

Track & Field®

# RELEASE 1Q24



**Video conference**

**May 14th (Tuesday)**

09am EUA-EST | 10am Brasília

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- ✦ **Sell out of R\$284.6 million in 1Q24**, representing an **increase of 15.5% vs. 1Q23** and **same store sales growth of +11.8%**. Excluding the effects of January, which showed unusual customer traffic patterns in stores, we observed an even more positive performance in February and March combined, with **YoY growth of 18.7%** and **15.0% in the SSS concept**.
- ✦ **Captured e-commerce sales grew by 49.9%, reaching 11.1% of the total sell out for the network (in terms of captured sales)**, marking the highest historical participation level for this channel.
- ✦ In the first quarter of 2024, **71.9%** of the e-commerce sales were fulfilled by physical stores (**ship from store**).
- ✦ We continue with the roll-out of the second wave of omnichannel strategy, **focusing on implementing the infinite shelf, which was present in 259 stores at the end of the first quarter, and recruiting new partners** for our sports good marketplace (**tfmall**), where we added two new brands during the period.
- ✦ We opened **2 new stores during the quarter** and converted two franchises to company-owned stores, totaling **361 stores by the end of 1Q24**, with a **projection to reach 377 by 06/30**. These new stores were opened in the new format, and we continue focusing on refurbishing existing stores; **by the end of March, we had renovated 5 stores, with 1 company-owned and 4 franchises**.
- ✦ **In 1Q24, TFSports** organized 15 Santander Track&Field Run Series events, 446 "Keep Moving" classes, 109 T&F Experience events, and 6 stages of the Track&Field Open Beach Tennis tournament. At the end of the quarter, the Platform had **more than 644 thousand users (+46.8% YoY)** and **6.7 thousand registered trainers**, who conducted 183 events/classes during the period.
- ✦ **The NPS (Net Promoter Score) reached 79.8 points in 1Q24**, remaining at a high level and consistently proving that the Company's growth coexists with high customer satisfaction across our various channels.





- ✦ **Net revenue** totaled **R\$162.1 million in 1Q24, +14.4% vs. 1Q23** (R\$141.7 million).
- ✦ **Gross profit grew 14.6% vs. 1Q23**, reaching R\$95.4 million in 1Q24, with a **gross margin of 58.9% (+0.1 p.p. YoY)**.
- ✦ **Adjusted EBITDA** reached **R\$37.0 million in 1Q24, +10.6% YoY. Adjusted EBITDA margin of 22.8% in the quarter** vs. 23.6% in 1Q23.
- ✦ **Adjusted net income** totaled **R\$28.4 million in 1Q24, +6.8% vs. 1Q23. Excluding TFSports, 1Q24's net income totaled R\$29.4 million, +16.4% vs. 1Q23.**
- ✦ In the **two-month period of February/March**, we reported growth in **adjusted EBITDA and net income of 22.3% and 22.2%, respectively**, reinforcing the positive trend of sales growth with increased profitability.
- ✦ **Operating cash flow amounted to R\$46.4 million, 3x above** the value generated during the same period in 2023.





# ADMINISTRATION

In these early months of the year, we achieved positive results, especially from February onward, when we observed a notable improvement in our performance. Although we recorded more moderate growth compared to previous periods, the trend became more positive in the last two months of the quarter, influencing the consolidated result. Overall, January presented some challenges due to the holiday season and international travel, resulting in reduced customer traffic in stores. However, after Carnival (which occurred in the beginning of February), we noticed a significant improvement, which had a positive impact on the quarterly result.

In this context, we achieved a sell out of R\$284.6 million in 1Q24, an increase of 15.5% compared to 1Q23, allowing us to improve profitability, as measured by adjusted EBITDA, by 10.6% YoY, with a margin of 22.8% in 1Q24. Additionally, we recorded an adjusted net income of R\$28.4 million, representing an increase of 6.8% compared to the same period last year.

Regarding expansion, we closed the quarter with the opening of two new franchises, bringing the total to 361 stores across the country. Additionally, five stores were renovated to the new concept (one company-owned store and four franchises). In April, we inaugurated our first franchise outside Brazil, in Portugal, located at the Marina de Cascais. More than just a retail point, we are bringing to Europe the entire wellness ecosystem of the brand, including experiences and events focused on an active and healthy lifestyle promoted by TFSports.

Our focus remains on brand expansion, with special attention to strengthening our franchise network. We ended the year with over 30 stores contracted for opening in 2024, which is above the level observed in previous years. We aim to double the number of renovated stores, both company-owned and franchises. In this context, we already have 33 stores scheduled for renovation, with good prospects for reaching our goal of doubling the number of renovations compared to 2023.

We also highlight the performance of TFSports, which held over 500 events/experiences during the quarter. This included 15 street races from the Santander Track&Field Run Series, 6 stages of the Track&Field Open Beach Tennis tournament, 109 T&F Experience events, and 446 classes from the "Keep Moving" program. The platform reached over 644,000 users by the end of the period, representing a growth of 46.8% YoY. Currently, we have 6,700 coaches connected to the app, who delivered 183 classes/events to our customer base during the period. On tfmall, from the beginning of the year until the end of March, we added two new brands, totaling 11 partners that we consider highly complementary to T&F and its audience. On this front, we are committed to seeking new strategic partners throughout 2024.

Regarding the ESG agenda, we are continuing to implement the ESG 2025 Plan, focusing on Waste, Climate Change, the Annual Report, and Diversity. In the Waste area, we've designed an action plan to implement improvements across all our operations. Regarding Climate Change, we are developing our 2023 greenhouse gas emissions inventory. Finally, we are working with internal teams to develop and consolidate information for the Annual Report, which will be published in the second quarter of 2024. As part of our Diversity, Equity & Inclusion program, T&F+, in 2024, we became affiliated with the Empresa Cidadã Program, which extends maternity and paternity leave for employees. We also comply with the Equal Pay Law, including the publication of the transparency report. To foster a more diverse and inclusive environment, we've revisited our hiring process, including the promotion of affirmative job openings. We also promote dialogue spaces with affinity groups to listen, welcome, and collectively consider internal actions.

We remain committed to strengthening our wellness ecosystem this year, with a total focus on our growth plan and the optimization of processes and operations. We are accelerating our events and reinforcing our TFSports platform. We would like to express our gratitude to our employees, Board of Directors, franchisees, and suppliers for their commitment and partnership, and to our shareholders for their trust in our company.

## Table | Summary of Indicators

São Paulo, May 13th, 2024 – Track & Field CO S.A. (B3: TFCO4) announces its results for the first quarter (1Q24).

R\$ thousand, except when indicated	1Q24	1Q23	Var. 1Q24 / 1Q23
<b>Financial Results</b>			
<b>Net Revenue</b>	162,131	141,690	14.4%
<b>Gross Profit</b>	95,436	83,307	14.6%
<i>Gross Margin</i>	58.9%	58.8%	0.1 p.p.
<b>EBITDA</b>	41,413	37,774	9.6%
<i>EBITDA Margin</i>	25.5%	26.7%	-1.2 p.p.
<b>Adjusted EBITDA<sup>1</sup></b>	36,993	33,446	10.6%
<i>Adjusted EBITDA Margin</i>	22.8%	23.6%	-0.8 p.p.
<b>Adj. EBITDA Ex-TFSports</b>	37,127	31,616	17.4%
<i>Adj. EBITDA Mg. Ex-TFSports</i>	24.6%	23.9%	0.7 p.p.
<b>Net Income</b>	26,385	25,087	5.2%
<i>Net Margin</i>	16.3%	17.7%	-1.4 p.p.
<b>Adjusted Net Income<sup>2</sup></b>	28,350	26,551	6.8%
<i>Adjusted Net Margin</i>	17.5%	18.7%	-1.2 p.p.
<b>Adj. Net Income Ex-TFSports</b>	29,405	25,254	16.4%
<i>Adj. Net Margin Ex-TFSports</i>	19.4%	19.1%	0.3 p.p.
<b>Net Cash<sup>3</sup></b>	82,179	63,286	29.9%
<b>Net Cash Equivalents<sup>3</sup></b>	153,334	116,510	31.6%
<b>Operational Indicators</b>			
<b>Number of Stores</b>	361	334	8.1%
Own	48	44	9.1%
Franchises	313	290	7.9%
<b>Average Ticket (R\$)</b>	396.30	351.15	12.9%
<b>Same Store Sales</b>	11.8%	11.8%	0.0 p.p.
<b>Total Sell Out (R\$ thousand)<sup>5</sup></b>	284,602	246,358	15.5%
<b>Sales by E-commerce (R\$ thousand)</b>	31,576	21,065	49.9%

Note: adjusted values refer to non-accounting measures for purpose of comparability and better market analysis.

<sup>1</sup> Adjusted EBITDA: excluding IFRS-16 effects (effect of exclusion of right-of-use depreciation expense and lease expense related to rentals) and non-recurring expenses.

<sup>2</sup> Adjusted net income: excluding IFRS-16 application and non-recurring expenses.

<sup>3</sup> Net cash: Cash and cash equivalents – financial loans.

<sup>4</sup> Net cash equivalents: Cash and cash equivalents + receivables from cards

<sup>5</sup> Total sell out: represents Track&Field's consumer sales, irrespective of sales channel (physical/online or whether own store/franchise)

 Sell Out

Billed Sell Out per Channel (R\$ thousand)	1Q24	1Q23	Var. 1Q24 / 1Q23
Franchises	176,878	152,805	15.8%
Own Stores	98,884	89,578	10.4%
E-Commerce	8,840	3,974	122.4%
<b>Sell out per channel</b>	<b>284,602</b>	<b>246,358</b>	<b>15.5%</b>

Captured Sell Out per Channel (R\$ thousand)	1Q24	1Q23	Var. 1Q24 / 1Q23
Franchises	165,278	145,072	13.9%
Own Stores	87,749	80,220	9.4%
E-Commerce	31,576	21,065	49.9%
<b>Sell out per channel</b>	<b>284,602</b>	<b>246,358</b>	<b>15.5%</b>

The sell out, which is the sum of gross sales across all Track&Field sales channels (including company-owned stores, franchises, and e-commerce), reached R\$284.6 million in 1Q24, representing total growth of 15.5% compared to the same period in 2023 and 11.8% in same store sales.

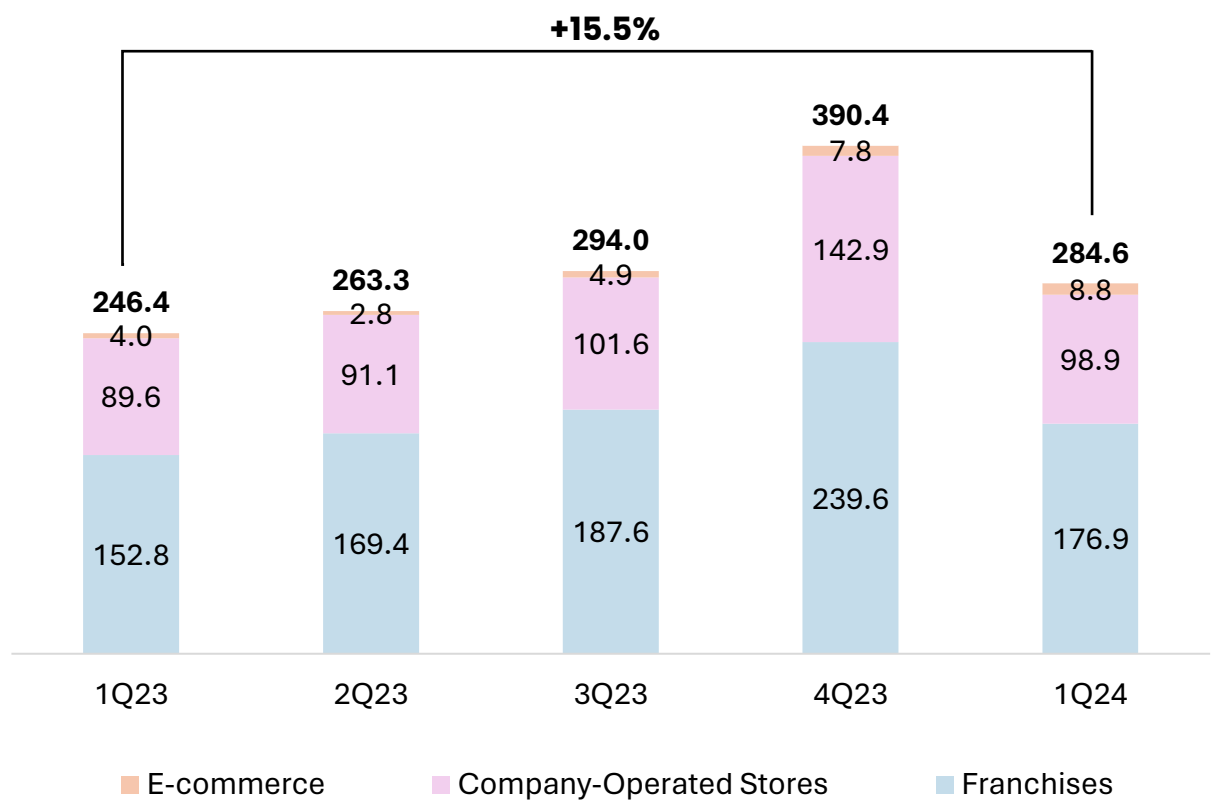
During the first quarter of the year, we observed distinct behavior among the months, but which altogether generated another quarter of double-digit growth. The modest sales performance in January stood out as the primary reason for the negative impact on the sell out during the period. This specific month saw lower-than-expected customer traffic in our stores, largely due to a significant resurgence in international travel. Additionally, the combination of the end of the holiday season with Carnival week, which occurred earlier in 2024 compared to 2023, also negatively impacted January's performance.

However, after the Carnival period, we noticed a normalization in customer traffic in our stores, with sales returning to expected levels. In this context, February's sales aligned with the growth pace observed in the last quarter of 2023. This, coupled with the solid performance in March, resulted in even more significant growth for these two months compared to the same period in 2023 (+18.7% YoY).

Moreover, it's important to highlight that our e-commerce continued to exhibit more robust growth compared to physical channels (+49.9% in the captured sell out view vs. 1Q23). This performance leads to a significant gain in the share of e-commerce in the company's business mix, reflecting, primarily, our ongoing efforts to enhance our strategies in various areas such as website experience, staffing, and media strategies, as well as the consolidation of our omnichannel approach.

### Billed Sell Out

R\$ million

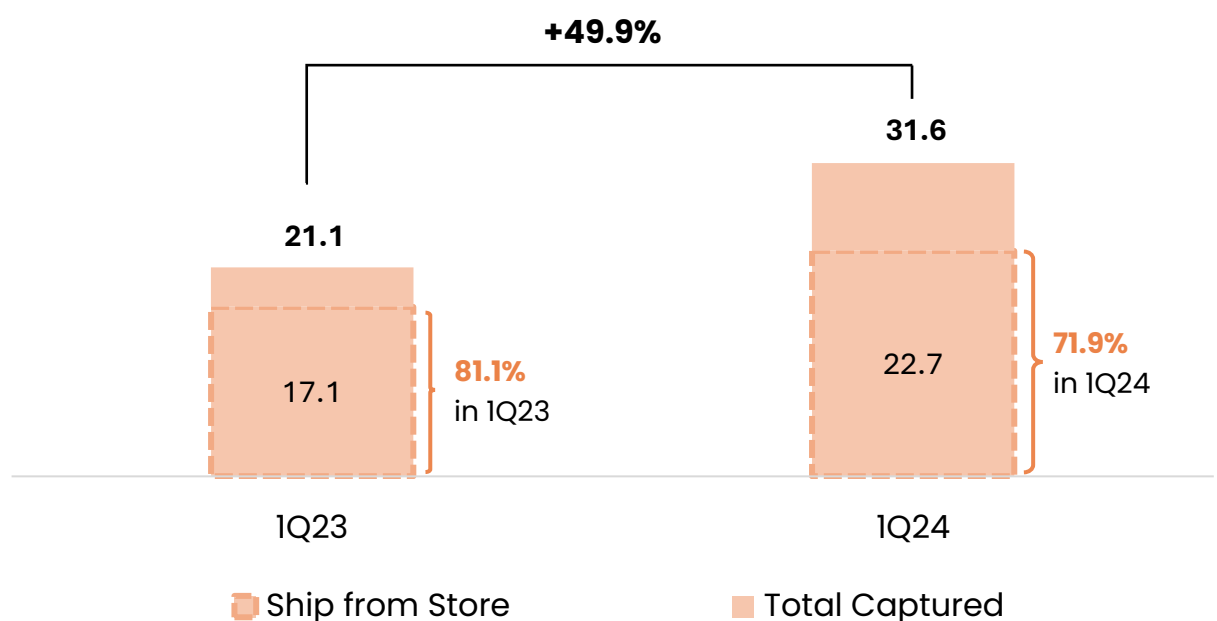


By the end of March, we had 28% of our stores in the new layout, and we expect to have almost half of our network in the new concept by the end of 2024. The renovated stores experienced a sales growth of 19.4% in 1Q24 and 24.2% in the February/March bimester.

Additionally, we continue to see positive results from our ship-from-store initiatives – where physical stores function as mini-distribution centers – and pick-up-in-store – where customers can collect online orders from physical stores. Of the sell out captured through e-commerce, 71.9% were generated via the ship-from-store model during the quarter.

### E-commerce (captured)

R\$ million





# Digital Channels and Omnichannel

Our omnichannel platform is a strategic differentiator, providing a unique experience to our customers and strengthening our position in the market. We are committed to maintaining this synergy between the physical and digital worlds, thus driving our growth.

We concluded the year with 361 stores, of which 25 operate as national sellers, conducting deliveries nationwide, and 315 are local sellers, representing approximately 40% and 32%, respectively, of the total sell out in 1Q24 (with the remaining 28% billed by our distribution center).

Continuing our commitment to innovation, our company has successfully introduced the infinite shelf concept across 259 stores, integrating them with our digital platform. This innovative approach not only broadens our physical presence but also ensures a seamless shopping experience for customers, enhancing convenience. The adoption of the infinite shelf underscores our dedication to maintaining high standards and staying adaptable to the changing demands of the market.

Additionally, another initiative that continues to yield positive results is social selling. This method encompasses sales made through the sending of payment links and delivery to the customer's address, focusing on the efficient conversion of transactions initiated via WhatsApp, characterizing an influenced sale.

In the last quarter (1Q24), we recorded a growth of 11.7% in the sell out of influenced sales compared to the previous year, representing a significant 37.5% of the total sell out for the quarter. This success not only highlights innovation in our sales approach but also underscores the growing importance of social selling in our operational strategies.

Complementing the implementation of all these initiatives across our network, we have an optimized logistics operation, enabling the delivery of products within a maximum of 2 business days. This super-express delivery represented approximately 74% of all deliveries in 1Q24.





## → Net Revenue

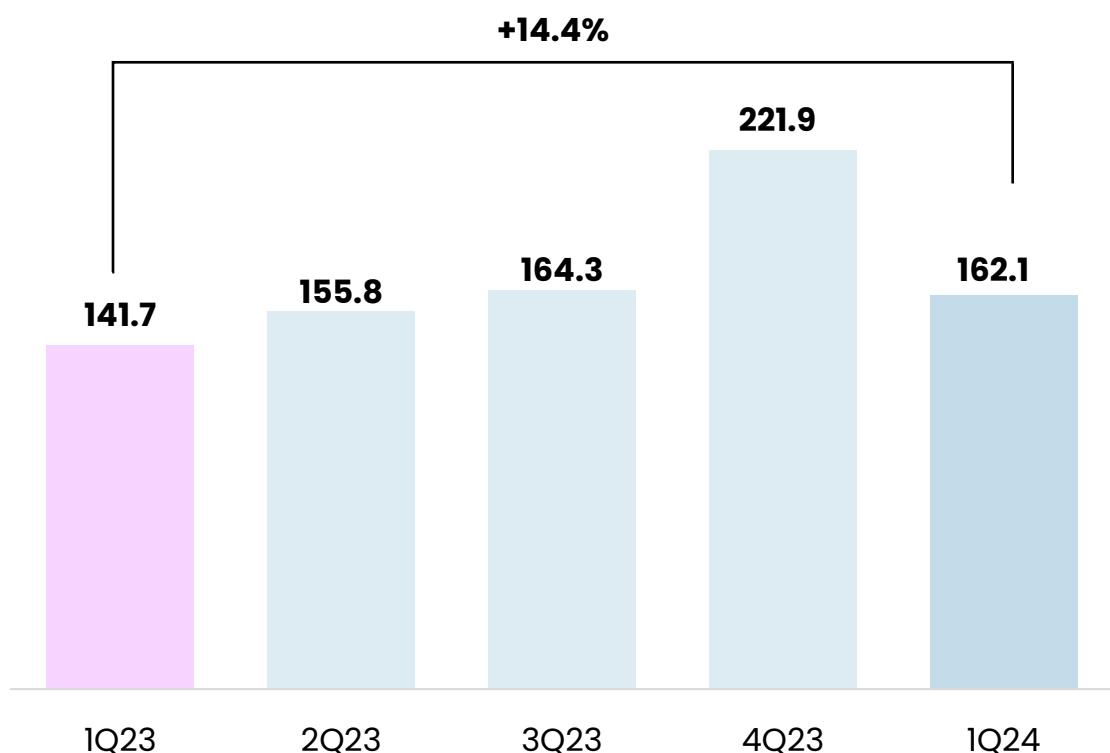
Net Revenue (R\$ thousand)	1Q24	1Q23	Var. 1Q24 / 1Q23
Goods for Franchises	41,897	38,673	8.3%
Royalties	27,576	23,381	17.9%
Retail (Own Network)	81,201	69,623	16.6%
Events/tfmall	10,909	9,274	17.6%
Others	548	739	-25.8%
<b>Total Net Revenue</b>	<b>162,131</b>	<b>141,690</b>	<b>14.4%</b>

The net revenue for the first quarter of the year totaled R\$162.1 million, a growth of +14.4% compared to 1Q23, with year-over-year growth seen in almost every component line.

Firstly, it's important to highlight the performance of the royalty channel (+17.9% YoY), which reached R\$27.6 million, representing 17.0% of the total net revenue for the period (compared to a 16.5% representation in 1Q23). This growth is mainly attributed to the positive performance observed in the sell out of our franchise channel, which increased by 15.8% compared to the previous year, reflecting (i) the increase in the number of franchises compared to the previous year, (ii) better performance from renovated stores, and (iii) continued improvement in the franchisee purchasing recommendation tool, which helps them select a more suitable product offering for their stores.

### Net Revenue

R\$ million





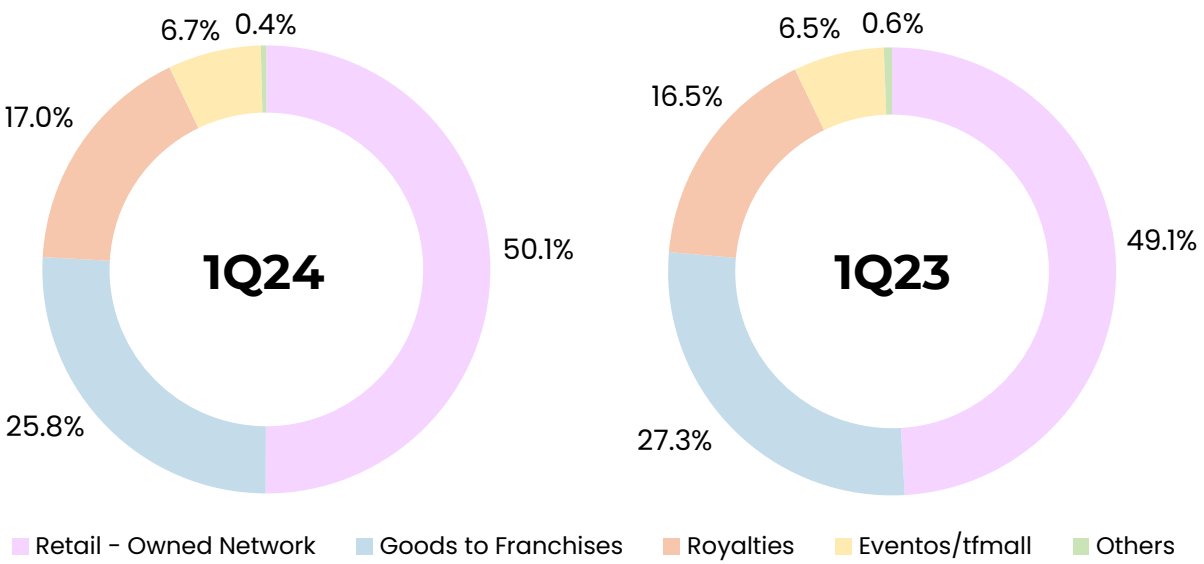


Additionally, the retail channel (company-owned network) also deserves recognition for its performance, reporting 16.6% YoY growth and reaching a 50.1% share of total net revenue (vs. 49.1% in 1Q23). This increase is mainly the result of the strong performance in our company-owned stores, which saw sales growth of 10.4% compared to the previous year, largely attributed to (i) the positive impact of store renovations and (ii) a greater number of company-owned stores (four more stores) compared to 1Q23.

Additionally, we highlight the 17.6% YoY growth in net revenue from events and tfmall (TFSports), mainly due to the acceleration of events, in-line with the Company's strategy.

Lastly, it's worth mentioning that the more modest growth in the merchandise for franchises line during the first quarter (+8.3% YoY) was due to delays in the supply of certain items. The normalization of these supplies only occurred in April, which means the corresponding sales will be recorded in the second quarter of 2024.

**Net Revenue Breakdown (%)**





## → Gross Profit

Gross Profit (R\$ thousand)	1Q24	1Q23	Var. 1Q24 / 1Q23
<b>Gross Profit</b>	<b>95,436</b>	<b>83,307</b>	<b>14.6%</b>
<i>Gross Margin</i>	<i>58.9%</i>	<i>58.8%</i>	<i>0.1 p.p.</i>

Gross profit for the quarter reached R\$95.4 million, recording an increase of 14.6% compared to 1Q23 and resulting in a margin of 58.9%. This growth was mainly driven by a favorable business mix, with a reduced share from the good to franchises channel in favor of channels with higher margins, such as royalties (100% margin) and retail sales (company-owned network), which also carries higher margin.





## → Adjusted Operating Expenses

Adjusted Net Revenue (R\$ thousand)	1Q24	1Q23	Var. 1Q24 / 1Q23
<b>General Adjusted Net Revenue</b>	<b>162,131</b>	<b>141,690</b>	<b>14.43%</b>
Operating Expenses (R\$ thousand)	1Q24	1Q23	Var. 1Q24 / 1Q23
<b>Sales</b>	31,362	29,473	6.4%
<i>% With Sales over General NR</i>	19.3%	20.8%	-1.5 p.p.
<b>General and Administrative</b>	27,158	20,931	29.7%
<i>% G&amp;A over General NR</i>	16.8%	14.8%	2.0 p.p.
<b>Operating Expenses</b>	<b>58,521</b>	<b>50,404</b>	<b>16.1%</b>
<i>%Total Operating Expenses over General NR</i>	36.1%	35.6%	0.5 p.p.
<b>Other Operating Revenues (Expenses)</b>	<b>-307</b>	<b>-243</b>	<b>26.5%</b>
<b>Total Operating Expenses (Revenue) - w/ depreciation</b>	<b>58,213</b>	<b>50,161</b>	<b>16.1%</b>
<i>%Total Operating Expenses (Revenue) over General NR</i>	35.9%	35.4%	0.5 p.p.
<b>Depreciation</b>	<b>3,097</b>	<b>2,000</b>	<b>54.9%</b>
<b>Total Operating Expenses (Revenue) - w/ depreciation</b>	<b>61,310</b>	<b>52,161</b>	<b>17.5%</b>
<i>%Total Operating Expenses over General NR</i>	37.8%	36.8%	1.0 p.p.

Adjusted operating expenses represented 35.9% of net sales in the first quarter of 2024, compared to 35.4% in the first quarter of 2023. This is mainly the result of lower expense dilution in January due to sales being below expectations, combined with a portion of sell-in revenue that did not occur in the first quarter of 2024.

However, looking at the February/March bimester, we observed adjusted operating expenses representing 32.1% of net sales, a 1.0 p.p. decrease compared to the same period in 2023 (33.1%), highlighting the impact of January on the quarter's results.

Regarding sales expenses, we again saw a decrease in the proportion to net sales when comparing 1Q24 vs. 1Q23 (-1.5 p.p. YoY), due to the increased representation of the franchise channel in the total network, which diluted the weight of expenses from own retail in the company's total turnover.

The increase in administrative expenses relative to net sales for the quarter (+2.0 p.p. YoY) is due to lower fixed cost dilution in January and the strengthening of corporate structures to support the company's growth throughout 2023, and therefore carried into the first quarter of 2024.

Excluding TFSports, where we continue with user acquisition and business structuring initiatives, the Company reported an operational leverage of 0.8 p.p., with expenses representing 34.7% of net revenue in the quarter (versus 35.5% in 1Q23).


**EBITDA**

<b>EBITDA</b>	<b>1Q24</b>	<b>1Q23</b>	<b>Var.</b>
(R\$ thousand)			<b>1Q24 / 1Q23</b>
<b>Net Income</b>	26,385	25,087	5.2%
(+) Income Tax and CS (Social Contribution)	4,396	4,215	4.3%
(+) Net Financial Result	3,534	2,660	32.9%
(+) Depreciation and amortization	7,098	5,812	22.1%
<b>EBITDA</b>	<b>41,413</b>	<b>37,774</b>	<b>9.6%</b>
<i>EBITDA Margin</i>	25.5%	26.7%	-1.2 p.p.
(+) IFRS-16 Adjustment	-5,857	-5,107	14.69%
(+) Non-Recurring Adjustments	1,437	780	84.25%
<b>Adjusted EBITDA</b>	<b>36,993</b>	<b>33,446</b>	<b>10.6%</b>
<i>Adjusted EBITDA Margin</i>	22.8%	23.6%	-0.8 p.p.
<b>Adjusted EBITDA Ex- TFSports</b>	<b>37,127</b>	<b>31,616</b>	<b>17.4%</b>
<i>Adjusted EBITDA Margin Ex- TFSports</i>	24.6%	23.9%	0.7 p.p.

Note: The table detailing Non-Recurring Items can be found on page 25.

EBITDA totaled R\$41.4 million in the quarter, growing 9.6% compared to 1Q23. The EBITDA margin for the period was 25.5% – a decrease of 1.2 p.p. compared to the margin of 26.7% seen in the same period last year.

Excluding the effects of IFRS-16 and non-recurring expenses, adjusted EBITDA amounted to R\$37.0 million in 1Q24, a 10.6% increase YoY, with a margin of 22.8% (-0.8 p.p. YoY). This decline in margin can be explained by increased expenses in the quarter compared to the first quarter of 2023, driven by TFSports-related costs and lower expense dilution in January.

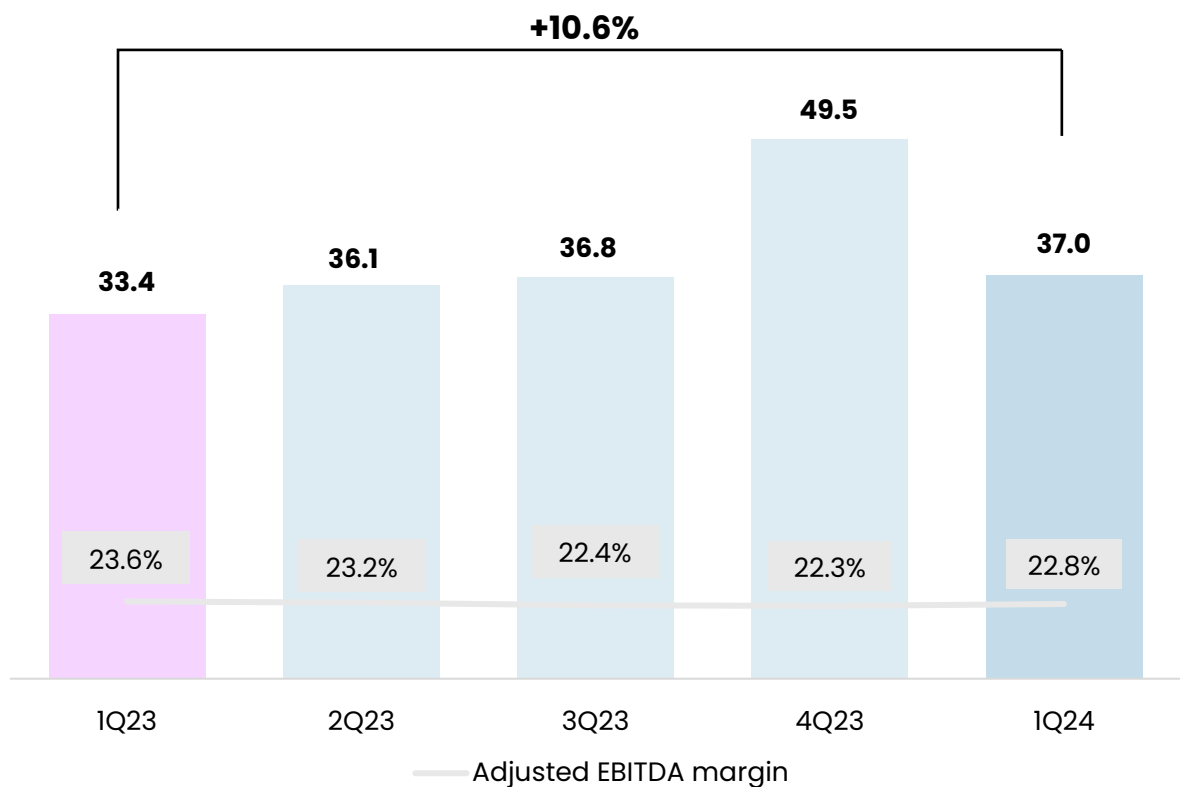
For the February/March two-month period, adjusted EBITDA reached R\$30.1 million, a growth of 22.3% compared to the same period last year, with a margin of 25.3% (+0.7 percentage points YoY).

Excluding TFSports, adjusted EBITDA reached R\$37.1 million in 1Q24, representing a growth of 17.4% compared to the previous year, and a margin of 24.6% (+0.7 percentage points YoY).



## Adjusted EBITDA

R\$ million



## → Financial Result

Financial Result (R\$ thousand)	1Q24	1Q23	Var. 1Q24 / 1Q23
<b>Financial Revenues</b>	2,547	1,986	28.2%
<b>Financial Expenses</b>	-6,081	-4,646	30.9%
IFRS interest	-2,607	-2,203	18.3%
Other Financial Expenses	-3,474	-2,443	42.2%
<b>Financial Result</b>	<b>-3,534</b>	<b>-2,660</b>	<b>32.9%</b>
<b>Net Effect of Adjustments</b>	2,888	2,654	8.8%
<b>Adjusted Financial Result*</b>	<b>-646</b>	<b>-6</b>	<b>n.m.</b>

Note: The effects of adjustments relate to lease interest from rental operations and non-recurring items.

In the first quarter, the adjusted financial result, excluding the net effect of IFRS-16 adjustments and non-recurring items, was negative by R\$646 thousand in 1Q24.

Once again, the Company ended the quarter with no indebtedness and did not make any advance on receivables during the period.

Excluding the IFRS-16 adjustments, we observed a negative financial result of R\$3.5 million, mainly due to an increase in financial expenses related to lease contracts. These expenses offset the positive effects of the growth in financial income, which increased by 28.2%.

## → Net Income

Net Income (R\$ thousand and %)	1Q24	1Q23	Var. 1Q24 / 1Q23
<b>Net Income</b>	<b>26,385</b>	<b>25,087</b>	<b>5.2%</b>
<i>Net Margin</i>	<i>16.3%</i>	<i>17.7%</i>	<i>-1.4 p.p.</i>
(+) IFRS-16 Adjustment	909	678	34.1%
(+) Non-Recurring Adjustments*	1,056	787	34.2%
<b>Adjusted Net Income</b>	<b>28,350</b>	<b>26,551</b>	<b>6.8%</b>
<i>Adjusted Net Margin</i>	<i>17.5%</i>	<i>18.7%</i>	<i>-1.2 p.p.</i>
<b>Ex-TFSports Adjusted Net Income</b>	<b>29,405</b>	<b>25,254</b>	<b>16.4%</b>
<i>Ex-TFSports Adjusted Net Margin</i>	<i>19.4%</i>	<i>19.1%</i>	<i>0.3 p.p.</i>

Note: The table detailing Non-Recurring Items can be found on page 25.

In the first quarter of 2024, net income reached R\$26.4 million, representing a 5.2% increase compared to R\$25.1 million in the first quarter of 2023.

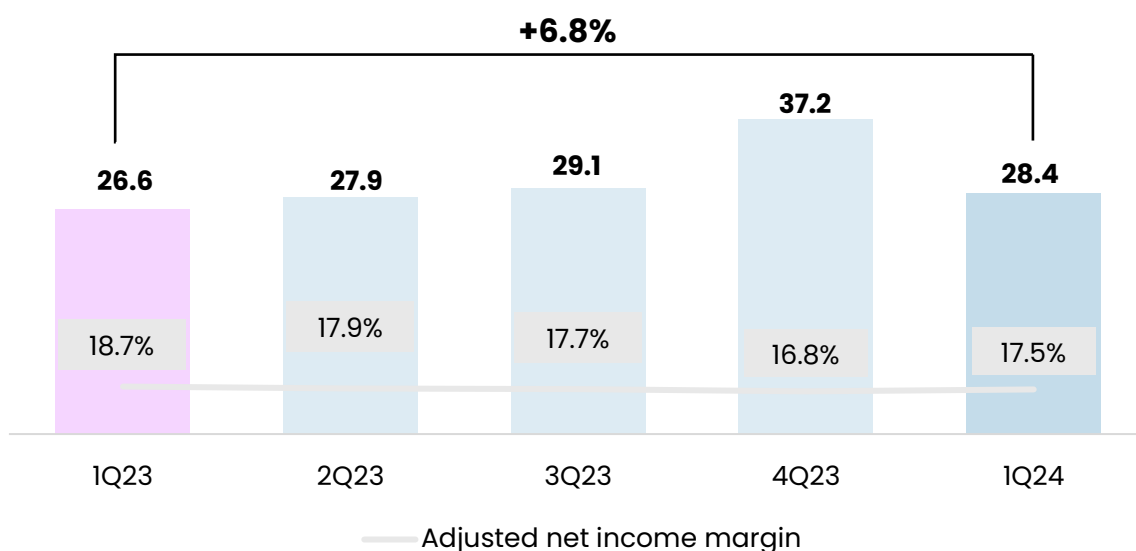
Adjusted net income, excluding the effects of IFRS-16 and non-recurring expenses, reached R\$28.4 million in the quarter, growing 6.8% compared to the R\$26.6 million recorded in the same period in 2023. Meanwhile, the adjusted net margin closed the quarter at 17.5%, registering a decrease of 1.2 percentage points compared to the previous year.

For the two-month period comprised of February/March, adjusted net income reached R\$23.9 million, a growth of 22.2% compared to the same period last year, with a margin of 20.1% (+0.5 p.p. YoY).

Adjusted net income Ex-TFSports totaled R\$29.4 million in 1Q24, representing a 16.4% increase compared to the R\$25.3 million recorded in 1Q23, with a margin gain of 0.3 percentage points, reaching 19.4%.

### Adjusted Net Income

R\$ million







TFSports	1Q24	1Q23	Var. 1Q24 / 1Q23
<b>Net Revenue</b> (RS thousand)	10,909	9,274	17.6%
<b>Users on the App</b> (thousand)*	644.4	439.0	46.8%
<b>Registration in street races/Experiences</b> (thousand)	67.9	45.1	50.5%
<b>Number of Trainers</b> (thousand)*	6.7	4.3	55.3%

Note (\*): Positions at the closing date of each period.

Our TFSports app has shown significant YoY growth in the number of registered users, reaching over 644 thousand in 1Q24 (+46.8% compared to 1Q23). In addition to offering sports events, unique experiences, and free online classes through the "Keep Moving" program, the app now connects 6.7 thousand trainers who offer paid or free classes to our customer base.

Net revenue for 1Q24 totaled R\$10.9 million (including tfmall), a 17.6% expansion compared to the same period last year. Adjusted EBITDA for the quarter was close to breakeven (-R\$135.0 thousand), mainly impacted by (i) the increase in the number of events held during the quarter (in-line with the Company's strategy to drive growth in the platform's user base) and (ii) the impact of expenses related to administrative structure reinforcements made over the previous year to support the Company's growth.



In the first quarter of 2024, the following activities were carried out: 446 Keep Moving classes, with 10.7 thousand participants; 15 street races from the Santander Track&Field Run Series, closing the quarter with 44.5 thousand participants; 6 stages of the Track&Field Open Beach Tennis, totaling 1.7 thousand participants; and 109 T&F Experience events (in-person classes led by specialized trainers in various activities such as Kayak, Yoga, Bike, Fight, Tennis, Beach Tennis, Hawaiian Canoe, Functional Fitness, Paddle Sports, Kangoo Jump, Indoor Cycling, among others), with 8.2 thousand participants. Furthermore, the Trainers organized 183 classes/events on our platform, with 2.8 thousand registered attendees.

In tfmall, our wellness-focused curated marketplace, we added 2 new brands during 1Q24, bringing the total to 11 partners that we believe have strong synergy with our brand and customers (Apple, Garmin, Head, Hoka, Manduka, New Balance, Polar, Samsung, Saucony, DJI, and Sony). It's worth noting that the marketplace's GMV, still in ramp-up, reached R\$1.3 million during the quarter.

2024 will be another year of acceleration and consolidation for TFSports as one of the leading global platforms for organizing events and experiences focused on an active and healthy lifestyle.





## Cash Flow

Cash Flow (R\$ thousand)	1Q24	4Q23	1Q23
Net cash generated from operational activities	46.4	78.5	15.1
Net Cash used in investment activities	-11.0	-34.4	-6.7
Net cash generated by financing activities	-7.7	-50.2	-5.6
Increase / Reduction of cash and cash equivalents	27.7	- 6.0	2.8
Cash balance at the beginning of the period	54.5	60.5	60.5
<b>Cash balance at the end of the period</b>	<b>82.2</b>	<b>54.5</b>	<b>63.3</b>

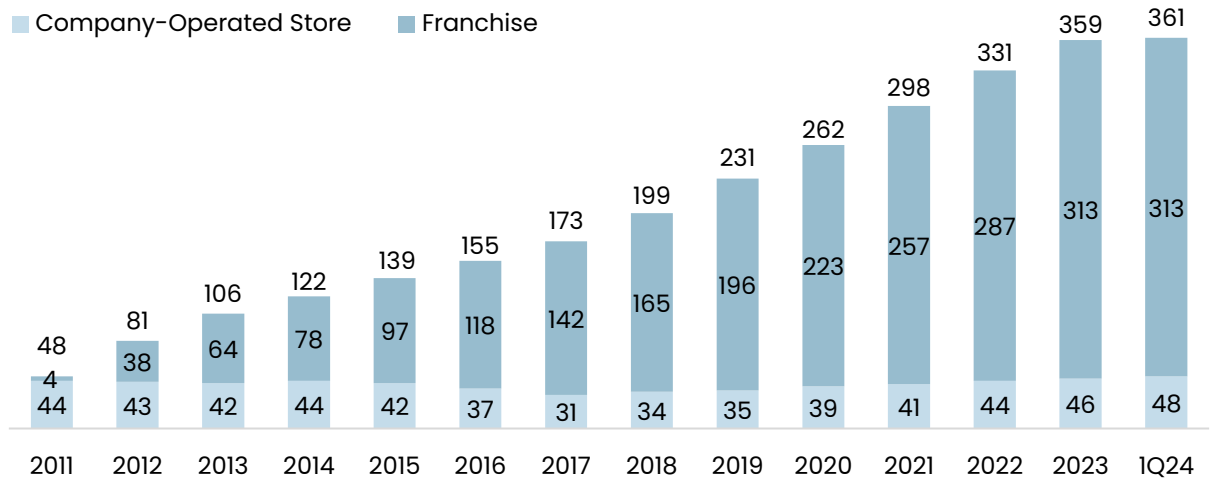
Net cash generated from operating activities was R\$46.4 million, a level 207.3% higher than the same period last year, once again demonstrating the company's healthy growth. It is worth highlighting that this positive result versus the same period in the previous year occurred due to the growth observed during the quarter, in conjunction with the improvement in the working capital indicators recorded during the same period.

The increase in cash generated from operating activities was partially absorbed by the increase in net cash applied in investment activities (+64.2% YoY), mainly due to the development of the TFSports platform and store renovations, as well as the increase in financing activities (+37.5% YoY), primarily due to lease payments for the right-of-use assets.

The company ended the period with a net cash balance 29.9% above that reported in the same period in 2023 (R\$82.2 million vs. R\$63.3 million), with cash equivalents (including credit card receivables) totaling R\$153.3 million. We achieved this result despite the investments made throughout the period to grow the retail operation and expand the TFSports division, demonstrating the Company's commitment to sustainable growth and a focus on consistent cash generation.

# EXPANSION

## NUMBER OF STORES



Note: E-Commerce considered as 1 Company operated store.

During the first quarter of 2024, we opened 2 new franchises and converted two franchises into company-owned stores, ending the period with a total of 361 stores in the network, consisting of 38 company-owned stores, 10 outlets, and 313 franchises.

All new stores are being inaugurated with Experience Store elements, featuring a complete renewal of equipment, visual communication, and improved product display. Additionally, 5 stores were renovated to the new concept during the quarter, with 4 franchises and 1 company-owned store.

In April, we announced the opening of our store in Portugal, marking our debut with a franchise outside Brazil. The space, located at the Marina de Cascais, brings customers closer to the entire wellness ecosystem of the brand.





# STORE MAP

## North

**11 Stores**  
11 Franchises

## Northeast

**50 Stores**  
48 Franchises  
2 Company-Operated

## Midwest

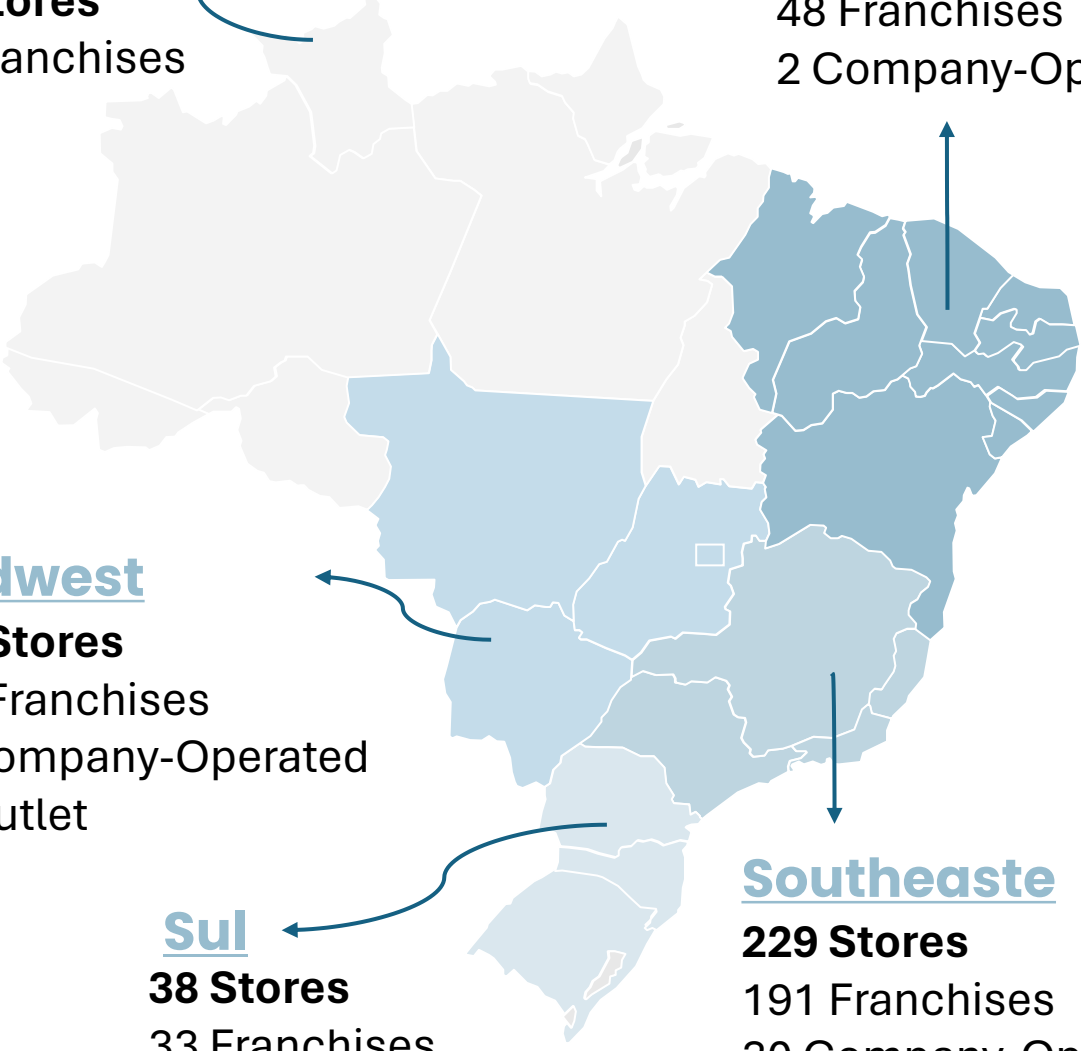
**33 Stores**  
30 Franchises  
2 Company-Operated  
1 Outlet

## Sul

**38 Stores**  
33 Franchises  
3 Company-Operated  
2 Outlets

## Southeaste

**229 Stores**  
191 Franchises  
30 Company-Operated  
7 Outlets  
1 *E-commerce*





Track & Field

# ANNEXES





**Income Statement for the Period**

(Excluding IFRS-16 Effect and Non-Recurring Items)

<b>R\$ thousand</b>	<b>1Q24</b>	<b>1Q23</b>
NET REVENUE FROM SALES OF GOODS AND SERVICES PROVIDED	162.131	141.690
Cost of goods sold and services provided	-66.925	-58.082
GROSS PROFIT	95.206	83.608
<i>Gross Margin</i>	<i>58,7%</i>	<i>59,0%</i>
Operating Expenses	-61.618	-52.404
Sales	-32.698	-30.276
General and Administrative	-28.919	-22.128
<i>% Total Operating Expenses over General NR</i>	<i>38,0%</i>	<i>37,0%</i>
Other Operating Expenses (Revenues), Net	307	243
Total Operating Expenses (Revenues)	-61.310	-52.161
<i>% Total Operating Expenses (Revenues) over General NR</i>	<i>37,8%</i>	<i>36,8%</i>
Adjusted EBITDA	36.993	33.446
<i>Adjusted EBITDA Margin</i>	<i>22,8%</i>	<i>23,6%</i>
Depreciation and Amortization	-3.097	-2.000
EARNINGS BEFORE FINANCIAL RESULT	33.896	31.447
ADJUSTED FINANCIAL RESULT	-646	-6
Financial revenues	2.547	1.986
Financial expenses	-3.193	-1.992
OPERATING INCOME BEFORE IR AND CS	33.250	31.441
INCOME TAX AND CS (SOCIAL CONTRIBUTION)	-4.900	-4.890
<b>ADJUSTED NET INCOME IN THE FISCAL YEAR</b>	<b>28.350</b>	<b>26.551</b>
<i>Adjusted net margin</i>	<i>17,5%</i>	<i>18,7%</i>

**Income Statement for the Period**

R\$ thousand	1Q24	1Q23
NET REVENUE FROM SALES OF GOODS AND SERVICES PROVIDED	162,131	141,690
Cost of goods sold and services provided	-66,695	-58,383
GROSS PROFIT	95,436	83,307
<i>Gross Margin</i>	58.9%	58.8%
Operating Expenses	-61,428	-51,295
Sales	-31,567	-29,265
General and Administrative	-29,861	-22,030
<i>% Total Operating Expenses over General NR</i>	37.9%	36.2%
Other Operating Expenses (Revenues), Net	307	-50
Total Operating Expenses (Revenues)	-61,121	-51,345
<i>% Total Operating Expenses (Revenues) over General NR</i>	37.7%	36.2%
EBITDA	41,413	37,774
<i>EBITDA Margin</i>	25.5%	26.7%
Depreciation and Amortization	-7,098	-5,812
EARNINGS BEFORE FINANCIAL RESULT	34,315	31,962
FINANCIAL RESULT	-3,534	-2,660
Financial revenues	2,547	1,986
Financial expenses	-6,081	-4,646
OPERATING INCOME BEFORE IR AND CS	30,781	29,302
INCOME TAX AND CS (SOCIAL CONTRIBUTION)	-4,396	-4,215
<b>NET INCOME IN THE FISCAL YEAR</b>	<b>26,385</b>	<b>25,087</b>
<i>Net Margin</i>	16.3%	17.7%



## Impacts from IFRS-16

The mandatory adoption of IFRS-16, in January 2019, has led to significant changes in the accounting of Brazilian companies, including Track&Field. Therefore, to better understand IFRS-16 effect on our financial statements, we detail below the impact on the main items of the Balance Sheet and Income Statement.

Items included in Balance Sheet by IFRS-16 (R\$ thousand)	Including IFRS	Excluding IFRS	Difference (A-B)
	16 Effect (A)	16 Effect (B)	
Assets - Rights of Use	95,634	-	95,634
Liabilities - Leases Payable	103,178	-	103,178

1Q24 Items affected by IFRS-16 (R\$ thousand)	Including IFRS	Excluding IFRS	Difference (A-B)
	16 Effect (A)	16 Effect (B)	
Operating Expenses (excl, Depreciation and Amortization)	- 54,023	- 59,880	5,857
Depreciation and Amortization Expenses	- 7,098	- 3,097	- 4,001
Financial Result	- 3,534	- 927	- 2,607
IRPJ/CSLL	- 4,396	- 4,237	- 159
<b>Net Income</b>	<b>26,385</b>	<b>27,296</b>	<b>- 911</b>
<b>EBITDA</b>	<b>41,413</b>	<b>35,556</b>	<b>5,857</b>

## Non-Recurring Adjustments

### Adjusted EBITDA Reconciliation

(R\$ thousand)	1Q24	1Q23
<b>EBITDA</b>	<b>41,413</b>	<b>37,774</b>
IFRS 16	-5,857	-5,107
Pre-operational: new DC / TF Joinville	-230	-76
Strategic consulting	1,200	185
Import tax restructuring	0	377
Other non-recurring expenses	0	294
Stock option plan/non-cash	467	0
<b>Adjusted EBITDA</b>	<b>36,993</b>	<b>33,446</b>

### Adjusted Net Income Reconciliation

(R\$ thousand)	1Q24	1Q23
<b>Net Income</b>	<b>26,385</b>	<b>25,087</b>
IFRS 16	750	909
Pre-operational: new DC / TF Joinville	-230	-75
IRPJ/CSLL on adjustments	-504	-675
Strategic consulting	1,200	185
Import tax restructuring	0	406
Other non-recurring expenses	281	715
Stock option plan/non-cash	467	0
<b>Adjusted Net Income</b>	<b>28,350</b>	<b>26,551</b>



## Cash Flow

R\$ thousand	1Q24	4Q23	1Q23
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net income for the period	26,385	114,410	25,087
<b>Adjustments to reconcile net income (loss) for the year with the net cash generated by operating activities:</b>			
Depreciation and amortization	7,883	27,616	6,345
Monetary restatement of judicial deposits	-401	-1,899	-486
Monetary updating of contingency provision	385	0	0
Current and deferred income and social contribution taxes	4,396	22,520	4,215
(Constitution) Reversal of projected stock loss	495	1,108	194
Provision for civil, labor and tax risks	-567	-1,506	-216
Credit Losses	55	414	247
Expected credit loss	-114	112	-67
Write-off of fixed and intangible assets	311	236	0
Interest on rent - right of use	2,607	9,573	2,203
Monetary restatement of taxes to be recovered	-282	-1,100	-343
Monetary restatement of taxes payable	0	1,813	466
Monetary restatement of other obligations	0	207	207
<b>Variation in operating assets and liabilities:</b>			
Accounts receivable	47,852	-44,293	37,208
Stocks	-21,145	-29,498	-35,898
Taxes to recover	-241	-1,721	-1,274
Judicial deposits	226	1,864	384
Other credits	-3,040	-2,979	-534
Suppliers	4,201	-1,774	-1,845
Labor and social security obligations	-2,437	7,265	-4,223
Tax obligations	-12,546	331	-17,023
Rents payable	-1,747	106	-1,351
Advance on events	28	0	7,886
Other obligations	669	-3,425	2,389
<b>Cash from operating activities</b>	<b>52,973</b>	<b>99,380</b>	<b>23,571</b>
Income tax and social contribution paid	-6,590	-20,852	-8,504
<b>Net cash generated by operating activities</b>	<b>46,383</b>	<b>78,528</b>	<b>15,067</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Gain (Loss) on sale of property, plant, and equipment	0	19	0
Acquisition of fixed assets and intangible assets	-10,965	-34,369	-6,702
<b>Net cash used in investing activities</b>	<b>-10,965</b>	<b>-34,350</b>	<b>-6,702</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividends paid	0	-5,392	0
Interest on capital paid	-603	-20,328	0
Leases - right of use paid	-6,727	-24,314	-5,415
Aquisição de ações próprias	-387	-153	-153
<b>Net cash used in financing activities</b>	<b>-7,717</b>	<b>-50,187</b>	<b>-5,568</b>
<b>EXCHANGE VARIATION ON CASH AND CASH EQUIVALENTS OF SUBSIDIARY ABROAD</b>			
	1	-3	-
<b>INCREASE (REDUCTION) IN CASH AND CASH EQUIVALENTS</b>	<b>27,702</b>	<b>-6,012</b>	<b>2,797</b>
<b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>54,477</b>	<b>60,489</b>	<b>60,489</b>
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>82,179</b>	<b>54,477</b>	<b>63,286</b>

## Balance Sheet

R\$ thousand	1Q24	1Q23
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	82,179	63,286
Accounts receivable	148,743	115,381
Stocks	253,506	240,170
Recoverable taxes	10,915	4,962
Prepaid expenses and other credits	10,847	4,490
Advances from suppliers	1,777	1,582
<b>TOTAL CURRENT ASSETS</b>	<b>507,967</b>	<b>429,871</b>
<b>NON-CURRENT</b>		
Judicial deposits	620	512
Deferred income tax and social contribution	6,178	8,354
Recoverable taxes	5,200	9,426
Property, plant & equipment	151,925	126,128
Intangible assets	24,395	13,051
<b>TOTAL NON-CURRENT</b>	<b>188,318</b>	<b>157,471</b>
<b>TOTAL ASSETS</b>	<b>696,285</b>	<b>587,342</b>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Suppliers	64.033	59.483
Labor and social security liabilities	32.214	23.165
Tax obligations	15.674	11.438
Leases - right of use payable	16.465	16.353
Rental payable	1.750	2.039
Advance from customers	4.842	2.363
Advance from Events	28	7.886
Dividends payable	33.113	27.107
Other liabilities	1.030	5.776
<b>TOTAL CURRENT LIABILITIES</b>	<b>169.149</b>	<b>155.610</b>
<b>NON-CURRENT</b>		
Suppliers	0	1.132
Leases - right of use payable	86.713	74.684
Provision for civil, labor and tax contingencies	5.629	7.662
Other liabilities	0	17
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>92.342</b>	<b>83.495</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	192.392	192.392
Treasury shares	-12.344	-12.278
Capital Reserve	-11.442	-12.527
Reserve of tax incentives	8.663	5.845
Profit reserve	235.516	153.434
Other comprehensive income	1.867	1.869
Net income (loss) for the period	20.142	19.502
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>434.794</b>	<b>348.237</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>696.285</b>	<b>587.342</b>



# Non-Accounting Metrics

EBITDA – EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is the net income for the period, plus income tax and social contribution, depreciation and amortization and deducted from the net financial result. This indicator is a non-accounting measure prepared by the Company in accordance with CVM Instruction No. 527/12. EBITDA is used to present the Company's operating cash flow, but it is not a measure of profitability, as it does not consider certain expenses arising from the business, such as taxes, financial expenses and revenues, depreciation and amortization. This indicator also does not represent cash flows for the reporting periods. EBITDA Margin is calculated by EBITDA (as mentioned above) divided by net revenue from sales of goods and services provided.

Adjusted EBITDA – Adjusted EBITDA is EBITDA excluding the effect of the adoption of IFRS 16 / CPC 06(R2) – which came into effect for the handling of the accounting standard related to Lease Transactions as of 2019, and non-recurring expenses. Additionally, Adjusted EBITDA Margin is calculated by Adjusted EBITDA divided by net Revenue from sales of Goods and services provided.

Adjusted EBITDA and Adjusted EBITDA margin are not measures of results in accordance with accounting practices adopted in Brazil. Other companies may calculate Adjusted EBITDA differently from the Company.

The Company presents adjusted EBITDA as a means of assessing its operating financial performance, as it is a non-accounting measure of results that excludes non-recurring effects from the result. Thus, it purges effects that are not part of the business routine and that were punctual to the result.

Adjusted Gross Profit – Adjusted Net Income is net income excluding the effect of the adoption of IFRS 16 / CPC 06(R2), and non-recurring expenses.

Adjusted Net Income is not a measure of results in accordance with accounting practices adopted in Brazil. Other companies may calculate Adjusted Net Income differently from the Company.

Gross Debt – Gross Debt is the total sum of loans payable (current and non-current liabilities). Gross Debt is not a measure of results in accordance with accounting practices adopted in Brazil. Other companies may calculate Gross differently from the Company.

Net Cash is the sum of short-term and long-term loans included in Current Liabilities and Non-Current Liabilities minus the sum of Cash and cash equivalents included in the Company's Current Assets. This indicator is a non-accounting measure prepared by the Company. Net Cash is not a measure of profitability in accordance with accounting practices adopted in Brazil and does not represent cash flows for the reporting periods.

Total Sell Out – Total Sell Out represents Track&Field Group's consumer sales, irrespective of sales channel (physical/online or whether own store/franchise).



Track & Field®

