeiting the yield.

Interest earning bank deposits accruing interest on the bank account balance (Invest Fácil) are made automatically according to the availability of bank balance and the redemptions occur according to the immediate cash requirements of the Company and its subsidiaries. The yield is 5% to 10% of the Interbank Deposit Certificate (CDI), on March 31, 2025 (5% to 10% of the CDI as of December 31, 2024).

Floating-rate CDBs (Bank Deposit Certificate) are remunerated from 100.0% to 101.35% of CDI as of March 31, 2025 (from 100.0% to 101.35% of CDI as of December 31, 2024) and have immediate liquidity. See Note 28 on credit risk exposure.

5 Interest earning bank deposits

	Consolidated		Parent Company	
	03/31/2025	**12/31/2024**	**03/31/2025**	**12/31/2024**
Interest earning bank deposits - Domestic:				
Investment funds – fixed income	3,094	6,105	2	2
Share investment funds	620	462	-	-
	3,714	**6,567**	**2**	**2**
Non-current	**3,714**	**6,567**	**2**	**2**

Investments in fixed income investment funds in the amount of R$ 3,094 (R$ 6,105 as of December 31, 2024) yield 83% of the CDI as of December 31, 2024 (89% of the CDI as of December 31, 2024), do not have liquidity, as they are linked to guarantees in financing agreements (BNB).

(In thousands of reais)

Equity investment funds of R$ 620 (R$ 462 as of December 31, 2024) are financial assets measured at fair value through other comprehensive income. Shares were valued according to the B3 quotation on the date of this financial information.

6 Trade accounts receivable

a. Breakdown of balances

	Consolidated	
Accounts receivable	**03/31/2025**	**12/31/2024**
Domestic:		
Clients	828,142	968,039
Abroad:		
Clients	55,737	69,330
Subtotal trade accounts receivable	**883,879**	**1,037,369**
Impairment losses	(46,291)	(45,305)
Total trade accounts receivable, net	**837,588**	**992,064**
Current	**833,169**	**988,310**
Non-current	**4,419**	**3,754**

b. By maturity

	Consolidated	
	03/31/2025	**12/31/2024**
Falling due (days)		
01−30	116,353	244,253
31−60	263,021	291,704
61−90	211,923	214,635
>90	243,854	236,621
	835,151	**987,213**
Overdue (days)		
01−30	6,198	6,677
31−60	561	964
61−90	239	278
>90	41,730	42,237
	48,728	**50,156**
	883,879	**1,037,369**

The exposure of the Company and its subsidiaries to credit risk is influenced, mainly, by the individual characteristics of each client. However, management also considers the factors that may influence the credit risk of its client base, including the risk of non-payment of the industry, sales and of the country in which the client operates.

Details on gross sales in the foreign and domestic markets are disclosed in Note 21. Management understands that the amount that best reflects its maximum exposure to credit risk for the period ended March 31, 2025 is R$ 46,291 (R$ 45,305 as of December 31, 2024), which results from the criteria described in item (c).

c. Measurement criteria of losses with clients (impairment)

The analysis of the credit granting to the customer is made when he/she is registered in the system of the Company and its subsidiaries, for which there is a requirement to present all necessary documentation, including financial statements and commercial references. The credit limit is revalued at each posting of new orders, due to the seasonality of the financial market.

In addition to the individual analysis of each client on arrears, The Company and its subsidiaries use a matrix of provision to calculate the expected loss on accounts receivable. The provision rates applied are based on arrears for groupings of segments of clients with similar loss patterns, such as, for example, by geographic region, line of product or type of client, credit risk, among other.

The provision matrix is initially based on the historical loss rates observed by the Company and its subsidiaries. The Company and its subsidiaries review the matrix on a forward-looking basis in order to adjust it according to historical loss experience. For example, if there is expectation of deterioration of economic conditions for the following year, which could cause increase of default, the expected loss rates are adjusted, when deemed necessary. In every accounting closing date, the loss rates are updated and the need of changes in the prospective estimates is assessed.

The criteria used to form impairment losses is the same for the portfolio of domestic and foreign clients.

The Company and its subsidiaries carry out an individual analysis of each client. For clients under court-ordered reorganization, the Company has a policy of recording a provision for expected loss in the amount that may vary from 20% to 40% of the outstanding balance for clients with a financial restructuring profile and, for those who do not have the same profile, 100% is applied on the outstanding balance.

(In thousands of reais)

d. Changes in provision for impairment

Changes in the provision for impairment for the period ended March 31, 2025 and year ended December 31, 2024 are as follows:

	Consolidated	
	03/31/2025	**12/31/2024**
Opening balance	**(45,305)**	**(41,775)**
Complement of provision	(2,348)	(11,543)
Write-offs	465	2,047
Recovery of provision	897	5,966
Closing balance	**(46,291)**	**(45,305)**

Considering the capillarity of sales distribution and the credit policy of the Company's subsidiaries, the concentration of clients in sales or in the receivables portfolio is lower than 9%. Thus, at the end of the period as of March 31, 2025, there was no significant change in the participation or concentration in the main clients.

The exposure of the Company and its subsidiaries to credit and currency risks and impairment losses related to trade accounts receivable and other accounts are disclosed in Note 28.

7 Inventories

	Consolidated	
	03/31/2025	**12/31/2024**
Finished products	95,381	82,584
Good for resale	328,164	268,818
Work in process	74,006	58,125
Raw materials	161,442	129,887
Packaging and storeroom materials	27,741	27,372
Goods in transit	93,221	66,258
Imports in progress	12,463	13,252
Other	2,094	2,094
	794,512	**648,390**

a. Measurement criteria of provision (impairment)

The Company's subsidiaries, based on a historical analysis and estimate of losses, form a provision for losses in the realization of inventories. An allowance was set up for 100% of the raw materials and work in progress inventories without movement for over 180 days. All items of the finished products and goods for resale inventory were valued and an allowance was set up for potential losses due to the perspectives of sale of each of them, with an allowance for all the items that presented negative contribution margin.

(In thousands of reais)

As of March 31, 2025, the provision for losses for finished products and resales is R$ 15,249 (R$ 13,693 as of December 31, 2024), the provision for losses on raw materials and consumption material is R$ 47,865 (R$ 43,881 as of December 31, 2024) and the provision for losses for work in process is R$ 5,462 (R$ 5,003 as of December 31, 2024).

The amount of raw material, labor, and indirect manufacturing costs used in the breakdown of costs of products sold is R$ 269,510 as of March 31, 2025 (R$ 229,219 as of March 31, 2024).

b. Changes in provision (impairment)

Changes in provision for losses in the realization of inventory for the period ended March 31, 2025 and year ended December 31, 2024 are shown below:

	Consolidated	
	03/31/2025	**12/31/2024**
Opening balance	**(62,577)**	**(43,294)**
Additions of the period	(7,188)	(42,919)
Write-offs	1,189	23,636
Closing balance	**(68,576)**	**(62,577)**

8 Recoverable taxes

	Consolidated		Parent Company	
	03/31/2025	**12/31/2024**	**03/31/2025**	**12/31/2024**
ICMS	4,720	4,424	20	20
IPI	3,392	2,615	-	-
PIS/COFINS	75,092	86,124	-	-
FINSOCIAL	2,529	2,517	1,974	1,962
Reintegra	233	221	-	-
Undue tax payments (a)	8,792	8,792	-	-
Tax credit – State subsidy	25,316	19,522	-	-
Other	2,592	3,214	669	660
	122,666	**127,429**	**2,663**	**2,642**
Current	**107,484**	**111,933**	**689**	**680**
Non-current	**15,182**	**15,496**	**1,974**	**1,962**

(a) Refers to the recognition of tax overpayments – SELIC, arising from the non-taxation of inflation adjustment based on the SELIC change.

The Company’s subsidiaries have other lawsuits in different phases, but none with characteristics to be accounted for at this time.

(In thousands of reais)

9 Income tax and social contribution

a. Income tax prepayment

	Consolidated		Parent Company	
	03/31/2025	**12/31/2024**	**03/31/2025**	**12/31/2024**
Income tax - prepayment	28,736	31,161	4,061	4,722
	28,736	**31,161**	**4,061**	**4,722**

b. Deferred income tax and social contribution on temporary differences

	Consolidated	
	03/31/2025	**12/31/2024**
Temporary differences in the year		
Revaluation of property, plant and equipment	(1,972)	(1,992)
Provision	5,019	5,019
Subsidiary abroad	2,137	2,244
Deferred income tax and social contribution on temporary differences	**5,184**	**5,271**
Total deferred income tax and social contribution in assets	7,156	7,263
Total deferred income and social contribution tax liabilities	(1,972)	(1,992)

c. Income tax and social contribution - deferred and current

Deferred and current income tax and social contribution in the consolidated income (loss). As shown in Note 9d, the rate used to calculate the tax was 34%:

	Consolidated	
	03/31/2025	**03/31/2024**
Current income tax and social contribution	(2,590)	(2,152)
Deferred income tax and social contribution	(3,466)	(6,979)
	(6,056)	**(9,131)**

(In thousands of reais)

d. Reconciliation of the effective tax rate

	Consolidated	
	IRPJ / CSLL	
	03/31/2025	**03/31/2024**
Income before income tax and social contribution	**112,121**	**97,893**
Income tax and social contribution at a rate of 34%	38,121	33,284
Non-deductible expenses	1,267	756
Incentive to technological innovation	(2,434)	(2,559)
IRPJ incentive	(12,088)	(11,734)
Offset of tax loss and negative basis	(1,349)	(3,913)
Temporary differences	(6,583)	(5,292)
Adjustment of tax overpayments	(235)	(586)
Credit for state incentives – Law 14789/2023	(1,970)	(1,571)
Other	(8,673)	746
	(32,065)	(24,153)
Expense with income tax and social contribution	**6,056**	**9,131**
Current	2,594	2,152
Deferred	3,462	6,979
Effective rate (a)	**5.40%**	**9.33%**

(a) Effective rate on accounting income before income tax and social contribution.

(In thousands of reais)

e. Tax losses to be offset

The Company and its subsidiaries, Vulcabras CE, Calçados e Artigos Esportivos S.A., Vulcabras BA, Calçados e Artigos Esportivos S.A., Vulcabras SP, Comércio de Artigos Esportivos Ltda. and Vulcabras Distribuidora de Artigos Esportivos Ltda. have significant tax incentives that considerably reduce their capacity to offset any deferred income tax credits. Management is constantly monitoring the renewal of tax incentives. Considering the low expectation of realization, the Company and its subsidiaries do not record the deferred income tax and social contribution on tax losses and negative basis of social contribution. As of March 31, 2025 and December 31, 2024, the Company and its subsidiaries had tax losses to be utilized for offset, related to the following base amounts:

	03/31/2025							
	Vulcabras CE, Calçados e Artigos Esportivos S.A.	Vulcabras BA, Calçados e Artigos Esportivos S.A.	Vulcabras Distribuidora de Artigos Esportivos Ltda.	Vulcabras SP, Comércio de Artigos Esportivos Ltda.	Running, Comércio e Indústria de Artigos Esportivos Ltda.	Distribuidora de Calçados e Artigos Esportivos Cruzeiro do Sul Ltda.	Vulcabras S.A	Total
Tax losses calculated on March 31, 2025	91,351	513,016	45,877	484,794	11,708	39,274	149,855	1,335,875
Negative basis of social contribution as of March 31, 2025	932,994	525,049	43,372	507,310	16,653	39,274	149,788	2,214,440

	12/31/2024							
	Vulcabras CE, Calçados e Artigos Esportivos S.A.	Vulcabras BA, Calçados e Artigos Esportivos S.A.	Vulcabras Distribuidora de Artigos Esportivos Ltda.	Vulcabras SP, Comércio de Artigos Esportivos Ltda.	Running, Comércio e Indústria de Artigos Esportivos Ltda.	Distribuidora de Calçados e Artigos Esportivos Cruzeiro do Sul Ltda.	Vulcabras S.A	Total
Tax losses calculated on December 31, 2024	93,833	513,366	46,796	463,589	11,560	39,272	150,071	1,318,487
Negative basis of social contribution as of December 31, 2024	935,476	525,400	46,436	486,105	16,504	39,272	150,004	2,199,197

Offset of income tax losses and negative basis of social contribution tax may be offset against a maximum of 30% of annual taxable income earned from the year 1995 onwards, with no statutory limitation period.

(In thousands of reais)

10 Judicial deposits

The Company and its subsidiaries have judicial deposits related to civil, labor and tax lawsuits (Note 19), as shown below:

	Consolidated		Parent Company	
	03/31/2025	**12/31/2024**	**03/31/2025**	**12/31/2024**
Judicial deposits				
Civil	35	35	-	-
Labor	9,531	9,737	242	242
Tax	1,613	1,533	-	-
Total	**11,179**	**11,305**	**242**	**242**

a. Labor (consolidated)

Labor lawsuits refer mainly to requests related to overtime, salary equivalence, health hazard premium, hazardous duty premium, moral damages and occupational illness.

Labor judicial deposits refer mostly to amounts deposited in connection with lawsuits and are related to extraordinary appeals, motions to review, security deposits and online pledges of part of amounts contained in ongoing labor lawsuits.

b. Civil (consolidated)

Civil lawsuits are mostly related to requests for indemnity in general for property damages and pain and suffering, and also requests related to alleged manufacturing defects. Civil judicial deposits are related to these lawsuits, made to guarantee the discussion of the amounts claimed.

c. Tax (consolidated)

The tax judicial deposits refer to the lawsuits in which the Company and its subsidiaries are defendants, mainly involving the following taxes: IRPJ, COFINS, PIS, ICMS.

11 Related party transactions

The main balances of assets and liabilities as of March 31, 2025 and December 31, 2024, as well as the transactions that influenced income (loss) for the period, relating to operations with related parties, result from transactions of the Company with its subsidiaries in Brasil and Peru, besides loans with subsidiaries.

Loan agreements are restated at the DI-CETIP rate.

a. Parent company and ultimate parent company

The Company's main parent company is Gianpega Negócios e Participações S.A. and the ultimate parent company is Mr. Pedro Grendene Bartelle.

(In thousands of reais)

b. Transactions with parent company

The transactions between the parent company and its subsidiaries, which are eliminated for consolidation purposes, were carried out under conditions and terms agreed between the parties, as follows:

	Vulcabras CE	03/31/2025	12/31/2024
Assets			
Other accounts receivable - related parties (*)	87,667	87,667	151,117
Dividends receivable	94,723	94,723	94,723

(*) Refers to the capital decrease of the subsidiary Vulcabras CE approved at the Extraordinary General Meeting and recorded on August 1, 2024.

(In thousands of reais)

c. Transactions between subsidiaries

Vulcabras CE, Calçados e Artigos Esportivos S.A. and subsidiaries

The subsidiary Vulcabras CE, Calçados e Artigos Esportivos S.A. carries out transactions with its subsidiaries involving purchase and sale transactions and loans to cover temporary cash requirements, which are subject to charges related to changes in the CDI rate, and are comprised as follows:

	Running	Calzados Azaleia Peru.	Vulcabras SP	Vulcabras Distribuidora	Vulcabras BA	03/31/2025	12/31/2024
Assets							
Accounts receivable	14,435	757	503,454	-	1555	520,201	563,741
Other credits	-	-	8,657	417	5,989	15,063	7,921
Liabilities							
Accounts payable	-	-	4,568	1,196	55,625	61,389	51,621
Other debts	-	-	2,048	-	-	2,048	3,522
Income (loss)						**03/31/2025**	**03/31/2024**
Intercompany sale	-	791	72,405	-	4,735	77,931	54,128
Intercompany purchase	-	-	(1,344)	(324)	(8,261)	(9,929)	(4,177)

Balances with related parties are eliminated for the purpose of consolidated presentation. The main nature of the transactions refers to the purchase and sale of footwear and apparel.

(In thousands of reais)

d. Management remuneration

At the Annual Shareholders' Meeting held on April 30, 2025, the Company established the annual overall remuneration of the Administrators at up to R$ 30,647. In the period ended March 31, 2025, the Company paid remuneration to its Managers in the amount of R$ 5,188 (R$ 4,900 as of March 31, 2024).

The Company's directors have no loans, advances or other transactions than their normal services with the Company and its subsidiaries.

On March 31, 2025 and December 31, 2024, the Company and its subsidiaries, despite recording provisions related to long-term benefits, did not pay their key management personnel remuneration in the following categories: a) Long-term benefits; b) Benefits on termination of employment contract; and c) share-based payment. For details of the stock option plan, see Note 20.b

e. Other related party transactions

Through its direct subsidiary Vulcabras CE, the Company has related party transactions with Grendene S.A., represented as follows:

	Calzados Azaleia Peru	Vulcabras BA	Vulcabras CE	03/31/2025	12/31/2024
Assets					
Accounts receivable					
Grendene S.A.	-	-	753	753	1,184
Liabilities					
Accounts payable					
Grendene S.A.	238	-	-	238	866
Brisa Indústria de Tecidos Tecnológicos S.A.	-	217	3,232	3,449	612
				03/31/2025	**03/31/2024**
Income (loss)					
Sale of inputs	-	-	14	14	326
Cost of resales	(523)	(1,217)	(8,600)	(10,340)	(3,790)
Revenues from services (a)	-	-	748	748	28
Commercial expense (b)	-	-	96	96	-
Financial income (loss)	(12)	-	-	(12)	31

(a) Licensing agreement for the brand "Azaleia" by the subsidiary Vulcabras CE on behalf of Grendene S.A. for the sale of women's footwear in general in Brazil and in any other country in the world, except Peru, Chile and Colombia. The agreement was signed for a period of three years and may be renewed for an additional period of three years. In return for licensing, Grendene S.A. will pay monthly royalties to Vulcabras CE.

(In thousands of reais)

(b) Licensing, production and trading of sports shoes under the “Melissa” brand, owned by Grendene S.A. The agreement grants the subsidiaries Vulcabras CE and Vulcabras BA the right to sell in Brazil and, upon prior approval by Grendene S.A., in any other country for a period of two years, which may be renewed by agreement between the parties. In return for the licensing, a monthly payment of royalties will be due to Grendene S.A.

12 Investments

a. Breakdown of balances

	Consolidated		Parent Company	
	03/31/2025	**12/31/2024**	**03/31/2025**	**12/31/2024**
Permanent equity interests, net of losses:				
In subsidiaries	-	-	2,015,624	1,912,935
In associated companies (a)	58,548	57,593	-	-
Other investments (b)	7,132	6,727	-	-
Total	**65,680**	**64,320**	**2,015,624**	**1,912,935**

(a) The subsidiary Vulcabras BA, Calçados e Artigos Esportivos S.A. holds an interest of 50% as of March 31, 2025 (50% as of December 31, 2024) in the associated company PARS Participações Ltda., which holds 100% as of March 31, 2025 (100% as of December 31, 2024) of Brisa Indústria de Tecidos Tecnológicos S.A. Considering that the Company only has significant influence, this investment is not consolidated in its financial statements under the terms of CPC 36 (R3) / IFRS 10 - Consolidated Statements.

(b) The Company, through its subsidiaries Vulcabras BA and Vulcabras CE, has an interest in the company Ventos de São Mizael Holding S.A.

b. Changes in investments

	Consolidated		Parent Company	
	03/31/2025	**12/31/2024**	**03/31/2025**	**12/31/2024**
Opening balances	**64,320**	**62,883**	**1,912,935**	**1,733,010**
Equity in net income of subsidiaries	956	6,139	104,753	549,453
Foreign exchange differences from translation of foreign operations	-	-	(2,221)	7,252
Acquisition/increase in investment (Note 12a)	404	942	-	-
Dividends received	-	(5,644)	-	(94,723)
Capital decrease (a)	-	-	-	(281,117)
Financial assets at fair value through other comprehensive income	-	-	158	8
Decrease in investee’s interest	-	-	(1)	(948)
Closing balances	**65,680**	**64,320**	**2,015,624**	**1,912,935**

(a) Refers to the capital decrease in the subsidiary Vulcabras CE, whose value was partially received. The remaining balance receivable is disclosed in Note 11.b.

(In thousands of reais)

c. Information on direct interest - Parent company

	Vulcabras CE, Calçados e Artigos Esportivos S.A.		Vulcabras Distribuidora de Artigos Esportivos Ltda.		Vulcabras Empreendimento Imobiliário SPE Ltda.		Total	
	03/31/2025	**12/31/2024**	**03/31/2025**	**12/31/2024**	**03/31/2025**	**12/31/2024**	**03/31/2025**	**12/31/2024**
Total assets	2,846,747	2,846,518	184,560	184,762	2,094	2,094	-	-
Total liabilities	833,576	936,023	16,936	23,481	-	-	-	-
Capital	235,000	235,000	60,018	60,018	2,094	2,094	-	-
Net revenue	360,945	1,674,951	15,949	53,760	-	-	-	-
Income (loss) for the period	104,740	549,015	6,343	45,662	-	-	-	-
Number of shares or quotas held (thousand shares/quotas)	537,467	537,467	131	131	2,094	2,094	-	-
Shareholders' equity	2,013,171	1,910,495	167,624	161,281	2,094	2,094	-	-
Interest in capital at the end of the period - %	99.99%	99.99%	0.22%	0.22%	100%	100%	-	-
Investments	2,013,163	1,910,488	367	353	2,094	2,094	2,015,624	1,912,935
Equity in net income of subsidiaries	104,739	549,013	14	440	-	-	104,753	549,453

d. Information on indirect interest

As of March 31, 2025 and December 31, 2024, the Company has an indirect interest in the following companies, through its subsidiary Vulcabras CE, Calçados e Artigos Esportivos S.A.:

(In thousands of reais)

(i) Vulcabras CE, Calçados e Artigos Esportivos S.A.

03/31/2025	Vulcabras Distribuidora de Artigos Esportivos Ltda.	Vulcabras SP, Comércio de Artigos Esportivos Ltda.	Vulcabras BA, Calçados e Artigos Esportivos S.A.	Running Comércio e Indústria de Artigos Esportivos Ltda	Distribuidora de Calçados e Artigos Esportivos Cruzeiro do Sul Ltda. (*)	Calzados Azaleia Peru S.A.	PARS Participações Ltda.
Total assets	184,560	686,821	770,163	5,841	538	52,639	114,135
Total liabilities	16,936	851,666	217,197	19,674	13,760	16,639	1
Capital	60,018	402,995	255,403	3,621	26,207	1,072	36,116
Shareholders' equity	167,624	(164,845)	552,966	(13,833)	(13,222)	36,000	114,134
Net revenue	15,949	199,146	190,336	-	-	12,405	-
Income (loss) for the period	6,343	2,661	30,311	(120)	(3)	(827)	1,912
Interest in capital	99.78%	100.00%	99.99%	100.00%	100.00%	99.11%	50.00%

12/31/2024	Vulcabras Distribuidora de Artigos Esportivos Ltda.	Vulcabras SP, Comércio de Artigos Esportivos Ltda.	Vulcabras BA, Calçados e Artigos Esportivos S.A.	Running Comércio e Indústria de Artigos Esportivos Ltda	Distribuidora de Calçados e Artigos Esportivos Cruzeiro do Sul Ltda. (*)	Calzados Azaleia Peru S.A.	PARS Participações Ltda.
Total assets	184,762	702,987	719,120	6,259	541	59,759	115,186
Total liabilities	23,481	870,493	196,466	19,972	13,760	20,670	1
Capital	60,018	402,995	255,403	3,621	26,207	1,072	36,116
Shareholders' equity	161,281	(167,506)	522,654	(13,713)	(13,219)	39,089	115,185
Net revenue	53,760	736,341	865,512	11,836	-	58,339	-
Income (loss) for the year	45,662	(65,041)	207,715	(3,641)	(2)	(1,297)	12,278
Interest in capital	99.78%	100.00%	99.99%	100.00%	100.00%	99.11%	50.00%

(*) Indirect interest

(In thousands of reais)

13 Property, plant and equipment

a. Breakdown of account

		Consolidated					
		03/31/2025			12/31/2024		
March 31, 2025	**Average rate of depreciation % p.a.**	**Cost**	**Depreciation**	**Net**	**Cost**	**Depreciation**	**Net**
Buildings	2–4	189,548	(105,798)	83,750	190,330	(104,656)	85,674
Machinery and equipment	10	574,078	(321,139)	252,939	540,575	(314,417)	226,158
Molds	100	337,986	(311,095)	26,891	330,825	(302,900)	27,925
Furniture and fixtures	10–20	58,178	(32,138)	26,040	56,050	(31,698)	24,352
Vehicles	20	2,549	(2,160)	389	2,597	(2,158)	439
IT equipment	20–25	45,298	(34,428)	10,870	44,542	(33,879)	10,663
Land	-	3,730	-	3,730	3,730	-	3,730
Works in progress	-	21,130	-	21,130	20,594	-	20,594
Facilities	10	187,389	(109,501)	77,888	184,492	(106,116)	78,376
Leasehold improvements	10–20	4,985	(3,726)	1,259	4,985	(3,496)	1,489
Imports in progress	-	28,211	-	28,211	36,780	-	36,780
Leasehold Improvements	20	309	(3)	306	309	-	309
Other	10–20	26	(26)	-	26	(26)	-
		1,453,417	**(920,014)**	**533,403**	**1,415,835**	**(899,346)**	**516,489**

(In thousands of reais)

b. Changes in cost

	Consolidated										
	01/01/2024	12/31/2024					03/31/2025				
March 31, 2025	Opening balance	Additions	Write-offs	Transfer	Translation adjustment	Closing balance	Additions	Write-offs	Transfer	Translation adjustment	Closing balance
Buildings	165,398	438	(463)	22,673	2,284	190,330	-	-	-	(782)	189,548
Machinery and equipment	480,239	30,412	(12,462)	42,386	-	540,575	35,560	(2,057)	-	-	574,078
Molds	298,266	49,290	(16,731)	-	-	330,825	11,276	(4,115)	-	-	337,986
Furniture and fixtures	47,870	9,881	(3,497)	-	1,796	56,050	2,752	(9)	-	(615)	58,178
Vehicles	2,436	152	(131)	-	140	2,597	-	-	-	(48)	2,549
IT equipment	41,935	3,408	(2,148)	-	1,347	44,542	1,214	-	-	(458)	45,298
Land	3,730	-	-	-	-	3,730	-	-	-	-	3,730
Molds in progress	-	-	-	-	-	-	-	-	-	-	-
Works in progress	19,055	26,647	(2,483)	(22,673)	48	20,594	536	-	-	-	21,130
Facilities	172,062	12,550	(120)	-	-	184,492	2,897	-	-	-	187,389
Leasehold improvements	4,985	-	-	-	-	4,985	-	-	-	-	4,985
Imports in progress	16,082	63,084	-	(42,386)	-	36,780	(8,569)	-	-	-	28,211
Leasehold improvements	1,671	309	(1,671)	-	-	309	-	-	-	-	309
Other	26	-	-	-	-	26	-	-	-	-	26
	1,253,755	**196,171**	**(39,706)**	**-**	**5,615**	**1,415,835**	**45,666**	**(6,181)**	**-**	**(1,903)**	**1,453,417**

(In thousands of reais)

c. Changes in depreciation

	Consolidated								
	01/01/2024	**12/31/2024**				**03/31/2025**			
March 31, 2025	**Opening balance**	**Additions**	**Write-offs**	**Translation adjustment**	**Closing balance**	**Additions**	**Write-offs**	**Translation adjustment**	**Closing balance**
Buildings	(98,656)	(5,263)	-	(737)	(104,656)	(1,404)	-	262	(105,798)
Machinery and equipment	(295,757)	(29,063)	10,403	-	(314,417)	(8,576)	1,854	-	(321,139)
Molds	(278,301)	(37,351)	12,752	-	(302,900)	(11,566)	3,371	-	(311,095)
Furniture and fixtures	(28,215)	(3,089)	892	(1,286)	(31,698)	(892)	9	443	(32,138)
Vehicles	(2,049)	(137)	130	(102)	(2,158)	(37)	-	35	(2,160)
IT equipment	(30,590)	(3,386)	1,068	(971)	(33,879)	(884)	-	335	(34,428)
Facilities	(93,304)	(12,878)	66	-	(106,116)	(3,385)	-	-	(109,501)
Leasehold improvements	(2,536)	(960)	-	-	(3,496)	(230)	-	-	(3,726)
Leasehold improvements	(1,671)	-	1,671	-	-	(3)	-	-	(3)
Other	(26)	-	-	-	(26)	-	-	-	(26)
	(831,105)	**(92,127)**	**26,982**	**(3,096)**	**(899,346)**	**(26,977)**	**5,234**	**1,075**	**(920,014)**

Interest on loans and financing was not capitalized in the cost of construction in progress since the main contracts are related to acquisitions of machinery and equipment immediately placed in service.

Every year, the Company and its subsidiaries review the useful life of items of property, plant and equipment. The Company and its subsidiaries have a policy of maintaining the main property, plant and equipment items until the end of their useful lives.

The Company did not identify indicators of impairment loss in its property, plant and equipment.

(In thousands of reais)

14 Intangible assets

a. Breakdown of account

		Consolidated					
		03/31/2025			12/31/2024		
March 31, 2025	**Useful life**	**Cost**	**Amortization**	**Net**	**Cost**	**Amortization**	**Net**
Defined useful life							
Software	5 years	55,057	(42,359)	12,698	52,555	(41,646)	10,909
Assignment of right	Contractual period	207	(135)	72	218	(141)	77
Undefined useful life							
Trademarks and patents		2,068	-	2,068	2,068	-	2,068
Goodwill		1,464	-	1,464	1,464	-	1,464
Goodwill		198,214	-	198,214	198,214	-	198,214
		257,010	**(42,494)**	**214,516**	**254,519**	**(41,787)**	**212,732**

The amortization of intangible assets is recorded as a counterparty to (loss) in the group of cost of sales (industrial software) and sales expenses (assignment of rights).

(In thousands of reais)

b. Changes in cost

				Consolidated			
March 31, 2025	**Useful life**	**Amortization methods**	**Balance at 01/01/2025**	**Additions**	**Write-offs**	**Translation adjustment**	**Balance at 03/31/2025**
Defined useful life							
Software	5 years	Straight-line	52,555	2,725	-	(223)	55,057
Assignment of right	Contractual period	Straight-line	218	-	-	(11)	207
Undefined useful life							
Trademarks and patents			2,068	-	-	-	2,068
Goodwill			1,464	-	-	-	1,464
Goodwill			198,214	-	-	-	198,214
Total			**254,519**	**2,725**	**-**	**(234)**	**257,010**

				Consolidated			
December 31, 2024	**Useful life**	**Amortization methods**	**Balance at 01/01/2024**	**Additions**	**Write-offs**	**Translation adjustment**	**Balance at 12/31/2024**
Defined useful life							
Software	5 years	Straight-line	45,254	7,129	(422)	594	52,555
Assignment of right	Contractual period	Straight-line	162	27	-	29	218
Undefined useful life							
Trademarks and patents			2,068	-	-	-	2,068
Goodwill			1,464	-	-	-	1,464
Goodwill			198,214	-	-	-	198,214
Total			**247,162**	**7,156**	**(422)**	**623**	**254,519**

(In thousands of reais)

c. Changes in amortization

				Consolidated			
March 31, 2025	**Useful life**	**Amortization methods**	**Balance at 01/01/2025**	**Additions**	**Write-offs**	**Translation adjustment**	**Balance at 03/31/2025**
Defined useful life							
Software	5 years	Straight-line	(41,646)	(802)	-	89	(42,359)
Assignment of right	Contract Term	Straight-line	(141)	-	-	6	(135)
Total			**(41,787)**	**(802)**	**-**	**95**	**(42,494)**

				Consolidated			
December 31, 2024	**Useful life**	**Amortization methods**	**Balance at 01/01/2024**	**Additions**	**Write-offs**	**Translation adjustment**	**Balance at 12/31/2024**
Defined useful life							
Software	5 years	Straight-line	(38,944)	(2,826)	378	(254)	(41,646)
Assignment of right	Contract Term	Straight-line	(102)	(27)	-	(12)	(141)
Total			**(39,046)**	**(2,853)**	**378**	**(266)**	**(41,787)**

d. Goodwill in business combination

The balances of goodwill on acquisition of ownership interest, recognized in subsidiary Vulcabras CE, Calçados e Artigos Esportivos S.A., are supported by reports issued by independent experts and are based on expected future profitability of the business acquired in 2009, goodwill balances are not amortized since they are assets with undefined useful lives, as established by CVM Resolution 553/08 and CPC 01 (R1), and are annually tested for impairment, as described in Note 15.

15 Analysis of recoverability of non-financial assets

a. Tangible and intangible assets with defined useful life

Management reviews annually the net book value of tangible and intangible assets with defined useful life to assess events or changes in economic, operating or technological circumstances that might indicate an impairment of assets.

For the year ended December 31, 2024, an impairment test of intangible assets with defined useful lives was carried out by means of calculation of the value in use based on cash projections from financial budgets approved by the Top Management.

No evidence of loss was identified that would lead to impairment of recoverable value on March 31, 2025.

b. Goodwill paid on expected future profitability

The balance of goodwill on acquisitions of ownership interest is based on expected future profitability of the acquired business and amounts to R$ 198,214 at December 31, 2024 (R$ 198,214 as of December 31, 2023).

The Company annually tests impairment of its intangible assets with undefined useful life, which are mostly comprised of goodwill for expected future earnings arising from combination of business processes using the “Value in use” concept by means of discounted cash flow models.

The goodwill arising from the acquisition of investment is impairment tested every year, at the cash generating unit level.

c. Main assumptions used in impairment tests of tangible and intangible assets

For purposes of impairment testing of tangible and intangible assets, it is not possible to separate a CGU (Cash Generating Unit) and indicate it as the exclusive cash generator due to the purchase of Azaleia. Since the acquisition, the operations of the two companies merged and it became impossible to distinguish the revenues generated by virtue of the exclusive assets acquired in the purchase of Azaleia. Therefore, the Company and its subsidiaries are considered as a single cash generating unit.

Future cash flows were discounted based on the rate representing the capital cost. Following the techniques of economic valuation, the assessment of value in use is carried out for a period of 5 years and, thereafter, considering the perpetuity of the assumptions based on the ability of the company to continue as a going concern for the foreseeable future.

For discounting the future cash flows, the rate used was 15.21%. p.a. as of December 31, 2024 (11.33% p.a. as of December 31, 2023).

The estimate of value in use considered the following assumptions:

Revenues
The sales volume and price were projected on a real basis (without inflation) based on the Company's estimates and result in aggregate compound growth (CAGR) of 7.98% p.a. as of December 31, 2024 (6.53% p.a. as of December 31, 2023) between 2025 and 2029.

Cost
The cost of sold products was projected based on the Companies' estimates.

After defining the sales projection, the production requirement distribution was defined according to the installed capacity and the efficiency level to be obtained in each plant.

Other manufacturing overheads were based on the budget approved by the Top Management for the indirect cost centers.

Expenses
Variable sales expenses were projected based on historical percentages of the gross operating revenue.

The administrative and general sales expenses were based on the expenditures budgeted and approved by the Top Management for the cost centers.

Net income and free cash generation
Net income resulting from the application of the above assumptions grows with a compounded growth rate (CAGR) of 12.16% p.a. (9.05% p.a. as of December 31, 2023) between 2025 and 2029.

Free Cash Flow Generation is then calculated based on projections of investments and changes in working capital. For perpetuity, the growth rate used is zero.

The value in use was approximately R$ 5.1 billion as of December 31, 2024 (R$ 5.7 billion as of December 31, 2023), therefore, significantly higher than its book value of tangible and intangible assets.

(In thousands of reais)

16 Suppliers

a. Breakdown of account

	Consolidated		Parent Company	
	03/31/2025	**12/31/2024**	**03/31/2025**	**12/31/2024**
Suppliers				
Domestic	107,521	59,274	296	252
Foreign	37,828	35,676	-	-
	145,349	**94,950**	**296**	**252**

b. By maturity

	Consolidated	
	03/31/2025	**12/31/2024**
Falling due (days):		
01−30	115,323	70,503
31−60	26,292	21,241
61−90	3,206	2,747
>90	528	459
	145,349	**94,950**
	145,349	**94,950**

Considering the characteristics of the products and the supply chain of the Company and its subsidiaries, there is a wide offer of raw materials, supplies and suppliers. Thus, the Company and its subsidiaries do not present a concentration of the supplier portfolio.

In compliance with CVM Resolution 564 issued December 17, 2008, which approved CPC 12, the Company and its subsidiaries conducted studies to calculate the adjustment to present value of its current liabilities. Considering the average term of payment of these liabilities of approximately 37 days as of March 31, 2025 (39 days at December 31, 2024), the effects of present value adjustments were considered immaterial and, therefore, were not recognized in income (loss), as occurred with current assets and non-current assets.

(In thousands of reais)

17 Loans and financing

a. Breakdown of account

			Consolidated	
	Interest rate for 2025	**Interest rate for 2024**	**03/31/2025**	**12/31/2024**
Domestic currency				
Property, plant and equipment	IPCA+2.04−4.98% p.a/ Fixed rate 10.22% p.a.	IPCA+2.04−4.98% p.a/ Fixed rate 10.22% p.a.	46,740	51,244
Tax incentive	TJLP	TJLP	5,375	5,128
Working capital	CDI+0.60−1.80%p.a./ Fixed rate 12.61% p.a.	CDI+0.60−1.80% p. a/ Fixed rate 12.61% p.a.	203,248	277,813
			255,363	**334,185**
Foreign currency				
Working capital	Fixed rate 7.80% p.a.	Fixed rate at 9.60% p.a.	2,342	2,667
			2,342	**2,667**
Total loans and financing			**257,705**	**336,852**
Current			**155,253**	**200,209**
Non-current			**102,452**	**136,643**

As of March 31, 2025 and December 31, 2024, the installments relating to the balance of loans and financing had the following maturities:

	03/31/2025		12/31/2024	
Maturity	**Amount**	**%**	**Amount**	**%**
Current	**155,253**	**60%**	**200,209**	**59%**
2025	118,273	46%	200,209	60%
2026	47,491	18%	45,115	14%
2027	77,264	30%	77,227	23%
2028	5,079	2%	4,703	1%
2029	4,703	2%	4,703	1%
2030	4,244	2%	4,244	1%
2031	651	-	651	-
Non-current	**102,452**	**40%**	**136,643**	**41%**
Total	**257,705**	**100%**	**336,852**	**100%**

(In thousands of reais)

b. Sureties and guarantees

In guarantee of financing, promissory notes, long-term interest earning bank deposits, personal guarantee and surety of parent company, mortgage of Horizonte-CE and Itapetinga-BA plants and disposal of machinery and equipment acquired from financing were offered.

c. Covenants

Some financing contracted have covenants that require the Company to demonstrate through document and physical evidences, the purchases of property, plant and equipment and objectives achieved in Research and Development (R&D). These covenants are monitored and have been fully complied with within the deadlines defined in the agreements. There are no covenants for working capital loans.

d. Reconciliation of equity changes with cash flows from financing activities

	Liabilities					
	Loans and financing	**Lease liabilities**	**Dividends and profits payable**	**Treasury shares**	**Capital**	**Total**
Balance at January 01, 2025	**336,852**	**30,288**	**136,141**	**(45,410)**	**1,273,553**	**1,731,424**
Changes in cash flow from financing						
Loans obtained - Principal	2,349	-	-	-	-	2,349
Payment of financial lease liabilities	-	(3,345)	-	-	-	(3,345)
Capital increase	-	-	-	-	4,409	4,409
Dividends paid	-	-	(101,636)	-	-	(101,636)
Acquisition of treasury shares	-	-	-	(11,537)		(11,537)
Payment of loans obtained – Principal	(82,688)	-	-	-	-	(82,688)
Total changes in financing cash flows	**(80,339)**	**(3,345)**	**(101,636)**	**(11,537)**	**4,409**	**(192,448)**
Other changes related to liabilities						
Interest paid	(6,975)	(918)	-	-	-	(7,893)
Proade Additions (with no cash effect)	373	-	-	-	-	373
Contract additions / readjustments	-	710	-	-	-	710
Accrued interest	-	1,946	-	-	-	1,946
Financial charges recognized in profit or loss	7,794	-	-	-	-	7,794
Total other changes related to liabilities	**1,192**	**1,738**	**-**	**-**	**-**	**2,930**
Balance at March 31, 2025	**257,705**	**28,681**	**34,505**	**(56,947)**	**1,277,962**	**1,541,906**

(In thousands of reais)

	Liabilities					
	Loans and financing	**Lease liabilities**	**Dividends and profits payable**	**Goodwill in the issue of shares**	**Capital**	**Total**
Balance at January 1, 2024	**437,750**	**15,295**	**15**	**-**	**1,108,354**	**1,561,414**
Changes in cash flow from financing						
Loans obtained - Principal	31,892	-	-	-	-	31,892
Payment of financial lease liabilities	-	(2,721)	-	-	-	(2,721)
Capital increase	-	-	-	-	10,441	10,441
Capital increase, including goodwill on issuing shares	-	-	-	325,000	176,350	501,350
Costs with issue of shares	-	-	-	-	(21,105)	(21,105)
Dividends paid	-	-	(449,323)	-	-	(449,323)
Payment of loans obtained - Principal	(58,328)	-	-	-	-	(58,328)
Total changes in financing cash flows	**(26,436)**	**(2,721)**	**(449,323)**	**325,000**	**165,686**	**12,206**
Other changes related to liabilities						
Interest paid	(7,480)	(377)	-	-	-	(7,857)
Interim dividend distribution	-	-	571,912	-	-	571,912
Proade Additions (with no cash effect)	287	-	-	-	-	287
Contract additions / readjustments	-	7,669	-	-	-	7,669
Accrued interest	-	649	-	-	-	649
Write-off of leases	-	(5,743)	-	-	-	(5,743)
Financial charges recognized in profit or loss	11,440	-	-	-	-	11,440
Total other changes related to liabilities	**4,247**	**2,198**	**571,912**	**-**	**-**	**578,357**
Balance at March 31, 2024	**415,561**	**14,772**	**122,604**	**325,000**	**1,274,040**	**2,151,977**

(In thousands of reais)

18 Right-of-use and lease liabilities

a. Operating leases

The Company's subsidiaries lease commercial properties only.

This lease normally lasts 5 years, with renewal option after this period. Annually, the amounts are adjusted to reflect the prevailing market value. Some commercial leases provide additional rent payments that are based on the property's monthly billings.

Information on leases for which the Company's subsidiaries are lessees is presented below:

	Consolidated	
	03/31/2025	**12/31/2024**
Right of use		
Opening balance	**25,982**	**12,903**
Additions / Readjustments	1,545	30,275
Write-offs	-	(5,900)
Amortization	(2,813)	(11,296)
Closing balance	**24,714**	**25,982**

	Consolidated	
	03/31/2025	**12/31/2024**
Lease liabilities		
Opening balance	**30,288**	**15,295**
Additions / Readjustments	710	33,108
Accrued interest	1,946	1,841
Write-offs	-	(6,359)
Payment of principal	(3,345)	(11,461)
Interest paid	(918)	(2,136)
Closing balance	**28,681**	**30,288**
Current	**7,944**	**7,855**
Non-current	**20,737**	**22,433**

Long-term installment payment schedule

	03/31/2025		12/31/2024	
Maturity	**Amount**	**%**	**Amount**	**%**
2026	4,207	20%	5,928	27%
2027	4,211	20%	4,265	19%
2028	3,912	19%	3,888	17%
2029	4,551	22%	4,522	20%
2030	3,856	19%	3,830	17%
Total	**20,737**	**100%**	**22,433**	**100%**

(In thousands of reais)

Extension options

A few leases contain extension options exercisable by the Company's subsidiaries up to one year prior to the end of the non-cancellable agreement period. Whenever possible, the Company's subsidiaries seek to include extension options in new leases so as to provide operating flexibility.

19 Provision

The Company and its subsidiaries are parties (defendants) to judicial and administrative proceedings in various courts and governmental agencies, arising from the normal course of operations, involving tax, labor, civil and other matters.

Based on information from its legal advisors, Management recognizes provisions in accordance with the procedures established by CVM Resolution 489/05 and CPC 25/IAS 37, which establishes that a provision should be recognized when: (i) the entity has a present obligation deriving from a past event; (ii) an outflow of funds will probably be required to settle the obligation; and (iii) the sum of the obligation can be estimated with sufficient assurance. If any of these conditions are not met a provision should not be made, and it might be necessary to disclose a contingent liability.

The review of pending legal proceedings, based on previous experience relating to amounts claimed, records a provision in an amount deemed sufficient to cover possible losses from the ongoing lawsuits and classified them as current and non-current, as follows:

a. Breakdown of balances

	Consolidated		**Parent Company**	
	03/31/2025	**12/31/2024**	**03/31/2025**	**12/31/2024**
Provision for lawsuits and administrative proceedings:				
Civil	18,244	18,304	22	22
Labor	35,164	35,118	778	650
Tax	620	613	42	42
Total	**54,028**	**54,035**	**842**	**714**
Current	**2,737**	**2,792**	**64**	**71**
Non-current	**51,291**	**51,243**	**778**	**643**

b. Labor lawsuits (Consolidated)

Refer mainly to claims regarding overtime, salary differences, health hazard, hazardous duty and occupational disease. The effect of the provision for loss on labor lawsuits is recorded as contra-entry to profit or loss in the account of other expenses.

c. Civil lawsuits (Consolidated)

They mainly refer to indemnity in general, including moral and material damages. The effect of the provision for loss on civil lawsuits is recorded as contra-entry to profit or loss in the account of other expenses. The effects on the provision for indemnities are charged to "sales expenses" in income (loss).

d. Tax lawsuits (Consolidated)

They refer to lawsuits in which the Company and its subsidiaries are parties mainly to the following taxes: IRPJ, COFINS, PIS, ICMS. The effect of the provision for loss on tax lawsuits is recorded as contra-entry to profit or loss in the account of other expenses.

(In thousands of reais)

e. Changes in lawsuits

	Consolidated										
	01/01/2024	12/31/2024					03/31/2025				
March 31, 2025	**Opening balance**	**Additions**	**Reversals**	**Payments**	**Adjustment to net presentation(*)**	**Closing balance**	**Additions**	**Reversal**	**Payments**	**Adjustment to net presentation(*)**	**Closing balance**
Type											
Civil	18,343	149	(27)	(161)	-	18,304	45	-	(105)	-	18,244
Labor	36,746	13,724	(9,691)	(6,887)	1,226	35,118	2,611	(1,453)	(1,303)	191	35,164
Tax	797	21,901	(1)	(1,094)	(20,990)	613	3,184	(399)	(178)	(2,600)	620
Total	**55,886**	**35,774**	**(9,719)**	**(8,142)**	**(19,764)**	**54,035**	**5,840**	**(1,852)**	**(1,586)**	**(2,409)**	**54,028**

	Parent Company								
	01/01/2024	12/31/2024				03/31/2025			
March 31, 2025	**Opening balance**	**Additions**	**Reversals**	**Payments**	**Closing balance**	**Additions**	**Reversal**	**Payment**	**Closing balance**
Type									
Civil	161	26	(5)	(160)	22	5	-	(5)	22
Labor	400	434	(68)	(116)	650	137	(7)	(2)	778
Tax	220	131	(1)	(308)	42	-	-	-	42
Total	**781**	**591**	**(74)**	**(584)**	**714**	**142**	**(7)**	**(7)**	**842**

(*) The net amounts refer only to reclassifications between judicial deposits and provisions for contingencies in compliance with item 35 of CPC 26 (IAS 1). Thus, said amounts had no cash effect and were not considered in the statements of cash flows.

(In thousands of reais)

Contingencies

Based on the opinion of its legal advisors, Management believes that the resolution of the civil, labor and tax matters listed below will not have a material adverse effect on its financial situation.

As of March 31, 2025 and December 31, 2024, the breakdown of the amounts under litigation at various court levels, estimated with a possible loss was as follows:

	Consolidated	
Contingencies	**03/31/2025**	**12/31/2024**
Civil	2,212	2,517
Labor	35,468	35,524
Tax	47,119	46,415
Total	**84,799**	**84,456**

Contingent assets

The Company's subsidiary, Vulcabras BA, is plaintiff in lawsuit claiming the recognition of the exclusion of ICMS related to sales of goods from the PIS and COFINS calculation basis, which Management understands as relevant to the business. At this time, there is no way to assure when or if the estimated amount will actually be realized. Consequently, the Company’s subsidiary evaluated the status of its lawsuit and concluded that, as of March 31, 2025, the requirements of CPC 25/IAS 37 for credit accounting were not met, which is why no amount was recorded.

20 Shareholders' equity (Parent company)

a. Capital

On March 19, 2025, the Board of Directors approved the capital increase within the authorized capital limit, due to the exercise of stock options issued by the Company, within the scope of the approved Stock Option Plan in 2022, in the amount of R$ 4,409, through the issue of 880,000 new common shares, registered book-entry and with no par value.

(In thousands of reais)

As of March 31, 2025, capital totals R$ 1,277,962 (R$ 1,273,553 as of December 31, 2024), is represented by 275,536,244 (274,656,244 as of December 31, 2024) common, nominative shares with no par value.

Changes in net capital:

Net capital at December 31, 2024	**1,273,553**
Granting of stock option	4,409
Net capital at March 31, 2025	**1,277,962**

By means of Board of Directors' resolution, the Company is authorized to increase the capital, regardless of any amendments to the bylaws up to the limit of R$ 2,000,000.

b. Capital reserve

(i) Stock option

General conditions
As of March 31, 2025, the Company has two Stock Option Plans in effect.

Stock option plan approved in 2023

Approval of the plan
On May 02, 2023, the Board of Directors approved the 6th stock option plan in the context of the Grant Agreement. The total number of options granted on this date was 1,625,000 (one million, six hundred twenty-five thousand) options, with an unit strike price of R$ 11.40, distributed among the elected beneficiaries. Aiming to fulfill the exercise of options granted, the Company may issue new shares within the authorized capital limit, excluding the preemptive right of the current Company's shareholders, as allowed by article 171, paragraph 3, of Law 6404, dated December 15, 1976.

Characteristics of the plan

6th Stock Option Plan – 2023	**6th grant**
Grant date	05/02/2023
Number of options granted	1,625,000 (3)
Vesting period	3 years
Maturity for the year	03/31/2026
Maximum period for exercise	03/31/2027
Strike price	R$ 11.40 (1)
Beneficiaries (employees)	23 (2)

(1) The strike price is set at R$ 11.40 (eleven reais and forty centavos), restated by the change in the National Amplified Consumer Price Index - IPCA from the award date through the effective exercising of the Option.

(2) The initial number of participants in the approval of the plan was 23 executives. However, with the departure of three of these beneficiaries, the current number of participants with the right to exercise the purchase of options is 20.

(In thousands of reais)

(3) The initial number of options granted in the approval of the plan was 1,625,000 (one million, six hundred twenty-five thousand) options. However, with the departure of beneficiaries during the term, the current number of options that can be exercised became 1,540,000 (one million, five hundred forty) options.

Beneficiaries

Stock options can be awarded to officers (statutory or otherwise), division managers and employees of Vulcabras S.A. and the companies under its direct or indirect control (Subsidiaries), including in relation to new employees, all of which are subject to the approval of the Company's Board of Directors.

Pricing Method

The method used for options pricing is the "Black-Scholes" model, which uses the following basic assumptions: grant price, strike price, grace period, volatility of share price, percentage of payment of dividends, and risk-free rate as basic assumptions.

Stock option plan approved in 2024

Approval of the plan

On May 07, 2024, the Board of Directors approved the 6th stock option plan in the context of the Grant Agreement. The total number of options granted on this date was 1,615,000 options, with an unit strike price of R$ 18.50, distributed among the elected beneficiaries. Aiming to fulfill the exercise of options granted, the Company may issue new shares within the authorized capital limit, excluding the preemptive right of the current Company's shareholders, as allowed by article 171, paragraph 3, of Law 6404, dated December 15, 1976.

Characteristics of the plan

7th stock option plan – 2024	**7th grant**
Grant date	05/07/2024
Number of options granted	1,615,000 (3)
Vesting period	3 years
Maturity for the year	03/31/2027
Maximum period for exercise	03/31/2028
Strike price	R$ 18.50 (1)
Beneficiaries (employees)	24 (2)

(1) The strike price is set at R$ 18.50 (eighteen reais and fifty centavos), restated by the change in the National Amplified Consumer Price Index - IPCA from the award date through the effective exercising of the Option.

(2) The initial number of participants in the approval of the plan was 24 executives. However, with the departure of two of these beneficiaries, the current number of participants with the right to exercise the purchase of options is 22.

(3) The initial number of options granted in the approval of the plan was one million, six hundred and fifteen thousand (1,615,000) options. However, with the departure of beneficiaries during the term, the current number of options that can be exercised became one million, five hundred and seventy thousand (1,570,000) options.

(In thousands of reais)

Beneficiaries
Stock options can be awarded to officers (statutory or otherwise), division managers and employees of Vulcabras S.A. and the companies under its direct or indirect control (Subsidiaries), including in relation to new employees, all of which are subject to the approval of the Company's Board of Directors.

Pricing Method
The method used for options pricing is the "Black-Scholes" model, which uses the following basic assumptions: grant price, strike price, grace period, volatility of share price, percentage of payment of dividends, and risk-free rate as basic assumptions.

Option plan expense
Amounts of amortizations recorded as expense in statements of income, as a contra-entry to the Company's shareholders' equity from grant date to March 31, 2025, are described below (presented in Reais):

Plan	Strike price	Grant date	Accumulated expense 03/31/2025 – R$	Accumulated expense 12/31/2024 – R$
Plan – 2022 (a)	R$ 8.89	05/03/2022	-	2,347
Plan – 2023	R$ 11.40	05/02/2023	4,218	3,684
Plan – 2024	R$ 18.50	05/07/2024	2,999	2,080
Total			**7,217**	**8,111**

(a) The accumulated expense of R$ 2,347 accrued up to March 31, 2025, related to 2022 plan, was reversed in the 1Q25 as a result of the expiration of the maximum term for exercising said plan.

(i) Premium on the subscription of shares
On January 28, 2024, the Board of Directors' Meeting approved a public offering of shares. As a result of this decision, R$ 325,000 was set aside to form a capital reserve for goodwill on the subscription of shares.

(ii) Treasury shares
On March 11, 2025, the Board of Directors approved a new share buyback program issued by the Company, with no par value. The share buyback program aims to (i) add value for shareholders through the efficient management of the Company's capital structure; (ii) maximization in generation of value for the shareholders, when, in the view of the Company's management, the current value of shares in the market is far below the actual value of its assets in relation to its prospect of profitability and generation of income; (iii) meet the Company's commitments in share-based compensation programs; (iv) use the Company's shares to pay part of the price in corporate transactions or; (v) be held in treasury; or (vi) public or private disposal, according to applicable regulations. The maximum number of shares to be acquired by the Company will be up to ten million (10,000,000) common shares. The share buyback program ends on September 11, 2026.

(In thousands of reais)

The changes in treasury shares are in the table below:

	Parent Company		
	Quantity	**Amount**	**Average price**
Balance at 12/31/2023	766,244	10,018	13.0742
Acquisition of shares in 2024	2,340,800	35,392	15.1200
Balance at 12/31/2024	**3,107,044**	**45,410**	**14.6148**
Acquisition of shares in 2025	762,200	11,537	15.1382
Balance at 03/31/2025	**3,869,244**	**56,947**	**14.7179**

c. Revaluation reserve

It is formed as a result of the revaluations of property, plant and equipment of its subsidiaries, based on an appraisal report prepared by independent appraisers. Corresponding income tax and social contribution are classified in non-current liabilities. As of March 31, 2025, the balance of revaluation reserve is R$ 3,828 (R$ 3,866 as of December 31, 2024).

The revaluation reserve is carried out by depreciation or write-off of revalued assets against retained earnings (loss), net of tax charges. As permitted by Law 11638/07, Management elected to maintain the revaluation reserves until their full realization.

d. Equity valuation adjustments

“Equity valuation adjustments” caption includes: (i) accumulated net changes in financial assets at fair value through other comprehensive income until the investments are derecognized or suffer impairment loss; and (ii) accumulated translation adjustments include all foreign currency differences deriving from the translation of financial statements of foreign operations. As of March 31, 2025, the balance of equity valuation adjustment is R$ 29,162 (R$ 31,225 as of December 31, 2024).

e. Profit reserve

(i) Legal reserve

Formed at the rate of 5% of the net income for the year, whose balance on March 31, 2025 totaled R$ 92,425 (R$ 92,425, on December 31, 2024).

(ii) Statutory reserve

The statutory reserve was recorded for the realization of new investments pursuant to the terms of Art. 35 of the Company’s Bylaws and Art. 194 of Corporation Law. As of March 31, 2025, the balance is R$ 421,206 (R$ 421,206 as of December 31, 2024).

(In thousands of reais)

f. Dividends

The portion corresponding to at least 25% of net income, calculated on the balance obtained with the deductions and additions provided for in Article 202 (II and III) of the Brazilian Corporation Law, will be distributed to shareholders as mandatory dividend.

On January 02, 2025, the payment of dividends in the amount of R$ 33,944 was made, as approved by the Board of Directors on August 6, 2024.

On February 03, 2025, the payment of dividends in the amount of R$ 33,848 was made, as approved by the Board of Directors on August 6, 2024.

On March 06, 2025, the payment of dividends in the amount of R$ 33,848 was made, as approved by the Board of Directors on August 6, 2024.

21 Net sales

	Consolidated	
	03/31/2025	**03/31/2024**
Gross operating revenue		
Sale and resale of products		
Domestic market	795,347	671,949
Foreign market	30,112	34,228
Services rendered	839	1,295
	826,298	**707,472**
Deduction		
Taxes on sales and services rendered	(180,334)	(144,555)
Tax incentives - ICMS	83,705	60,194
Refunds and rebates	(28,475)	(25,844)
	(125,104)	**(110,205)**
Net operating revenue	**701,194**	**597,267**

22 Cost of sales and resales

	Consolidated	
	03/31/2025	**03/31/2024**
Costs of sales		
Raw material	(125,964)	(103,855)
Labor	(81,081)	(67,888)
Indirect costs	(62,465)	(57,476)
Resales	(149,783)	(128,162)
Total cost of sales and resales	**(419,293)**	**(357,381)**

(In thousands of reais)

23 Sales expenses

	Consolidated	
	03/31/2025	03/31/2024
Commissions	(32,935)	(26,215)
Freight	(28,821)	(24,328)
Advertising	(32,290)	(25,195)
Advertising – Personnel expenses	(1,810)	(1,579)
Advertising – Other expenses	(1,399)	(748)
Royalties	(12,689)	(12,239)
Personnel expenditures	(17,188)	(14,049)
Other expenditures	(5,484)	(4,234)
	(132,616)	**(108,587)**
Impairment losses	(1,451)	(2,112)
Total sales expenses	**(134,067)**	**(110,699)**

24 Administrative expenses

	Consolidated		Parent Company	
	03/31/2025	03/31/2024	03/31/2025	03/31/2024
Personnel expenditures	(17,305)	(15,390)	545	331
Outsourced services	(8,652)	(7,369)	(520)	(564)
Rents	(1,865)	(1,297)	(7)	-
Travel and accommodation	(356)	(331)	-	-
Security	(629)	(569)	-	-
Legal disputes and taxes	(1,089)	(723)	(267)	(125)
IT and telecommunications	(4,239)	(4,393)	(12)	(7)
Energy, water and sewage	(353)	(268)	(12)	(4)
Maintenance, cleaning and environment.	(1,685)	(1,046)	-	-
Depreciation and amortization	(4,282)	(4,226)	-	-
Other	(3,486)	(1,853)	(540)	(450)
Total administrative expenses	**(43,941)**	**(37,465)**	**(813)**	**(819)**

(In thousands of reais)

25 Other operating revenues (expenses), net

	Consolidated		Parent Company	
	03/31/2025	**03/31/2024**	**03/31/2025**	**03/31/2024**
Other operating revenues				
Rent revenue	2,027	1,912	1,977	1,878
Sale of scrap	408	375	-	-
Revenue from sale of property, plant and equipment	251	5,047	-	-
Tax credit – State subsidy	5,793	4,620	-	-
Other	540	903	58	(90)
Total other operating revenues	**9,019**	**12,857**	**2,035**	**1,788**
Other operating expenses				
Provision for contingencies	(822)	(1,597)	(136)	(64)
Expenses from sale of property, plant and equipment	(1,103)	(5,563)	-	-
Other	(2,147)	(1,686)	-	(3)
Total other operating expenses	**(4,072)**	**(8,846)**	**(136)**	**(67)**
Other operating revenues, net	**4,947**	**4,011**	**1,899**	**1,721**

26 Financial income (loss)

	Consolidated		Parent Company	
	03/31/2025	**03/31/2024**	**03/31/2025**	**03/31/2024**
Financial revenues				
Capital structure				
Revenue from investments	8,632	15,195	379	6,362
Other	-	1	-	-
Subtotal	**8,632**	**15,196**	**379**	**6,362**
Operating				
Interest	2,683	1,564	33	-
Discounts obtained	1,415	274	-	-
Extemporaneous credit update	-	1,724	-	-
Other	698	9	-	-
Subtotal	**4,796**	**3,571**	**33**	**-**
Exchange-rate changes	15,793	2,232	-	-
Total financial revenues	**29,221**	**20,999**	**412**	**6,362**

(In thousands of reais)

	Consolidated		Parent Company	
	03/31/2025	**03/31/2024**	**03/31/2025**	**03/31/2024**
Financial expenses				
Capital structure				
Interest	(11,094)	(13,839)	-	-
TAX ON FINANCIAL OPERATIONS (IOF)	(107)	(414)	(1)	(14)
Other	(627)	(673)	(11)	-
Subtotal	**(11,828)**	**(14,926)**	**(12)**	**(14)**
Operating				
Bank fees	(783)	(650)	(2)	(2)
Fee/commission sale card	(58)	(50)	-	-
Discounts granted	(260)	(270)	-	-
Other rates	(1,493)	(1,149)	-	-
Subtotal	**(2,594)**	**(2,119)**	**(2)**	**(2)**
Exchange-rate changes	(12,474)	(3,174)	-	-
Total financial expenses	**(26,896)**	**(20,219)**	**(14)**	**(16)**
Financial income (loss)	**2,325**	**780**	**398**	**6,346**

27 Earnings per share

The calculation of basic earnings per share is made by dividing the income (loss) for the period, attributed to the holders of common shares of the Company, by the weighted average number of common shares free float during the year.

Diluted earnings per share are calculated by dividing the profit for the period attributable to holders of the Company's common shares by the weighted average number of common shares that would be issued on the conversion of all potentially dilutive shares into their respective shares.

On March 31, 2025, the Company had potential outstanding shares which could affect the dilution of the result per share under CPC 41/IAS 33 in the total amount of 3,110,000 (three million one hundred and ten thousand) potential shares. Of the total amount, one million, five hundred and forty thousand (1,540,000) potential shares refer to the sixth grant of shares of the Stock Options plan that was approved on May 2, 2023 and one million, five hundred and seventy thousand (1,570,000) potential shares refer to the seventh grant of shares of the Stock Options plan that was approved on May 7, 2024.

As of March 31, 2024, the Company had potential shares outstanding that could affect the dilution of earnings per share, pursuant to CPC 41/IAS 33, totaling 2,430,000 (two million, four hundred thirty thousand) potential shares. Of the total amount, 895,000 (eight hundred ninety-five thousand) potential shares refer to the fifth grant of shares of the Stock Options plan that was approved on May 03, 2022 and 1,535,000 (one million, five hundred thirty-five) potential shares refer to the fourth grant of shares of the Stock Options plan that was approved on May 2, 2023.

(In thousands of reais)

The table below presents the calculations of basic and diluted earnings per share.

	Parent Company	
	Number of common shares	
	03/31/2025	03/31/2024
Income (loss) attributable to shareholders	106,072	88,768
Weighted basic average of outstanding shares in the period	270,929,739	261,447,583
Weighted basic average of outstanding shares in the period	271,282,772	262,628,711
Basic earnings per share (per thousand) - R$	0.3915	0.3395
Basic earnings per share (per thousand) - R$	0.3910	0.3380

28 Financial instruments and risk management

The main financial assets and liabilities of the Company and its subsidiaries refer to cash and cash equivalents, trade accounts receivable, trade accounts payable, loans with related parties, lease liabilities, financing and loans.

Financial risk framework and management

The Company and its subsidiaries manage financial risks by monitoring the financial positions of assets and liabilities, controlling exposure limits.

The Company and its subsidiaries are exposed to the following risks arising from financial instruments:

- Credit risk
- Market risk
- Interest rate risk
- Liquidity risk

The management of these instruments is done through operating strategies and internal controls, aimed at assuring liquidity, profitability and security. The control policy consists of permanent follow-up of the conditions engaged versus those in force in the market.

The risk management policies of the Company and its subsidiaries were established to identify and analyze the exposure, to set adequate limits and controls by monitoring risks and compliance with limits. Risk policies and systems are reviewed regularly to reflect changes in the market conditions and in the activities of the Company and its subsidiaries.

The assessments of financial instruments and risk management are explained below:

(i) Credit risk

Credit risk is the risk of the Company and its subsidiaries incurring financial losses if a party fails to comply with its contractual obligations. Such risk is mainly due to trade accounts receivable. The book values of financial assets and contract assets represent the maximum credit exposure.

The Company and its subsidiaries are exposed to the credit risk due to the possibility of not receiving trade accounts receivable or credits from financial institutions.
The Company and its subsidiaries' risk management adopts the following practices:

(In thousands of reais)

(i) Careful selection of financial institutions, which are considered as prime line by the market (largest asset management banks in Brazil), State banks or government development agencies, meaning that the credit risk posed by the financial institutions is extremely low and diversifying financial instruments used to invest the company's funds, which are invested in a basket of indexes consisting of the CDI rate, fixed rates or rates restated for inflation.

(ii) Analyzing credits granted to clients and establishing sales limits. There are no clients that individually represent more over 9% of total trade accounts receivable of the Company as of March 31, 2025 (9% on December 31, 2024); and

(iii) The Company's exposure to credit risk is influenced, mainly, by the individual characteristics of each client. However, management also considers the factors that may influence the credit risk of its client base, including the risk of non-payment of the industry and of the country in which the client operates.

The Company uses a provisioning matrix to measure the expected credit loss with individual trade accounts receivable:

March 31, 2025	**Policy applied**	**Gross book balance**	**Provision for estimated losses**
Stores	0.00%	143,052	-
Falling due	0.04%	683,540	(273)
Overdue 1–30 days	0.50%	6,198	(31)
Overdue 31–60 days	10.00%	561	(56)
Overdue 61–90 days	25.00%	239	(60)
Overdue >90 days	100.00%	28,604	(28,604)
Clients under court-ordered reorganization (with financial restructuring)	20.00%	-	-
Clients under court-ordered reorganization (with financial restructuring)	40.00%	7,364	(2,946)
Clients under court-ordered reorganization (without financial restructuring)	100.00%	14,321	(14,321)
		883,879	**(46,291)**

December 31, 2024	**Policy applied**	**Gross book balance**	**Provision for estimated losses**
Stores	0.00%	78,860	-
Falling due	0.04%	902,091	(361)
Overdue 1–30 days	0.50%	6,677	(33)
Overdue 31–60 days	10.00%	964	(96)
Overdue 61–90 days	25.00%	278	(70)
Overdue >90 days	100.00%	27,918	(27,918)
Clients under court-ordered reorganization (with financial restructuring)	20.00%	-	-
Clients under court-ordered reorganization (with financial restructuring)	40.00%	6,257	(2,503)
Clients under court-ordered reorganization (without financial restructuring)	100.00%	14,324	(14,324)
		1,037,369	**(45,305)**

The criteria used to calculate the loss matrix are disclosed in Note 6c.

(In thousands of reais)

Loss rates are based on actual credit loss experience in the previous accounting year. These rates were multiplied by scale factors to reflect differences between the economic conditions in the period in which the historic data was collected, the current conditions and the Company’s view on economic conditions over the expected life of the receivables.

(ii) Market risk

Market risk is the risk that alterations in market prices, such as foreign exchange, interest rates and prices of shares, will affect the Company's gains or the amount of its financial instruments. The objective of market risk management is to evaluate and control exposures to market risks, within acceptable parameters, and at the same time to optimize the return. The Company and its subsidiaries do not use derivatives to manage market risk.

Foreign exchange risk

Considering the price risk on exports, which correspond to 2.09% of revenue from its subsidiaries as of March 31, 2025 (2.07% as of December 31, 2024), any volatility of the exchange rate represents, in fact, a price risk that can impair the results planned by Management.

Sensitivity analysis

The results of the Company and its subsidiaries are susceptible to significant changes, due to the effects of the volatility of the foreign exchange rate on the liabilities indexed to foreign currencies, especially the USD, which ended the period as of March 31, 2025 with the positive change in 7.27% in relation to the last quotation as of December 31, 2024.

As a strategy to avoid and reduce the effects of foreign exchange fluctuations, Management tried to maintain a natural hedge in restricted assets, also pegged to exchange fluctuations. Management does not enter into financial instruments to eliminate its exposure to foreign exchange risks, which are as follows:

	Consolidated	
US dollar (US$’000)	**03/31/2025**	**12/31/2024**
Assets in foreign currency (a)	22,182	27,891
Liabilities in foreign currency (b)	(6,996)	(6,192)
Surplus determined (a-b)	**15,186**	**21,699**

Considering the exposure to the risk of price fluctuation, the Company and its subsidiaries present below three scenarios for the change of the Dollar and the respective future income that would be generated. Namely:

(In thousands of reais)

1. **Probable scenario and that is adopted by the Company and its subsidiaries:** Dollar rate at R$ 5.7422 on March 31, 2025;

2. **Possible scenario:** As provided in the CVM Resolution, the scenario is built considering a 25% decrease in the USD rate amounting to R$ 4.3067; and

3. **Remote scenario:** Also in accordance with CVM standard, in this scenario the US dollar rate is decreased by 50%, amounting to R$ 2.8711.

Foreign exchange sensitivity analysis - Effect in income (loss) as of March 31, 2025

Transaction	**Risk**	**Probable scenario**	**Possible scenario**	**Remote scenario**
	US$ 15,186 thou.	FX 5.7422	FX 4.3067	FX 2.8711
Financial income (loss)	US$ decrease	-	(21,800)	(43,601)

(iii) Interest rate risk

Sensitivity analysis

The Company's and its subsidiaries' results are exposed to fluctuations, not significant, due to the effects of the volatility of the DI-CETIP, TJLP and IPCA rate on interest earning bank deposits and part of loans and financing linked to these rates.

	Consolidated		**Consolidated**	
	Book value 03/31/2025	**Fair value 03/31/2025**	**Book value 12/31/2024**	**Fair value 12/31/2024**
Assets in CDI	208,450	208,450	268,113	268,113
Liabilities in TJPL	5,375	4,881	5,128	4,608
Liabilities at IPCA	31,311	29,429	35,123	37,622
Liabilities in CDI	203,247	204,544	275,188	258,016

Given the exposure to the risk of changes in the indexes used in interest earning bank deposits and loans, the Company presents below scenarios for the changes in rates and the respective future results that would be generated. Namely:

(i) Probable scenario adopted by the Company and its subsidiaries, with a DI-CETIP rate of 14.15% p.a. and TJLP of 7.97% p.a. and IPCA of 5.48% p.a.;

(ii) Possible scenario, including an increase or decrease of 25% on rates;

(iii) Remote scenario, including an increase or decrease of 50% on rates.

(In thousands of reais)

Statement of changes in rates as of March 31, 2025 is as follows:

Operation	Risk	Probable scenario	Possible scenario, 25%	Remote scenario, 50%
Loans – TJLP	TJLP increase	TJLP 7.97% R$ -	TJLP 9.96% R$ 107	TJLP 11.96% R$ 214
Loans at IPCA	IPCA increase	IPCA 5.48% R$ -	IPCA 6.85% R$ 429	IPCA 8.22% R$ 858
Loans in CDI	CDI increase	CDI 14.15% R$ -	CDI 17.69% R$ 7,195	CDI 21.23% R$ 14,390
Investments in CDI	CDI decrease	CDI 14.15% R$ -	CDI 10.61% R$ (7,379)	CDI 7.08% R$ (14,737)

(iv) Liquidity risk

Liquidity risk is the risk of the Company encountering difficulties in performing the obligations associated with its financial liabilities that are settled with cash payments or with another financial asset. The Company's goal when managing the liquidity is to guarantee, as much as possible, that it will have sufficient liquidity to perform its obligations upon maturity, under normal and stress conditions, without causing unacceptable losses or with a risk of sullying the Company's reputation.

The Company and its subsidiaries monitor their funds liquidity risk through cash monetary policies to avoid a mismatch between accounts receivable and accounts payable.

In addition, the Company and its subsidiaries maintain balances of interest earning bank deposits with daily liquidity, which may be redeemed at any time to cover possible mismatches between maturity dates of their contract obligations and cash generation.

The scheduled payments of long-term installments of financing and loans are presented below:

	03/31/2025	
Maturity	**Amount**	**%**
2026	19,438	18%
2027	73,750	67%
2028	6,239	5%
2029	5,411	5%
2030	4,509	4%
2031	664	1%
Total	**110,011**	**100%**

(In thousands of reais)

	03/31/2024	
Maturity	**Amount**	**%**
2025	19,328	22%
2026	47,987	53%
2027	6,489	7%
2028	5,778	6%
2029	5,360	6%
2030	4,484	5%
2031	662	1%
Total	**90,088**	**100%**

Breakdown of balances

The estimated realizable values of the financial assets and liabilities of the Company and its subsidiaries were determined through information available in the market and appropriate valuation methodologies. However, considerable judgment was required in the interpretation of the market data to estimate the most adequate realizable value estimate. Consequently, the estimates below do not necessarily indicate the values that could be realized in the current exchange market. The use of different market methodologies may have a material effect on the realization values estimated.

The Management of these instruments is done through operating strategies, aimed at liquidity, profitability and security. The control policy consists of permanent follow-up of the rates engaged versus those in force in the market. The Company and its subsidiaries do not invest in derivatives or any other risk assets on a speculative basis.

The book balances and the fair value of financial instruments included in balance sheets as of March 31, 2025 and December 31, 2024 are shown below:

		Consolidated			
		03/31/2025		12/31/2024	
Description	**Classification**	**Book balance**	**Fair value**	**Book balance**	**Fair value**
Cash and cash equivalents	Financial assets at amortized cost	243,846	243,846	307,660	307,660
Interest earning bank deposits					
CDB/Investment Fund	Financial assets at fair value through profit or loss	3,094	3,094	6,105	6,105
Share investment funds	Financial assets at fair value through other comprehensive income	620	620	462	462
Accounts receivable	Financial assets at amortized cost	837,588	837,588	992,064	992,064
Other accounts receivable	Financial assets at amortized cost	45,398	45,398	41,751	41,751
Loans and financing:					
In domestic currency	Amortized cost	255,363	296,020	334,185	375,845
In foreign currency	Amortized cost	2,342	2,432	2,667	2,750
Suppliers	Amortized cost	145,349	145,349	94,950	94,950

(In thousands of reais)

		Parent Company			
		03/31/2025		12/31/2024	
Description	**Classification**	**Book balance**	**Fair value**	**Book balance**	**Fair value**
Cash and cash equivalents	Financial assets at amortized cost	34,369	34,369	78,612	78,612
Interest earning bank deposits					
CDB/Investment Fund	Financial assets at fair value through profit or loss	2	2	2	2
Other accounts receivable	Financial assets at amortized cost	1,690	1,690	1,703	1,703
Suppliers	Amortized cost	296	296	252	252

(v) Fair value hierarchy

	Consolidated				Parent Company			
	03/31/2025		12/31/2024		03/31/2025		12/31/2024	
Description	**Level 1**	**Level 2**	**Level 1**	**Level 2**	**Level 1**	**Level 2**	**Level 1**	**Level 2**
Interest earning bank deposits								
Investment fund	-	3,094	-	6,105	-	2	-	2
Share investment funds	620	-	462	-	-	-	-	-

- **Level 1 -** Prices charged (unadjusted) in active markets for identical assets or liabilities;
- **Level 2 -** different inputs of the prices negotiated in active markets included at Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);
- **Level 3 -** inputs for the asset or liability that are not based on observable market variables (unobservable inputs).

(vi) Criteria, assumptions and limitations used in the calculation of fair value

Interest earning bank deposits
For interest earning bank deposits, the fair value against the income (loss) was calculated based on the market quotations of these securities and are stable considering investment rates and terms. The interest earning bank deposits are remunerated at a percentage of DI-CETIP and are restated at March 31, 2025 (see Note 5).

(In thousands of reais)

Accounts receivable
Trade accounts receivable are recorded at the amount billed, and include the respective direct taxes for which the Company and its subsidiaries are responsible. The estimated impairment losses were formed at an amount considered adequate by the management to cover any losses arising on collection of credits.

Loans and financing
The amount of loans and financing calculated as of March 31, 2025 are measured at amortized cost using the effective interest method, and are recorded at their contractual values. We currently found interest rates applicable to these instruments identical to the contracts that were signed, given the objective of the financing, time frames and guarantees submitted. The valuation model considers the present value of the payment expected, discounted by a risk-adjusted discount rate.

Suppliers
Trade accounts payable derive directly from the commercial operations of the Company and its subsidiaries, are stated at their original values, subject to exchange and inflation adjustment, when applicable, up to the balance sheet date.

Limitations
The fair value of instruments was estimated on the balance sheet date, based on “Relevant market information”. Changes in the assumptions may significantly affect the estimates presented.

(vii) Capital management
The capital management of the Company and its subsidiaries aims to ensure that a strong credit rating is maintained before institutions, as well as a solid capital relationship, so as to support the business of the Company and leverage shareholders’ value.

The Company and its subsidiaries include within its net debt structure: loans and financing less cash, cash equivalents and interest earning bank deposits.

	Consolidated	
	03/31/2025	**12/31/2024**
Financing and loans	(257,705)	(336,852)
Lease liabilities	(28,681)	(30,288)
Cash and cash equivalents	243,846	307,660
Interest earning bank deposits	3,714	6,567
Net debt	**(38,826)**	**(52,913)**
Shareholders' equity	2,206,299	2,110,339

(In thousands of reais)

29 Insurance coverage

The Company and its subsidiaries adopt the policy of contracting insurance coverage for property subject to risks in amounts considered sufficient to cover any casualties, considering the nature of their activity.

Coverage amounts as of March 31, 2025 are summarized as follows:

Corporate insurance

Object	**Risk covered**	**Amount of coverage – R$**
Equity	Fire, Windstorms, Electrical Damages, Machine Breakdown, Theft, Flooding, Electronic Equipment.	195,000
Loss of profits	Fixed expenses (P.I 3 months)	60,000
D&O	Management civil general liability	30,000
General civil responsibility	General civil liability	10,000
Light and heavy vehicles	Property, body damages, pain and suffering to third parties	11,800
International transport - Imports	Limit per shipment - Goods / Raw materials	11,484
Total corporate insurance		**318,284**

30 Government grants and assistance

a. Federal incentives

- **IRPJ REDUCTION -**Refer to the right to 75% reduction of the Income Tax and Surtax, calculated based on the operating profit in accordance with article 1 of the Provisional Measure 2199-14 of August 24, 2001, as per the criteria established and also in compliance with the tax incentive regulation. Are considered as onerous conditions met the projects for total modernization currently in areas of the Northeast Development Agency - SUDENE. The beneficiaries of the incentive of 75% reduction of the income tax are the projects located in the states of Ceará and Bahia.

b. State incentives

(i) Ceará

For footwear

- **PROADE -** This is an incentive program for the industrial development fund of the State of Ceará (FDI), which consists in the deferral of 99% of the ICMS levied on company manufacturing of footwear. On the amount of each installment of the benefit, 1% will be paid in a single installment, with maturity on the last day of the month, and the amount will be adjusted after 36 months, from the disbursement date to the maturity date, restated at TJLP.

For apparel

- **PROVIN -** This is an incentive program for the industrial development fund of the State of Ceará (FDI), which consists in the deferral of 75% of the ICMS levied on company manufacturing of apparel. On the amount of each installment of the benefit, 25% will be paid in a single installment, with maturity on the last day of the month, and the amount will be adjusted after 36 months, from the disbursement date to the maturity date, restated at TJLP.

Additional incentives
In addition to PROADE shoes and apparel, there is also the deferral of ICMS on imports of raw materials, machinery, equipment, parts and pieces that do not have similar item in the State of Ceará, as well as the difference of rates on purchases of capital goods.

- **PCDM –** It is an incentive program to distribution business centers (PCDM), which consists of the reduction by 75% of the debt balance of the ICMS monthly calculated on interstate shipping activities. The subject of this instrument does not include the ICMS withheld of third parties by the company, in view of the tax replacement regime.

Additional incentives
It has as additional to PCDM the deferral of the ICMS levied: In import of foreign goods for subsequent shipment, import from abroad and other states, of goods to comprise property, plant and equipment.

(ii) Bahia

- **PROBAHIA -** Refers to the development program for the State of Bahia, aiming at diversifying and stimulating the transformation of the industrial processes in the state. The incentive is the deferral of ICMS on the total debits calculated on the shipment of goods, where a deemed credit of 99% of the amount due is calculated. Its payment consists in 1% of the debit balance that should be paid in the month subsequent to the ICMS calculation.

Additional incentives
In addition to PROBAHIA, there is also the deferral of ICMS on imports of raw materials, machinery, equipment, parts, as well as the difference of rates on purchases of capital goods.

(In thousands of reais)

(iii) Minas Gerais

- **Special Regime –** For Vulcabras Distr. Art. Esp. Ltda (Extrema-MG Branch), we will have e-PTA-RE number: 45.000024131-24, which addresses the Special Regime incentive with simplified protocol of intentions, providing for deferrals, deemed credit and TTS/IMPORT CORRIDOR, which consists of deferring the payment of ICMS on imports with a specific marketing purpose; partial deferral, resulting in a highlighted ICMS of four percent (4%) for imported products and 12% for domestic products due on domestic sales to taxpayers benefiting from the special regime; on deemed credit so that the effective rate is 3% on domestic and interstate operations with domestic products and on deemed credit of 2.5% on interstate operations with imported products or 4% on domestic operations with imported products, for an indefinite period.
- **Special Regime –** For the operation of Vulcabras SP (Extrema-MG Branch), we will have e-PTA-RE number: 45.000024132-05, which addresses the Special Regime incentive as follows: UNLINKED TTS/E-COMMERCE, which consists of adopting procedures for assigning responsibility for withholding and paying ICMS due as a tax replacement, granting ICMS deferral on imports and adopting a simplified tax bookkeeping and calculation system in the operations contracted within the scope of the electronic commerce or of telemarketing destined to the final consumer with ICMS deemed credit in the domestic operations of 12% for national products and 4% for imported products, and of 1.3% of effective rate in the interstate sales, for an indefinite period.

c. Additional incentives

TTS/WHOLESALERS and TTS/E-COMMERCE also include deferral of the payment of ICMS levied on the receipt of goods for the specific purpose of marketing, as a result of direct imports from abroad, for subsequent operations carried out by Vulcabras.

	Statement of Government grants		
Subsidiary	**State incentive**	**%**	**Maturity date**
Vulcabras CE, Calç. e Art. Esp. S.A.	Proade Calçados	99%	Aug/2031
Vulcabras CE, Calç. e Art. Esp. S.A.	Provin Confecções	75%	June 2022(*)
Vulcabras BA, Calç. e Art. Esp. S.A.	Probahia	99%	Dec/2032
Vulcabras Distr. Art. Esp. Ltda.	PCDM	75%	Dec 2027
Vulcabras Distr. Art. Esp. Ltda.	TTS/WHOLESALERS	Variable	Undetermined
Vulcabras SP, Comércio de Art. Esp. Ltda.	TTS/E-COMMERCE	Variable	Undetermined

(*) Vulcabras CE submitted a request to the State of Ceará to extend the benefit for another 10 years.

(In thousands of reais)

	Statement of Government grants		
Subsidiary	**Federal incentive**	**%**	**Maturity date**
Vulcabras CE, Calç. e Art. Esp. S.A.	IRPJ decrease	75%	Dec/2032
Vulcabras BA Calç. e Art. Esp. S.A.	IRPJ decrease	75%	Dec/2032

d. Consolidated

Considering that these incentives were recognized directly in profit (loss) of subsidiaries, as a consequence, they were recognized in the Company's profit (loss) through the calculation of equity in net income of subsidiaries, whose effects are shown below:

ICMS			**Equity in net income of subsidiaries in parent company**	
Tax incentive recorded in income (loss) of subsidiaries	**Consolidated tax incentive**	**% interest**	**03/31/2025**	**03/31/2024**
Vulcabras CE, Calçados e Artigos Esportivos S.A.	43,758	99.99%	43,754	36,943
Vulcabras Distr. Art. Esp. Ltda.	463	100.00%	463	548
Vulcabras BA, Calçados e Artigos Esportivos S.A	27,068	100.00%	27,068	24,837
Vulcabras SP, Comércio de Art. Esp. Ltda.	20,015	100.00%	20,015	15,170
	91,304		**91,300**	**77,498**

Reintegra			**Equity in net income of subsidiaries in parent company**	
Tax incentive recorded in income (loss) of subsidiaries	**Consolidated tax incentive**	**% interest**	**03/31/2025**	**03/31/2024**
Vulcabras CE, Calçados e Artigos Esportivos S.A.	10	99.99%	10	18
Vulcabras BA, Calçados e Artigos Esportivos S.A.	8	100.00%	8	6
	18		**18**	**24**

IRPJ			**Equity in net income of subsidiaries in parent company**	
Tax incentive recorded in income (loss) of subsidiaries	**Consolidated tax incentive**	**% interest**	**03/31/2025**	**03/31/2024**
Vulcabras CE, Calçados e Artigos Esportivos S.A.	1,407	99.99%	1,407	4,857
Vulcabras BA, Calçados e Artigos Esportivos S.A.	194	100.00%	194	2,012
	1,601		1,601	6,869

(In thousands of reais)

31 Product and geographic area information

The information of net sales in the domestic and foreign markets, by region, was prepared based on the country of origin of the revenue, that is, based on the sales made by its subsidiaries in Brazil and through foreign subsidiaries.

The Company and its subsidiaries operate in the production and sale of synthetic shoes segment for the domestic and foreign markets.

Although the shoes are intended to serve different audiences and social classes, they are not controlled and managed by Management as independent segments, with the Company's results being followed, monitored and evaluated in an integrated manner.

Consolidated sales in the domestic and foreign markets and non-current assets are as follows:

	03/31/2025	**03/31/2024**
Net revenue from sales		
Athletic shoes	586,945	495,399
Other footwear and others	50,223	39,694
Apparel	64,026	62,174
	701,194	**597,267**
Domestic market	671,337	562,874
Foreign market	29,857	34,393
	701,194	**597,267**

The non-current assets of each geographic region are shown below:

	Consolidated	
	03/31/2025	**12/31/2024**
Non-current assets in the domestic and foreign markets as of		
Brazil	862,367	844,555
Other countries	19,406	20,995
Total	**881,773**	**865,550**

Composition of the Board of Directors

Pedro Grendene Bartelle
President

André de Camargo Bartelle
1st Vice-President

Pedro Bartelle
2nd Vice-President

Alberto Serrentino
Independent Board Member

Rafael Ferraz Dias de Moraes
Independent Board Member

Members of the Executive Board

Pedro Bartelle
Chief Executive Officer

Wagner Dantas da Silva
Administrative and Financial Director

Rafael Carqueijo Gouveia
Superintendent Director

Rodrigo Miceli Piazer
Supply Chain, Industrial and Human Resources Director

Evandro Saluar Kollet
Corporate Director of Product Development and Technology

Márcio Kremer Callage
Marketing Director

Investor Relations Director

Wagner Dantas da Silva

Technical manager

Manoel Damião da Silveira Neto
Accountant CRC 1RJ052266/O-2 “S”-SP