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**VULCABRAS**  
vivemos para o esporte

Jundiaí, March 8, 2022 – Vulcabras S.A. (B3: VULC3) announces today its results for the fourth quarter of 2021(4Q21). The Company's operational and financial information is presented based on consolidated figures and in millions of reais, prepared in accordance with accounting practices adopted in Brazil and international financial reporting standards (CPC 21 AND IAS 34). The data in this report refers to the performance in the fourth quarter of 2021, compared to the same period of 2020, unless otherwise specified.

# HIGHLIGHTS

## GROSS VOLUME

**8.8 million** pairs/pieces in 4Q21, a decrease of **9.5%** compared to 4Q20 due to the discontinuation of women's shoes in MI and ME and 27.1 million pairs/pieces in 2021, an increase of 7.8 % compared to the year 2020

## GROSS MARGIN

**36.1%** in 4Q21, an increase of **3.4 pp** compared to 4Q20, and **35.3%** in 2021, an increase of **5.8 pp.** in relation to the margin in 2020.

## NET REVENUE

**R\$ 620.0 million** in 4Q21, an increase of **35.0%** compared to 4Q20 and, in 2021, revenue was **R\$ 1.867,2 million**, an increase of **58.3%** compared to 2020.

## NET INCOME

**R\$ 81.2 Million** in 4Q21, an increase of **48.7%** compared to the income of **R\$ 54.6 million** in 4Q20, and **R\$ 313.8 million** in 2021, an increase of **896.2%** compared to the **R\$ 31.5 million** in 2020.

## GROSS PROFIT

**\$ 223.8 million** in 4Q21, an increase of **48.9%** compared to 4Q20 and **R\$ 659.4 million** in 2021, an increase of **89.4%** compared to 2020.

## EBITDA

**R\$ 119.8 million** in 4Q21, an increase of **62.1%** compared to **R\$ 73.9 million** in 4Q20 and **R\$ 398.9 million** in 2021, an increase of **255.5%** compared to 2020.

**VULC3 Quote (12/30/2021)**

**R\$ 9,14**

**Number of shares**

**ordinárias:  
245.756.244**

**Market value**

**R\$ 2.2 billion**

**Investor Relations**

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

**Conference call:**

**3/09/2022 at  
10 am  
(Brasilia)**

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# MESSAGE FROM MANAGEMENT

Vulcabras ended 2021 with historical results for the company, with growth in all indicators. Gross revenue was 2.2 billion, an increase of 56% compared to 2020. EBITDA (earnings before interest, taxes, depreciation and amortization) reached R\$ 399 million, 255% higher than in the previous year. Net margin jumped from 2.7% in 2020 to 16.8% in 2021, while gross margin reached 35.3%, an increase of 5.8 percentage points.

The record revenue in 2021 is the result of the strategic transformation built over the last 3 years, adjusting the company's focus to the sports market with the arrival of Mizuno to our portfolio, which already had Olympikus and Under Armour, which allowed a better portfolio mix. Also, the decisions taken during the pandemic, which did not demobilize the operation and expanded investments, allowed a quick resumption after the reopening of retail, even in the face of a scenario of economic instability.

As part of the growth plan, the digitalization of sales channels was carried out, focusing on e-commerce and new tools to support our partners' digital operations. Through the construction of the Distribution Center, in Extrema, Minas Gerais, the distribution operation for e-commerce was expanded and allowed a closer and direct connection with the brands' consumers. These measures, in addition to Vulcabras' ability to develop high-tech products, in line with domestic market demand, played an important role in increasing revenues and net profit.

## 4Q21 Results

As in the year, Vulcabras recorded an increase in all indicators in the 4th quarter compared to the same period in 2020. For the third consecutive quarter, the company recorded a record revenue, reaching **R\$ 730 million** in gross revenue, an increase of **36%** compared to 4Q20.

EBITA increased by **62.1%**, from **R\$ 73.9 million** to **R\$ 119.8 million**. The EBITDA margin grew **3.2 percentage points**, reaching **19.3%**, compared to **16.1%** recorded in 4Q20. Net profit was **R\$ 81.2 million**, an increase of **49%** and the net margin was **13.1%** in the quarter, an increase of 1.2 percentage point compared to the **11.9%** achieved in 4Q20.

The result for the last quarter was leveraged by the strong growth of Mizuno footwear and by the Apparel and Accessories division, which increased by 58.8% compared to 4Q20. Revenue from the brands' e-commerce channel rose 81% over the same period last year. The company's gross margin was 36.1%, 3.4 p.p. higher than in 4Q20, supporting the recovery of the margin that the company has been showing in recent quarters.

2022 will be the year of consolidation of this strategy, with opportunities for growth in the direct-to-consumer sales channel (E-commerce and stores) and in the apparel category. To continue with the process of digitalization and expansion of the direct-to-consumer sales channel, the team was reinforced by hiring Ewerton Ramos as commercial director of Direct to Consumer. Ewerton has extensive experience in e-commerce at large retailers and at Vulcabras he will be responsible for all brands in this channel. For the apparel and accessories (V&A) division, Vulcabras hired Vanessa Szabo, an executive with over 25 years of experience in the Brazilian textile industry, to take over the area's management with the mission of increasing revenues and margins, capturing synergies and integration in the supply chain, while preserving the brands' individuality, technologies and positioning.

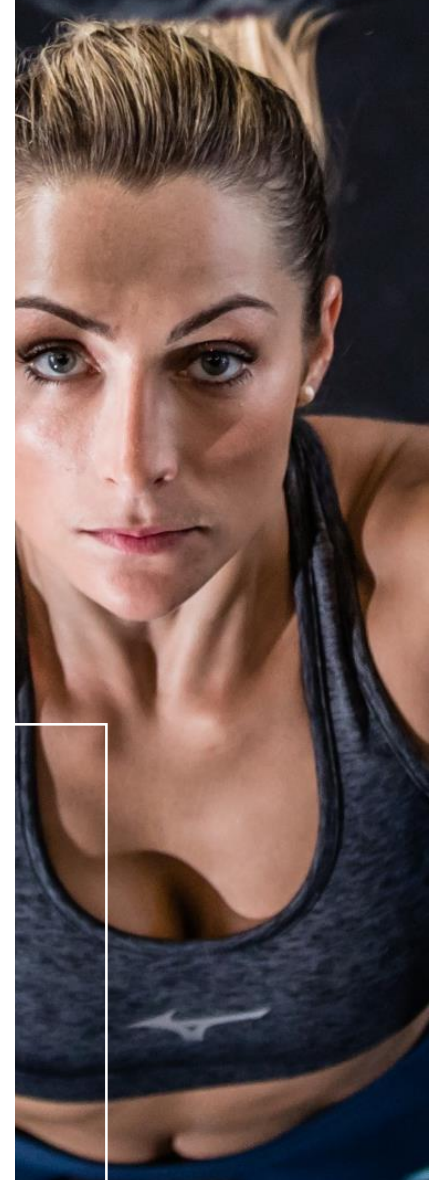
Moreover, in the first quarter of 2022, the new national collection by Mizuno, 100% developed by Vulcabras, will arrive at retail with more adherence to the needs of the Brazilian consumer, capturing synergies in the productive process, which should provide better margins. With the strengths of Vulcabras and the strength of the Mizuno brand, the brand returns to its leading role in the national sporting goods market. For Olympikus and Under Armor, the prospects are for consistency in the delivery of results, with the sales portfolios captured for the coming quarters showing good results.

Vulcabras ended a historic year for the Company, with Gross Revenue of R\$ 2.2 billion



# CONSOLIDATED PERFORMANCE

R\$ Million	4Q21	4Q20	VAR 4Q21 vs 4Q20	2021	2020	VAR 2021 vs 2020
<b>Gross Volume ( million pairs and pieces )</b>	<b>8,8</b>	<b>9,7</b>	<b>-9,5%</b>	<b>27,1</b>	<b>25,1</b>	<b>7,8%</b>
Gross Operating Revenue	729,9	536,1	36,1%	2.210,7	1.413,8	56,4%
Net Revenue	620,0	459,1	35,0%	1.867,2	1.179,2	58,3%
Domestic Market	585,8	425,3	37,7%	1.729,5	1.078,1	60,4%
Foreign Market	34,2	33,8	1,2%	137,7	101,1	36,2%
<b>Gross profit</b>	<b>223,8</b>	<b>150,3</b>	<b>48,9%</b>	<b>659,4</b>	<b>348,2</b>	<b>89,4%</b>
Gross margin %	36,1%	32,7%	3,4 p.p.	35,3%	29,5%	5,8 p.p.
<b>Operation Expenses</b>	<b>126,7</b>	<b>96,6</b>	<b>31,2%</b>	<b>407,6</b>	<b>310,6</b>	<b>31,2%</b>
<b>EBITDA</b>	<b>119,8</b>	<b>73,9</b>	<b>62,1%</b>	<b>398,9</b>	<b>112,2</b>	<b>255,5%</b>
EBITDA Margin	19,3%	16,1%	3,2 p.p.	21,4%	9,5%	11,9 p.p.
<b>EBITDA - recurring</b>	<b>119,8</b>	<b>73,9</b>	<b>62,1%</b>	<b>327,0</b>	<b>148,6</b>	<b>120,1%</b>
EBITDA Margin Adjusted	19,3%	16,1%	3,2 p.p.	17,5%	12,6%	4,9 p.p.
<b>Net Income</b>	<b>81,2</b>	<b>54,6</b>	<b>48,7%</b>	<b>313,8</b>	<b>31,5</b>	<b>896,2%</b>
<b>Net Income - adjusted</b>	<b>81,2</b>	<b>54,6</b>	<b>48,7%</b>	<b>200,3</b>	<b>67,9</b>	<b>195,0%</b>





## GROSS VOLUME

In 4Q21 gross volume billed totaled 8.8 million pairs/pieces, a decrease of 9.5% compared to the 9.7 million pairs/pieces in 4Q20.

It is worth mentioning that in this quarter sales of footwear and apparel with the Mizuno brand were present since the beginning of the period and that in the same period of the previous year the Mizuno brand was not part of the Company's portfolio. In this quarter, there was also no sale of women's footwear in the domestic and foreign markets due to licensing of the Azaleia brand, and that the sale of this type of footwear was maintained only in the Peru subsidiary.

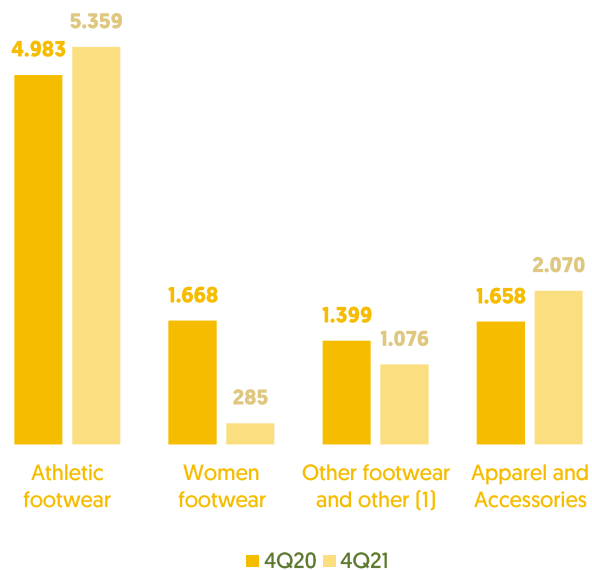
The Athletic Footwear, footwear and apparel categories presented great performance.

In comparison with the same period in 2020, the highlights were as follows;

- (i) In Athletic Footwear, there was a growth of 7.5%, due to the addition of Mizuno's sales volume and the positive performance of the Under Armour brand;
- (ii) Decrease of 82.9% in Women's Footwear, due to the discontinuance of business in the domestic and foreign markets;
- (iii) Reduction of 23.1% in Other Footwear and Others,
- (iv) 24.8% increase in Apparel and Accessories, due to the addition of sales volume with the Mizuno brand and the expansion recorded with the Under Armour brand.

## GROSS VOLUME OF PAIRS AND PIECES/THOUSAND - 4Q21 VS 4Q20

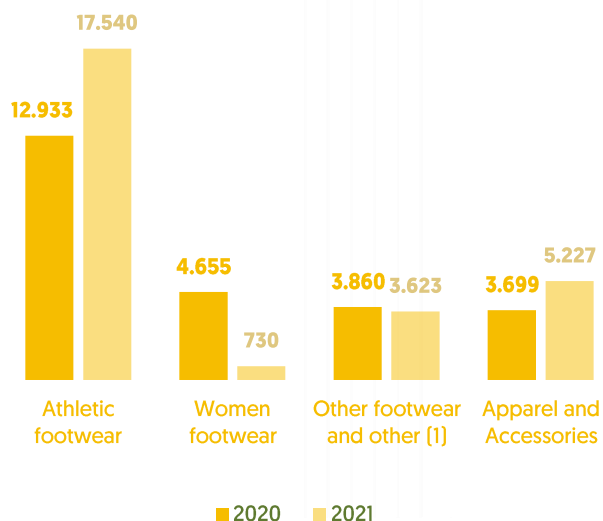
Pairs and pieces (thousand)	4Q21	Share %	4Q20	Share %	Var. % 4Q21/4Q20
Athletic footwear	5.359	61,0%	4.983	51,3%	7,5%
Women footwear	285	3,2%	1.668	17,2%	-82,9%
Other footwear and other (1)	1.076	12,2%	1.399	14,4%	-23,1%
Apparel and Accessories	2.070	23,6%	1.658	17,1%	24,8%
<b>Total</b>	<b>8.790</b>	<b>100,0%</b>	<b>9.708</b>	<b>100,0%</b>	<b>-9,5%</b>



In 2021, gross volume totaled 27.1 million pairs/pieces, an increase of 7.8% compared to the total of 25.1 million pairs/pieces in 2020.

## GROSS VOLUME OF PAIRS AND PIECES/THOUSAND - 2021 VS 2020

Pairs and pieces (thousand)	2021	Share %	2020	Share %	Var. % 2021/2020
Athletic footwear	17.540	64,7%	12.933	51,4%	35,6%
Women footwear	730	2,7%	4.655	18,5%	-84,3%
Other footwear and other (1)	3.623	13,4%	3.860	15,3%	-6,1%
Apparel and Accessories	5.227	19,2%	3.699	14,8%	41,3%
<b>Total</b>	<b>27.120</b>	<b>100,0%</b>	<b>25.147</b>	<b>100,0%</b>	<b>7,8%</b>



# NET OPERATING REVENUE: CATEGORY

In 4Q21, net revenue was R\$ 620.0 million, an increase of 35.0% over the R\$ 459.1 million in 4Q20

In the 4th quarter of 2021, the Company maintained the strong pace of growth observed in previous quarters. All brands continued to be highly demanded and the order backlog for the period remained full since the beginning of the quarter.

Athletic Footwear revenue increased by 51.6% in 4Q21 over the same period in 2020. The increase in revenue in 4Q21 compared to 4Q20 is due to the sale of footwear under the Mizuno brand, which did not occur in the same period of the previous year, and to the growth in revenues from Olympikus and Under Armour footwear.

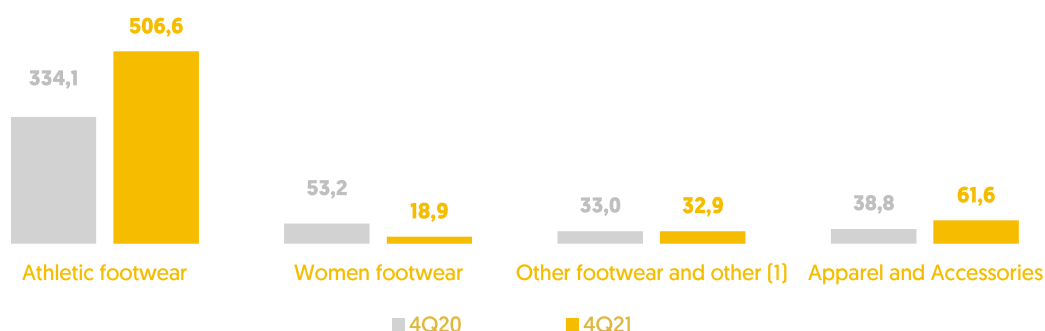
The Women Footwear category decreased by 64.5% compared to the same period in 2020. This is due to the interruption in sales of women's footwear since the beginning of 2021 due to the licensing of the brand and the closure of the operations of the Colombia branch. The only channel that presented revenue in this category and that will continue to be active was that of the Peru branch.

**The Apparel and Accessories category increased by 58.8% over 4Q20. When comparing the period with the previous year, there was an increase in revenue from the Olympikus and Under Armour brands and an increase in sales due to the sale of products with the Mizuno brand.**

The Other Footwear and Others category presented the same revenue compared to the same quarter of 2020.

## NET REVENUE BY CATEGORY – 4Q21 VS 4Q20

R\$ Million	4Q21	Share %	4Q20	Share %	Var. % 4Q21/4Q20
Athletic footwear	506,6	81,7%	334,1	72,8%	51,6%
Women footwear	18,9	3,0%	53,2	11,5%	-64,5%
Other footwear and other (1)	32,9	5,3%	33,0	7,2%	-0,3%
Apparel and Accessories	61,6	10,0%	38,8	8,5%	58,8%
Total Net Revenue	620,0	100,0%	459,1	100,0%	35,0%



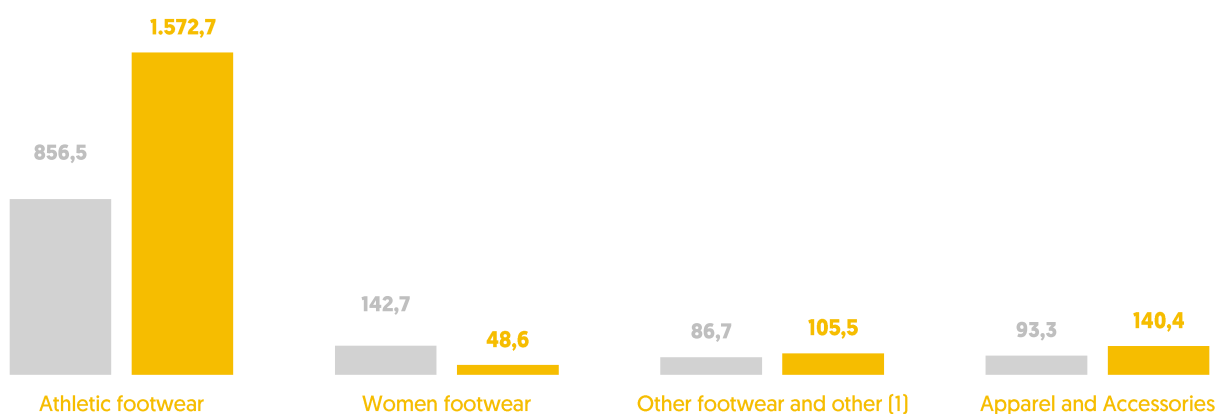
Slippers, boots and shoe components.



In 2021, net revenue totaled R\$ 1.867,2 million, 58.3% higher than in 2020, when it was R\$1,179.2 million.

### NET REVENUE BY CATEGORY – 2021 VS 2020

R\$ Million	2021	Share %	2020	Share %	Var. % 2021/2020
Athletic footwear	1.572,7	84,2%	856,5	72,6%	83,6%
Women footwear	48,6	2,6%	142,7	12,1%	-65,9%
Other footwear and other (1)	105,5	5,7%	86,7	7,4%	21,7%
Apparel and Accessories	140,4	7,5%	93,3	7,9%	50,5%
Total Net Revenue	1.867,2	100,0%	1.179,2	100,0%	58,3%



Slippers, boots and shoe components.



# NET OPERATING REVENUE: MARKETS

Net revenue in 4Q21 in the domestic market totaled R\$ 585.8 million, an increase of 37.7% compared to 4Q20, when it was R\$ 425.3 million. In the foreign market, net revenue in 4Q21 totaled R\$ 34.2 million, an increase of 1.2% compared to the R\$ 33.8 million in 4Q20.

In the domestic market, when compared to 4Q20, the increase is due to the increase in the categories of Athletic Footwear, apparel and accessories and other footwear and others, and the reduction in revenue from women's footwear.

Direct sales to the foreign market showed robust growth when compared to 4Q20, despite the halt in sales of women's footwear. The Olympikus footwear and slippers categories showed robust sales growth compared to 4Q20 revenue.

In sales from foreign branches, a small reduction in revenue was observed in relation to the same period of the previous year, due to the closure of the operations of the Colombia branch that occurred during the second half of 2021.



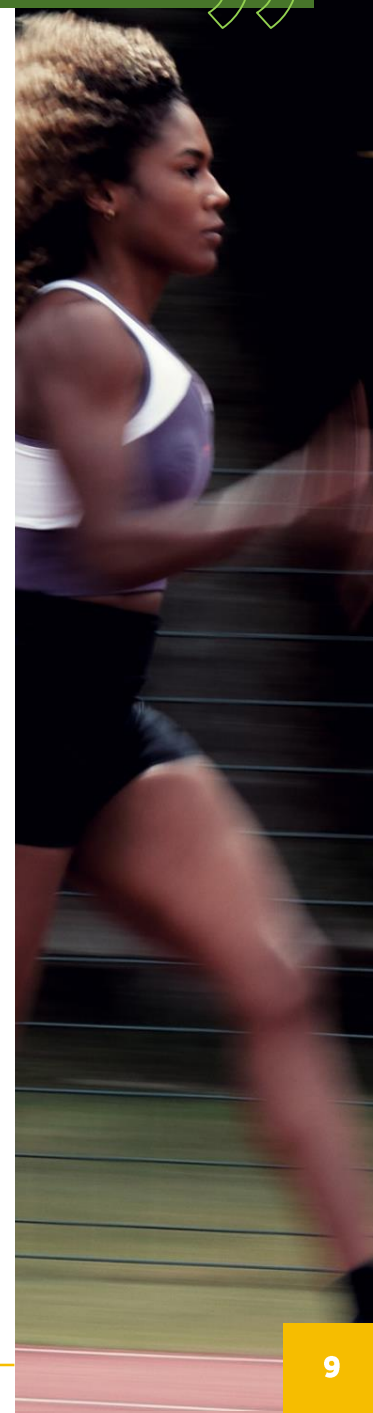
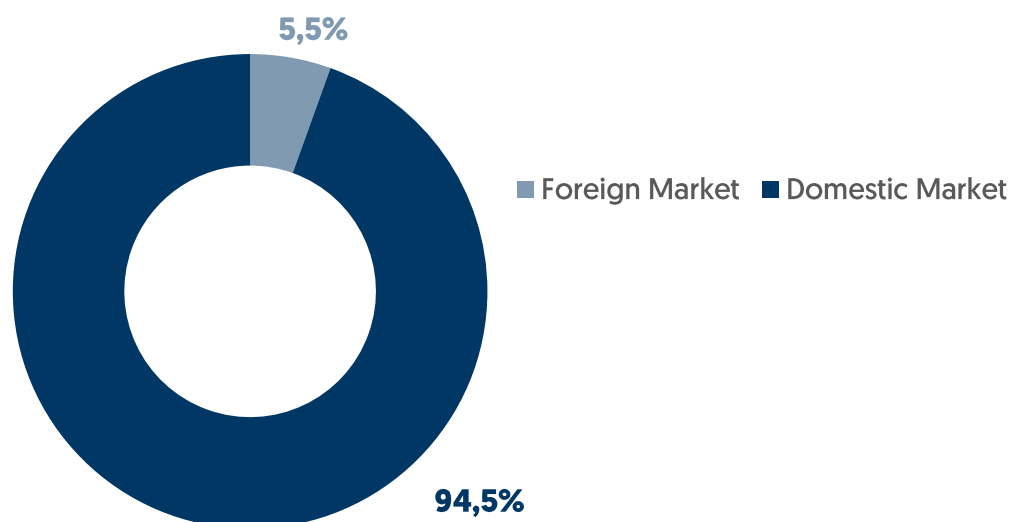
**Net revenue in 4Q21 in the domestic market totaled R\$ 585.8 million, an increase of 37.7% compared to 4Q20**



## NET REVENUE BY MARKET – 4Q21 VS 4Q20

R\$ Million	4Q21	Share %	4Q20	Share %	Var. % 4Q21/4Q20
Domestic Market	585,8	94,5%	425,3	92,6%	37,7%
Foreign Market	34,2	5,5%	33,8	7,4%	1,2%
Total Net Revenue	620,0	100,0%	459,1	100,0%	35,0%

## MARKET SHARE - 4Q21



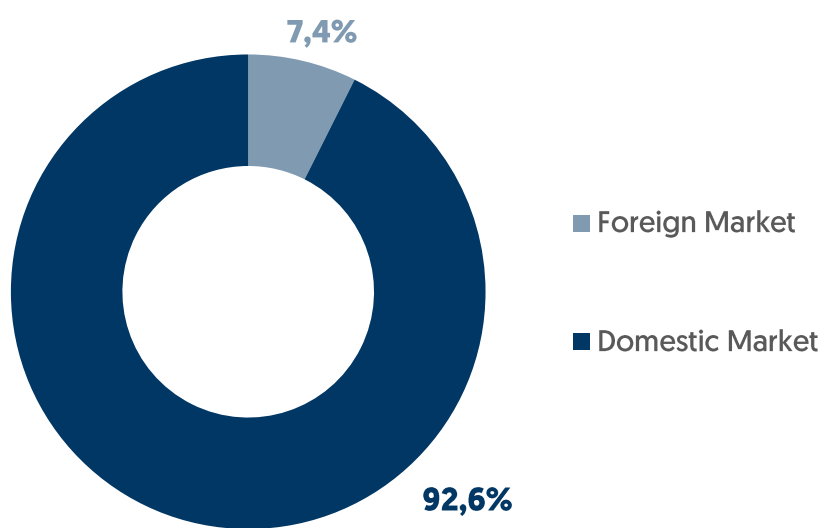


In 2021, net revenue in the domestic market totaled R\$ 1,729.5 million, an increase of 60.4% compared to 2020, when it was R\$ 1,078.1 million. The highlight of the year was the increase in revenue brought about by the start of operations with the Mizuno brand. In the foreign market, net revenue in 2021 was R\$ 137.7 million, up 36.2% compared to the R\$ 101.1 million in 2020, with the highlight to the return of sales of Olympikus footwear and slippers in the Argentinian market.

### NET REVENUE BY MARKET - 2021 VS 2020

R\$ Million	2021	Share. %	2020	Share. %	Var. % 2021/2020
Domestic Market	1.729,5	92,6%	1.078,1	91,4%	60,4%
Foreign Market	137,7	7,4%	101,1	8,6%	36,2%
Total Net Revenue	1.867,2	100,0%	1.179,2	100,0%	58,3%

### MARKET SHARE - 2021





# E-COMMERCE

In 4Q21, e-commerce with the Company's brands continued the expansion trend and grew by 80.7% compared to the same period of the previous year.

Even in the face of weaker consumption at the main events of the quarter, Black Friday and Christmas, the online channels of the brands were able to position themselves and, in this way, present robust revenue growth compared to the same quarter of the previous year.

**Revenue from the brands' e-commerce channel grew by 81% versus 4Q20**

Comparing the accumulated figures for the years, there was a growth of 27.9% in 2021 compared to 2020.

As a share of revenue, e-commerce represented 3.3% in 2021, down 0.8 p.p. compared to 4.1% in 2020. It should be noted that the drop in the relative share in the comparison between the years is due to the large reduction in 2020 revenue due to the problems faced with the restrictions imposed by the fight against the Covid-19 pandemic.

## NET REVENUE AND NOR PARTICIPATION

Net Revenue	4Q21	4Q20	Var% 4Q21/4Q20	2021	2020	Var.% 2021/2020
E-comm total Net Revenue	26,2	14,5	80,7%	62,3	48,7	27,9%
Share Net Revenue	4,2%	3,2%	1,0 p.p.	3,3%	4,1%	-0,8 p.p.

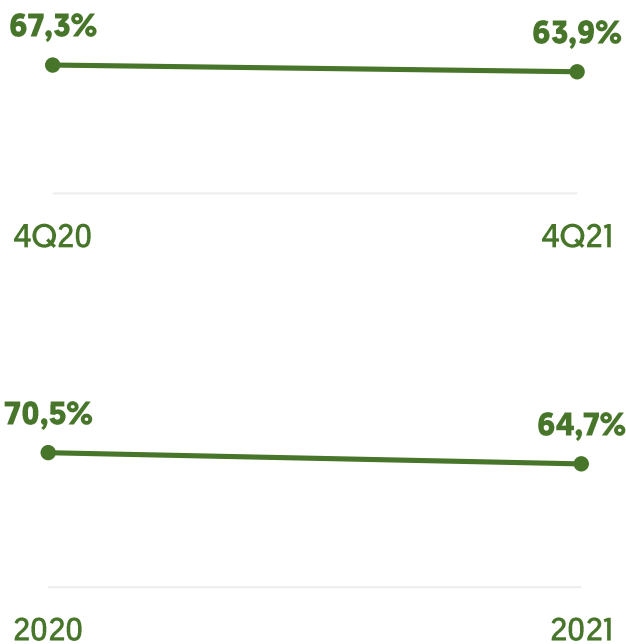
# COST OF GOODS SOLD (COGS)

In 4Q21, as a percentage of net sales revenue, cost of goods sold represented 63.9%, compared to 67.3% in the same period in 2020.

During the fourth quarter of 4Q21, the Company's factories operated at full occupancy. With the conclusion of the introduction of Mizuno models and given the production sequence, the occasional difficulties that were observed at the beginning of the production of Mizuno footwear began to dissipate and factory productivity returned to normal. With the high demand and the consequent predictability of production plans due to the robust order backlog, production efficiency was high. Continuing pressure on costs due to the impact of higher prices for some raw materials was still observed in this quarter of 2021.

In 2021, as a percentage of net sales revenue, cost of sales represented 64.7%, compared to 70.5% in the same period in 2020.

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





# GROSS PROFIT

Gross profit in 4Q21 was R\$ 223.8 million, an increase of 48.9% compared to the R\$ 150.3 million in 4Q20. Gross margin was 36.1% in 4Q21, 3.4 p.p. above the 32.7% in 4Q20.

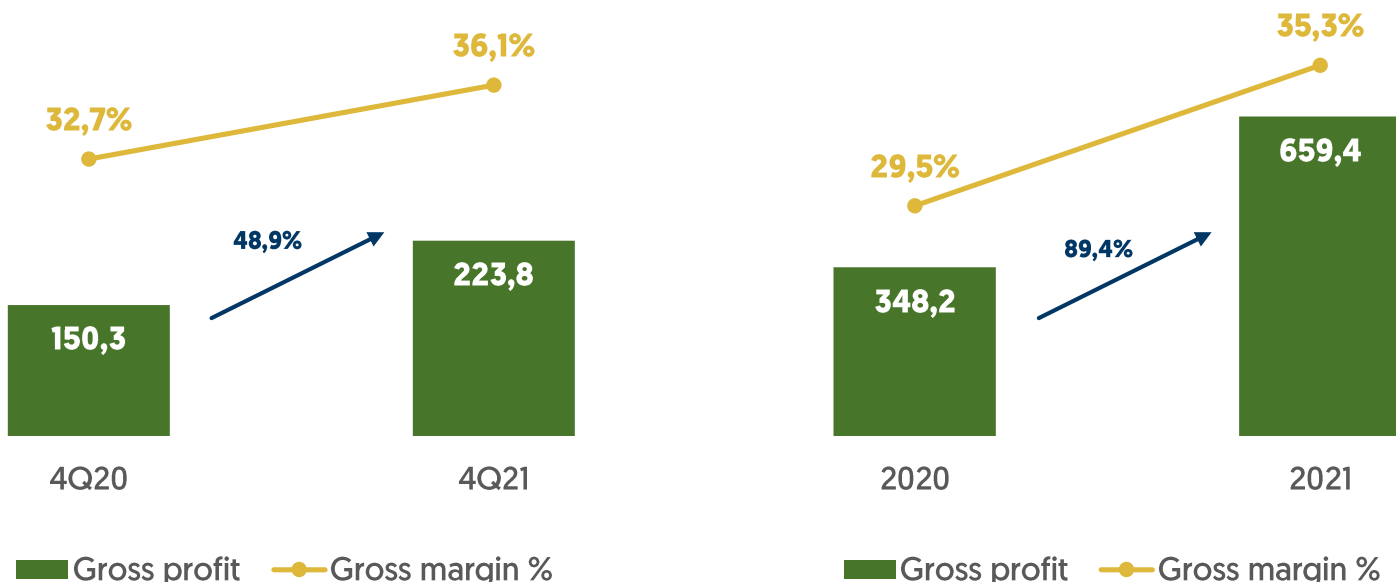
The positive impact on costs due to the large volume sold in 4Q21 led to a significant improvement in the gross margin, despite the negative impact due to the increase in the prices of some raw materials.

The achievement in the 4th quarter of the year of the same gross margin of the previous quarter, 36.1%, in spite of the collective vacations granted at the two plants during the second half of December, demonstrates the consistency and robustness of the Company's business.

**The positive impact on costs due to the large volume sold in 4Q21 led to a significant improvement in the gross margin, despite the negative impact due to the increase in the prices of some raw materials.**

In 2021, gross profit was R\$ 659.4 million, an increase of 89.4% compared with the R\$ 348.2 million in 2020. The margin in 2021 was 35.3%, 5.8 p.p. higher than the 29.5% margin obtained in 2020.

## GROSS PROFIT AND GROSS MARGIN



# SELLING AND ADVERTISING EXPENSES

Selling and advertising expenses in 4Q21 totaled **R\$ 92.3 million**, an increase of 43.8% compared to 4Q20.

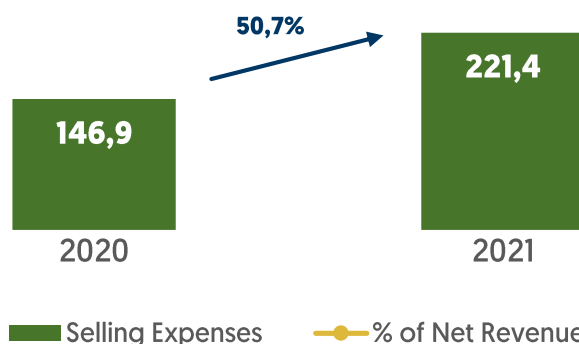
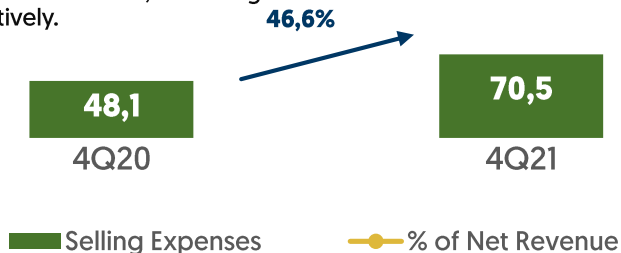
Selling expenses (excluding advertising expenses) increased by 46.6% in 4Q21, compared to expenses in 4Q20. **R\$ 70.5 million** were recorded in 4Q21, against **R\$ 48.1 million** in 4Q20. As a share of revenue, selling expenses (excluding advertising expenses) accounted for **11.4%** in 4Q21, compared to **10.5%** in 4Q20, an increase of **0.9 p.p.** compared to the previous year.

Comparing the quarters, an increase in all expenses was observed in relation to 4Q20, this is due to the robust growth in revenue, which increases the volume of variable expenses with commissions and freight, whereas the increase in expenses with royalties is due to the increase in revenue from the licensed brands. It should be noted that the growth in expenses with royalties is structural and is due to the increase in the share of revenues from licensed brands in the composition of the Company's total revenues.

## SELLING EXPENSES (excluding advertising expenses)



In 2021, selling expenses (excluding advertising expenses) were **R\$ 221.4 million**, an increase of 50.7% compared to the **R\$ 146.9 million** in 2020. The share of selling expenses over net revenue decreased by 0.6 p.p. compared to 2020, reaching **11.9%** and **12.5%** in 2021 and 2020, respectively.



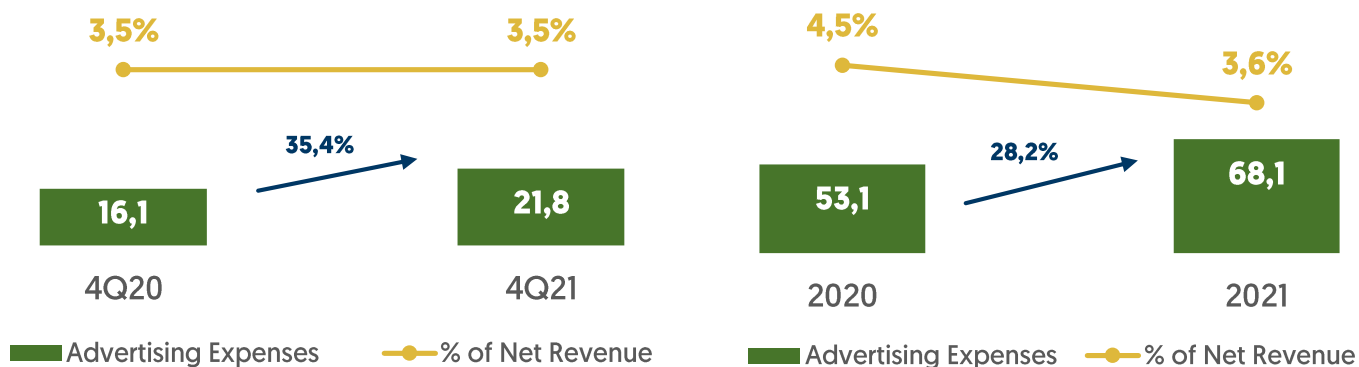


In 4Q21, advertising and marketing expenses totaled **R\$ 21.8 million**, an increase of 35.4% over the **R\$ 16.1 million** in 4Q20.

The share of advertising and marketing expenses over net revenue represented 3.5% in 4Q21, the same share of 4Q20. In 4Q21, field actions were intensified, focused on reinforcing point-of-sale materials for better product exposure, as well as sponsored events, such as the Mizuno Energy and the Rio Marathon.

In 2021, advertising and marketing expenses totaled **R\$ 68.1 million**, an increase of 28.2% in comparison with 2020, when they totaled **R\$ 53.1 million**.

## ADVERTISING AND MARKETING EXPENSES

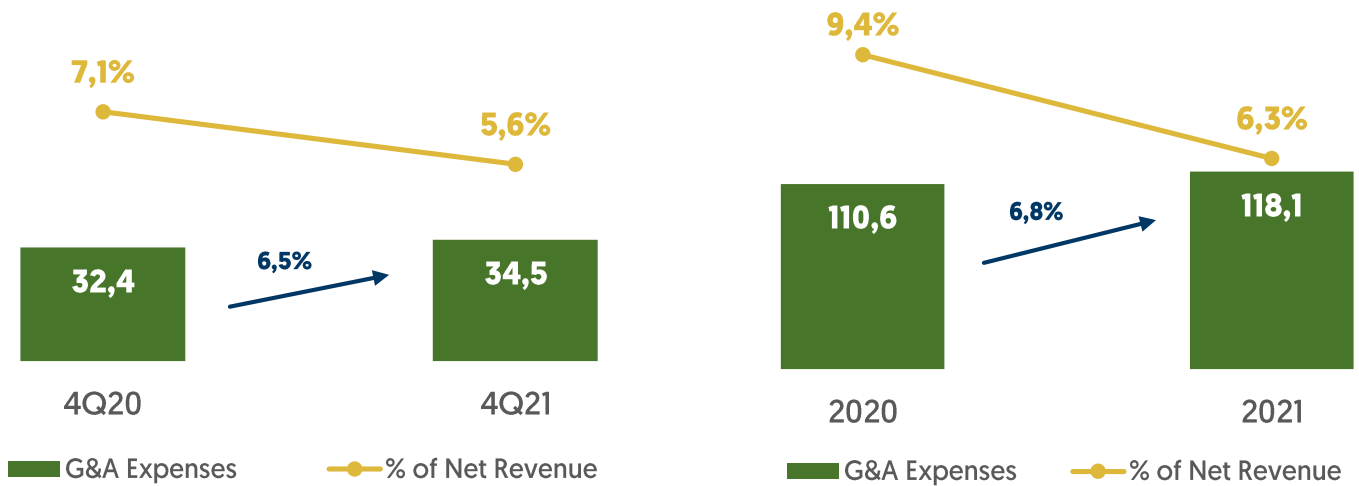


Administrative expenses totaled **R\$ 34.5 million** in 4Q21, an increase of 6.5% compared to 4Q20. As a percentage of net revenue, there was a reduction of **1.5 p.p.**, from **7.1%** in 4Q20 to **5.6%** in 4Q21.

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

In 2021, compared to the same period of 2020, there was an increase of 6.8% in general and administrative expenses, from **R\$ 110.6 million** to **R\$ 118.1 million**. When comparing the percentage of net revenue, there is a decrease of **3.1 p.p.** in 2021 in relation to the equivalent period of 2020.

## GENERAL AND ADMINISTRATIVE EXPENSES



# GENERAL AND ADMINISTRATIVE EXPENSES





# OTHER NET OPERATING INCOME (EXPENSES)

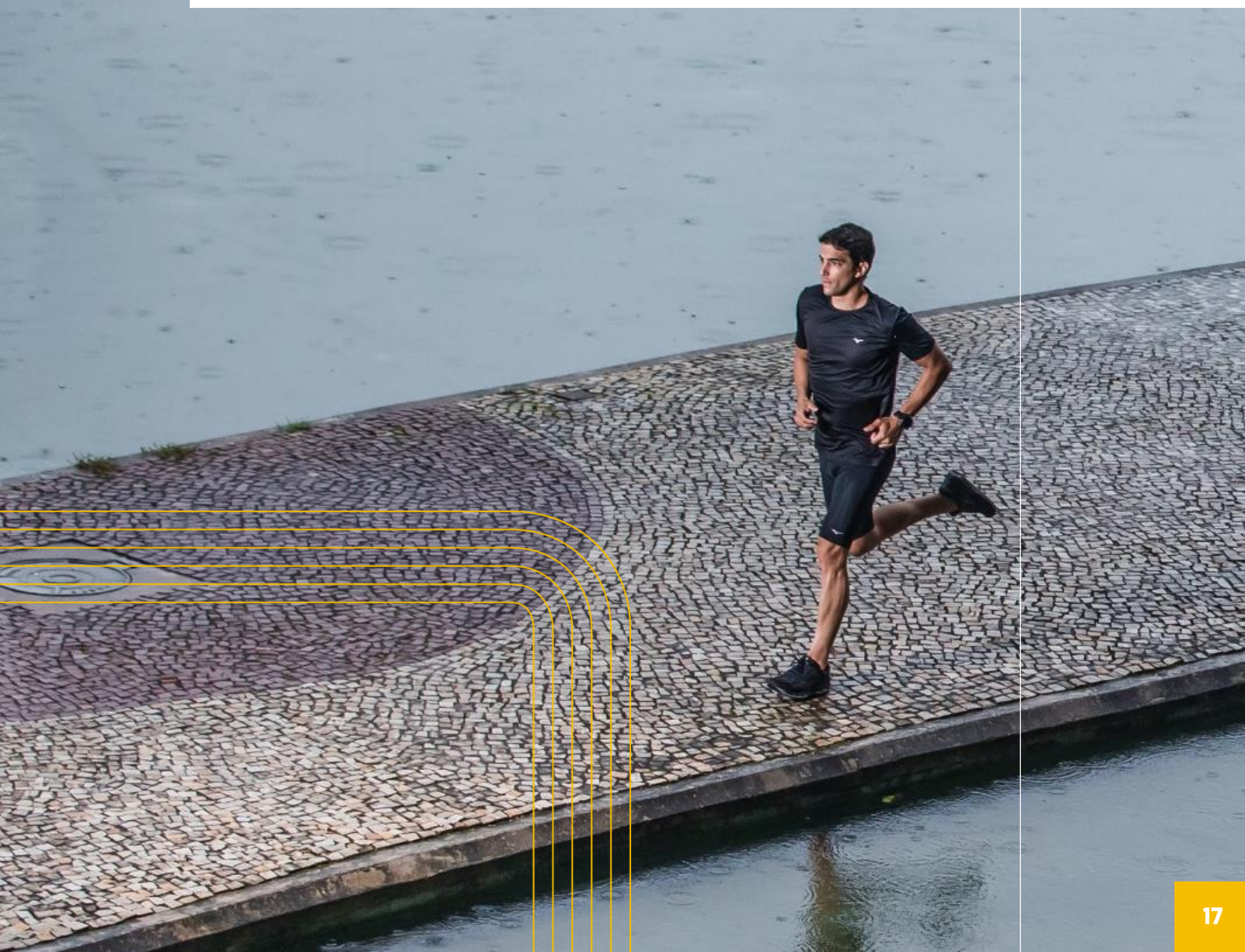
In 4Q21, Other Net Operating Income (Expenses) resulted in an income of **R\$ 1.5 million**, compared to an income of **R\$ 2.3 million** in 4Q20.

In 2021, an income of R\$ 70.8 million was recorded, compared to an income of **R\$ 0.8 million** in 2020.

There was a non-recurring event recognized in 2021, in the amount of **R\$ 63.3 million**, referring to the uncontroversial amount of lawsuits filed by its subsidiaries for recovery of Pis/Cofins credits on the ICMS basis. The amount recognized was composed of: (i) recognition of **R\$ 65.9 million**, related to the principal amount and; (ii) Pis/Cofins debit arising from the monetary adjustment of the Pis/Cofins credit recognized in the amount of **R\$ 2.6 million**.

## OTHER NET OPERATING INCOME (EXPENSES)

R\$ Million	4Q21	4Q20	Var. % 4Q21/4Q20	2021	2020	Var. % 2021/2020
Other Net Operating Income (Expenses)	1,5	2,3	-34,8%	70,8	0,8	8.750,0%



# NET FINANCIAL INCOME (EXPENSES)

In 4Q21, the Company reported a net financial expense of R\$ 10.5 million, compared to the same period in 2020, when it reported a net financial income of R\$ 0.4 million. In the comparison between 4Q21 and 4Q20, the main variations were observed in the increase in interest paid, due to the increase in indebtedness and the higher interest rate over the past few months. Comparing the years, the financial result changed from a financial expense of R\$ 0.1 million in 2020 to a financial income of R\$ 12.4 million in 2021.

In 2021, there was the recognition of a “non-recurring” gain due to the recording of financial income of R\$ 49.1 million related to the monetary adjustment of the credit related to the PIS/COFINS on ICMS lawsuit and also the recognition of expense with the discount granted in the sale of credit rights.

## NET FINANCIAL INCOME (EXPENSES)

R\$ Million	4Q21	4Q20	Var. % 4Q21/4Q20	2021	2020	Var. % 2021/2020
Capital structure	-10,5	-4,9	114,3%	-33,4	-16,8	98,8%
Operating	-3,1	-4,3	-27,9%	-20,7	-8,7	137,9%
Exchange differences	-2,7	-4,7	-42,3%	-21,5	-20,9	2,9%
<b>Financial Costs</b>	<b>-16,3</b>	<b>-13,9</b>	<b>17,3%</b>	<b>-75,6</b>	<b>-46,4</b>	<b>62,9%</b>
Capital structure	1,3	1,1	18,2%	6,2	4,9	26,5%
Operating	1,9	8,3	-77,1%	67,3	13,0	417,7%
Exchange differences	2,6	4,9	-46,9%	14,5	28,4	-48,9%
<b>Financial Income</b>	<b>5,8</b>	<b>14,3</b>	<b>-59,4%</b>	<b>88,0</b>	<b>46,3</b>	<b>90,1%</b>
<b>Net Financial Income</b>	<b>-10,5</b>	<b>0,4</b>	<b>-2.727,5%</b>	<b>12,4</b>	<b>-0,1</b>	<b>-12.500,0%</b>

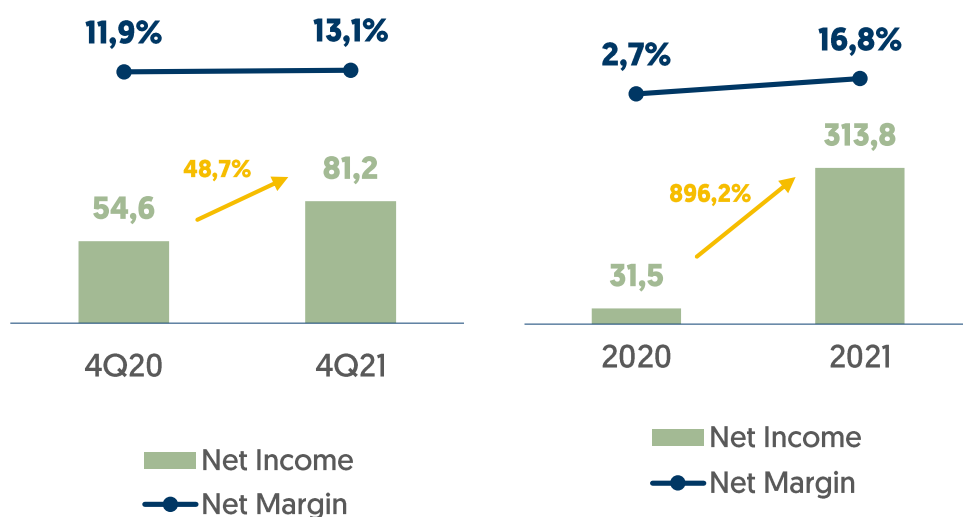
# NET INCOME

Net income in 4Q21 was R\$ 81.2million, an increase of 48.7% over the income of R\$ 54.6 million in 4Q20. The net margin reached 13.1% in 4Q21, an increase of 1.2 p.p. compared to 11.9% in 4Q20.

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

Net income in 2021 was R\$ 313.8 million, an increase of 896.2% over the income for 2020, which was R\$31.5 million. In the comparison between 2021 and 2020, net margin increased by 14.1 p.p., from 2.7% in 2020 to 16.8% in 2021.

## NET INCOME AND NET MARGIN



In 2021, the Company recorded a non-recurring net gain of R\$ 113.5 million, related to a favorable decisions in proceedings to exclude ICMS from the PIS and COFINS calculation basis.

For a better understanding, the amount and respective effect of this event on net income for the quarter and accumulated for the period are shown below.

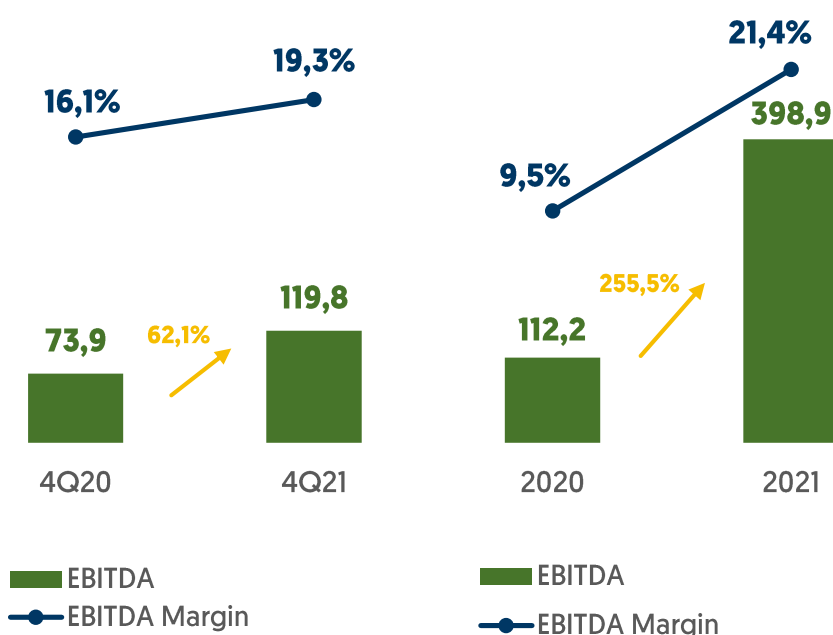
R\$ Million	4Q21	4Q20	Var. % 4Q21/4Q20	2021	2020	Var. % 2021/2020
Net Income	81,2	54,6	48,7%	313,8	31,5	896,2%
(-) Main Pis/Cofins Credit	0,0	0,0	N/A	-65,9	0,0	N/A
(-) Pis/Cofins Credit update	0,0	0,0	N/A	-57,6	0,0	N/A
(-) Pis/Cofins/IRPJ/CSLL on Pis/Cofins credit	0,0	0,0	N/A	10,0	0,0	N/A
(-) Expenses due to the effects of Covid-19	0,0	0,0	N/A	0,0	36,4	N/A
Adjusted Net Income	81,2	54,6	48,7%	200,3	67,9	195,0%
Adjusted Net Income Margin	13,1%	11,9%	1,2 p.p.	10,7%	5,8%	4,9 p.p.

# EBITDA

In 4Q21, EBITDA totaled R\$ 119.8 million, an increase of 62.1% against the R\$ 73.9 million in 4Q20. EBITDA margin increased by 3.2 pp., reaching 19.3% in 4Q21 against 16.1% in 4Q20.

In 2021, EBITDA totaled R\$ 398.9 million, an increase of 255.5% over the R\$ 112.2 million in 2020. The EBITDA margin increased by 11.9 pp. reaching 21.4% in 2021.

## EBITDA – 4Q21 vs. 4Q20 | 2021 vs 2020



In 2021, some non-recurring events impacted the Company's EBITDA. For a better understanding, the amount and respective effect of these events on EBITDA for the periods.



R\$ Million	4Q21	4Q20	Var. % 4Q21/4Q20	2021	2020	Var. % 2021/2020
<b>EBITDA</b>	<b>119,8</b>	<b>73,9</b>	<b>62,1%</b>	<b>398,9</b>	<b>112,2</b>	<b>255,5%</b>
(-) Main Pis/Cofins Credit	0,0	0,0	N/A	-65,9	0,0	N/A
(-) Pis/Cofins on Pis/Cofins Credit update	0,0	0,0	N/A	2,6	0,0	N/A
(-) PECLD reversal	0,0	0,0	N/A	-8,6	0,0	N/A
(-) Expenses due to the effects of Covid-19	0,0	0,0	N/A	0,0	36,4	N/A
<b>EBITDA (Adjusted)</b>	<b>119,8</b>	<b>73,9</b>	<b>62,1%</b>	<b>327,0</b>	<b>148,6</b>	<b>120,1%</b>
<b>EBITDA Margin (Adjusted)</b>	<b>19,3%</b>	<b>16,1%</b>	<b>3,2 p.p.</b>	<b>17,5%</b>	<b>12,6%</b>	<b>4,9 p.p.</b>

(1) EBITDA: Earnings before interest, taxes, depreciation and amortization. Em português LAJIDA: Lucro antes dos juros, impostos, depreciação e amortização.

# ROIC (RETURN ON INVESTED CAPITAL)

Annualized return on invested capital – ROIC<sup>1</sup>– reached 21.4% in 4Q21 - LTM (last twelve months ended 12/31/2021), an increase of 18.6 pp. over the 2.8% obtained at 12/31/2020.

ROIC	2018	2019	2020	2021
Net Income for the period (LTM)	152,1	143,1	31,5	313,8
(+) Net Financial Income (LTM)	6,2	(5,1)	0,1	(12,5)
<b>NOPAT</b>	<b>158,3</b>	<b>138,0</b>	<b>31,6</b>	<b>301,3</b>
<b>Invested Capital</b>				
Loans and Financing	60,0	43,1	311,6	361,3
(-) Cash and cash equivalents	(68,6)	(62,2)	(158,6)	(114,6)
(-) Financial Investments	(2,5)	(2,8)	(90,5)	(10,3)
(+) Related Parties	16,3	16,9	17,6	18,0
(+) Equity	941,5	1.087,4	1.125,4	1.356,6
<b>Invested Capital</b>	<b>946,7</b>	<b>1.082,4</b>	<b>1.205,5</b>	<b>1.611,0</b>
<b>Average invested capital for the period (1)</b>	<b>864,3</b>	<b>1.014,6</b>	<b>1.144,0</b>	<b>1.408,2</b>
<b>Annualized ROIC (2)</b>	<b>18,3%</b>	<b>13,6%</b>	<b>2,8%</b>	<b>21,4%</b>

Annualized adjusted return on invested capital (Adjusted ROIC<sup>3</sup>) was 26.0% in 4Q21 - LTM (last twelve months ended 12/31/2021), an increase of 22.2 pp compared to 3.8% at 12/31/2020.

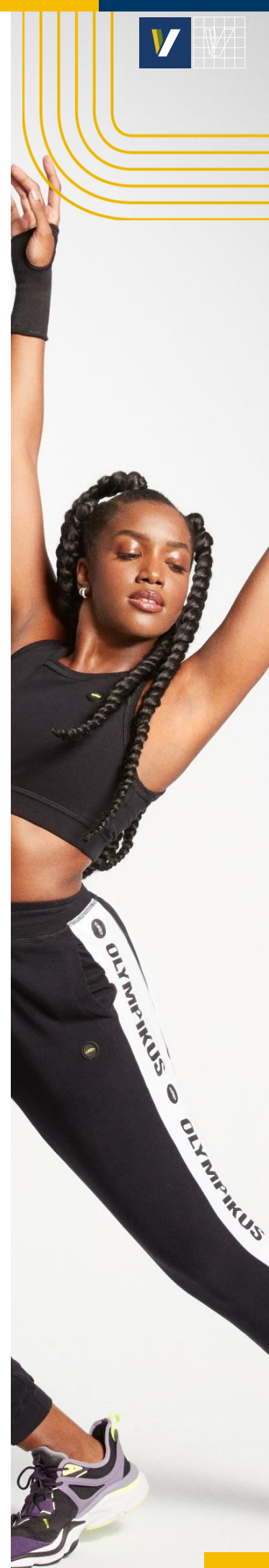
ADJUSTED ROIC	2018	2019	2020	2021
Net Income for the period (LTM)	152,1	143,1	31,5	313,8
(+) Net Financial Income (LTM)	6,2	(5,1)	0,1	(12,5)
(-) Gain by advantageous acquisition (LTM)	(13,6)	0	0	0
(-) Equity Results (LTM)	(1,8)	(0,3)	2,0	(3,1)
<b>NOPAT (Adjusted)</b>	<b>142,9</b>	<b>137,7</b>	<b>33,6</b>	<b>298,2</b>
<b>Invested Capital</b>				
Loans and Financing	60,0	43,1	311,6	361,3
(-) Cash and cash equivalents	(68,6)	(62,2)	(158,6)	(114,6)
(-) Financial Investments	(2,5)	(2,8)	(90,5)	(10,3)
(+) Related Parties	16,3	16,9	17,6	18,0
(-) Goodwill on acquisition	(198,2)	(198,2)	(198,2)	(198,2)
(-) Investment in subsidiary	(61,8)	(62,0)	(60,0)	(69,4)
(+) Equity	941,5	1.087,4	1.125,4	1.356,6
<b>Total Adjusted Invested Capital</b>	<b>686,7</b>	<b>822,2</b>	<b>947,3</b>	<b>1.343,4</b>
<b>Average adjusted invested capital for the period (1)</b>	<b>615,2</b>	<b>754,5</b>	<b>884,8</b>	<b>1.145,4</b>
<b>Adjusted Annualized ROIC 3</b>	<b>23,2%</b>	<b>18,3%</b>	<b>3,8%</b>	<b>26,0%</b>

ROIC: Return on invested capital .

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

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

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





# CAPEX (CAPITAL EXPENDITURES)

In 4Q21, R\$ 43.6 million were invested in property, plant and equipment and intangible assets. The amount of R\$ 43.3 million was invested in property, plant and equipment, an increase of 56.9% compared to 4Q20. The investment in intangible assets in 4Q21 was R\$ 0.3 million. The investments made in this quarter are due to the support and modernization of the Company's operations. The Company has been allocating most of its investments in property, plant and equipment to the introduction of a new industrial technology that consists of manufacturing the uppers of sports shoes using rectilinear looms that weave the pieces from yarn. For the absorption of this new technology, in addition to the acquisition of equipment, it was necessary to build a new industrial building in the CE plant, fully air-conditioned and with specific conditions to accommodate this new equipment.

In 2021, the amount invested in property, plant and equipment and intangible assets totaled R\$ 134.9 million. In 2021, the amount invested in property, plant and equipment totaled R\$ 132.4 million, in intangible assets the amount invested was R\$ 2.5 million.

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

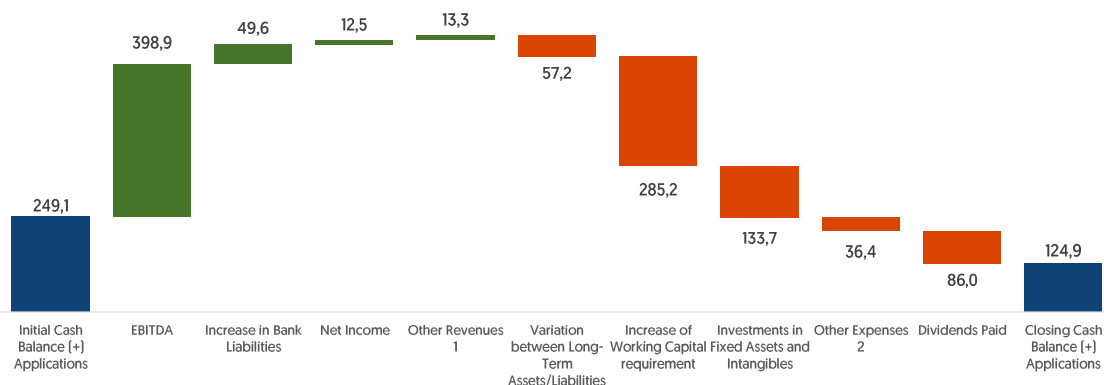
R\$ Million	4Q21	4Q20	Var. % 4Q21/4Q20	2021	2020	Var. % 2021/2020
Molds	7,1	6,8	4,4%	35,5	23,5	51,1%
Machinery and equipment	25,4	9,8	159,2%	66,8	35,0	90,9%
Industrial facilities	2,2	4,8	-54,2%	9,5	18,1	-47,5%
Others	8,6	6,2	38,7%	20,6	8,5	142,4%
<b>Property, plant and equipment</b>	<b>43,3</b>	<b>27,6</b>	<b>56,9%</b>	<b>132,4</b>	<b>85,1</b>	<b>55,6%</b>
Software	0,3	0,8	-62,5%	2,5	2,6	-3,8%
Assignment of right	0,0	0,0	0,0%	0,0	0,0	0,0%
Others	0,0	0,0	0,0%	0,0	0,0	0,0%
<b>Intangible assets</b>	<b>0,3</b>	<b>0,8</b>	<b>-62,5%</b>	<b>2,5</b>	<b>2,6</b>	<b>-3,8%</b>
<b>Total</b>	<b>43,6</b>	<b>28,4</b>	<b>53,5%</b>	<b>134,9</b>	<b>87,7</b>	<b>53,8%</b>

# CASH FLOW

The cash change in 2021 was R\$ 124.2 million. The variation presented was essentially constituted by the following events: (i) EBITDA of R\$ 398.9 million; (ii) increase in bank liabilities of R\$ 49.6 million; (iii) increase in the variation between long-term assets and liabilities of R\$57.2 million, mainly due to the increase in recoverable taxes caused by the recognition of extemporaneous credits in PIS/Cofins actions on ICMS; (iv) investments in fixed and intangible assets of R\$ 133.7 million, (v) increase in working capital needs of R\$ 285.2 million and (vi) dividends paid in advance in the amount of R\$ 86.0 million.

In 4Q21, the Company made it possible to return the distribution of results to its shareholders and in November 2021 it distributed R\$ 86.0 million in anticipation of the results for the year 2021.

## CASH FLOW – 2021



1 - Other Revenues: Sale/Write-off of fixed and intangible assets + Stock Options.

2 - Other Expenses: Income Taxes + Effect from translation of foreign investees' accounts + Payment of finance lease liabilities.

# NET DEBT

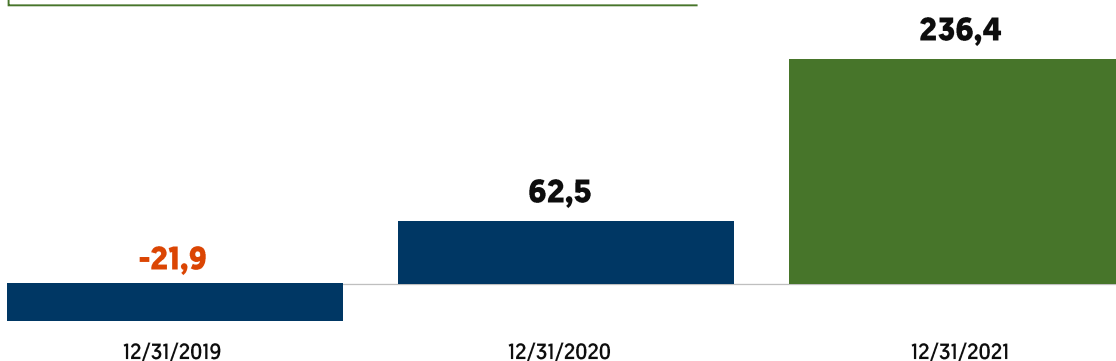
At 12/31/2021, the Company had a net debt of R\$ 236.4 million, 278.2% higher than at 12/31/2020.

The increase in net debt is due to the significant increase in working capital due to the increase in receivables from customers and in inventories of finished products, mainly due to the growth of operations with the Mizuno brand.

## NET DEBT

R\$ Million	12/31/2019	12/31/2020	12/31/2021	Var. % 12/31/2021 / 12/31/2020
Loans and Financing	43,1	311,6	361,3	15,9%
Cash and cash equivalents	62,2	158,6	114,6	-27,7%
Financial investments	2,8	90,5	10,3	-88,6%
<b>Net Debt</b>	<b>(21,9)</b>	<b>62,5</b>	<b>236,4</b>	<b>278,2%</b>

## NET DEBT EVOLUTION



## GROSS DEBT PER CURRENCY

R\$ Million	12/31/2020	12/31/2021	Var. % 12/31/2021 / 12/31/2020
Local currency	285,1	353,2	23,9%
Foreign currency	26,5	8,1	-69,4%
<b>Total Loans and Financing</b>	<b>311,6</b>	<b>361,3</b>	<b>15,9%</b>





# SUSTAINABILITY

The last quarter of 2021 ends the year in which Vulcabras consolidated its socio-environmental activities. In line with the purpose of building a better country through sports, actions to reduce and reuse waste and reduce CO2 in its direct operations were carried out.

## CIRCULAR ECONOMY AND WASTE REDUCTION

In February, at the Itapetinga [BA] unit, Vulcabras built a 30,000 m2 environmental preservation area by planting 2,000 trees native to the region. For the execution of the work 22 residents of the region in a situation of socioeconomic vulnerability were hired and trained. Also in February, the company concluded the circular economy project at the same unit, starting to reuse 100% of its waste.

**We had one of the most important moments in the history of Vulcabras – the announcement about the use of wind energy in 100% of the production**

In the second half of the year, Olympikus brought to the market the ecological version of its best running footwear, the Corre 1 Eco, made with sustainable materials. The model, created in 2018 and launched for the first time in 2019, uses materials such as “EVA Verde”, produced from sugar cane and is present in the sole and insole of the footwear. The upper is made with 100% recycled polyester yarn from plastic bottles.

In addition to the Corre 1 Eco model, waste reuse is present in all Olympikus footwear. Today, the soles of the brand's Athletic Footwear use up to 16% recycled EVA in their composition. The remaining non-recycled waste is used as inputs by partner companies that reuse the material, generating 100% reuse of waste at the Itapetinga plant and 80% at the Horizonte unit. Furthermore, the packaging of all brands – Mizuno, Olympikus and Under Armour contains up to 50% recycled paper in its composition, and is 100% recyclable.

In its portfolio, in addition to the sports brands, the company also has the Botas Vulcabras brand, aimed at the corporate market and which adds to a large part of its production the waste generated in the production processes of the company's sports brands.

In addition to being a pioneer in the manufacture of footwear for the industrial area, Botas Vulcabras produces safety boots and footwear intended for workers in slaughterhouses, food industries in general, hospitals, mining, steel, agribusiness, civil construction and several other sectors. Its products are all certified and their main differential is the fact that they follow all the required technical standards and still provide comfort to the user.

In manufacturing, EVA boots have up to 16% recycled material in their composition. The PVC boots, on the other hand, use 100% of laminated, and the black PVC boots have up to 30% leftovers of laminated material cuts used in the sneakers of the three Vulcabras sports brands – Mizuno, Olympikus and Under Armour.

**100% reuse of waste at the Itapetinga plant (BA).**

**Olympikus footwear use up to 16% recycled EVA in their composition.**

**Use of up to 50% recycled paper in Mizuno, Olympikus and Under Armour packaging.**



## CO2 REDUCTION WIND ENERGY

In October we had one of the most important moments in the history of Vulcabras – the announcement about the use of wind energy in 100% of the production of the factories located in Itapetinga (BA) and in Horizonte (CE). Located in Itapetinga (BA) and Horizonte (CE), the plants will be supplied by one of the largest wind energy complexes in the world, Rio do Vento, in Rio Grande do Norte. Operated by Casa dos Ventos, the complex will have a total installed capacity of 1,038 MW.

The contract signed between Vulcabras and Casa dos Ventos, in the amount of R\$ 150 million, provides for the supply of clean energy for a minimum period of 13 years. The company will supply the entirety of Vulcabras' consumption, and which, in this new supply profile prevents the release of 15 thousand tons of CO2 into the atmosphere, equivalent to the planting of 67 thousand trees.

## ABOUT THE FUTURE

Vulcabras continues to be increasingly engaged in positively impacting the communities in which it operates. Reducing our impact on the environment, bringing more and more innovation to the national industry, strengthening the chain with local suppliers and democratizing access to sports are some of our commitments to society. Building a better country through sport is our purpose, and with it we know our responsibility to also build a better tomorrow today.



**100% of packaging is recyclable;**

**EVA boots, by Botas Vulcabras, have up to 16% recycled material in their composition. PVC boots use 100% laminated waste;**

# BRAND MANAGEMENT

The fourth quarter of 2021 was marked by major launches of our brands for the quarter, with a focus on year-end sales. With positioning for each consumption profile, for every level of sports performance and occasions of use from lifestyle to high performance, we offer products for a wide range of consumers in a price pyramid aligned with the Brazilian profile.

At Mizuno, the brand focused on running performance, we launched the Mizuno Wave Rebellion, the brand's first footwear with a fiberglass plate, made for runners looking for speed and high performance. For design lovers, we launched Mizuno Wave Prophecy Sorayama, a collaboration with renowned Japanese designer and illustrator Hajime Sorayama.

At Olympikus, we reinforced our environmental responsibility with the launch of Corre Eco 1, a sustainable product made with natural rubber and recycled yarn, which was the icon of the Rio Marathon, an event sponsored by the brand.

We also reinforced our presence in the democratic run with the Olympikus Ultraleve weighing only 130g (referring to size 35) and for those who don't give up fashion on the run, we launched the Olympikus ALG.

At Under Armour, the sports performance brand, we reinforced our presence in Basketball with activations and the launch of Spawn 3 and Curry 9, supported globally by basketball icon Stephen Curry, who has established himself as the greatest 3-point scorer in NBA history.

We continue with our purpose of building a better country based on sport made tangible to the consumer through each of our brands with their products, campaigns and activations.



## Technology

With a collection 100% developed by Vulcabras, Mizuno brought important releases for the running category in the last quarter of 2021. With innovative technologies and materials, Mizuno concluded the 2021 calendar reinforcing its expertise in producing footwear for those who are constantly evolving.

# MIZUNO

# Mizuno Wave Rebellion

Launched in early October, it is considered the fastest footwear in the history of the Japanese brand, designed to provide maximum propulsion and speed. It inaugurates the Mizuno Enerzy Lite technology, a midsole that combines lightness, extreme softness and a better level of cushioning, having the lightest EVA of the Mizuno Enerzy technology, created by the brand last year.



With the strengths of Vulcabras and the strength of the Mizuno brand, the brand returns to its protagonism role in the national sporting goods market.



The fiberglass-reinforced Wave board is 1141% more responsive than the traditional Wave board. The sole with G3 technology, composed of PU resin, provides maximum traction and less weight.

CO2: Reinforcing sustainability in its products, this product has a Wave Bio-based board that releases, in its production and composition, 38% less CO2 than the Wave Rider 23 board.

Waste reduction: Recycled PET mesh lining and recycled PET laces. (\*\*PET = Polyethylene terephthalate)

# Mizuno Energy Experience

To reinforce the main launches with Energy technology, the brand held the Mizuno Energy Experience, between October 29 and November 2. Activation was divided into two moments: the first was an invite-only night race (influencers and customers), in which everyone had the opportunity to test the new Mizuno Wave Rebellion firsthand; the second moment was scheduled for a special space for the brand in the Japanese Pavilion, at Parque Ibirapuera Conservação (SP). Open to the public, the place was the stage for several activations, such as product testing, running training and functional classes with physical educators, influencers and consumers.



## Design

For style lovers, Mizuno launched in early December the second edition of the long-established partnership with Japanese designer and illustrator Hajime Sorayama, the Mizuno Wave Prophecy Sorayama. The sneaker, first launched at the beginning of the year in silver, hit the market in December with a new color, black.

For this collaboration with Mizuno, Sorayama tried to bring aspects that speak with his long work recognized around the world, in gray and silver tones, referring to the futuristic aspect of his works. "I wanted to bring to the public a sneaker model that was able to be not only functional, but comfortable and that people would want to wear them again" comments the artist. "My goal was to design something like this. A sneaker for a date or an important event. Something for special occasions. That's the concept."





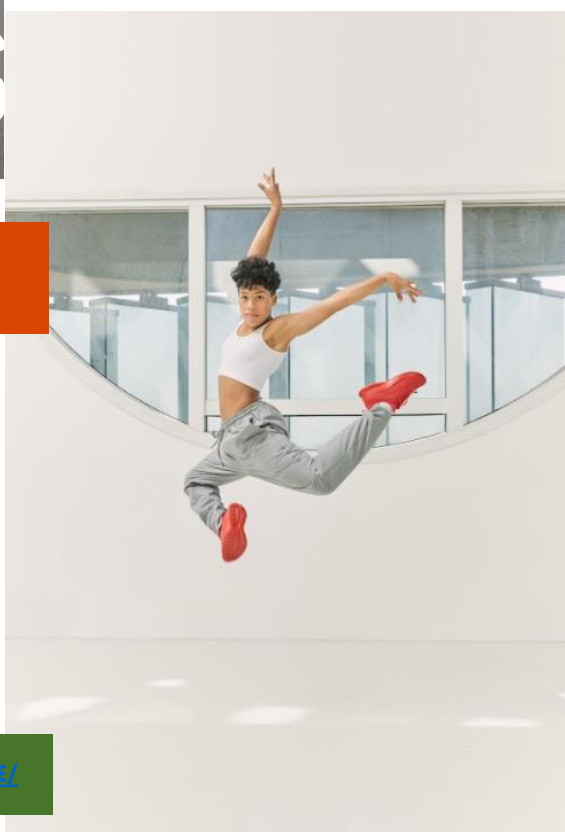
## Day to day run

Olympikus continued to bring novelties to the everyday runner and democratize running with high-tech products.

# OLYMPIKUS

## Olympikus Ultraleve

For those looking for comfortable footwear to work, walk and do everyday activities in comfort, Olympikus has launched its lightest sneaker, Olympikus Ultraleve. Weighing just 130g (referring to size 35), the sneaker features HYPERSOX technology, with a seamless, sock-shaped upper, lightweight and flexible, making it easy to put on and move around. **Olympikus Ultraleve** also has Evasense technology on its sole, which provides softness and flexibility in the footsteps. Lightness, the main attribute of tennis, was portrayed in photos and special videos made with dancers, see here



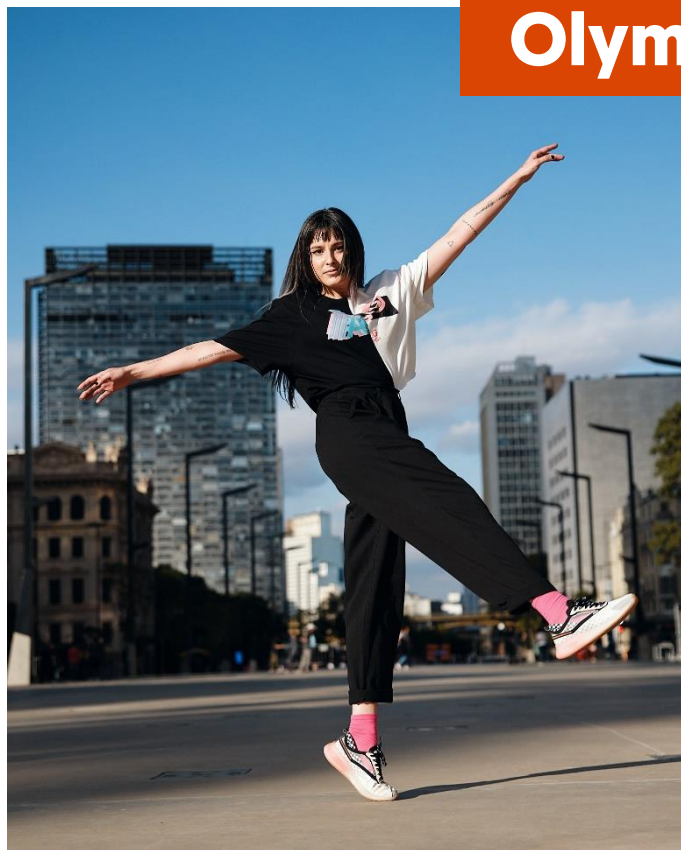
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## Olympikus Ação

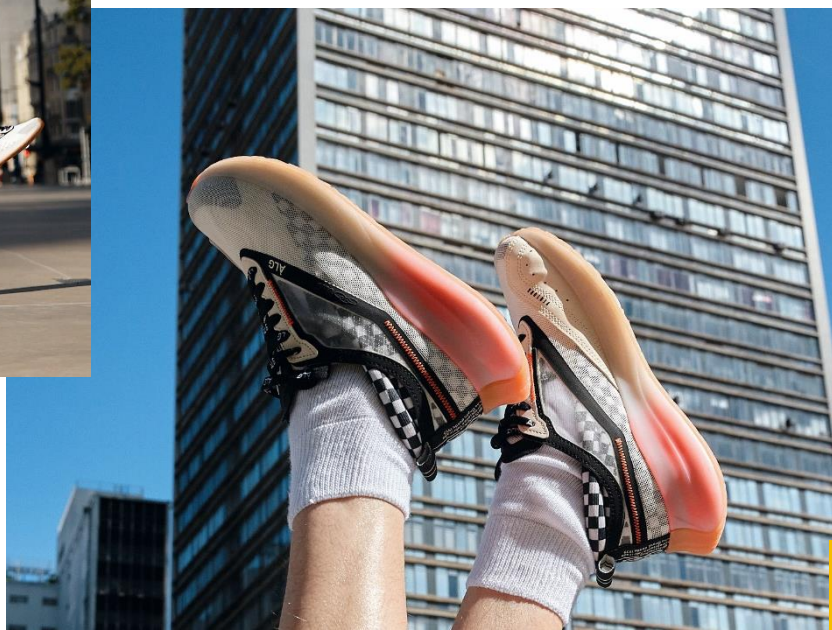
For those who practice light training and who seek comfort and safety, Olympikus launched **Olympikus Ação**. As its name suggests, the ideal shoe for those looking for performance in training, also with HYPERSOX technology, with a seamless upper in a sock-like shape, light and flexible, the footwear has a sole with a higher midsole and a texture inspired by the movement of ferrofluid in contact with a magnet. To balance comfort with safety, the Gripper rubber sole with textures at strategic points provides stability and grip. Moreover, Evasense technology provides lightness and softness to the footsteps. Sale value: R\$ 299.00.

## Olympikus Ventura ALG



For those who don't give up a touch of fashion and modernity in their everyday footwear, Olympikus brought to the market the Olympikus Ventura ALG, the result of a partnership with Brazilian stylist Alexandre Herchcovitch.

The model unites the urban lifestyle inspired by architectural elements, the geometric shapes found in cities and futuristic and technological materials. Sale value: R\$ 399.99.



# Corre Eco1

The sustainable version of the model launched the first time in 2019 after several researches and trend studies with running experts, engineers, designers, masters in biomechanics and professional and amateur athletes with technology, arrived on the market in the last quarter of the year.

Produced with recycled and renewable components, Corre 1 Eco uses materials such as EVA Verde, which is produced from sugar cane and is present in the sole and insole of the footwear. Moreover, the upper is made with polyester threads recycled from plastic bottles and on the sole there are also special rubbers extracted from the rubber tree. Sale value: R\$ 499.99

## Rio Marathon

After almost two years of waiting (due to the COVID-19 pandemic), Olympikus was finally able to resume its participation in the event considered to be the biggest running event in Latin America, the Rio Marathon. Held in the capital of Rio de Janeiro on November 14 and 15, the Marathon brought together more than 20 thousand participants and was the stage for the official launch of Corre 1 Eco, a sustainable version of the best running footwear ever made by the brand, launched in September.

Sustainability, which was consolidated in the brand with the launch of Corre 1 Eco, was also considered by Olympikus in the Rio Marathon. Aligned with the event's objectives, one of the main points in common with the brand was the concern with and importance of disposal of the waste of the activation as a whole. This year's edition of the Marathon collected around 875kg of waste discarded during the races. Through collection points distributed by the departure, arrival, dispersion and esplanade areas of Marina da Glória, the project, carried out by Cosan and Braskem, had a team of more than 100 people, including a collection team and partners.

After the event, all recyclable waste was collected and sent to the Rio Marathon partner cooperative, which started the separation process. For the two days of testing, logistics were carried out with 2 trucks during the 21 km run and 4 trucks during the 42 km, 10 km and 5 km runs, adding up to a total of 35 container bags filled with waste.

Combining environmental and social aspects, after recycling these materials, all resin generated will be transformed into trash cans that will be donated to public schools, generating an even more positive result for the task force.





# UNDER ARMOUR

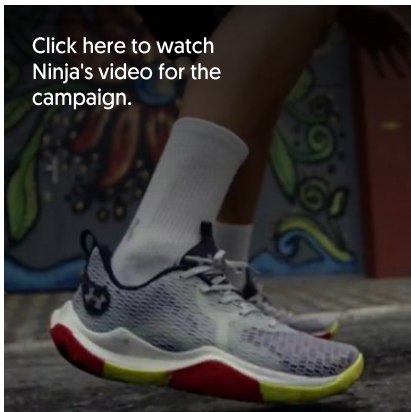
The fourth quarter of 2021 for Under Armour – a global brand, a reference in innovation and creation of sports apparel, footwear and accessories – was marked by important activations focused on strengthening the brand's multi-category positioning, promoting basketball in the country and expanding the brand's connection with the community. In the period, two strategic footwear were launched in the basketball segment - Spawn 3 and Curry 9, three in the running segment - Phantom 2 INKT, Sonic 4 and Mega Clone, in addition to initiatives that reinforce the brand's value as a reference in the athlete's complete wardrobe.

## Spawn 3

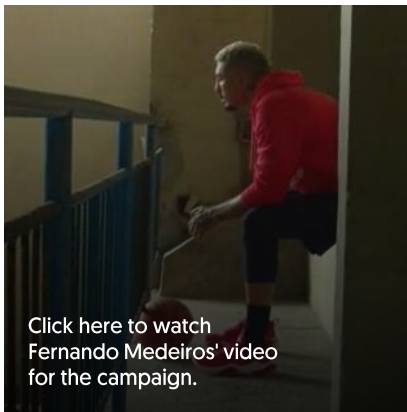
Launched in early October, Spawn 3 is a 100% national initiative, from its development and production to the creation of the campaign and its own content. With the brand's strong global Presence in basketball, the challenge was to create genuine local relevance while respecting the country's cultural codes. Sale value R\$ 399.99

Through Spawn 3, the brand saw the opportunity to tell real stories through local names and sports culture. The narrative was built with Douglas Viegas, the Ninja, and Fernando Medeiros, two relevant names in the basketball community. The brand invited them to return to the first court of their lives, thus valuing the origin of their stories with basketball.





Click here to watch Ninja's video for the campaign.



Click here to watch Fernando Medeiros' video for the campaign.

All this to show that they are from the court. Just like the Spawn 3, footwear with stability and resistance, developed and designed for those who practice the sport.

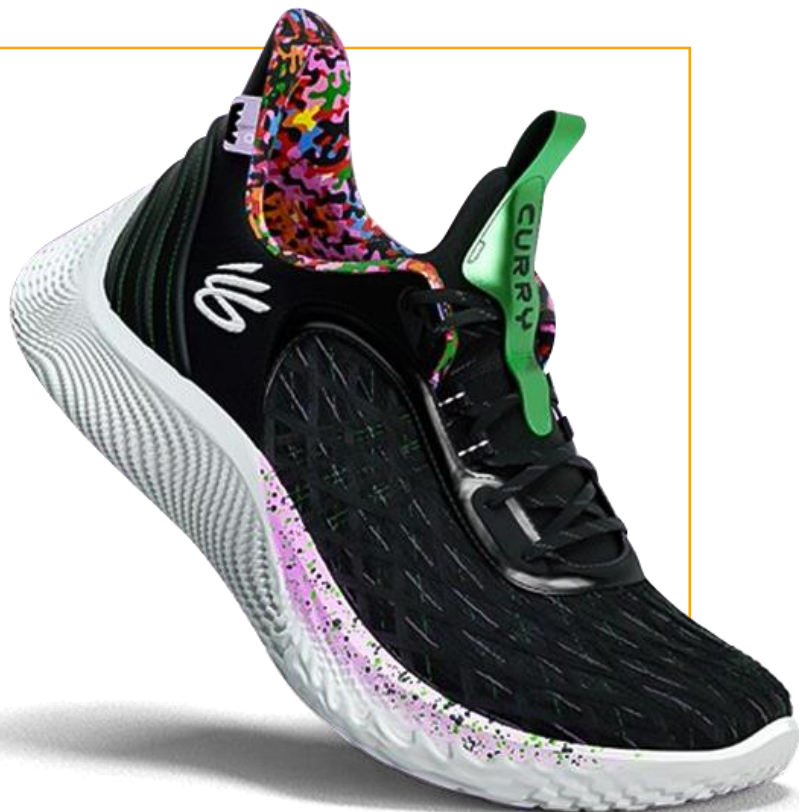
To further promote the launch, the brand created the "Para quem é Cria das Quadras" challenge that moved Fernando Medeiros' social networks. The winners took to the court at the NBA Store Arena to participate in a skills challenge with the influencer and Spawn 3.

## Curry 9

In December, another important launch for the basketball community arrived in the country, the Curry Flow 9, a product belonging to the Curry Brand, a line by basketball star Stephen Curry. The first arrival is a collaboration with the classic show Sesame Street. There will be several drops with different colorways based on each character. Value: R\$ 1,099.99

To present the new colors that will be released over the next few months, Under Armor Brasil created a Drop Clock, a timer that was available virtually both digitally and physically inside partner stores with a countdown to the next colorway. Whenever the clock resets a new Curry Flow 9 color will be revealed exclusively. The first drop had its timer reset on 12/14, the same day Stephen Curry went down in history as the NBA's three-point shooter record holder.

With positive Trade Marketing and showcases at special clients such as the NBA Store and Art Walk, the launch was intensively worked on the brand's social networks and with sneaker influencer The Vict, Fernando Mederiso, in addition to seeding work with other names such as presenter Marcos Mion.



## Phantom 2 IntelliKnit

The period was also marked by the launch of the Phantom 2 IntelliKnit, running footwear produced locally by Vulcabras, made with an intelligent mesh that guarantees the best elasticity and breathability for running. These attributes that enhance the athlete's performance were worked on in activations in the brand's and partners' digital channels. Sale Value R\$ 799.99

# UA HOVR Mega Clone 2 e Sonic 4

The period was also marked by the arrival of the UA HOVR Mega Clone 2 and Sonic 4 models, footwear with HOVR cushioning technology. The footwear also has a built-in chip that connects via Bluetooth with the MapMyRun app. The launches relied on a robust content plan on the brand's social networks. Sale Value R\$ 899.99.



HOVR | MAPMYRUN **SONIC 4**



## Cartel 011 – Espaço UA

At the end of the quarter, the Under Armour space was opened inside Cartel 011 (CZO), which is consolidated as one of the most influential retail outlets for sports innovation and lifestyle in Latin America. The project is an important step in the journey and evolution of the brand in Brazil to consolidate Under Armour products' design, innovation and technology for consumers who influence not only the sport, but also its culture and fashion.



# ATTACHMENTS

## BALANCE SHEET

### BALANCE SHEET (CONSOLIDATED)

R\$ millions

ASSETS	12/31/2021	12/31/2020	LIABILITIES	12/31/2021	12/31/2020
Cash and cash equivalents	114.635	158.552	Suppliers	78.006	62.457
Financial Investments	0	80.949	Loans and financing	291.497	127.894
Trade accounts receivable	616.275	574.104	Taxes payable	8.944	11.938
Inventories	493.497	256.924	Salaries and vacation payable	45.618	30.105
Recoverable taxes	46.852	18.330	Provisions	22.488	22.021
Income tax and social contribution	7.073	5.108	Lease liability	7.129	8.343
Amounts receivable for disposal of operation	3.850	3.440	Commissions payable	14.305	16.121
Other Accounts receivable	17.115	13.478	Other Accounts payable	24.337	26.296
			Dividends payable	4	0
			Deferred income tax and social contribution	2.576	0
<b>CURRENT ASSETS</b>	<b>1.299.297</b>	<b>1.110.885</b>	<b>CURRENT LIABILITIES</b>	<b>494.904</b>	<b>305.175</b>
Interest earning bank deposits	10.312	9.594	Loans and financing	69.753	183.735
Trade accounts receivable	3.631	0	Loans with Related Parties	18.041	17.632
Recoverable taxes	63.099	6.787	Provisions	37.390	34.542
Deferred income tax and social contribution	493	1.359	Deferred taxes on revaluation of PP&E	2.272	2.406
Judicial deposits	16.005	15.080	Lease liability	12.650	10.187
Amounts receivable for disposal of operation	1.720	5.160	Other accounts payable	3.665	183
Other accounts receivable	2.208	2.702			
Assets held for sale	194	194			
<b>LONG-TERM ASSETS</b>	<b>97.662</b>	<b>40.876</b>	<b>NON-CURRENT LIABILITIES</b>	<b>143.771</b>	<b>248.685</b>
Investments	69.408	59.999			
Investment property	5	2.121			
Right to use	17.442	15.145			
Property, plant and equipment (PP&E)	302.337	241.311			
Intangible assets	209.086	208.917			
	<b>598.278</b>	<b>527.493</b>			
<b>NON-CURRENT ASSETS</b>	<b>695.940</b>	<b>568.369</b>	<b>LIABILITIES</b>	<b>638.675</b>	<b>553.860</b>
			Capital	1.106.717	1.106.717
			Revaluation reserves	4.410	4.670
			Capital reserves	4.731	3.034
			Legal reserve	15.692	0
			Profit Reservations to be made	201.927	0
			Equity valuation adjustments	22.744	21.114
			Accumulated losses	0	-10.457
			<b>Equity attributable to controlling shareholders</b>	<b>1.356.221</b>	<b>1.125.078</b>
			Non-controlling interests	341	316
			<b>SHAREHOLDERS' EQUITY</b>	<b>1.356.562</b>	<b>1.125.394</b>
<b>TOTAL ASSETS</b>	<b>1.995.237</b>	<b>1.679.254</b>	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1.995.237</b>	<b>1.679.254</b>

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

## STATEMENT OF INCOME

INCOME STATEMENT (CONSOLIDATED)	4Q21	4Q20	VAR (%)	2021	2020	VAR (%)
<b>In thousands of Reais</b>						
<b>Net Revenue</b>	<b>620.005</b>	<b>459.054</b>	<b>35,1%</b>	<b>1.867.176</b>	<b>1.179.227</b>	<b>58,3%</b>
Cost of sales	-396.168	-308.779	28,3%	-1.207.761	-831.045	45,3%
<b>Gross Profit</b>	<b>223.837</b>	<b>150.275</b>	<b>49,0%</b>	<b>659.415</b>	<b>348.182</b>	<b>89,4%</b>
<b>Gross Margin</b>	<b>36,1%</b>	<b>32,7%</b>	<b>3,4 p.p.</b>	<b>35,3%</b>	<b>29,5%</b>	<b>5,8 p.p.</b>
Sales expenses	-91.656	-65.604	39,7%	-301.398	-190.482	58,2%
Reversal (provision) for expected losses for doubtful accounts	-577	1.362	-142,4%	11.929	-9.563	-224,4%
General and Administratives expenses	-34.477	-32.354	6,6%	-118.135	-110.561	6,9%
Other net operating income (expenses)	1.494	2.298	-35,0%	70.784	797	8781,3%
Equity in net income of subsidiaries	1.164	86	1253,5%	3.072	-2.047	-250,1%
<b>Net Income before net financial income and taxes</b>	<b>99.785</b>	<b>56.063</b>	<b>78,0%</b>	<b>325.667</b>	<b>36.296</b>	<b>797,3%</b>
Financial income	5.751	14.211	-59,5%	88.023	46.345	89,9%
Financial Expenses	-16.285	-13.820	17,8%	-75.565	-46.406	62,8%
<b>Net financial Income</b>	<b>-10.534</b>	<b>391</b>	<b>-2794,1%</b>	<b>12.458</b>	<b>-61</b>	<b>-20.523,0%</b>
<b>Net Income before taxes</b>	<b>89.251</b>	<b>56.454</b>	<b>58,1%</b>	<b>338.125</b>	<b>36.235</b>	<b>833,1%</b>
Deferred income tax and social contribution	-8.031	-1.871	329,2%	-24.286	-4.681	418,8%
<b>Net Income</b>	<b>81.220</b>	<b>54.583</b>	<b>48,8%</b>	<b>313.839</b>	<b>31.554</b>	<b>894,6%</b>
<b>Net Income Margin</b>	<b>13,1%</b>	<b>11,9%</b>	<b>1,2 p.p.</b>	<b>16,8%</b>	<b>2,7%</b>	<b>14,1 p.p.</b>
<b>Income (loss) attributable to:</b>						
Controlling shareholders	81.201	54.549		313.831	31.590	
Non-controlling shareholders	19	34		8	-36	
<b>Net Income</b>	<b>81.220</b>	<b>54.583</b>		<b>313.839</b>	<b>31.554</b>	
<b>Earnings (loss) per share</b>						
Earnings per common share - basic	0,3304	0,2221		1,2770	0,1285	
Earnings per common share - diluted	0,3262	0,2199		1,2606	0,1274	
<b>Number of shares at end of the year</b>						
Outstanding common shares	245.756.244	245.756.346		245.756.244	245.756.346	
Outstanding common shares with a dilution effect	248.956.244	248.016.346		248.956.244	248.016.346	

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



## STATEMENT OF CASH FLOWS

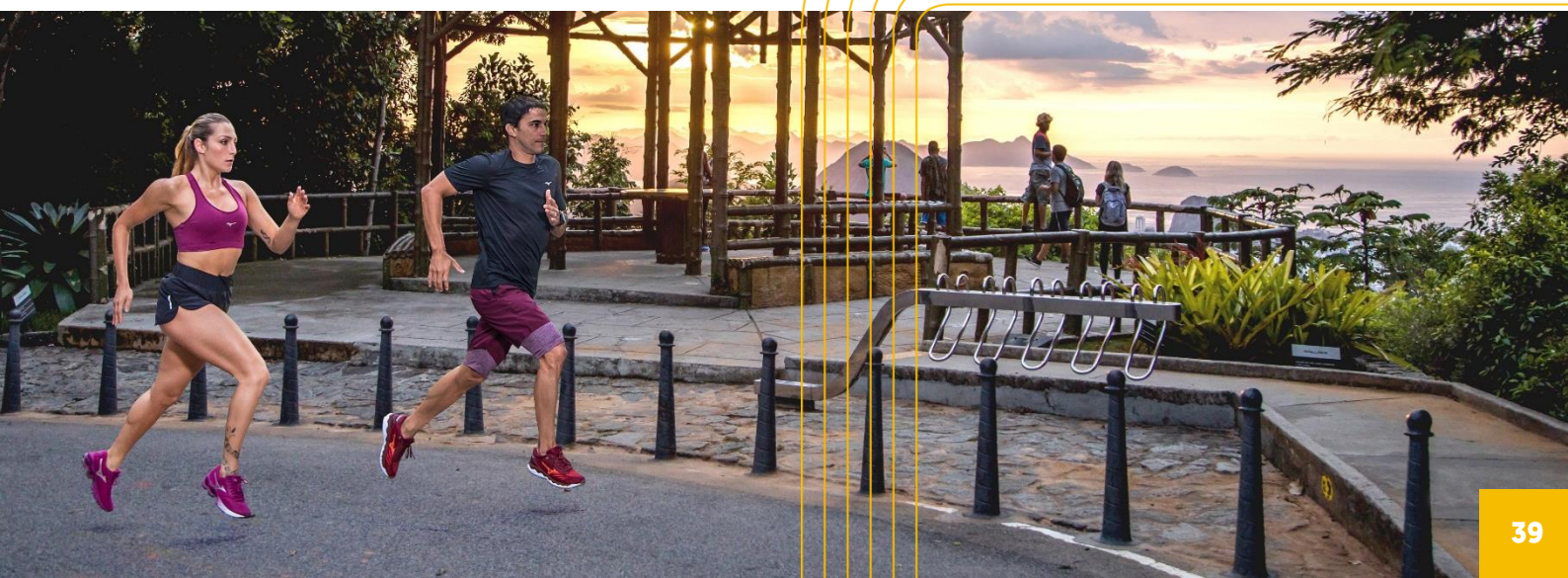
CASH FLOW STATEMENT (INDIRECT METHOD)	2021	2020
<b>In thousands of Reais</b>		
<b>Cash flows from operating activities</b>		
<b>Net Income for the period</b>	<b>313.839</b>	<b>31.554</b>
<b>Adjustments for:</b>		
Depreciation and amortization	73.192	75.948
Change in the provision for impairment losses in inventory	26.456	-91
Interest on provisioned leases	1.859	2.835
Net value of written off tangible and intangible assets	10.473	11.492
Income from financial investments	-3.321	-776
Provision (reversal) for contingencies	10.529	7.927
Equity in net income of subsidiaries	-3.072	2.047
Transaction with share-based payments	1.697	1.517
Estimated loss from allowance for doubtful accounts	-11.929	9.593
Loss on sale of subsidiary	0	7.641
Financial charges and exchange variation recognized in income	29.198	14.846
Current Tax	21.710	0
Deferred taxes	2.576	-1.473
Non-controlling interests	-8	36
Gain in the settlement of a pre-existing relationship	-13.980	0
Recovery of PIS and COFINS on ICMS	-126.080	0
Gain or loss on lease termination	-308	-61
<b>Adjusted Income for the period</b>	<b>332.831</b>	<b>163.035</b>
<b>Changes in assets and liabilities</b>		
Accounts Receivable	-33.403	-135.741
Inventories	-258.117	-28.344
Recoverable taxes	39.281	-8.102
Other accounts receivable	-3.117	9.364
Judicial deposits	12	465
Suppliers	69.151	19.894
Commissions payable	-1.816	2.585
Taxes and social contributions	-3.370	8.410
Salaries and vacation payable	15.348	-9.986
Other accounts payable	-6.370	11.002
Provisions made	-8.151	-5.432
Amounts receivable for sale of operation	3.030	0
Deferred taxes	732	0
	<b>-186.790</b>	<b>-135.885</b>
Interest paid	-25.124	-5.309
Lease interest payments	-2.183	-1.760
Taxes paid on profit	-20.363	-3.617
	<b>-47.670</b>	<b>-10.686</b>



## STATEMENT OF CASH FLOWS

CASH FLOW STATEMENT (INDIRECT METHOD)	2021	2020
<b>In thousands of Reais</b>		
<b>Net Cash Flow provided by (used in) operating activities</b>	<b>98.371</b>	<b>16.464</b>
<b>Cash flow from investing activities</b>		
Acquisitions of property, plant and equipment	-130.357	-82.305
Payment for acquisition of subsidiary	-37.273	0
Redemption (application) of financial investments	83.552	-86.961
Resource from the sale of subsidiary, net of cash in the consolidated	0	-2.754
Funds from disposal of property, plant and equipment	1.387	949
Acquisitions of intangible assets	-2.524	-2.630
Increase in equity interest in investee	-6.337	0
<b>Net Cash Flow used in investing activities</b>	<b>-91.552</b>	<b>-173.701</b>
<b>Cash flow from financing activities</b>		
Loans obtained - Principal	190.098	285.779
Payment of loans obtained - Principal	-143.617	-22.378
Loans with related parties	409	702
Dividends and interest on equity paid	-86.011	0
Lease liability payments	-10.261	-9.794
<b>Net Cash Flow used in financing activities</b>	<b>-49.382</b>	<b>254.309</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>-42.563</b>	<b>97.072</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>158.552</b>	<b>62.164</b>
Effect from translation of foreign investees	-1.354	-684
<b>Cash and cash equivalents at end of the period</b>	<b>114.635</b>	<b>158.552</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>-42.563</b>	<b>97.072</b>

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



# INSTITUTIONAL

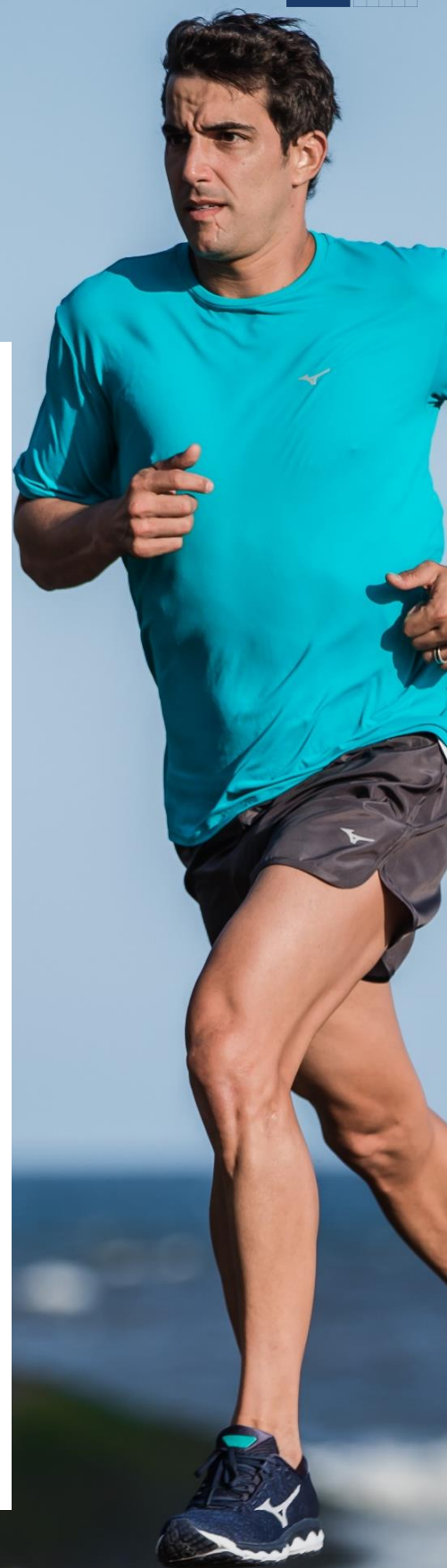
**Vulcabras has been operating in the Brazilian footwear sector for 70 years** and during this period it has consolidated itself as the largest sports footwear industry in the country and has become the manager of leading brands in their respective segments, such as Olympikus, national champion in tennis sales, Under Armor, one of the world's largest brands of clothing, footwear and sports accessories, and Mizuno, the performance brand that believes in the value of sport and supports the journey of everyone who gives their best, regardless of who they are, level and type of sport.

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

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

The products are made in two modern factories located in the Northeast region, in Horizonte/CE and Itapetinga/BA. The company's administrative center, in turn, is located in Jundiaí - SP, in addition to a Logistics Distribution Center for the E-commerce Channel located in Extrema - MG. These five units in Brazil directly employ more than 16,200 workers. There is also a branch with a distribution center in Peru.

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





# INDEPENDENT AUDIT

## INDEPENDENT AUDIT

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

For the review services of December 31, 2021 (4Q21), fees of approximately R\$ 211, 4 thousand were disbursed.

## BOARD STATEMENT

Pursuant to article 25, paragraph 1, item 5 of CVM Instruction 480/09, the Board of Directors, in a meeting held on 03/08/2022, declares that it has reviewed, discussed and agreed with the accounting information for the fourth quarter of 2021 of Vulcabras S.A. and the independent auditors’ report on the individual and consolidated financial information.

# BOARD STATEMENT

## MEMBERS OF THE BOARD OF DIRECTORS

Pedro Grendene Bartelle	Chairman
André de Camargo Bartelle	1st Vice Chairman
Pedro Bartelle	2nd Vice Chairman
Paulo Sérgio da Silva	Independent Member
Octávio Ferreira de Magalhães	Independent Member

## MEMBERS OF THE BOARD OF EXECUTIVE OFFICERS

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

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EARNINGS  
RELEASE

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**VULCABRAS**  
vivemos para o esporte