



2Q23

EARNINGS
RELEASE

VULCABRAS
we live for the sports

Jundiaí, August 1st, 2023 – Vulcabras S.A. (B3: VULC3) announces today its results for the second quarter of 2023 (2Q23). The operation and financial information of Vulcabras S.A. ("Company") is presented based on consolidated figures and in millions of reais, prepared in accordance with accounting practices adopted in Brazil and international financial reporting standards (CPC 21 and ISA 34). The data in this report refers to the performance in the second quarter of 2023, compared to the same period of 2022, unless specified otherwise.



HIGHLIGHTS

GROSS VOLUME

8.3 million

pairs/pieces in **2Q23**, a decrease of 1.1% compared to **2Q22**, and of **14.9 million** pairs/pieces in **6M23**, an increase of 1.0% compared to **6M22**.

NET REVENUE

R\$ 723.9 million

in **2Q23**, an increase of **10.2%** compared to **2Q22** and of **R\$ 1,295.0 million** in **6M23**, an increase of **14.1%** compared to **6M22**.

GROSS PROFIT

R\$ 299.6 million

in **2Q23**, an increase of **26.8%** compared to **2Q22**, and **R\$ 525.0 million** in **6M23**, an increase of **29.9%** compared to **6M22**.

GROSS MARGIN

41.4%

in **2Q23**, an increase of **5.4 p.p.** compared to **2Q22**, and **40.5%** in **6M23**, an increase of **4.9 p.p.** in relation to the margin in **6M22**.

RECURRING NET INCOME AND RECURRING NET MARGIN

R\$ 133.8 million

in **2Q23**, an increase of **40.8%** compared to **2Q22**, with a recurring Net Margin of **18.5%**, **4.0 p.p. higher** than **2Q22**, and **R\$ 217.4 million** in **6M23**, an increase of **46.0%** compared to **6M22**.

RECURRING EBITDA AND RECURRING EBITDA MARGIN

R\$ 168.7 million

in **2Q23**, growth of **35.4%** compared to **2Q22**, presenting **23.3%** of **Recurring EBITDA Margin** (**4.3 p.p. higher** than **2Q22**) and **R\$ 285.6 million** in **6M23**, with an increase of **37.2%** compared to **6M22** and **22.1%** of **Recurring EBITDA Margin** in **6M23** (**3.8 p.p. higher** than **6M22**).

Earnings Video Conference

08/02/2023 10h00

(Brazilian time)

[Access in Portuguese](#)

VULC3 Quote
[06/30/2023]

R\$ 17,30

Market Value

R\$ 4,3 billion

Number of shares
Common
245.916.244

Investor Relations
Wagner Dantas da
Silva (CFO and IRO)

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MESSAGE FROM MANAGEMENT



At a new level of revenue and profitability, Vulcabras, a 100% Brazilian Global Sportech, reports another historic quarter in this 2Q23. With a gross revenue growth of 10.6%, gross margin of 41.4%, 5.4 p.p. higher than the same period of the previous year, the Company records its highest recurring net income in a quarter, R\$ 133.8 million, an increase of 40.8% over 2Q22.

Even with the continuation of an unstable macroeconomic scenario and a challenging retail environment, for the 12th consecutive quarter the Company continues with a growth above double digits, posting a gross operating revenue of R\$ 840.3 million in this quarter, R\$ 3.1 billion in the last 12 months.

Revenue in the footwear division grew by 14.2%. Olympikus continues to innovate and grow with its purpose of being a democratic brand also in high performance, and, this quarter, it launched Grafeno 2, the evolution of the first footwear with a graphene-based propulsion plate in the world. Maintaining its strategy of focusing on the training and basketball categories, Under Armour brought Curry Season to the country, the biggest and most complete season of Curry, a line developed in partnership with the American basketball star Stephen Curry. In training, Tribase Reps was a sales success and leader in the training category. Mizuno, a leading brand in the premium performance running scenario, launched this quarter the Wave Rebellion Series, with three iconic models, including the Wave Rebellion Pro, the brand's "super shoe", the Wave Rebellion Flash and the Wave Rebellion Sonic.

The e-commerce channel, for another quarter, more than doubled its sales, posting a growth of 104.7% compared to 2Q22. The channel's Net Operating Revenue jumped from R\$ 27.9 million last year to R\$ 57.1 million in 2Q23, thus corresponding to 7.9% of the Company's total revenue. With a strategy focused on positioning and experience, the channel continues to grow at great pace, capturing synergies and with profitability also growing at an accelerated pace.

The gross margin recorded in the quarter was 41.4%, an increase of 5.4 p.p. compared to 2Q22. In the half-year period, the gross margin is 40.5%. This sharp evolution is the result of the Company's strategy to focus on the sports segment, which allows the capture of synergies in the production process and complementarity between the portfolio of brands and products. The exponential growth in direct sales to the consumer also plays a relevant role in this evolution.

Recurring EBITDA margin of 23.3% and recurring net margin of 18.5%, with growth of 4.3 p.p. and 4.0 p.p., respectively, compared to 2Q22, reinforce the Company's strategy and ability to capture synergies also in its commercial and BackOffice structure. In the half-year period, the growth was 3.8 p.p. in the recurring Ebitda margin and 3.7 p.p. in the recurring net margin, demonstrating that this new level of profitability is not something one-off in the quarter, but structural and solid, the result of the strategy of focusing on sports and the company's excellence in capturing synergies and complementarity between brands, product categories and channels.

As a 100% Brazilian global Sportech, we unite technology and sport to bring high performance to athletes and consumers. With technology and innovation present from end to end of the business, we combine the management of our brands with footwear research and development, a 4.0 industry with robotic and automated processes and market intelligence based on data, adding value and a competitive edge to Olympikus, Mizuno and Under Armour.

In the quarter, the success of the technologies and innovations developed by Vulcabras and its sponsored athletes brought several podiums. With the Olympikus Corre 3, our athletes won eight podiums in the São Paulo International Marathon. In the Porto Alegre International Marathon, Olympikus Grafeno 2 won 5 podiums.

In addition to the results above, Vulcabras also announces the payment of interim dividends in the amount of R\$ 0.15 per share, approximately R\$ 36.8 million, maintaining the quarterly payment as previously disclosed by the Company.

For the coming quarters, the order backlogs indicate an optimistic scenario, with the potential for us to continue growing, capturing synergies and expanding results.

“Structural and solid, the result of the strategy of focusing on sports and the company's excellence in capturing synergies and complementarity between brands, product categories and channels”

CONSOLIDATED PERFORMANCE



R\$ Million	2Q23	2Q22	Var. % 2Q23 x 2Q22	6M23	6M22	Var. % 6M23 x 6M22
Volume (million pairs and Itens)	8.3	8.4	-1.1%	14.9	14.8	1.0%
Gross Operating Revenue	840.3	759.7	10.6%	1,508.9	1,309.1	15.3%
Net Revenue	723.9	656.8	10.2%	1,295.0	1,134.6	14.1%
Domestic Market	666.2	586.0	13.7%	1,191.1	997.8	19.4%
Foreign Market	57.7	70.8	-18.5%	103.9	136.8	-24.0%
Gross profit	299.6	236.2	26.8%	525.0	404.3	29.9%
Gross margin %	41.4%	36.0%	5.4 p.p.	40.5%	35.6%	4.9 p.p.
SG&A Operation Expenses	-157.9	-131.8	19.8%	-293.3	-237.6	23.4%
Other Net Operating Income (Expenses)	1.9	7.9	-75.9%	3.6	9.9	-63.6%
EBITDA	169.5	133.4	27.1%	286.4	216.9	32.0%
EBITDA Margin	23.4%	20.3%	3.1 p.p.	22.1%	19.1%	3.0 p.p.
Recurring EBITDA	168.7	124.6	35.4%	285.6	208.1	37.2%
Recurring EBITDA Margin	23,3%	19,0%	4,3 p.p.	22,1%	18,3%	3,8 p.p.
Net Income	139.0	103.8	33.9%	222.6	157.7	41.2%
Net Margin	19.2%	15.8%	3.4 p.p.	17.2%	13.9%	3.3 p.p.
Recurring Net Income	133.8	95.0	40.8%	217.4	148.9	46.0%
Recurring Net Margin	18.5%	14.5%	4.0 p.p.	16.8%	13.1%	3.7 p.p.

GROSS VOLUME



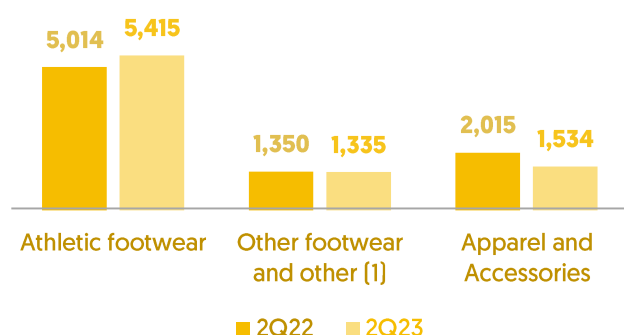
In 2Q23 gross volume billed totaled 8.3 million pairs/pieces, down 1.1% compared to the 8.4 million pairs/pieces in 2Q22.

When comparing the periods, the highlights were:

- (i) **Athletic Footwear** there was an increase of 8.0% in 2Q23 compared to the volume sold in 2Q22. The volume gain in this quarter is due to the growth recorded in the domestic market, despite the retraction in sales in the foreign market. The highlight in this quarter was the significant growth recorded in the domestic market by manufactured footwear, even in the face of a more challenging retail environment. In imported Footwear, despite volumes remaining stable compared to 2Q22, sales performance should be considered very positive. The fact is that the comparison with 2Q22 was impaired, since 2Q22 ended up concentrating the volume of arrivals of imported footwear from Vietnam and Indonesia planned for the entire 1st half of 2022. During the 2nd half of 2021, Vietnam and Indonesia suffered the imposition of protective measures due to the Covid-19 outbreak, including the effective lockdown. These measures had a direct impact on production and on the delay in arrivals of the imported footwear, forecast for 1Q22, thus accumulating arrivals in 2Q22 and, consequently, sales of these products.
- (ii) **Other Footwear and Others** there was a reduction of 1.1% mainly due to the decrease in the volume sold of flip-flops to the foreign market and foreign branch, which was partially offset by the growth of flip-flops and boots for professional use in the domestic market.
- (iii) **Apparel and Accessories** there was a reduction of 23.9% in 2Q23 when compared to the volume recorded in 2Q22. Faced with a more challenging retail scenario, especially in the specialized distribution of clothing and accessories, in addition to a milder winter (compared to the previous year), the volumes of the three brands suffered a reduction.

GROSS VOLUME OF PAIRS AND PIECES/THOUSAND - 2Q23 VS 2Q22

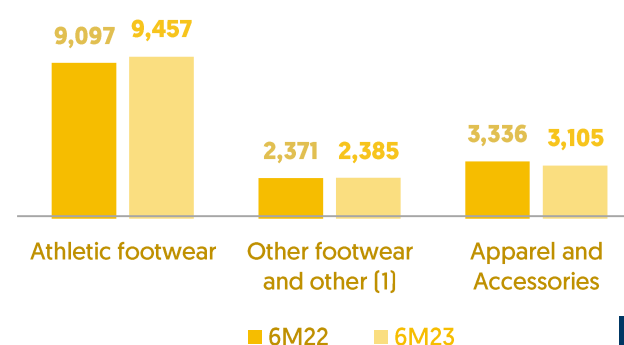
Pairs and itens (thousand)	2Q23	Share %	2Q22	Share %	Var. % 2Q23/2Q22
Athletic footwear	5,415	65.4%	5,014	59.8%	8.0%
Other footwear and other ⁽¹⁾	1,335	16.1%	1,350	16.2%	-1.1%
Apparel and Accessories	1,534	18.5%	2,015	24.0%	-23.9%
Total	8,284	100.0%	8,379	100.0%	-1.1%



In 6M23, gross volume totaled 14.9 million pairs/pieces, an increase of 1.0% compared to the total of 14.8 million pairs/pieces in 6M22. The dynamics throughout 6M23 was one of volume growth in the domestic market, which was overshadowed by the retraction in the foreign market and the branch in Peru.

GROSS VOLUME OF PAIRS AND PIECES/THOUSAND - 6M23 VS 6M22

Pairs and itens (thousand)	6M23	Share %	6M22	Share %	Var. % 6M23/6M22
Athletic footwear	9,457	63.3%	9,097	61.4%	4.0%
Other footwear and other ⁽¹⁾	2,385	15.9%	2,371	16.1%	0.6%
Apparel and Accessories	3,105	20.8%	3,336	22.5%	-6.9%
Total	14,947	100.0%	14,804	100.0%	1.0%



(1) Slippers, boots, women footwear and shoe components.

NET OPERATING REVENUE: CATEGORY



In 2Q23, Vulcabras showed relevant growth in its revenue, even in the face of a more challenging scenario than that observed in previous quarters. The Company reached the mark of R\$ 723.9 million in net revenue, an increase of 10.2% over the R\$ 656.8 million in 2Q22.

In yet another quarter of revenue growth above the average retail performance, when compared to market indicators, the Company maintained its strong pace of sales expansion, posting a positive performance in its brands.

The revenue from Athletic Footwear presented an increase of 14.2% in 2Q23 over the same period of 2022. The increase in revenue in 2Q23 compared to 2Q22 is due to the robust growth observed in manufactured footwear. In imported footwear, revenue remained stable mainly due to the strong revenue recorded in 2Q22, when there was a concentration of deliveries and, consequently, the revenue for the 1st half, due to the delays recorded in the arrival of imported footwear from Vietnam and Indonesia due to the lockdown imposed in those countries by the Covid-19 outbreak.

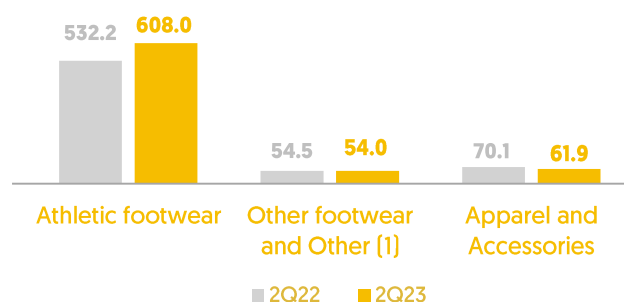
The Other Footwear and Others category decreased by 0.9% over 2Q22. The reduction in revenue in this category is mainly due to the decline in the performance of flip-flops sold on the foreign market and at the foreign branch, which was partially offset by the growth of flip-flops and boots for professional use in the domestic market.

The Apparel and Accessories category presented a reduction of R\$ 8.2 million, a decrease of 11.7% compared to 2Q22. Faced with a more challenging retail scenario, especially in the specialized distribution of clothing and accessories, in addition to a milder winter (compared to the previous year), Olympikus and Under Armour revenues ended up suffering a reduction.

In 6M23, net revenue amounted to R\$ 1,295.0 million, 14.1% higher than in 6M22 when it was R\$ 1,134.6 million.

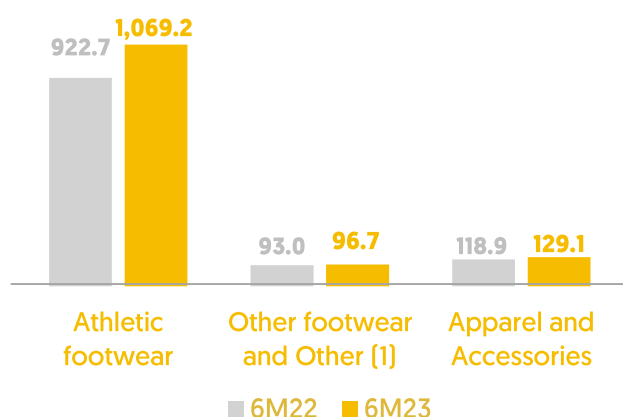
NET REVENUE BY CATEGORY – 2Q23 VS 2Q22

R\$ Million	2Q23	Share %	2Q22	Share %	Var. % 2Q23/2Q22
Athletic footwear	608.0	84.0%	532.2	81.0%	14.2%
Other footwear and Other (1)	54.0	7.4%	54.5	8.3%	-0.9%
Apparel and Accessories	61.9	8.6%	70.1	10.7%	-11.7%
Total Net Revenue	723.9	100.0%	656.8	100.0%	10.2%



NET REVENUE BY CATEGORY – 6M23 VS 6M22

R\$ Million	6M23	Share %	6M22	Share %	Var. % 6M23/6M22
Athletic footwear	1,069.2	82.6%	922.7	81.3%	15.9%
Other footwear and Other (1)	96.7	7.4%	93.0	8.2%	4.0%
Apparel and Accessories	129.1	10.0%	118.9	10.5%	8.6%
Total Net Revenue	1,295.0	100.0%	1,134.6	100.0%	14.1%



NET OPERATING REVENUE: MARKETS



Net revenue in 2Q23 in the domestic market totaled R\$ 666.2 million, an increase of 13.7% compared to 2Q22, when it was R\$ 586.0 million. In the foreign market, net revenue in 2Q23 totaled R\$ 57.7 million, a decrease of 18.5% compared to the R\$ 70.8 million in 2Q22.

In 2Q23, in relation to total consolidated revenue, revenues from the foreign market represented 8.0% compared to 10.8% in 2Q22. Domestic market revenues accounted for 92.0% compared to 89.2% in 2Q22.

In the domestic market, when compared to 2Q22, all brands and categories grew. The highlight of the quarter was the expressive growth of athletic footwear, which was overshadowed by the reduction

recorded in the apparel and accessories category.

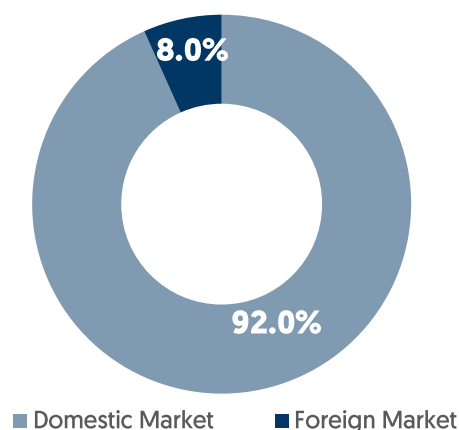
Direct sales to the foreign market declined due to macroeconomic factors in the countries to which the products are exported. In Argentina, which is the main destination for the Company's exports, the difficulties faced by local distributors in obtaining import licenses.

In the sales of the Peru branch, revenue reduction was observed in relation to the same period of the previous year. The reduction in operations in Peru is due to persistent economic problems in that country, which have led to an economic downturn and consequent reduction in consumption.

NET REVENUE BY MARKET – 2Q23 VS 2Q22

R\$ Million	2Q23	Share %	2Q22	Share %	Var. % 2Q23/2Q22
Domestic Market	666.2	92.0%	586.0	89.2%	13.7%
Foreign Market	57.7	8.0%	70.8	10.8%	-18.5%
Total Net Revenue	723.9	100.0%	656.8	100.0%	10.2%

MARKET SHARE – 2Q23

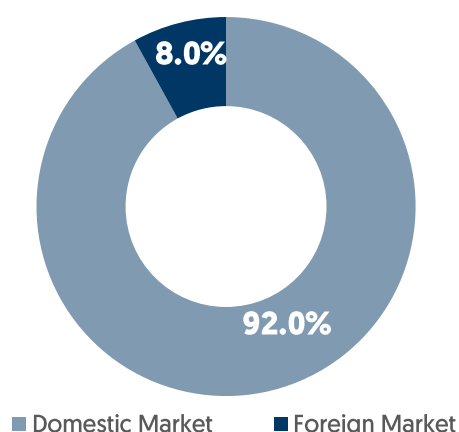


In 6M23, net revenue in the domestic market totaled R\$ 1,191.1 million, an increase of 19.4% compared to 6M22, when it was R\$ 997.8 million. In the foreign market, net revenue in 6M23 was R\$ 103.9 million, a decrease of 24.0% compared to the R\$ 136.8 million in the same period of the previous year.

NET REVENUE BY MARKET – 6M23 VS 6M22

R\$ Million	6M23	Share %	6M22	Share %	Var. % 6M23/6M22
Domestic Market	1,191.1	92.0%	997.8	87.9%	19.4%
Foreign Market	103.9	8.0%	136.8	12.1%	-24.0%
Total Net Revenue	1,295.0	100.0%	1,134.6	100.0%	14.1%

MARKET SHARE – 6M23



E-COMMERCE



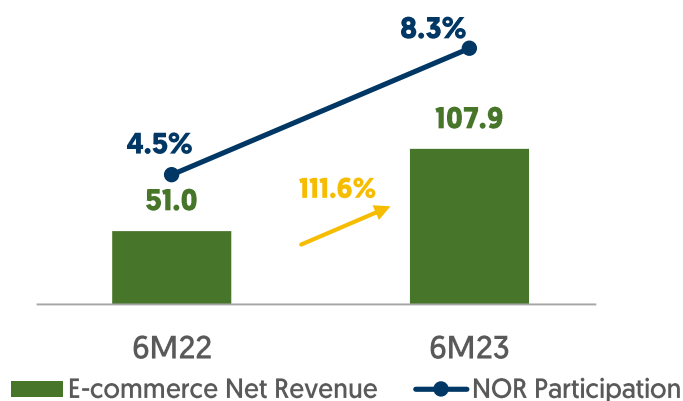
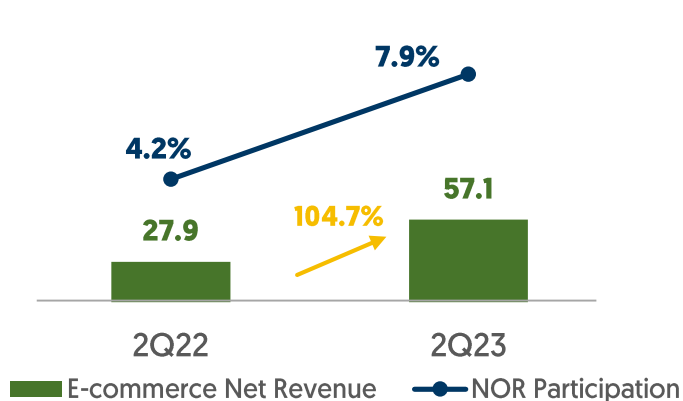
Highlight among the sales levers of the quarter, the Company's e-commerce channel maintained the strong pace of growth seen in recent quarters, and in 2Q23 it posted net revenue of R\$ 57.1 million, a relevant increase of 104.7% compared to the same period of the previous year.

The online channel continues to implement its growth strategies and the share of digital sales reached 7.9% of consolidated net operating revenue in 2Q23, an increase of 3.7 p.p. compared to 4.2% in 2Q22. In 6M23, the share of digital sales reached 8.3% of consolidated net operating revenue, an increase of 3.8 p.p. compared to 4.5% in 6M22.

“With growth of 104.7%, the channel more than doubles its sales focused on positioning and customer experience”

NET REVENUE AND NOR PARTICIPATION

R\$ Million	2Q23	2Q22	Var. % 2Q23/2Q22	6M23	6M22	Var. % 6M23/6M22
E-commerce Net Revenue	57.1	27.9	104.7%	107.9	51.0	111.6%
NOR Participation %	7.9%	4.2%	3.7 p.p.	8.3%	4.5%	3.8 p.p.



COST OF GOODS SOLD (COGS)



In 2Q23, as a percentage of net sales revenue, cost of goods sold represented 58.6%, compared to 64.0% in the same period in 2022.

During the entire 2Q23, the Company's factories operated at full capacity at their planned capacity.

The predictability of production plans due to the robust order backlog helped to maintain production efficiency at planned levels.

The positive performance of operational factors, combined with more favorable inflation and exchange rate conditions, contributed to the reduction in international logistics costs and in part of the raw materials used in the manufacture of products, which led to an improvement in the cost of goods sold throughout 2Q23.

In 6M23, as a percentage of net sales revenue, cost of sales represented 59.5%, compared to 64.4% in the same period in 2022.

COST OF GOODS SOLD [% COGS/NOR]



GROSS PROFIT AND GROSS MARGIN



Gross profit in 2Q23 was R\$ 299.6 million, an increase of 26.8% compared to R\$ 236.2 million in 2Q22. Gross margin was 41.4% in 2Q23, 5.4 p.p. above the 36.0% in 2Q22.

For the tenth consecutive quarter, the Company reports growth in its gross margin. The 5.4 p.p gain achieved in 2Q23 compared to the margin obtained in 2Q22, demonstrates the consistency and robustness of the Company's business model.

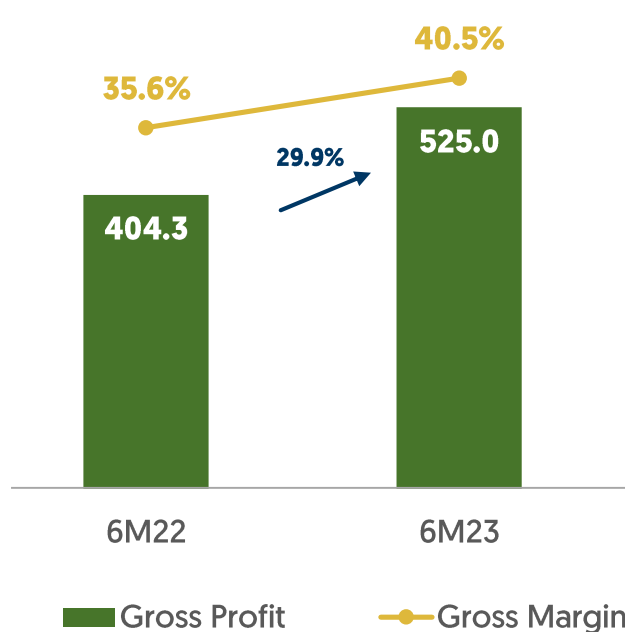
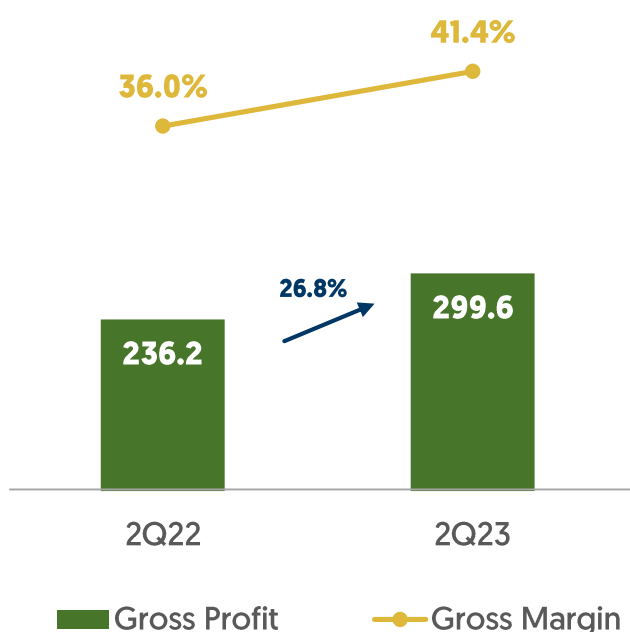
The main factors leading to this gross margin gain were:

- i) Expansion of the product portfolio in all brands, reaching new categories;
- II) Growth in DTC sales share (direct to consumer) where, due to the characteristics of the channel, gross margins are higher than the Company's general average;
- III) Capturing synergies and economies of scale as a result of increased production;
- IV) Reduction in international logistics costs and also in the prices of some raw materials.

In 6M23, gross profit was R\$ 525.0 million, an increase of 29.9% over the R\$ 404.3 million obtained in 6M22. Margin in 6M23 was 40.5%, 4.9 p.p. higher than that obtained in 6M22, when we reached 35.6%.

“Capture of synergies in the production process and complementarity between the brand portfolio promoted accelerated margin growth”

GROSS PROFIT AND GROSS MARGIN



SELLING, ADVERTISING AND ALLOWANCE FOR DOUBTFUL ACCOUNTS EXPENSES



Selling, advertising and allowance for doubtful accounts expenses in 2Q23 totaled R\$ 118.9 million, an increase of 19.3% compared to 2Q22.

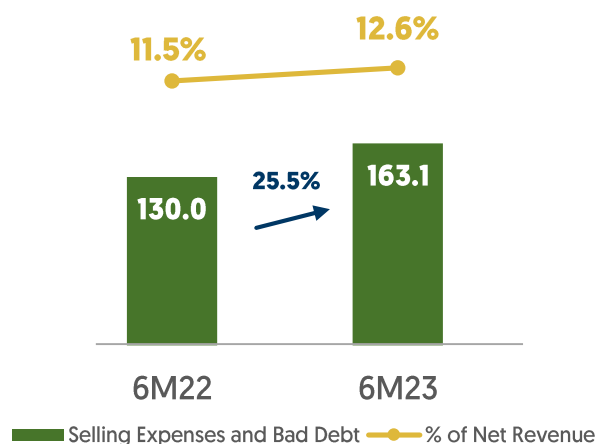
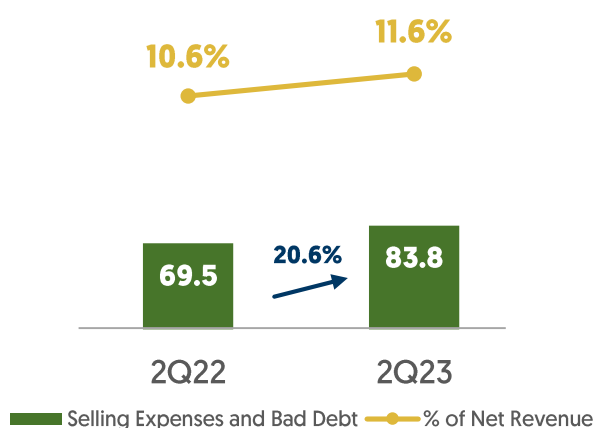
Selling and Allowance for doubtful accounts expenses (excluding advertising expenses) increased by 20.6% in 2Q23, compared to expenses in 2Q22. R\$ 83.8 million were recorded in 2Q23, against R\$ 69.5 million in 2Q22. As a share of revenue, selling expenses (ex-advertising) represented 11.6% in 2Q23 compared to 10.6% in 2Q22.

In 2Q23, some variable sales expenses increased in terms of revenue, mainly due to changes in the participation of brands and channels. The increase in the share of sales made through Ecommerce, with a

considerable part of these sales being made through marketplaces, led to an increase in expenses with commissions and freight. The exception was the line item "Allowance for doubtful accounts", which presented a reversal of allowance in the amount of R\$ 4.8 million due to changes in expected losses in the receivables portfolio of some customers.

In 6M23, selling expenses (excluding advertising expenses) totaled R\$ 163.1 million, an increase of 25.5% over the R\$ 130.0 million in 6M22. The share of selling expenses over net revenue increased by 1.1 p.p. in the comparison with 6M22, reaching 12.6% and 11.5% in 6M23 and 6M22 respectively.

SELLING EXPENSES AND ALLOWANCE FOR DOUBTFUL ACCOUNTS EXPENSES (ex-advertising expenses)



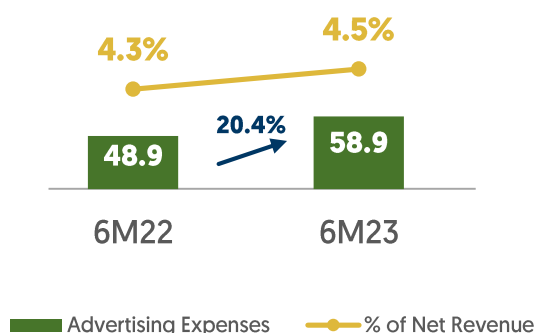
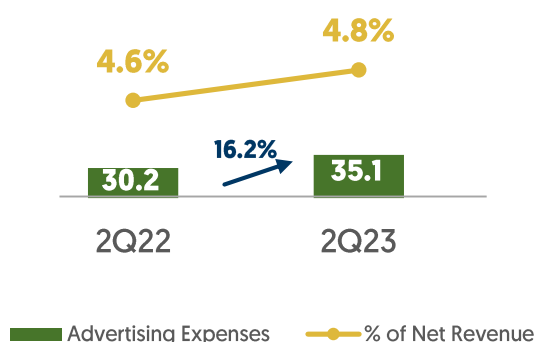
In 2Q23, advertising and marketing expenses totaled R\$ 35.1 million, an increase of 16.2% over the R\$ 30.2 million in 2Q22.

The share of advertising and marketing expenses on net revenue represented 4.8% in 2Q23, an increase of 0.2 p.p., when compared to 4.6% in 2Q22. In order to support the accelerated pace of revenue growth and ensure a prominent presence in the main retail

windows, investments in marketing and trade were increased through presence in major sporting events and in new point of sale materials aligned with ongoing campaigns.

During 2Q23, Olympikus played a leading role in the Marathons in SP and Porto Alegre, as in addition to being the sponsor of such events, it achieved numerous podiums with the brand's team of athletes.

ADVERTISING AND MARKETING EXPENSES



GENERAL AND ADMINISTRATIVE EXPENSES



General and administrative expenses totaled R\$ 38.9 million in 2Q23, an increase of 21.2% compared to 2Q22. As a percentage of net revenue, there was an increase of 0.5 p.p., from 4.9% in 2Q22 to 5.4% in 2Q23.

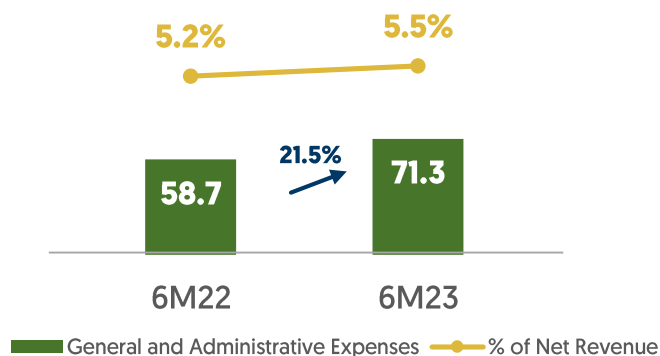
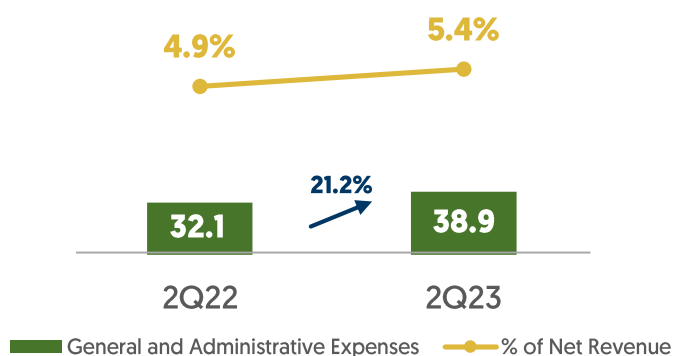
In 2Q23, the increase in administrative expenses is mainly due to the following factors: (i) to the transfer of increases negotiated in collective agreements to administrative salaries and also to the increase in personnel expenses due to one-off reinforcements in the teams and, (ii) in third-party services, the increase

is due to the expansion of services related to the DTC (Direct to Consumer) BackOffice.

In 6M23, compared to the same period of 2022, there was an increase of 21.5% in general and administrative expenses, from R\$ 58.7 million to R\$ 71.3 million in 6M23.

When comparing the percentage of net revenue, there is an increase of 0.3 p.p. in 6M23 in relation to the equivalent period of 2022.

GENERAL AND ADMINISTRATIVE EXPENSES



OTHER NET OPERATING INCOME (EXPENSES)



In 2Q23, Other Net Operating Income (Expenses) resulted in an income of R\$ 1.9 million, compared to an income of R\$ 7.9 million in 2Q22.

It should be noted that both in 2Q23 and 2Q22 there was the recognition of “non-recurring” revenues that influenced this item. In 2Q23, the principal amount related to the favorable decision in the Judicial Process related to Eletrobrás' compulsory deposits was recognized and, in 2Q22, there was recognition of R\$ 8.9 million related to undue IR/CSLL on recognized tax credits.

In 6M23, compared to the same period of 2022, there was a reduction of 63.6% resulting in revenue of R\$ 3.6 million in 6M23.

OTHER NET OPERATING INCOME (EXPENSES)

R\$ Million	2Q23	2Q22	Var. % 2Q23/2Q22	6M23	6M22	Var. % 6M23/6M22
Other Net Operating Income (Expenses)	1.9	7.9	-75.9%	3.6	9.9	-63.6%

NET FINANCIAL INCOME (EXPENSES)

In 2Q23, the Company reported a net financial income of R\$ 3.1 million, compared to the same period in 2022, when it reported a net financial expense of R\$ 8.2 million.

When comparing 2Q23 to 2Q22, the main variations were observed in the increase in financial income and in the reduction of interest paid due to the increase in cash, the correction of PIS/Cofins credits to be recovered during 2022 and, also, by the “non-recurring” financial income related to the correction of recognized credit arising from a favorable decision in the Judicial Process related to Eletrobrás' compulsory deposits in the amount of R\$ 4.4 million.

Comparing the periods, the financial income (expenses) went from a financial expense equivalent to R\$ 17.9 million in 6M22, to an income of R\$ 1.0 million in 6M23.

NET FINANCIAL INCOME (EXPENSES)

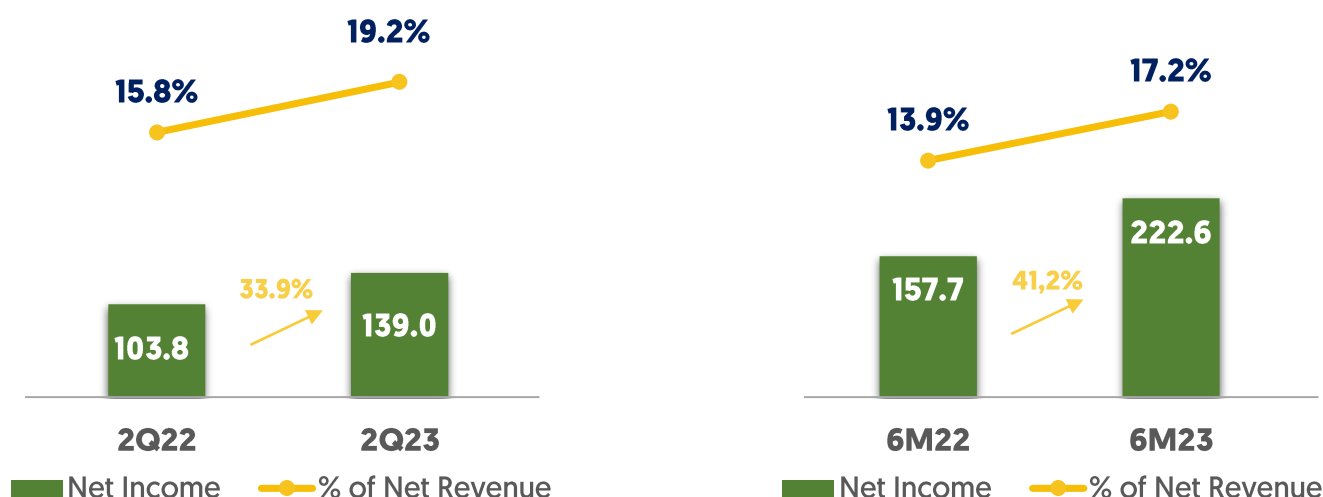
R\$ Million	2Q23	2Q22	Var. % 2Q23/2Q22	6M23	6M22	Var. % 6M23/6M22
Capital structure	-15.0	-14.1	6.4%	-30.3	-24.5	23.7%
Operating	-2.5	-3.1	-19.4%	-4.7	-5.2	-9.6%
Exchange differences	-6.2	-9.6	-35.4%	-11.4	-18.5	-38.4%
Financial Costs	-23.7	-26.8	-11.6%	-46.4	-48.2	-3.7%
Capital structure	10.0	5.9	69.5%	19.2	9.8	95.9%
Operating	9.3	2.7	244.4%	14.8	6.0	146.7%
Exchange differences	7.5	10.0	-25.0%	13.4	14.5	-7.6%
Financial Income	26.8	18.6	44.1%	47.4	30.3	56.4%
Net Financial Income	3.1	-8.2	-137.8%	1.0	-17.9	-105.5%

NET INCOME



Net income in 2Q23 was R\$ 139.0 million, an increase of 33.9% over the income of R\$ 103.8 million in 2Q22. Net margin reached 19.2% in 2Q23, an increase of 3.4 p.p., compared to 15.8% in 2Q22.

NET INCOME AND NET MARGIN



In 2Q23 and 2Q22 some “non-recurring” events impacted the Company's net income. Comparing Recurring Net Income, the income in 2Q23 was R\$ 133.8 million, an increase of 40.8% when compared to the R\$ 95.0 million in 2Q22. The recurring net margin when comparing 2Q23 to 2Q22 increased by 4.0 p.p., from 14.5% in 2Q22 to 18.5% in 2Q23.

For a better understanding, the amounts and respective effects of each of these events on net income for the quarter and accumulated in the period are shown below.

R\$ Million	2Q23	2Q22	Var. % 2Q23 / 2Q22	6M23	6M22	Var. % 6M23/6M22
Net Income	139.0	103.8	33.9%	222.6	157.7	41.2%
(+) Main value in Eletrobras Compulsory Deposit Shares	-0.8	0.0	N/A	-0.8	0.0	N/A
(+) Eletrobras Credit Correction	-4.4	0.0	N/A	-4.4	0.0	N/A
(-) Indebtedness of IR/CSLL on recognized tax credits	0.0	-8.8	N/A	0.0	-8.8	N/A
Recurring Net Income	133.8	95.0	40.8%	217.4	148.9	46.0%
Recurring Net Income Margin	18.5%	14.5%	4.0 p.p.	16.8%	13.1%	3.7 p.p.

The improvement in net margin in 2Q23 is mainly due to the increase in gross margin due to better operating performance.

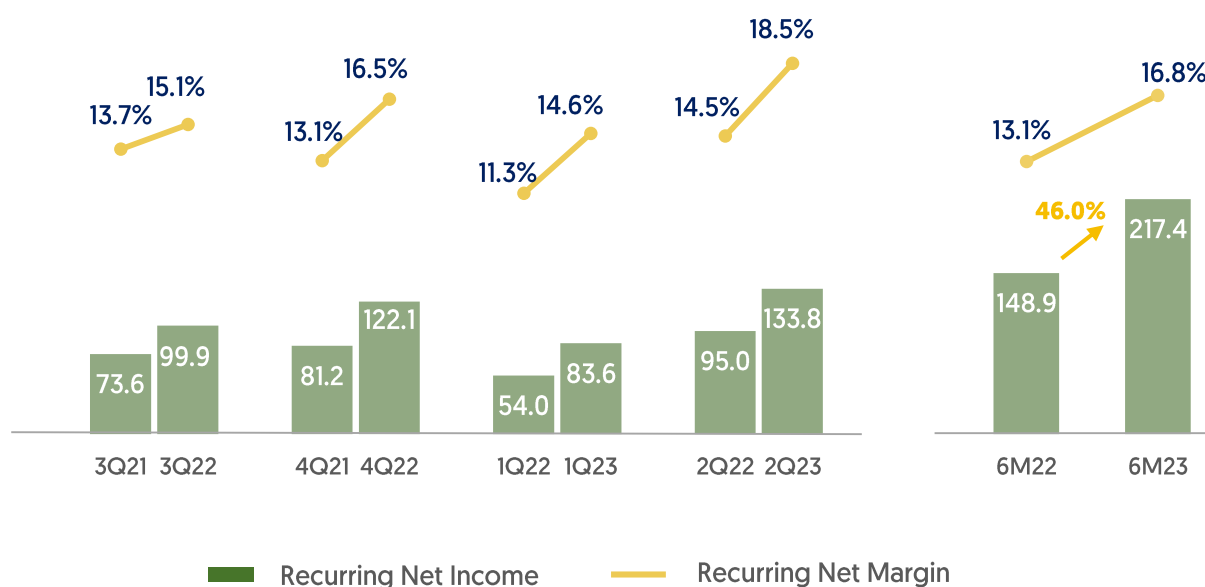
NET INCOME



Net income in 6M23 was R\$ 222.6 million, up 41.2% over the income in the same period of the previous year. The net margin when comparing 6M23 to 6M22 increased by 3.3 p.p. from 13.9% in 6M22 to 17.2% in 6M23.

In the comparison of recurring net income, the growth in 6M23 was 46.0% and reached R\$ 217.4 million, compared to the adjusted income of R\$ 148.9 million obtained in 6M22.

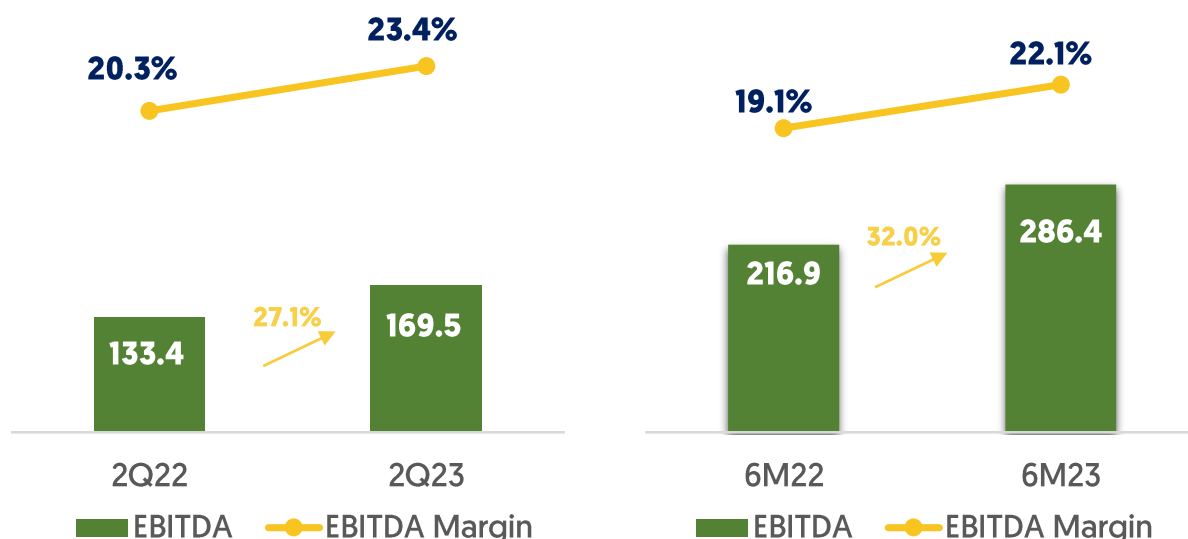
NET INCOME AND RECURRING NET MARGIN





In 2Q23, EBITDA totaled R\$ 169.5 million, an increase of 27.1% against the R\$ 133.4 million in 2Q22. EBITDA margin increased by 3.1 p.p., reaching 23.4% in 2Q23 against 20.3% in 2Q22.

EBITDA AND EBITDA MARGIN



In 2Q23 and 2Q22 some “non-recurring” events impacted the Company's EBITDA. In the comparison of recurring EBITDA, the result obtained in 2Q23 of R\$ 168.7 million represented a growth of 35.4% when compared to R\$ 124.6 million in 2Q22. The recurring EBITDA margin when comparing 2Q23 to 2Q22 increased by 4.3 p.p., from 19.0% in 2Q22 to 23.3% in 2Q23.

For a better understanding, the amounts and respective effects of each of these events on EBITDA for the quarter and accumulated for the period are shown below.

R\$ Million	2Q23	2Q22	Var. % 2Q23 / 2Q22	6M23	6M22	Var. % 6M23/6M22
EBITDA	169.5	133.4	27.1%	286.4	216.9	32.0%
(+) Main value in Eletrobras Compulsory Deposit Shares	-0.8	0.0	N/A	-0.8	0.0	N/A
(-) Indebtedness of IR/CSLL on recognized tax credits	0.0	-8.8	N/A	0.0	-8.8	N/A
Recurring EBITDA	168.7	124.6	35.4%	285.6	208.1	37.2%
Recurring EBITDA Margin	23.3%	19.0%	4.3 p.p.	22.1%	18.3%	3.8 p.p.

The expressive growth of the EBITDA Margin in 2Q23 is mainly due to the excellent operating performance, which resulted in an increase in the gross margin by 5.4 p.p.

EBITDA



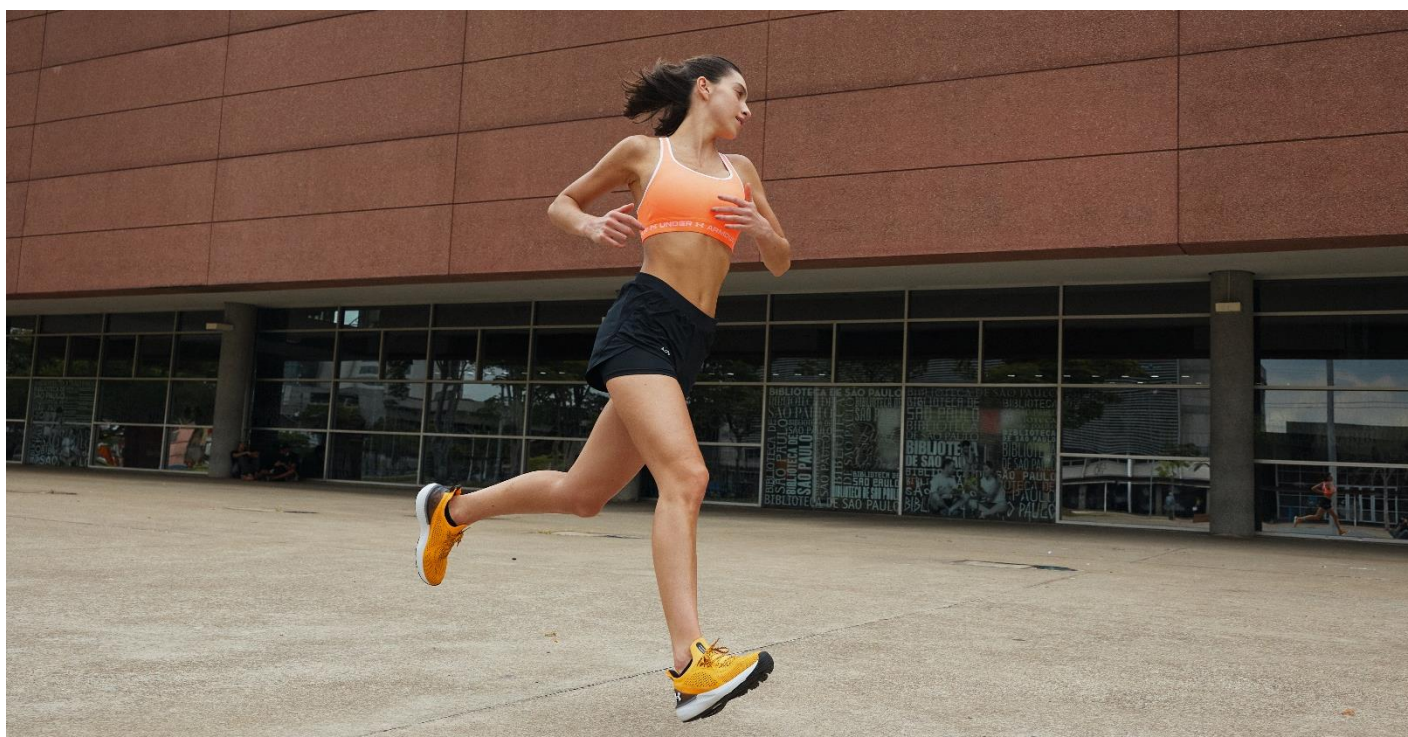
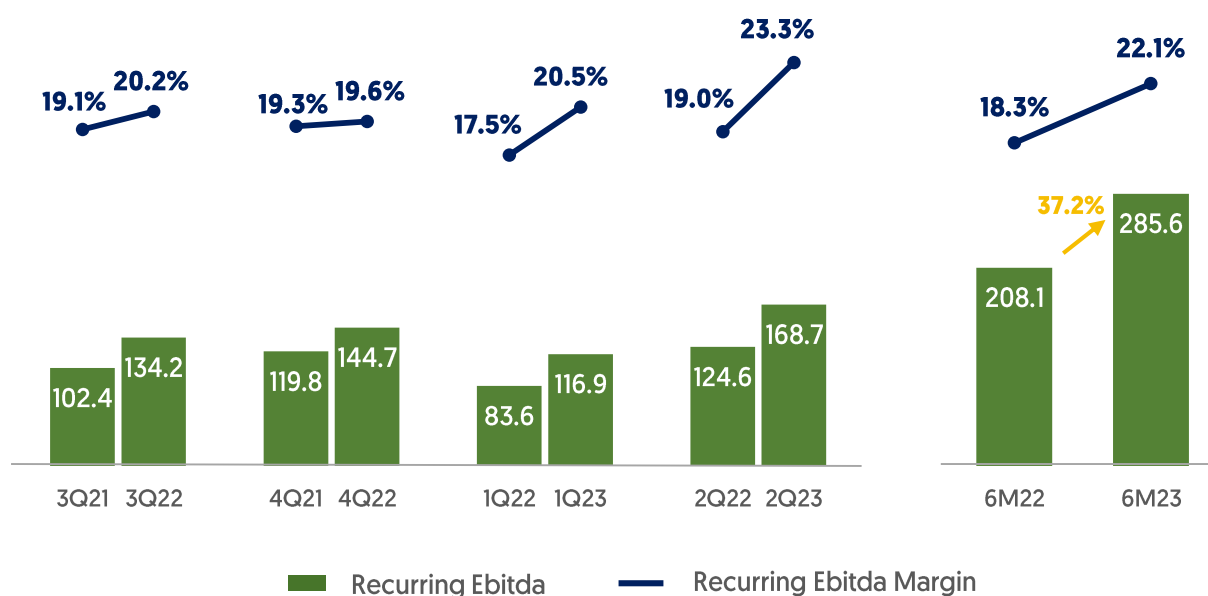
EBITDA in 6M23 was R\$ 286.4 million, 32.0% higher than the result in the same period of the previous year.

The EBITDA margin when comparing 6M23 to 6M22 increased by 3.0 p.p., from 19.1% in 6M22 to 22.1% in 6M23.

In the comparison of Recurrent EBITDA, the growth in 6M23 was 37.2% when compared to the recurring EBITDA obtained in the same period of the previous year. Recurring EBITDA margin when comparing 6M23 to 6M22 increased by 3.8 p.p., from 18.3% in 6M22 to 22.1% in 6M23.

Growth in the recurring EBITDA margin and recurring net margin reinforce the Company's strategy and ability to capture synergies also in its commercial and BackOffice structure

EBITDA AND RECURRING EBITDA MARGIN



ROIC (RETURN ON INVESTED CAPITAL)



Annualized return on invested capital – ROIC² – reached 24.2% in 2Q23-LTM (last twelve months ended 6/30/2023), an increase of 0.1 p.p. over the 24.1% obtained at 12/31/2022.

ROIC	2020	2021	2022	2Q23
Net Income for the period (LTM)	31.5	313.8	469.9	534.8
(+) Net Financial Income (LTM)	0.1	(12.4)	(41.3)	(60.3)
NOPAT	31.6	301.4	428.6	474.5
Invested Capital				
Loans and Financing	311.6	361.3	417.0	383.7
(-) Cash and cash equivalents	(158.6)	(114.6)	(197.2)	(281.3)
(-) Financial Investments	(90.5)	(10.3)	(8.9)	(13.3)
(+) Related Parties	17.6	18.0	18.4	–
(+) Equity	1,125.4	1,356.6	1,711.8	1,894.2
Invested Capital	1,205.5	1,611.0	1,941.1	1,983.3
Average invested capital for the period⁽¹⁾	1,144.0	1,408.2	1,776.0	1,962.2
Annualized ROIC⁽²⁾	2.8%	21.4%	24.1%	24.2%

Annualized adjusted return on invested capital (Adjusted ROIC³) reached 27.6% in 2Q23-LTM (last twelve months ended 6/30/2023), a decrease of 0.5 p.p. over the 28.1% obtained at 12/31/2022.

ROIC AJUSTADO	2020	2021	2022	2T23
Net Income for the period (LTM)	31.5	313.8	469.9	534.8
(+) Net Financial Income (LTM)	0.1	(12.5)	(41.3)	(60.3)
(-) Equity Results (LTM)	2.0	(3.1)	(5.3)	(6.7)
NOPAT (Adjusted)	33.6	298.2	423.3	467.8
Invested Capital				
Loans and Financing	311.6	361.3	417.0	383.7
(-) Cash and cash equivalents	(158.6)	(114.6)	(197.2)	(281.3)
(-) Financial Investments	(90.5)	(10.3)	(8.9)	(13.3)
(+) Related Parties	17.6	18.0	18.4	–
(-) Goodwill on acquisition	(198.2)	(198.2)	(198.2)	(198.2)
(-) Investment in subsidiary	(60.0)	(69.4)	(75.7)	(59.0)
(+) Equity	1,125.4	1,356.6	1,711.8	1,894.2
Total Adjusted Invested Capital	947.3	1,343.4	1,667.2	1,726.1
Average adjusted invested capital for the period⁽¹⁾	884.8	1,145.4	1,505.3	1,696.7
Adjusted Annualized ROIC³	3.8%	26.0%	28.1%	27.6%

ROIC: Return on invested capital.

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

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

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

In 2Q23, R\$ 36.9 million were invested in property, plant and equipment and intangible assets, an increase of 17.5% compared to the amount invested in 2Q22.

The biggest investments in this quarter were made in the development of molds and matrices, in order to support the new cushioning technologies for soles that were included in the models introduced in the new collections.

ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

R\$ Million	2Q23	2Q22	Var. % 2Q23/2Q22	6M23	6M22	Var. % 6M23/6M22
Molds	14.8	9.0	64.4%	24.5	16.0	53.1%
Machinery and equipment	11.3	7.2	56.9%	22.0	21.9	0.5%
Industrial facilities	2.1	6.6	-68.2%	6.7	8.3	-19.3%
Others	7.9	8.0	-1.3%	16.4	24.4	-32.8%
Property, plant and equipment	36.1	30.8	17.2%	69.6	70.6	-1.4%
Software	0.8	0.6	33.3%	0.8	1.4	-42.9%
Intangible assets	0.8	0.6	33.3%	0.8	1.4	-42.9%
Total	36.9	31.4	17.5%	70.4	72.0	-2.2%



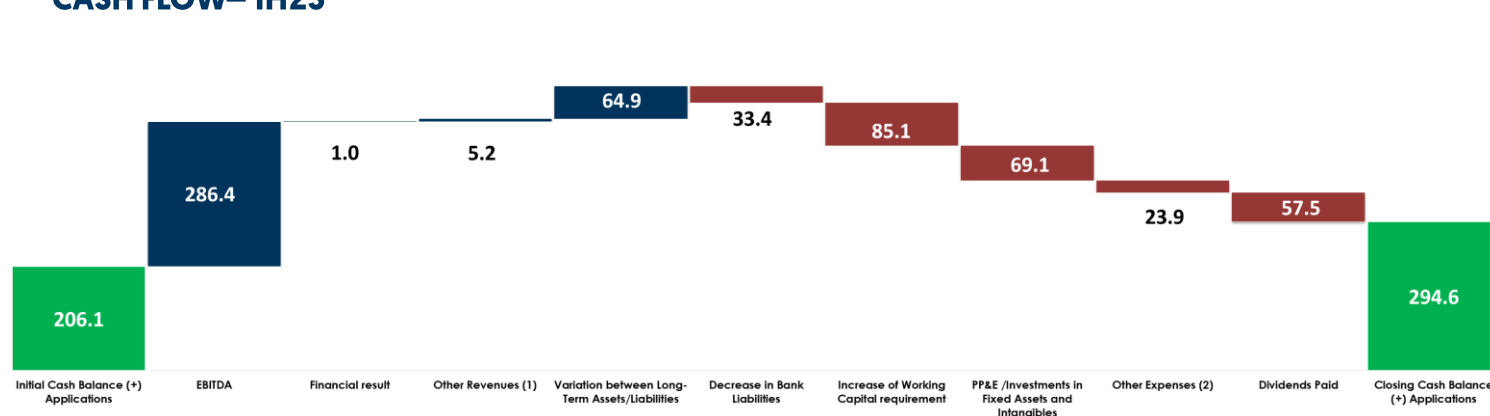
OPERATING CASH GENERATION



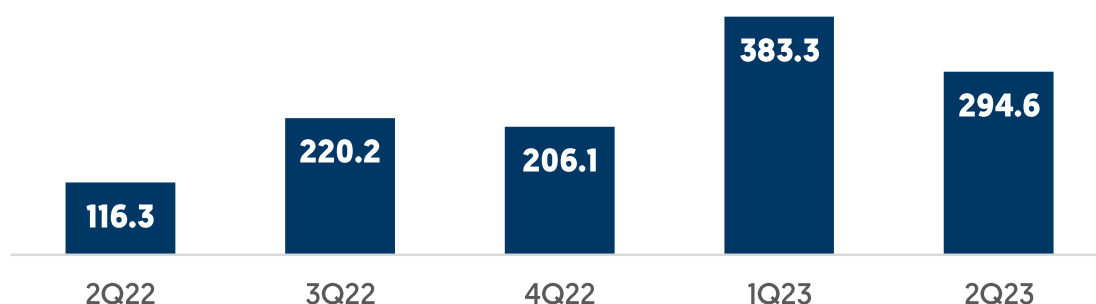
The variation in cash in 1H23 was R\$ 88.5 million, essentially due to the following events:

- (i) EBITDA of R\$ 286.4 million;
- (ii) Variation between Long-Term Assets/Liabilities of R\$ 64.9 million,
- (iii) Decrease in bank liabilities by R\$ 33.4 million;
- (iv) Increase in the need for working capital of R\$ 85.1 million;
- (v) Investments in property, plant and equipment and intangible assets of R\$ 69.1 million,
- (vi) Dividends paid of R\$ 57.5 million.

CASH FLOW – 1H23



CASH FLOW – CASH



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

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

NET DEBT

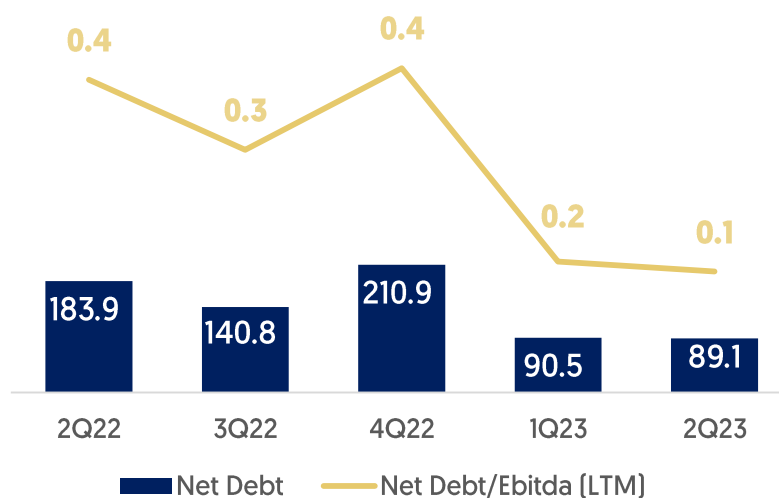


As at 6/30/2023, the Company had a net debt of R\$ 89.1 million, 57.8% lower than that observed at the end of 12/31/2022, being practically the same amount presented at the end of the previous quarter.

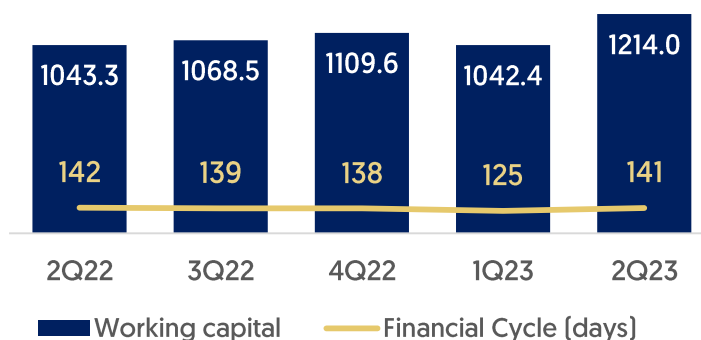
NET DEBT

R\$ Million	12/31/2021	12/31/2022	06/30/2023	Var. % 06/30/2023 vs 12/31/2022
Loans and Financing	361.3	417.0	383.7	-8.0%
Cash and cash equivalents	114.6	197.2	281.3	42.6%
Financial investments	10.3	8.9	13.3	49.4%
Net Debt	236.4	210.9	89.1	-57.8%

EVOLUTION OF NET DEBT AND LEVERAGE



WORKING CAPITAL AND FINANCIAL CYCLE



CAPITAL MARKET



DIVIDENDS

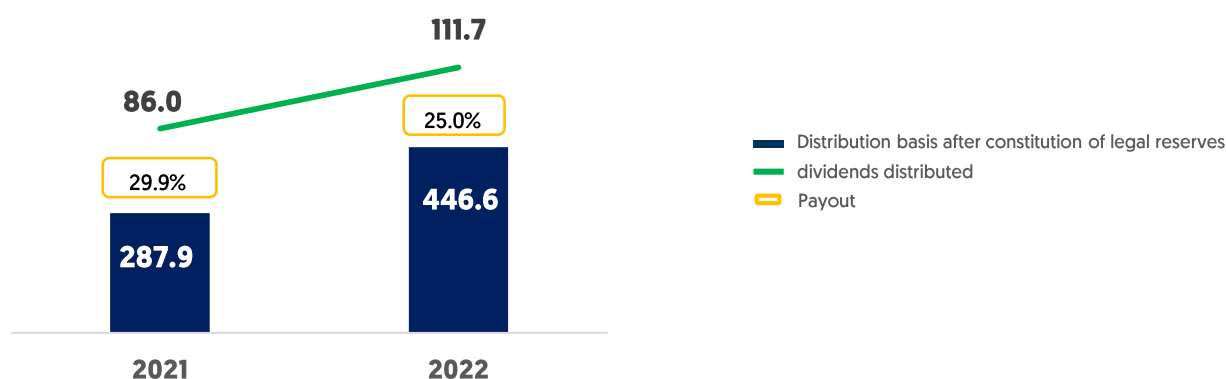
On June 6, 2023, the payment of R\$ 36.8 million corresponding to interim dividends was made, as approved by the Board of Directors on May 2, 2023.

On August 1, 2023, the Board of Directors approved the early distribution of dividends in the amount of R\$ 0.15 [fifteen cents] per share, amounting to R\$ 36.8 million, on this date, an amount subject to change due to the Company's share buyback program that is in effect.

As approved by the Board of Directors, the Company will make quarterly dividend payments.

RETURN TO SHAREHOLDERS

Type	Total Amount	Amount paid per Share	Bse date for distribution	Payment Date
Dividends	86.0	0.35	11/3/2021	11/12/2021
Total Dividends 2021	86.0			
Interim Dividends	90.9	0.37	11/10/2022	11/22/2022
Complementary Dividends	20.8	0.08	04/3/2023	4/14/2023
Total Dividends 2022	111.7			
Interim Dividends	36.8	0.15	05/22/2023	06/6/2023
Interim Dividends	36.8	0.15	08/30/2023	09/14/2023
Total Dividends 2023	73.6			



SHARE BUYBACK PROGRAM

In May 2022, the Board of Directors approved the Share Buyback Program, with the aim of maximizing capital allocation and generating value for shareholders. The program is running and authorizes the repurchase of up to 5 million shares within 18 months.

At the end of 6M23, the Company held 680.1 thousand treasury shares.

During 2Q23, the Company repurchased 112.9 thousand shares, with a total value of R\$ 1.5 million.

Type	12/31/2022	1Q23 Aquisition	Balance 03/31/2023	2Q23 Aquisition	Balance 06/30/2023
Treasury Shares Quantity	491.6	75.6	567.2	112.9	680.1
Treasury Shares BRL	6.1	0.9	7.0	1.5	8.5



SUSTAINABILITY

SUSTAINABILITY



Seeking to build a better country based on sport, Vulcabras believes in the transforming power of sport and, therefore, is always committed to adopting positive attitudes in the communities where it operates. As part of this commitment, the Company develops partnerships with social projects that bring education and sport to the most vulnerable populations. In 2023, 4 selected projects are running: Formando Campeões Triathlon School, in Horizonte [CE]; WinBelemDon Project, in Porto Alegre [RS]; Reading Circle – Ler o Texto, Ler o Mundo, Re-Ciclo de Cinema Project and Midiacom Program.

Formando Campeões Triathlon School: Created in May 2015, the Formando Campeões Triathlon School Project has today 24 centers in Brazil. Vulcabras supports the Horizonte center, which serves around 50 children and adolescents aged between the ages of 8 and 16, all public school students. In the opposite shift of school activities, from 8:00 am to 10:00 am or from 3:00 pm to 5:00 pm, they learn the Triathlon modalities - swimming, cycling and running - under the supervision of a qualified team specialized in child development. The project, which was idealized in Curitiba, seeks to democratize access to practice by promoting the integral development of adolescents and forming new sports talents in the modality. In addition to promoting sport, the project seeks to convey essential educational values, such as citizenship training and social integration, discipline, determination, responsibility, respect and teamwork; providing students with the tools they need to become successful citizens.

WinBelemDon Project: In Porto Alegre [RS], the company supports the WinBelemDon Project, which seeks to promote the social inclusion of children and adolescents in situations of risk or social vulnerability in the extreme south of the capital of Rio Grande do Sul. Using sport, education and culture as tools of attraction and empowerment, the project, founded in 2000, serves around 73 young people between the ages of 6 and 18 through socio-emotional, sports, pedagogical and cultural workshops, seeking to guarantee equal opportunities and reduce inequalities.

In addition to Tennis and other sports, several other practices are offered that promote the integral development of students, valuing attributes such as empathy, perseverance and honesty. With a humane and respectful look at individual limits, WinBelemDon stimulates the potential of each participant, seeking to build a just and egalitarian society. Within the project, the assisted children and young people have, among their regular activities, lunch and various workshops,

such as tennis, sports, psychology, arts and others that may vary from one month to the next.

Reading Circle – Ler o Texto, Ler o Mundo :

The Reading Circles Program, by the Braudel Institute, encourages the integral development of elementary and high school students through reading and writing, exploring great works of Brazilian and world literature. With 320 participating schools in Ceará and São Paulo, 2,176 multiplier students and 58,200 students involved, the project seeks to stimulate general skills of the National Common Curricular Base (BNCC), such as empathy, cooperation, argumentation, communication and self-knowledge, enriching the cultural repertoire of young people.

Re-Ciclo de Cinema: Re-ciclo de Cinema is an itinerant project that visits public schools with a specialized team. The initiative shows educational films that briefly tell the history of cinema and also presents recycling techniques. In addition, it holds workshops and educational demonstrations on sustainability and selective waste collection for children and adolescents between the ages of 6 and 16. It also promotes free cinema sessions, in partnership with local city halls, in gymnasiums or public squares in each city visited. Open to the entire community, sessions are free and feature successful films already shown in the country.

Midiacom: Midiacom associates education and technology, providing opportunities for life transformation and social inclusion. The strategy includes the execution of 5 projects, comprising activities related to culture, professionalization, leisure, and education, aiming to promote social development and improve the quality of life.





BRAND MANAGEMENT



With a portfolio consisting of Mizuno, Olympikus and Under Armour, three iconic brands offering the very best in sports technology for every athlete profile, including apparel, accessories and footwear, Vulcabras continues to explore the potential of its three brands and lead the development of sports technology in the country.

In this second quarter, Mizuno intensified its resumption of leadership in the running performance category with the launch of the Kakizome Pack, a line of running shoes inspired by the traditional Japanese ceremony, comprising the Wave Rebellion Pro, Wave Rebellion Flash, Wave Rebellion Sonic and Wave Rider 27 models, which arrive with a completely renovated design.

Reinforcing the brand's purpose of democratizing access to sports high-tech, Olympikus launched Corre Vento, footwear focused on speed, Corre Trilha, aimed at one of the fastest growing segments, and Corre Grafeno 2, the evolution of the world's first graphene plate footwear.

And it was present in international marathons, winning podiums in the 27th São Paulo International Marathon and in the 38th Porto Alegre International Marathon.

Under Armour, seeking to get closer and closer to the basketball community, brought to Brazil the biggest and most complete season of the Curry Brand, in partnership with the American basketball star Stephen Curry, which foresees the launch of more than 17 exclusive Currys throughout the year. In the training category, the brand launched the TriBase Reps, equipped with TriBase technology with three sole contact points that distribute the weight of the step and allow for greater stability and durability in crossfit training.



MIZUNO

Go beyond and overcome your own limits. It was with this proposal that Mizuno launched the Wave Rebellion Series, on the night of April 27, at the Center for Sports Practices at the University of São Paulo. The event, which was attended by journalists, opinion makers and runners, challenged guests to beat their personal records on the athletics track, wearing the Wave Rebellion Pro super sneakers.

Inspired by the traditional Japanese ceremony of the same name, where participants write their New Year's resolutions through calligraphy, the Kakizome line was developed for experienced runners who seek maximum propulsion for race days, with 3 models: Wave Rebellion Pro, Wave Rebellion Flash and Wave Rebellion Sonic.

Wave Rebellion Pro has as its main differentiator the Smooth Speed Assist technology, revolutionary sole geometry inspired by athletics shoes and improved for street running, which provide less muscle fatigue over long distances with maximum speed, as it helps the runner to have a more natural midfoot and forefoot step. R\$ 1,999.00.

Wave Rebellion Flash, indicated for speed training and short-distance fast competitions, has cushioning, firmness and energy return with Mizuno Enerzy Lite technology combined with Mizuno Enerzy technology and the fiberglass infused Wave Plate that increases the level of responsiveness, dispersing the impact to the ends of the midsole ensuring greater stability. R\$ 1,299.00.

Wave Rebellion Sonic is for all runners looking for a shoe to get started with speed training or for those runners who love to feel their foot closer to the ground with a sense of propulsion and stability. Ideal for high-intensity workouts and also for everyday use, it has a TPU Wave plate providing a comfortable feeling of propulsion with greater stability to the sides. R\$ 999.00.

The event, named RP Day, brought together, in addition to the specialized press and runners, the Vulcabras and global Mizuno teams, who presented the main differentials of Mizuno's running line.

Wave Rider 26 Roxy:

From the union of the Japanese brand with Roxy Brasil, one of the main surfwear brands aimed at the female audience, the Wave Rider 26 Roxy was born. The footwear differential is the Mizuno Enerzy technology: a light and soft EVA with a higher damping index and energy return to the user. The launch of the model took place in Rio de Janeiro in April and brought together women during a run to test the footwear firsthand. R\$ 999.90.

Wave Rider 27:

The brand also launched the Wave Rider 27, a shoe that provides the ideal balance between maximum propulsion and indescribable comfort. With a completely renovated design, the model stands out for its softer, more cushioned midsole and a one-piece upper for greater comfort and great breathability. The Wave plate made of biodegradable Pebax provides a higher level of cushioning and stability with great response that propels you forward with every step. Another differential is the foam technology with high energy return, cushioning and softness. R\$ 999.00.

Official Mizuno | Wave Rider

Midnight Sun Marathon:

Sponsored by Mizuno Global, Mizuno Brasil took a team of influencers to live the experience of running one of the most exuberant marathons on the planet: the Midnight Sun Marathon, in Tromsø, Norway, which brought together more than 6 thousand athletes from different parts of the world. Brand athletes ran the northernmost marathon on the planet with Kakizome Pack on their feet. A unique experience.



OLYMPIKUS

Sao Paulo International Marathon:

Reinforcing the brand's purpose of democratizing access to high sports technology, Olympikus was featured in the 27th São Paulo International Marathon, one of the most important runs on the international street racing calendar, with the Corre 3, a shoe co-created by runners and specialists in the field and tested by the USP biomechanics laboratory. For the competition, the sneakers got a special color, the same color as the official test shirts. Developed for performance running, Corre 3 has been on the feet of the brand's elite athletes, winning eight podiums in the marathon, among them: the first four places in the men's elite race and the first and third places in the women's elite race. In the half marathon, it won first and third place. A year that will go down in the history of Corre 3 and Olympikus.

Corre Vento 2:

To experience the performance of Corre Vento 2, the brand's lightest sneaker, Olympikus brought together athletes, customers and guests in April for a night of training and exchanging experiences at Casa do Corre, Parque Villa-Lobos, in São Paulo. There, a talk was held with the presence of athletes sponsored by Olympikus: Wellington Cipó, Jessica Ladeira and Raísa Marcelino, intermediated by Ademir Paulino, coach and brand ambassador. After testing the model in training and competitions, they shared information with the guests.

Corre Trilha:

Focused on one of the segments that has grown the most in recent years, Corre Trilha is ideal for those looking for comfort and grip on any terrain. A member of the Corre Family, the shoe features Vibram technology, whose rubber made for challenging terrain ensures greater stability, support and safety. To get to know the product in detail, Olympikus invited athletes and influencers to a guided training session held at Pico do Jaraguá, in São Paulo. On that occasion, two groups explored different trails in the area, each with different degrees of complexity. The event took place on the morning of May 15 and also featured a presentation of the product's technical details by the brand's team at Casa do Corre, in Parque Villa-Lobos. R\$ 599.00.

2nd edition of Casa do Corre

Meeting point for the running community, the 2nd edition of Casa do Corre had an intense program of free training sessions, exhibition, tests and product launches of the Corre Family, talk, recovery space, among other actions with sports advisory services. Held from March 25 to April 16, the space received more than 3 thousand people and more than 2 thousand products with the Olympikus brand were tested on site.

To mark the closing of the 2nd edition of Casa do Corre, Olympikus presented the result of the Perifalions contest, which this year had a partnership with the brand, which was the briefing for the challenge, whose prize was a trip to the biggest advertising festival in the world: the Cannes International Film Festival (France). On the occasion, the two winning pairs were announced, who won apparel and sneakers from the brand and traveled to Cannes sponsored by Olympikus. As an independent project, Perifalions was idealized with the mission of providing a platform for discovering talent from the peripheries, connecting them with the advertising market.

Corre Grafeno 2:

Continuing the strategy of innovating in the high performance segment, Olympikus surprised again and launched Corre Grafeno 2 the evolution of the world's first graphene plate footwear. Designed for high performance running, Grafeno 2 receives significant improvements in raw material and design in its 241 grams. The rubber with Michelin technology on the sole provides greater grip, safety and resistance to abrasion, raising the level of performance.

The launch took place simultaneously with the Porto Alegre International Marathon, when the shoe was made available for sale on e-commerce and at the brand's physical store set up especially for the event. After the event, all the showcases of Olympikus partners received notification of the arrival of Corre Grafeno 2. R\$ 799.99.

Porto Alegre International Marathon:

Olympikus and Corre Grafeno 2 climbed to the highest place on the podium in the 42 km of the 38th Porto Alegre International Marathon, which was sponsored by the brand this year. Vestus Cheboi, Kenya's elite athlete for the brand, was the great champion in the men's event. Collins Kimosop, another Kenyan, and Brazilian Wellington Cipó, both elite athletes of the brand, achieved 2nd and 4th places respectively. In the women's category, the Kenyan Vivian Kiplagati, also an athlete from the brand, achieved 2nd place. Jessica Ladeira won the 7 km course.

All ran the Marathon with Grafeno 2, evolution of the world's first shoe with graphene plate developed at the Research & Development Center of Vulcabras, in Parobé (RS). Weighing 241 grams, it brings significant improvements in raw material and design, to always be on the feet of the main runners in the country. The shoe, which is part of the Corre Family, the brand's line of performance shoes, reinforces Olympikus' position of democratizing access to high technology in sports.

In addition to Grafeno 2, Corre 3 was also featured in the competition. Especially for the race, Vulcabras and Olympikus produced a special edition of Corre 3 in orange tones in line with the colors of the race. The commemorative edition was made available at the exclusive Olympikus store set up in Barra Shopping Sul, intended for exposition and experience with all Corre Family products.





UNDER ARMOUR

Curry Season:

Under Vulcabras' management, Under Armour, a global reference in training and basketball, has played a fundamental role in bringing the Brazilian public closer to the basketball community in Brazil - the NBA's second largest audience in the world. And to celebrate the 10th anniversary of the partnership with Stephen Curry, the brand brought to the country the greatest season of the Curry Brand – a brand developed in partnership with the player whose engine is innovation and the vision of making basketball a sport accessible to all, with more than 17 exclusive drops, between the months of May and September.

To mark the arrival of Currys' biggest season, Under Armour promoted activation actions at Artwalk and at the NBA Store, in Shopping Morumbi Town, which moved the Brazilian basketball community. On the occasion, the first 5 colorways were presented, Curry 2 Low Flotro, Curry Flow 10 "Splash Party", Curry Flow 10 "Double Bang", Curry Flow 10 "Unicorn & Butterfly" and Curry Flow 10 "Father to Son", which are part of the special collection signed by the player with the American brand. Curry 2 Low Flotro: R\$ 1,899.99. Curry 10 Splash Party: R\$ 1,599.99. Curry 10 Double Bang: R\$ 1,599.99.

Sneaker X:

Taking advantage of Currys' biggest season in Brazil, the launch of 3 Curry 10 drops was connected to one of the biggest Sneakerheads culture festivals in Brazil, Sneaker X. Especially for the event, the brand brought together its main team composed of the brand's main influencers to create challenges inspired by Stephen Curry during the festival's intervals, connecting the public with the brand.

Tribase Reps

Category leader in its price range, Tribase Reps had influencer Igor Freitas and renowned trainer Ju Hitomi as ambassadors. The launch strategy included wide dissemination on digital media with banners for the brand's website, in addition to POS materials for customers. Three CrossFit boxes in São Paulo hosted a product trail action in which the shoe was tested in practice by practitioners of the modality.

The Tribase Reps was designed for anyone looking for a training shoe. The upper part of the shoe is divided into two functions: support and resistance. In the heel region, a closed mesh provides support, in the forefoot region, an overlapping fabric is responsible for delivering all the necessary resistance for the activity. A sports shoe recommended for people who don't limit themselves and dive into every moment of their training.



ATTACHMENTS

BALANCE SHEET

BALANCE SHEET (CONSOLIDATED)

In thousand of Reais

ASSETS	06/30/2023	12/31/2022	LIABILITIES	06/30/2022	12/31/2022
Cash and cash equivalents	281,337	197,197	Suppliers	196,569	104,925
Financial Investments	1,553	4	Loans and financing	131,900	283,638
Trade accounts receivable	739,277	769,457	Lease liability	8,718	8,509
Inventories	728,172	567,831	Taxes payable	27,411	19,670
Recoverable taxes	85,557	18,685	Salaries and vacation payable	72,605	56,139
Income tax and social contribution	18,082	13,859	Provisions	5,057	3,102
Other accounts receivable	14,543	26,074	Commissions payable	24,562	19,538
			Dividends payable	5	20,734
			Other accounts payable	36,717	53,716
CURRENT ASSETS	1,868,521	1,593,107	CURRENT LIABILITIES	503,544	569,971
Interest earning bank deposits	11,739	8,942	Loans and financing	251,797	133,410
Trade accounts receivable	3,769	5,153	Loans with related parties	0	18,448
Recoverable taxes	116,356	193,504	Lease liability	9,994	12,059
Deferred income tax and social contribution	13,533	13,591	Provisions	50,276	54,274
Judicial deposits	26,976	22,419	Deferred income tax and social contribution	16,987	17,079
Goods intended for sale	194	194	Other accounts payable	3,265	3,681
Others Account to receive	2,314	1,934			
LONG-TERM ASSETS	174,881	245,737	NON-CURRENT LIABILITIES	332,319	238,951
Investments	59,016	75,662			
Investment property	3	4			
Right to use	15,989	18,119			
Property, plant and equipment (PP&E)	403,123	379,031			
Intangible assets	208,485	209,096			
	686,616	681,912			
			SHAREHOLDERS' EQUITY		
			Capital	1,108,354	1,106,717
			Capital Reserves	-4,188	-1,472
			Revaluation reserves	4,097	4,175
			Equity valuation adjustments	23,601	25,974
			Profit reserve	576,094	576,094
			Accumulated profits	185,885	0
			Shareholders' equity attributable to controllers	1,893,843	1,711,488
			Non-controlling interests	312	346
NON-CURRENT ASSETS	861,497	927,649	TOTAL SHAREHOLDERS' EQUITY	1,894,155	1,711,834
			TOTAL LIABILITIES	835,863	808,922
TOTAL ASSETS	2,730,018	2,520,756	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,730,018	2,520,756

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



INCOME STATEMENT

INCOME STATEMENT (CONSOLIDATED)	2Q23	2Q22	VAR (%)	6M23	6M22	VAR (%)
In thousand of Reais						
Net Revenue	723,920	656,808	10.2%	1,295,038	1,134,558	14.1%
Cost of sales	-424,284	-420,640	0.9%	-770,043	-730,249	5.4%
Gross Profit	299,636	236,168	26.9%	524,995	404,309	29.8%
Gross Margin	41.4%	36.0%	5.4 p.p.	40.5%	35.6%	4.9 p.p.
Sales Expenses	-120,726	-97,759	23.5%	-220,598	-174,698	26.3%
Expected losses for bad debts	1,792	-1,971	-190.9%	-1,392	-4,164	-66.6%
General and Administrative Expenses	-38,949	-32,088	21.4%	-71,334	-58,698	21.5%
Other net Operating income (Expenses)	1,889	7,945	-76.2%	3,584	9,904	-63.8%
Equity in net income of subsidiaries	1,261	1,422	-11.3%	2,873	1,422	102.1%
Net Income before net financial income and taxes	144,903	113,717	27.4%	238,128	178,075	33.7%
Financial income	26,843	18,548	44.7%	47,418	30,192	57.1%
Financial Expenses	-23,678	-26,832	-11.8%	-46,401	-48,150	-3.6%
Net financial Income	3,165	-8,284	-138.2%	1,017	-17,958	-105.7%
Net Income before taxes	148,068	105,433	40.4%	239,145	160,117	49.4%
Deferred income tax and social contribution	-9,117	-1,675	444.3%	-16,564	-2,378	596.6%
Net Income	138,951	103,758	33.9%	222,581	157,739	41.1%
Net Income Margin	19.2%	15.8%	3.4 p.p.	17.2%	13.9%	3.3 p.p.
Income (loss) attributable to:						
Controlling Shareholders	138,951	103,743		222,591	157,722	
Non-controlling Shareholders	0	15		-10	17	
Net Income	138,951	103,758		222,581	157,739	
Earnings (loss) per share						
Earnings per common share - basic	0.5664	0.4221		0.9074	0.6418	
Earnings per common share - diluted	0.5642	0.4213		0.9039	0.6405	
Number of shares at end of the year						
Outstanding common shares	245,320,501	245,756,244		245,320,501	245,756,244	
Outstanding common shares with a dilution effect	246,269,003	246,235,847		246,269,003	246,235,847	

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



CASH FLOW STATEMENT

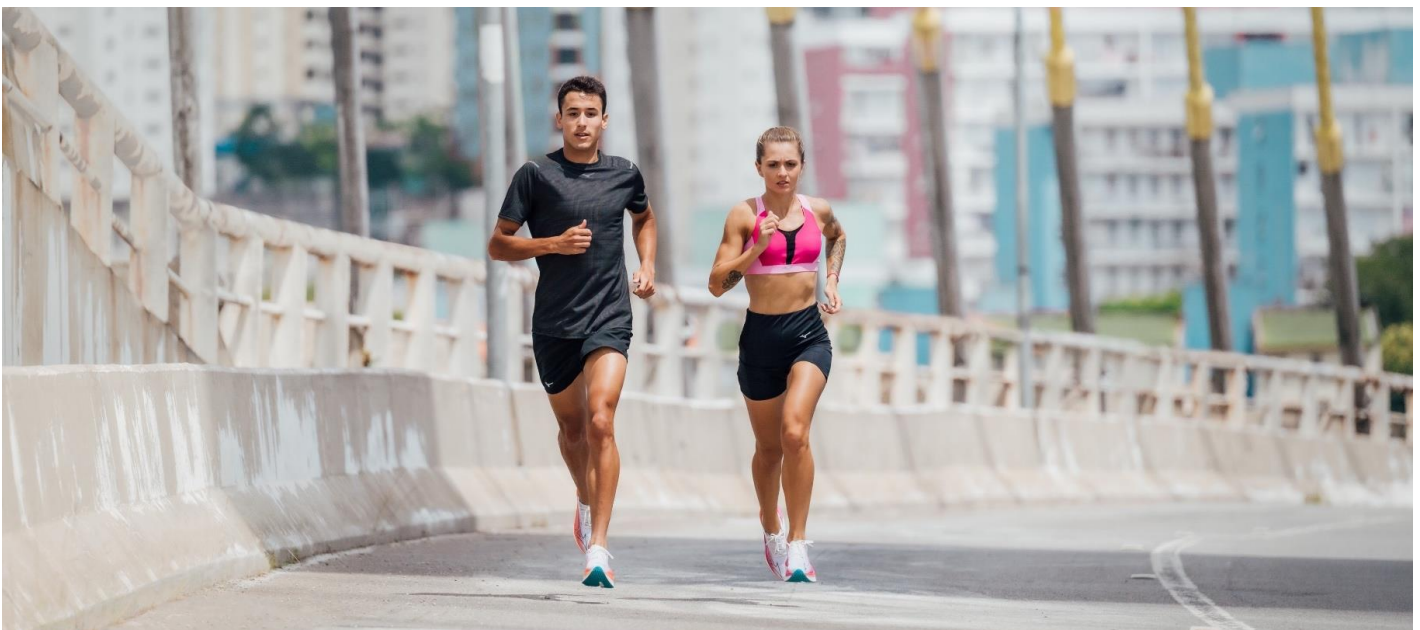
CASH FLOW STATEMENT (INDIRECT METHOD)	6M23	6M22
In thousand of Reais		
Cash flows from operating activities		
Net Income for the period	222.581	157.739
Adjustments for:		
Depreciation and amortization	48,290	38,862
Provision (reversal) for impairment losses on Inventories	12,957	1,975
Interest on provisioned leases	2,534	2,084
Net value of written off tangible and intangible assets	2,691	6,073
Income from financial investments	-840	-492
Provision for contingency	3,363	2,587
Equity in net income of subsidiaries	-2,873	-1,422
Transaction with share-based payments	-318	-766
Estimated loss from allowance for doubtful accounts	1,392	4,164
Tax overpayment - SELIC	0	-8,792
Financial charges and exchange variation recognized in profit or loss	20,213	19,025
Current and deferred income tax and social contribution	16,564	2,378
Non-controlling interest	10	-17
Recovery of PIS and COFINS on ICMS	-6,174	-2,573
Adjusted Income for the period	320,390	220,825
Changes in assets and liabilities		
Account Receivable	26,956	-78,401
Inventories	-173,298	-92,417
Recoverable taxes	12,227	12,809
Deferred taxes	0	-46
Receivables for sale of operation	905	1,720
Other accounts receivable	11,151	2,804
Judicial deposits	-4,003	-1,605
Suppliers	96,488	65,774
Commissions payable	5,024	3,809
Taxes to collect	5,110	4,594
Salaries and vacations payable	16,466	16,333
Other accounts payable	-17,449	2,574
Provisions	-5,960	-1,954
Changes in assets and liabilities	-26,383	-64,006
Cash provided by (used in) operating activities	294,007	156,819
Interest paid	-24,180	-23,399
Payment of lease interest	-1,062	-1,123
Taxes paid on profit	-13,311	-7,769
	-38,553	-32,291



CASH FLOW STATEMENT

CASH FLOW STATEMENT (INDIRECT METHOD)	6M23	6M22
In thousand of Reais		
Net Cash Flow provided by (used in) operating activities	255,454	124,528
Cash flow from investing activities		
Acquisitions of property, plant and equipment	-68,306	-69,671
Redemption (application) of financial investments	-3,506	111
Resources from the disposal of fixed assets	596	453
Acquisition of intangible assets	-772	-1,358
Receipt of dividends	1,401	0
Net Cash Flow used in investing activities	-70,587	-70,465
Cash flow from financing activities		
Loans obtained - Main	165,600	153,831
Payment of loans obtained - Main	-202,047	-212,329
Acquisition of treasure shares	-2,398	0
Dividends and interest on shareholders' equity paid	-57,513	-4
Capital Increase	1,637	0
Payment of lease liabilities	-6,328	-5,595
Net Cash Flow used in financing activities	-101,049	-64,097
Increase (decrease) in cash and cash equivalents	83,818	-10,034
Cash and cash equivalents at beginning of the period	197,197	114,635
Effect of exchange variation on cash and cash equivalents	322	1,052
Cash and cash equivalents at end of the period	281,337	105,653
Increase (decrease) in cash and cash equivalents	83,818	-10,034

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



INSTITUTIONAL



Vulcabras has been operating in the Brazilian footwear sector for 71 years and during this period it has consolidated itself as the largest 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 Armour, one of the world's largest brands of clothing, footwear and sports accessories, and Mizuno, the performance brand that believes in the value of sport and supports the journey of everyone who gives their best, regardless of who they are, level and type of sport.

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

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

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

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

INDEPENDENTE AUDIT



INDEPENDENT AUDIT

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

For the review services of June 30th, 2023 (2Q23), fees of approximately R\$ 195.9 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 08/01/2023, declares that it has reviewed, discussed and agreed with the accounting information of Vulcabras S.A. for the second quarter of 2023 and the independent auditors’ report on the individual and consolidated financial information.

MANAGEMENT



MEMBERS OF THE BOARD OF DIRECTORS

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

MEMBERS OF THE BOARD OF EXECUTIVE OFFICERS

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



2Q23

EARNINGS
RELEASE

VULCABRAS
we live for the sports