



ANNUAL REPORT 2022

EXECUTIVE SUMMARY

Track & Field

About Track&Field

Our story began, in 1988, as a company dedicated to sportswear. Since then, we have followed a consistent growth trajectory for more than 30 years. We currently have our administrative headquarters and a production unit in São Paulo (SP); a distribution center (DC) in Osasco (SP); a production unit in Joinville (SC) and a chain of 331 stores in 24 states and the Federal District, including our own establishments and franchisees. We have a strong presence in the digital transformation process with a solid e-commerce and omnichannel model. We are a brand recognized for innovative, high-quality products, a pioneer in sporting events and experiences, in addition to offering a complete wellness ecosystem.

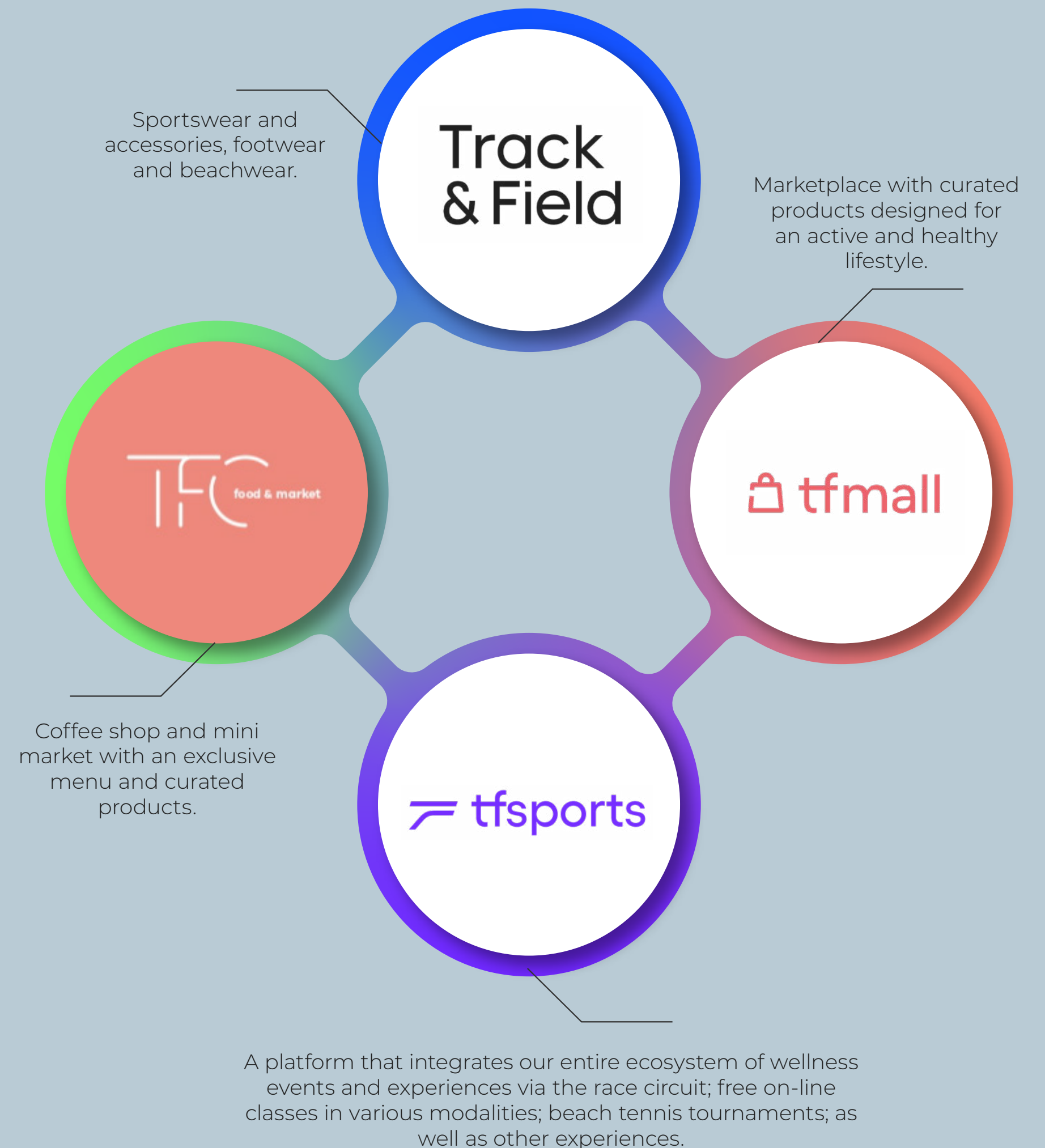
Track&Field recently became active in the sector for healthy foods, through the TFC Food&Market - a mini market that appeals to consumers looking for options for a healthier

and more balanced diet, in addition to being a hub for promoting meetings with trainers and professionals in the wellness segment.

Our TFSports platform already integrates the sporting events we promote and the experiences we provide, including the Santander Track&Field Run Series, our street racing circuit; the Track&Field Beach Tennis Open; the Track&Field Experience, events promoted in partnership with our franchisee network; and Continue em Movimento ('Keep Moving'), a program that offers free classes across a wide range of athletic pursuits.

In order to expand the portfolio of products offered to our customers, we launched our marketplace tfmall, which is available through e-commerce and in certain physical stores offering carefully curated premium products within the wellness segment.

T&F ECOSYSTEM



OUR MISSION

Connecting people with an active and healthy lifestyle.

OUR VISION

To create products and experiences that surpass the customers' expectations, efficiently expanding our presence in the Brazilian market.

OUR VALUES



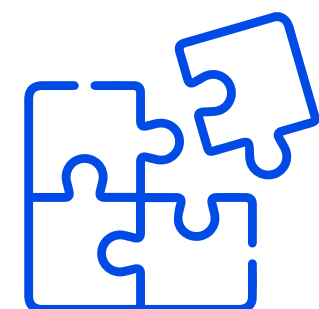
Integrity

- A sense of ethics
- Honesty
- Transparency
- Coherence
- Justice



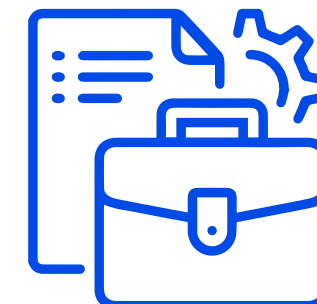
Respect

- Empathy
- Humility
- Listen without judging
- Respectful communication
- Adhere to rules and agreements



Collaboration

- Sense of the collective
- Teamwork
- Focus on solutions and customers
- Sharing ideas and goals
- Learning together
- Asking for and giving feedback



Care for business

- Growth mindset
- Well-founded decision making
- Improve and innovate
- Take responsible risks
- Efficiency
- Sustainability



Customer success

- Place the customer at the center of decision making
- Add value to products and experiences
- Meet and exceed customer expectations
- Develop franchisees
- A spirit of service
- Listening and acting as an ambassador for our client

PURPOSE

A healthy life demands equilibrium.

The role of the Track&Field brand is to make this equilibrium possible, knowing that it is unique and different for each person.

It is to use sport to inspire the search for wellness and to show that in order to accelerate it is essential to breathe.

This conviction must be reflected in everything we deliver: from the product to the store, from the content to the experience. Always striving to surpass expectations.

We are, indeed, going to encourage health, more natural living, respecting the environment without ever forgetting that the quest for health is a constant one and involves caring for body and mind.

Highlights of 2022

Major achievements



The year saw the coming of age of our digital transformation strategy, the enhancement of the customers' wellness experience and the expansion of the business and services. The highlights of the year were:

SELLOUT BY THE NETWORK EXCEEDED
BRL 1 BILLION

CHAIN OF
331 STORES

in 145 cities of 24 states and the Federal District

44 own stores, including 10 outlets

35 stores inaugurated

287 franchisee stores

1,467 DIRECT EMPLOYEES

5,538,214 ITEMS SOLD

OVER 1,600 EVENTS HELD, WITH
180,000 PARTICIPANTS

Awards

In 2022, we received two awards for innovation in our e-commerce packaging: The Gold Trophy at the ABRE 2022 Awards in the retail solutions and e-commerce category; the Major Cases in Packaging Award from Embalagem Marca Magazine. We were also considered by our employees as the most admired brand in the sporting goods segment in a survey undertaken by the Brazilian Institute of Retail Sector & Consumer Market Executives (IBEVAR).

ADJUSTED NET INCOME OF
BRL 100 MILLION

(growth of 32% compared to 2021)

OVER 387,000 USERS REGISTERED on the TFSports platform, as well as 3,579 trainers in 40 modalities

Roll-out of the new paper packaging for the entire store network

Net Promoter Score (NPS) of 83.2 points for the 4th quarter of 2022

tf sports

TFSports is a platform that integrates our ecosystem of events and experiences. This platform complements our wellness ecosystem and allows us to move forward with our mission of connecting people with an active and healthy lifestyle.

Throughout 2022, we were able to promote more than 1,600 events, which brought together more than 180,000 participants. The platform includes 387,000 users and 3,579 trainers offering paid and free classes across 40 different sports offering.



Santander Track & Field

RUNSERIES

Largest race circuit of its kind in Latin America by number of trials

88 legs

OVER 150,000 ENROLLMENTS

40 cities in 17 states and the Federal District

13 half-marathons and a full marathon

CONTINUE ^{EM} MOVIMENTO

Incentives for involvement in athletics pursuits

1.468 free classes

OVER 31,900 ENROLLMENTS

Track & Field OPEN BEACH TENNIS

Launched in 2022, Track & Field's Beach Tennis Open has brought together more than 3,700 entrants.

16 phases throughout Brazil

15 cities in 13 states

Track & Field EXPERIENCE

In-person sports classes and events offered in partnership with Track & Field's franchisee network

37 experiences

OVER 1,300 PARTICIPANTS



Strategy

Our mission of connecting people with an active and healthy lifestyle is supported by our business model, which comprises several marketing channels, through which we seek to improve the experience of our customers.

In addition to a network of company-owned stores and sales made through e-commerce platforms, since 2011 We have also relied on franchisee locations which, at the end of 2022, represented 86.71% of the total number of establishments, capturing a sell out totaling BRL 596.8 million.

We consistently seek to expand this network, thereby guaranteeing agility in deliveries made to customers. We also offer a series of sporting events through the TFSports platform and a wide range of options for a more healthy and balanced through our TFC Food&Market.

Business Model

We place customers at the center of business. We therefore consistently seek to offer high-quality products that use the latest technology and offer superior comfort and a longer service life. This level of excellence is guaranteed by the effectiveness of our production chain, from the purchase of materials, development of items of clothing and quality control to technical visits.

We adopt a strategy of offering two main collections per year and we launch “mini-collections” that offer customers something new when they visit our stores.

In 2022, we took a significant step forward in our production process with the opening of a manufacturing facility in Joinville (SC), at which sewing cells are also installed. This initiative, together with other sewing cells located at our Ipiranga unit in São Paulo (SP), provides us with a hybrid production model and, at the same time, allows us to continue to partner with our suppliers.

Corporate Ethics Management

We adopt the strictest standards for proper conduct and ethical principles as part of our relationships, which must be adhered to by all administrators, employees, franchisees, partners, suppliers, and third parties, regardless of the hierarchical position they occupy. We also maintain a Code of Ethics and Conduct, which clearly defines our mission, vision, our principles, values and beliefs, as well as details the manner in which ethical relationships should be maintained and the expectations guiding interpersonal relationships.

We maintain an Ethics and Conduct Committee while also making a whistleblowing channel available to employees, franchisees, customers, partners, suppliers or any other stakeholders with whom we maintain relations, allowing them to report situations involving suspected fraud, acts of corruption, ethical misconduct, unlawful acts, among others, without the need to identify themselves.

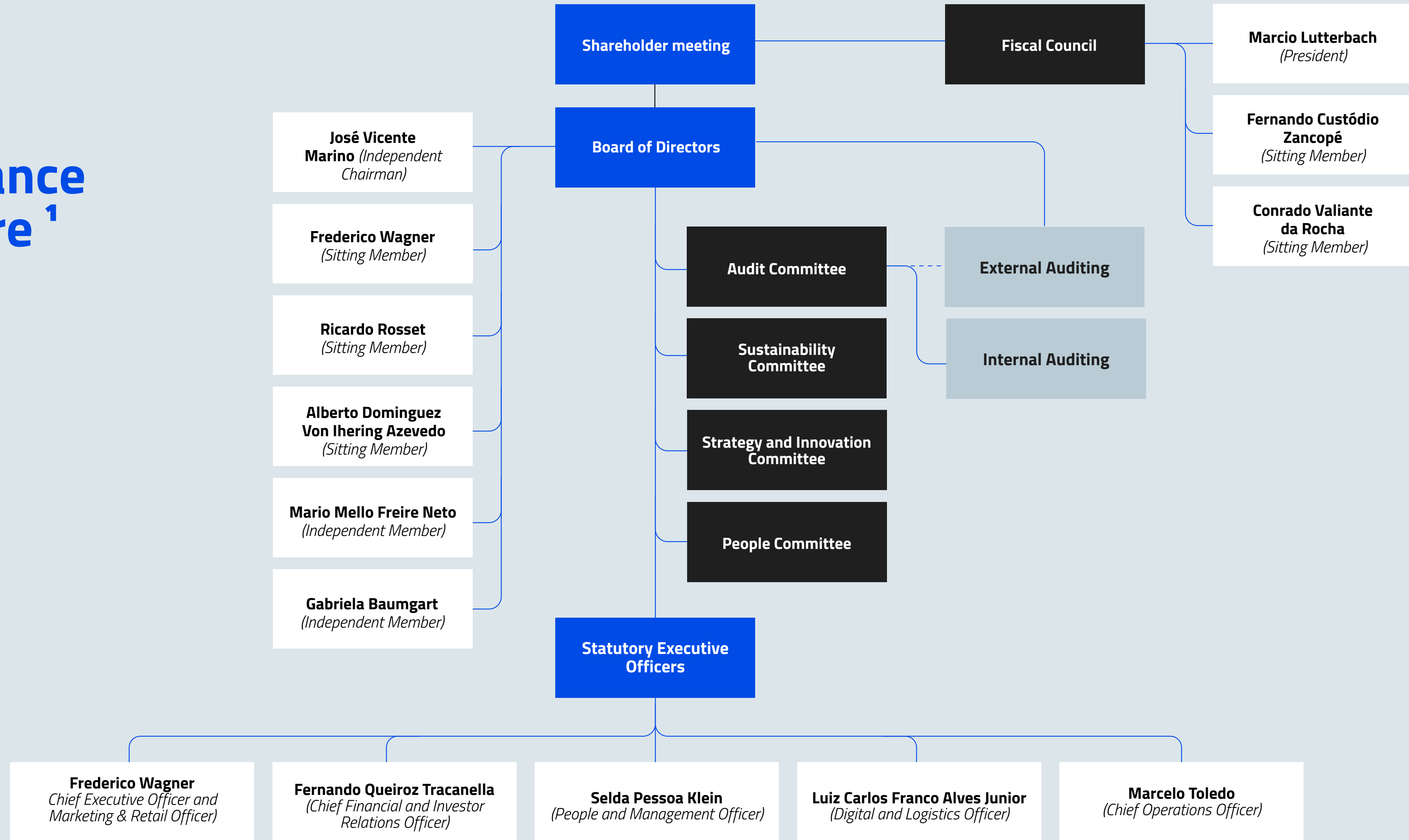
This channel is available at:
www.tfco.com.br/en/home
Telephone: 0800 591 7159

Governance

Our governance structure is characterized by adherence to best practices for transparency and integrity and the sharing of relevant information with stakeholders, thereby ensuring the presence of independent members on the Board of Directors, and applying strict compliance mechanisms, in order to ensure the dissemination of ethical concepts among employees and other stakeholders.

The Annual General Meeting of Shareholders is held once a year, under ordinary circumstances, and Special Shareholders' meetings are held as necessary – or whenever business interests require that a pronouncement be issued by shareholders. We are managed by a Board of Directors that establishes the guidance for the business and sets out our general policies, an Executive Board responsible for executing the strategy, strengthening the business and running the company; and an Audit Board that oversees what the management does, among other duties. We also have advisory committees that provide data to enable us to employ a more assertive decision-making process.

Our governance structure ¹

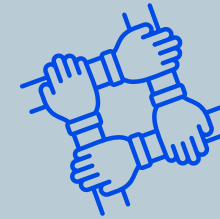


ESG Plan 2025

We began structuring our ESG agenda in 2018, initially focusing on the Governance pillar. The following year, we created the Sustainability Committee, and in 2021 we developed our materiality matrix and disclosed relevant initiatives through the document Our ESG Journey. In 2022, we carried out a study to better understand our environmental impacts in relation to water and energy consumption, the generation of waste, and greenhouse gas emissions.

Through these diagnostic processes, we have developed and validated our ESG Plan together with our Executive Board, Sustainability Committee and Board of Directors, which includes voluntary and qualitative commitments that will guide our socioenvironmental agenda up until 2025, in addition to our governance agenda. Beginning in 2023, the Statutory Executive Board will be subject to ESG targets linked to variable compensation.

PEOPLE



Involve key stakeholders in the ESG journey:

- ✓ Promote and foster initiatives that connect people with an active and healthy lifestyle.
- ✓ Encourage our employees to have a more active and healthier lifestyle; promote a culture of sustainability and a more diverse and inclusive work environment.
- ✓ Restructure and expand our socioenvironmental assessment program to the Brazilian textile supply chain.
- ✓ Be more transparent about our ESG initiatives with our investors and customers.



PRODUCTS AND EXPERIENCES



Offer products and experiences that enable a more active, healthy and sustainable lifestyle.

- ✓ Look for alternatives and solutions with socioenvironmental features for products and experiences.
- ✓ Pilot initiatives that contribute to extending the usage cycle of products and materials.



ENVIRONMENT



Understand and reduce the environmental footprint of our operations:

- ✓ Monitor, reduce and neutralize¹ scopes 1, 2 and 3 greenhouse gas emissions.
- ✓ Create a Solid Waste Management Plan for our own operations, while also stipulating waste reduction targets.



1. Scopes 1 and 2.

Financial results

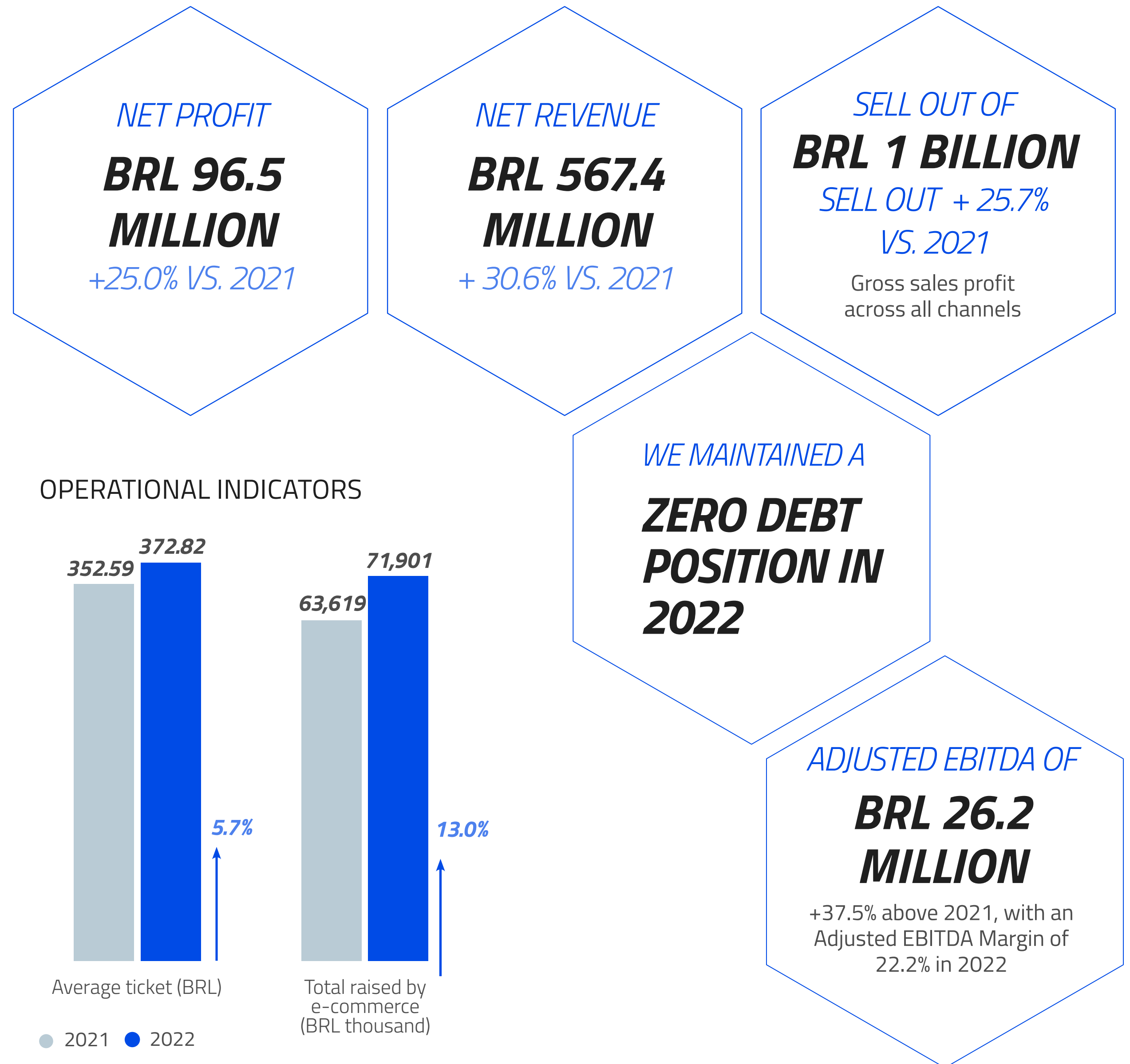
Despite 2022 being marked by a challenging macroeconomic scenario in Brazil, the Company has able to maintain a solid growth trend in terms of its financial performance. In addition, the number of stores continued to grow throughout the year in accordance with our strategy, as well as the total number of sporting events held by Track&Field.

In 2022, the Company reported a relevant growth compared to the previous year both in terms of net revenue (+30.6% YoY), and profitability levels – adjusted EBITDA and adjusted net income reached, respectively, BRL 26.2 million (+37.5% YoY) and of BRL 96.5 million (+32.0% YoY).

In addition, one of the key financial highlights of the year was T&F's operational leverage, in

which the company was able to reduce by 3.5 p.p. its level of expenses over net revenue – and confirm the thesis that, through the growth of the Company (and especially the franchise model), Track&Field has the opportunity to dilute its fixed costs and reduce the weight of its the expenses related to owned stores.

Our reported adjusted financial result also showed consistent improvement, ending 2022 at BRL 3.4 million (~14% YoY). It is important to note that Track&Field was able to maintain its zero debt position throughout the year, without the need to discount receivables or perform financial operations aimed at extending the number of days payable for suppliers.



Focus on the customer

One of our key focal points is to improve the customer experience. We are therefore continuously investing in initiatives that contribute to achieving this goal.

Of these efforts, our multichannel strategy can be highlighted as an important advance in optimizing the process of making purchases online and the delivery of products with agility and safety.

At our physical stores, we provide continuous training to employees from within our own chain or stores, as well as for our franchisees. Our Experience Store concept provides materiality across our brand ecosystem, affording our customers unique experiences involving wellness and a health lifestyle. Our TFC Food&Market plays a key role in these efforts.

Franchisees

We attach great importance to the partnership with our franchisees, recognizing their entrepreneurial spirit as essential for the solidity of the business.

Our connection with franchisees is largely based on synergy with regards to our mission and alignment with our strategy, which is to be a brand that goes beyond and offers customers new experiences.

Our strategy is to consistently offer franchises instruments that can be used to enhance their business activities.

In 2022, Track&Field continued to develop and implement digital tools

used in communication and the generation of sales leads between franchisees and their customers. We also centralized the development of advertising campaigns, coordinating regional franchise marketing.

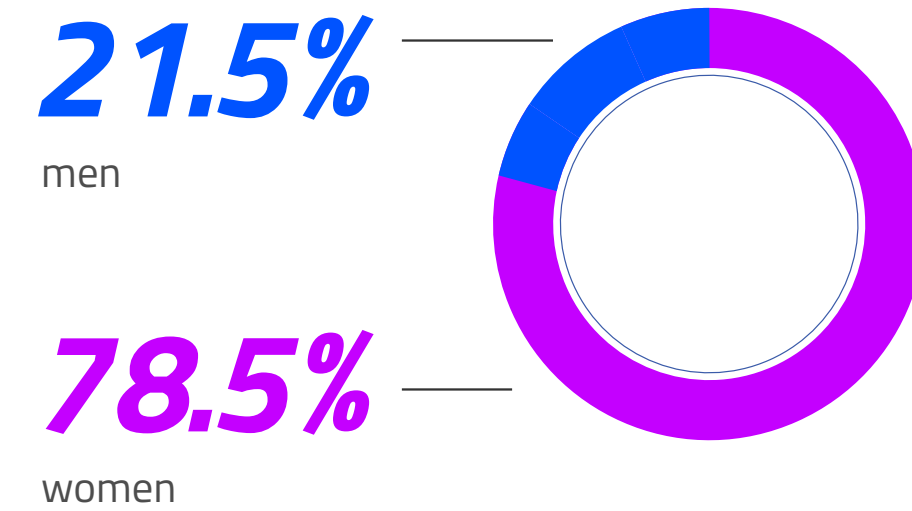
Another important result from the relationship with our franchisees is the fact that they operate as our “ambassadors” across various regions of Brazil – using their relationships and adapting the operating model to the local peculiarities. This enables the sustainable expansion of the brand and affords us valuable lessons about Brazil’s different regional characteristics.



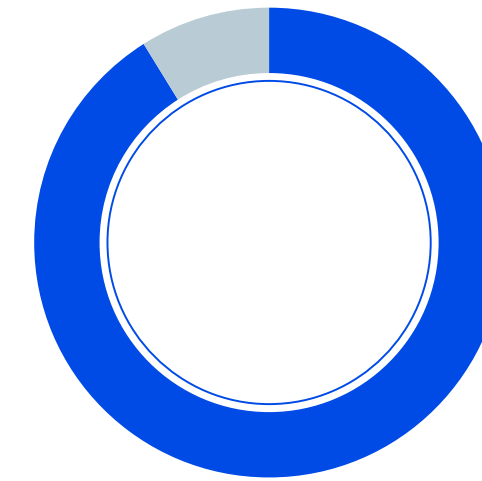
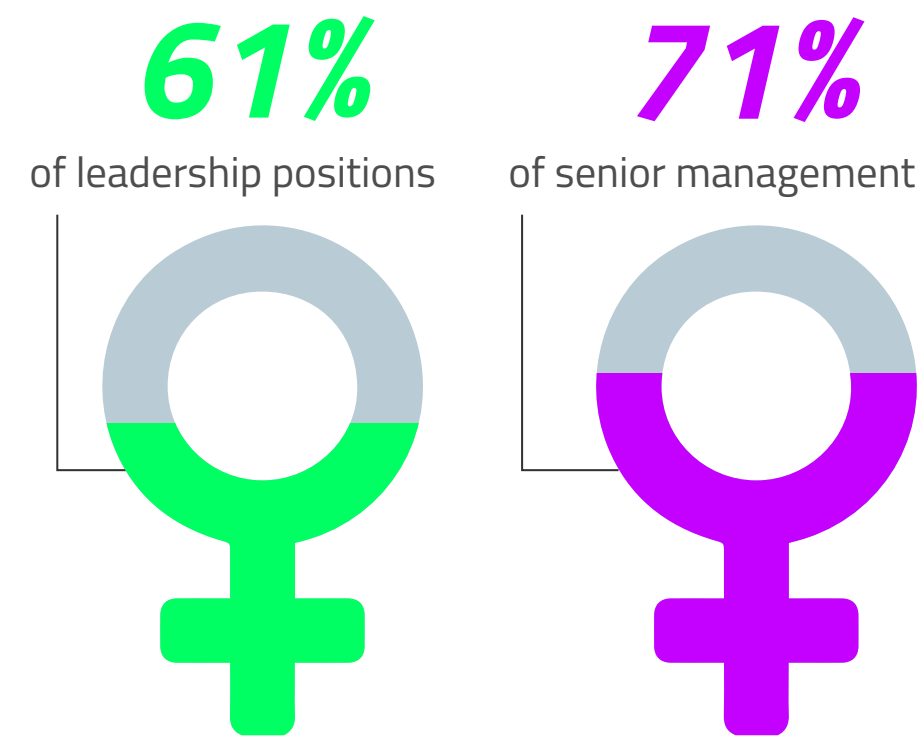
Looking after the team

We seek to provide our team of employees with a harmonious and efficient work environment, one that provides each member of our team with opportunities for professional development. We strive to consistently improve with regards to themes relevant to the People & Management area, including the implementation of performance targets under which results and behavioral aspects are evaluated (based on our company values) for each employee.

1,467
Employees



REPRESENTATION OF WOMEN



9.1
Ambassador Score
(pride in belonging to the organization)



EMPLOYEES BY REGION IN 2022¹

	Men	Women
Southeast	283	990
South	20	115
Center West	8	27
North	0	0
Northeast	4	20
Total	315	1,152

1. Based on data taken from payroll.

We are endeavoring to make key advances in terms of our diversity and inclusion agenda and, for this reason, in 2023, our Diversity Program, will define priority audiences for the implementation of initiatives, as well as the indicators used to measure the results of such initiatives. In 2022, as part of a process of better understanding our company's internal dynamics, we conducted a Census. Responses were received from approximately 84% of employees during the census period. This survey, which was based on self-declaration, enabled us to access key information about our team's profile.

We are on the right path to ensuring a harmonious and efficient work environment, following our joint engagement survey with consulting firm Pulses in which 84% of our employees took part.

Adoption of the Pulses platform is an example of our company's concern for adopting tools focused on offering efficiency in managing our human capital while also recognizing its value.

EMPLOYEES BY POSITION AND ETHNICITY²

Senior Management



Management



Professionals



Retail Positions



● Caucasian ● Black/Dark-skinned ● Asian-Brazilian ● Indigenous

2. Data extracted from the census carried out in February 2022.

Suppliers

Our relationship with suppliers is based on respect and cooperation. Since the start of our operations, suppliers have made an important contribution that has allowed us to maintain a competitive advantage on the market. Our supply chain includes a diverse range of partners, including suppliers of inputs, raw materials and domestic and imported finished products.

Although we produce fabrics at our Joinville (SC) facility, we also purchase these materials and fabrics from specialized suppliers for use in domestic production or by third-party sewing factories, which are small companies that carry out the manufacture of items (cutting, sewing, finishing,

among others). We also purchase finished products from several national or international suppliers, who in turn manufacture items after receiving our approval.

We value respect for each individual's human rights and therefore do not tolerate any kind of child or forced labor, or labor analogous to slavery. We also do not allow our suppliers and partners to use such practices. In cases involving sewing factories, we perform periodic on-site evaluations in which we monitor whether these companies adhere to labor and tax practices that are aligned with legislation and our Code of Conduct (which such parties commit themselves to upon signing the respective contract).

We also verify facilities and working conditions. In 2022, We made 55 in-person visits to the 18 third-party sewing factories we use in Brazil.



Investor Relations

We also maintain relationships with financial market analysts, investment funds, individual investors and securities market regulators, who seek out information about on different aspects of our our business, such as financial results, management vision, strategy and perspectives use to decide to invest in our shares.

For the purposes of maintaining relations with these audiences, our Investor Relations department maintains a website (www.tfco.com.br/ri) and holds events and videoconferences through which results are periodically presented.

Our Investor Relations area also makes the e-mail address ri@tf.com.br available to receive questions and concerns or request meetings with stakeholders. Such requests receive a quick response, which allows us to maintain close and continuous contact for improved disclosure of information.

Community engagement

In 2022, we continued to suport projects that are connected to our mission, with an emphasis on sports initiatives. Such initiatives include: Education through sport – Paraty Athletics School – Partnership formed in 2021; 22nd State Olympiad of the Associations of Parents and Friends of Persons with Special Needs (Apaes) for Santa Catarina; Guga Kuerten Institute; Sports & Education Institute; Hospital de Amor; Santo Agostinho Association (ASA), partnership formed in 2020. These initiatives are well-recognized for offering the appropriate social performance and involve individuals from different age groups, thereby contributing to improving the quality of life among the respective target audiences.



Environment

In 2022, we performed an environmental impact mapping study to better understand water consumption and the generation of waste originating from our operations during 2020 and 2021. Through these studies, we identified opportunities to move forward on the environmental front.

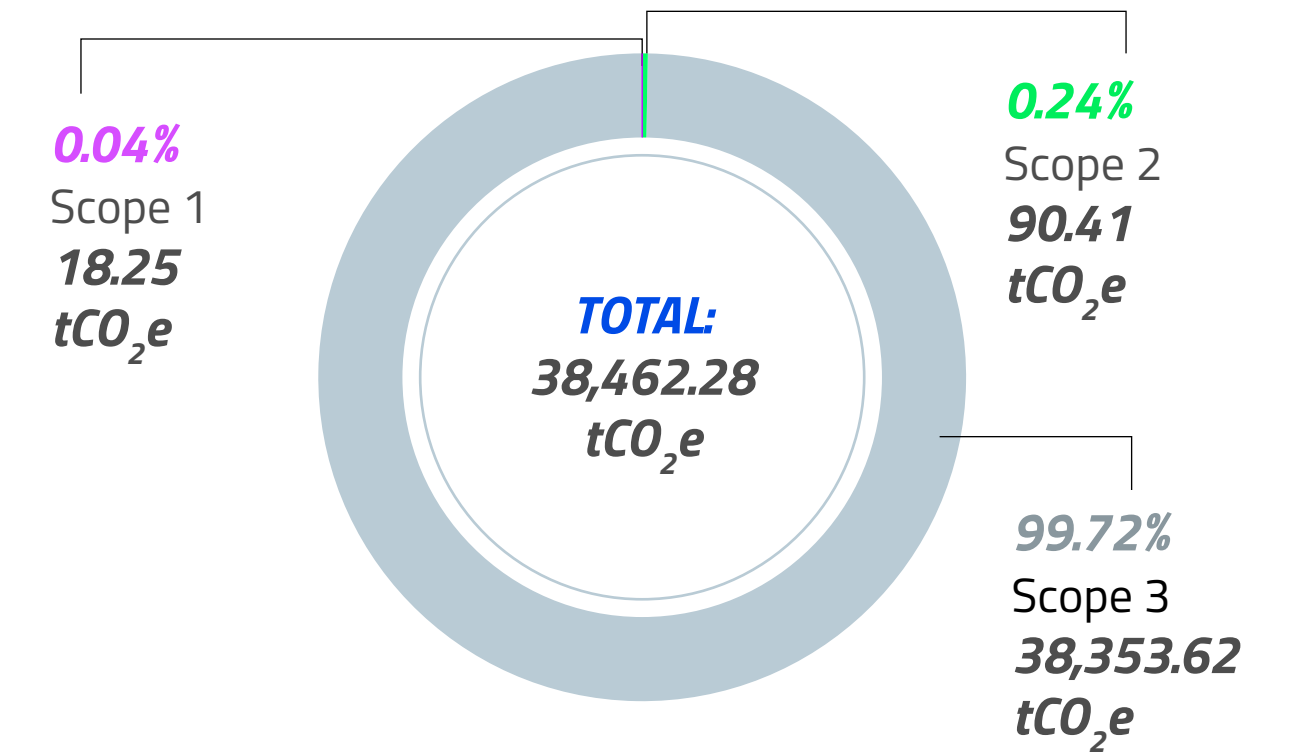
We also prepared a greenhouse gas (GHG) emission inventory, which adhered to the accounting principles of the GHG Protocol direct emissions (Scope 1), indirect emissions stemming from energy acquisition (Scope 2) and other indirect emissions (Scope 3) under ISO 14064-1.

In 2022, the Santander Track&Field Run Series racing circuit provided an innovative approach to runner hydration, supplying water in aluminum cans, which allowed us to eliminate the use of plastic cups. Registered participants had previously consumed between five to seven paper cups per race.

EMISSIONS BY SCOPE (IN tCO₂e) IN 2022

Scope 1	18.25
Mobile combustion	6.10
Stationary combustion	1.15
Fugitive emissions	11.00
Scope 2	90.41
Purchased electricity	90.41
Scope 3	38,353.62
1. Purchased goods and services	33,017.16
2. Capital goods	1,456.03
3. Fuel and energy use	48.24
4. Upstream transport and distribution	148.63
5. Waste generated in company operations	81.98
6. Business travel	269.48
7. Employee commuting	1,685.88
9. Downstream transport and distribution	223.52
10. End-use of sold goods and services	852.93
11. Waste disposal and treatment of products	371.81
12. Operation of franchises	197.96

GHG EMISSIONS BY SCOPE



BIOGENIC GHG EMISSIONS BY SCOPE (IN tCO₂e) IN 2022

Scope 1	2.48
Mobile combustion	2.36
Stationary combustion	0.12
Scope 3	232.81
1. Goods and services purchased	5.17
4. Transport and distribution (upstream)	13.86
6. Business travel	3.91
7. Employee transportation (home-work)	191.80
8. Transport and distribution (downstream)	18.07



Packaging

We know packaging is a relevant issue for the retail sector. With this in mind, and in the search to reduce our environmental footprint, since 2021 we have been working on reviewing several of the packaging models we offer our customers.

In the second half of 2022 we did the roll-out for the entire network, including own stores and franchises. Packing for e-commerce sales was also redesigned in 2021, taking into account functionality, resistance and the reduction of generated waste. The new model also received two awards in 2022: the Gold Trophy at the ABRE Brazilian Packaging Awards, recognition from the Associação Brasileira de Embalagem – ABRE (the Brazilian Packaging Industry Association), considered the top award of the industry in Brazil; and the 2022 Award at the Major Packaging Case Studies event, in the Innovation category.



Track & Field

Credits

The collaboration and partnership of our teams was essential in the preparation of this first Annual Report. Thanks to the dedication of each of our employees, we were able to share our achievements, development and challenges faced throughout 2022. Thank you all very much!

Coordination

ESG T&F Team

Content, design and consulting

Walk4Good

Photography

Internal collection

Limited assurance

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

Corporate information

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