

Track & Field®

RELEASE 2024



Video conference
August 13h (Tuesday)

9am EUA-EST | 10am Brasilia

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- ✦ **Sell-out of R\$320.1 million in 2Q24**, representing an **increase of 21.5% vs. 2Q23**, the highest quarterly increase in the last 5 years (excluding the impact of the pandemic) and a **same-store sales growth of +16.4%**. Additionally, we observed a 21.1% YoY increase in the number of items sold.
- ✦ **Sales captured by e-commerce gained 2.1 p.p. of participation in the network's captured sell-out**, reaching 9.4% vs. 7.3% in 1H23, and **growing 53.5% in the semester**.
- ✦ In the second quarter of 2024, **71.3%** of sales captured by e-commerce were invoiced directly by physical stores through the **ship-from-store** modality.
- ✦ We continued the advance of the second wave of omnichannel strategy, **focusing on the infinite shelf, which is already present in 274 stores** (+120 stores YoY). Additionally, we are acquiring new partners for our sporting goods marketplace, tsmall, having added 2 new brands during 2Q24, **totaling 13 partners by the end of the period. Together, these channels represent 13.6% of the digital captured sell-out.**
- ✦ We inaugurated **15 stores in the quarter**, totaling **374 stores by the end of the period**. All stores were opened in the new format, and we remain focused on renovating existing stores; during the second quarter, we **renovated 14 stores, 2 of which were company-owned and 12 franchises. In the semester, we totaled 17 inaugurations and 19 renovations.**
- ✦ **TFSports held more than 680 events in the second quarter**, composed of 23 Santander Track&Field Run Series, 446 Continue em Movimento classes, 194 T&F Experience events, and 20 Track&Field Open Beach Tennis stages. By the end of the quarter, the platform had **more than 710,000 users (+44.5% YoY) and 7,400 registered trainers**, who held 196 events/classes during the period.
- ✦ **NPS (Net Promoter Score) reached 80.6 points in 2Q24**, remaining at a high level and continuously proving that the Company's growth coexists with high customer satisfaction across our various channels.



Financial Highlights

- ✦ **Operational cash generation of R\$80.7 million, a growth of 176.9%** compared to the amount generated in the same period of 2023.
- ✦ **Net revenue** totaled **R\$192.0 million in 2Q24, +23.3% vs. 2Q23** (R\$155.8 million).
- ✦ **Gross profit** grew **20.6% vs. 2Q23, reaching R\$107.2 million in 2Q24, with a gross margin of 55.8%.**
- ✦ **Adjusted EBITDA** reached **R\$41.3 million in 2Q24, +14.5% YoY, with an adjusted EBITDA margin of 21.5% for the quarter.** Excluding the effects of the TFSports business, EBITDA totaled R\$45.0 million in 2Q24, +18.3% YoY, with a margin of 25.3% for the quarter.
- ✦ **Adjusted net income** totaled **R\$30.1 million in 2Q24, +8.3% vs. 2Q23.** Net income excluding the effects of the TFSports business reached R\$34.9 million, +14.9% vs. 2Q23.



ADMINISTRATION

We are excited to share the accelerated growth we experienced in the second quarter of the year. We observed solid performance throughout all the months of the period, driven by product innovation, store renovations, digital growth, and strong sales performance during holidays such as Mother's Day and Valentine's Day.

In this context, we achieved a sell-out of R\$320.1 million in 2Q24, representing a 21.5% increase compared to 2Q23, the highest growth in the last five years (excluding the pandemic period), which allowed us to improve profitability, as measured by adjusted EBITDA, by 14.5% YoY, with a margin of 21.5% in 2Q24. Additionally, we recorded an adjusted net income of R\$30.1 million, representing an 8.3% increase compared to the same period last year.

We are committed to expanding our brand, especially in strengthening our franchise network. During the quarter, we opened 3 outlets and 12 franchises, bringing our network to a total of 374, including 38 company-owned stores, 13 outlets, and 323 franchises. In the first half of the year, we opened a total of 17 stores, 6 more units compared to the same period last year, demonstrating an acceleration in openings that prepares us for the high season with an even more robust network.

In addition to the openings, with all stores already in the new format, we remain focused on renovating existing stores, given the excellent results in sales growth and return on invested capital. In this quarter, 14 stores were renovated, including 2 company-owned stores and 12 franchises, and in the first half of the year, we completed 19 renovations. Our goal is to double the number of renovations completed in 2023, and we already have 26 stores scheduled for renovation in the second half of the year, with good prospects of exceeding our goal.

We also highlight the performance of TFSports and are proud to share that our running circuit, Santander Track&Field Run Series, was awarded by the Paulista Athletics Federation in four categories, winning first place in three of them. The most significant recognition, without a doubt, was being the highest-scoring company in 2023 in the State of São Paulo, with the best evaluation in the quality of the races. This reinforces our primary goal, which is to provide the best possible experience for athletes while we are committed to establishing TFSports as one of the leading global platforms in organizing sports events.

During the quarter, we held over 680 events/experiences, including 23 street races in the Santander Track&Field Run Series, 20 stages of the Track&Field Open of Beach Tennis, 194 T&F Experience events, and 446 classes of the Continue Moving Program. The platform reached over 710 thousand users by the end of the period, with 44.5% YoY growth. We currently have 7.4 thousand trainers connected to the app, who offered 196 classes/events to our customer base during the period.

In the tfmall, we incorporated two new brands this quarter, bringing the total to 13 partners that we consider highly complementary to T&F and its audience. It is worth noting that the GMV of the marketplace, still in ramp-up, reached R\$2.2 million in the semester.

On the sustainability front, the company published its 2023 Annual Report, following the guidelines of the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). In the document, in addition to business results, we present the progress of our 2025 ESG Plan commitments. The report is available in full and summarized versions at this link: <https://www.tfco.com.br/en/annual-report-2/>.

The results achieved so far indicate that we are on the right track and give us confidence to remain committed to strengthening our wellness ecosystem, maintaining a strong focus on our growth plan and optimizing processes and operations. We sincerely thank our employees, Board of Directors, franchisees, and suppliers for their commitment and partnership, and our shareholders for the trust placed in our company.

Table | Summary of Indicators

São Paulo, August 12th, 2024 – Track & Field CO S.A. (B3: TFCO4) announces its results for the first quarter (2Q24) and first semester (1S24) of 2024.

R\$ thousand, except when indicated	2Q24	2Q23	Chg. 2Q24 / 2Q23	1H24	1H23	Chg. 1H24 / 1H23
Financial Results						
Net Revenue	192,002	155,775	23.3%	354,133	297,465	19.1%
Gross Profit	107,219	88,901	20.6%	202,655	172,208	17.7%
<i>Gross Margin</i>	55.8%	57.1%	-1.3 p.p.	57.2%	57.9%	-0.7 p.p.
EBITDA	43,841	40,870	7.3%	85,254	78,645	8.4%
<i>EBITDA Margin</i>	22.8%	26.2%	-3.4 p.p.	24.1%	26.4%	-2.4 p.p.
Adjusted EBITDA¹	41,284	36,064	14.5%	78,276	69,512	12.6%
<i>Adjusted EBITDA Margin</i>	21.5%	23.2%	-1.7 p.p.	22.1%	23.4%	-1.3 p.p.
Adj. EBITDA Ex-TFSports²	44,978	38,022	18.3%	82,105	69,638	17.9%
<i>Adj. EBITDA Margin Ex-TFSports</i>	25.3%	25.9%	-0.6 p.p.	25.0%	24.9%	0.1 p.p.
Net Income	26,245	26,831	-2.2%	52,630	51,918	1.4%
<i>Net Margin</i>	13.7%	17.2%	-3.5 p.p.	14.9%	17.5%	-2.6 p.p.
Adjusted Net Income³	30,149	27,850	8.3%	58,498	54,402	7.5%
<i>Adjusted Net Margin</i>	15.7%	17.9%	-2.2 p.p.	16.5%	18.3%	-1.8 p.p.
Adj. Net Income Ex-TFSports⁴	34,926	30,399	14.9%	64,331	55,652	15.6%
<i>Adj. Net Margin Ex-TFSports</i>	19.7%	20.7%	-1.0 p.p.	19.6%	19.9%	-0.3 p.p.
Net Cash⁵	66,988	39,929	67.8%	66,988	39,929	67.8%
Net Cash Equivalents⁶	136,801	91,301	49.8%	136,801	91,301	49.8%
Operational Indicators						
Number of Stores	374	339	10.3%	374	339	10.3%
Own	51	44	15.9%	51	44	15.9%
Franchises	323	295	9.5%	323	295	9.5%
Average Ticket (R\$)	411.50	410.72	0.2%	382.23	379.6	0.7%
Same Store Sales	16.4%	13.2%	3.2 p.p.	14.2%	12.5%	1.7 p.p.
Total Sell Out⁷	320,074	263,328	21.5%	604,677	509,685	18.6%
Sales by E-commerce	25,461	16,099	58.2%	57,037	37,164	53.5%

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

¹ 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.

² Adjusted EBITDA Ex-TFSports: exclusion of all effects of the TFSports business.

³ Adjusted net income: excluding IFRS-16 application and non-recurring expenses.

⁴ Adjusted Net Income Ex-TFSports: exclusion of all effects of the TFSports business.

⁵ Net cash: Cash and cash equivalents – financial loans.

⁶ Net cash equivalents: Cash and cash equivalents + receivables from cards.

⁷ Total sell out: represents Track&Field's consumer sales, irrespective of sales channel (physical/online or whether own store/franchise).



Sell Out

Captured Sell Out per Channel (R\$ thousand)	2Q24	2Q23	Chg. 2Q24 / 2Q23	1H24	1H23	Chg. 1H24 / 1H23
Franchises	193,039	162,610	18.7%	358,316	307,683	16.5%
Company-Operated Stores	101,574	84,619	20.0%	189,323	164,839	14.9%
E-Commerce	25,461	16,099	58.2%	57,037	37,164	53.5%
Total sell out	320,074	263,328	21.5%	604,677	509,685	18.6%

Billed Sell Out per Channel (R\$ thousand)	2Q24	2Q23	Chg. 2Q24 / 2Q23	1H24	1H23	Chg. 1H24 / 1H23
Franchises	203,995	169,443	20.4%	380,873	322,248	18.2%
Company-Operated Stores	108,765	91,079	19.4%	207,649	180,658	14.9%
E-commerce ¹	7,314	2,806	160.6%	16,155	6,780	138.3%
Total sell out	320,074	263,328	21.5%	604,677	509,685	18.6%

¹ Sell-out billed by e-commerce reflects the sales captured by the website and billed by our Distribution Center.

The sell-out, resulting from the sum of gross sales across all Track&Field sales channels (including company-owned stores, franchises, and e-commerce), reached R\$320.1 million in 2Q24, a growth of 21.5% compared to the same period in 2023. This growth marks the highest quarterly variation (YoY) recorded in the last five years (excluding the impact of the pandemic), in addition to a 16.4% increase in same-store sales.

During the second quarter, all months showed strong growth, starting with April, reflecting the positive reception of the new collection by franchisees and end customers. The months of May and June were driven by excellent sales performance during holidays, such as Mother's Day and Valentine's Day (+29.3% YoY in the network), reinforcing our positioning as a giftable brand.

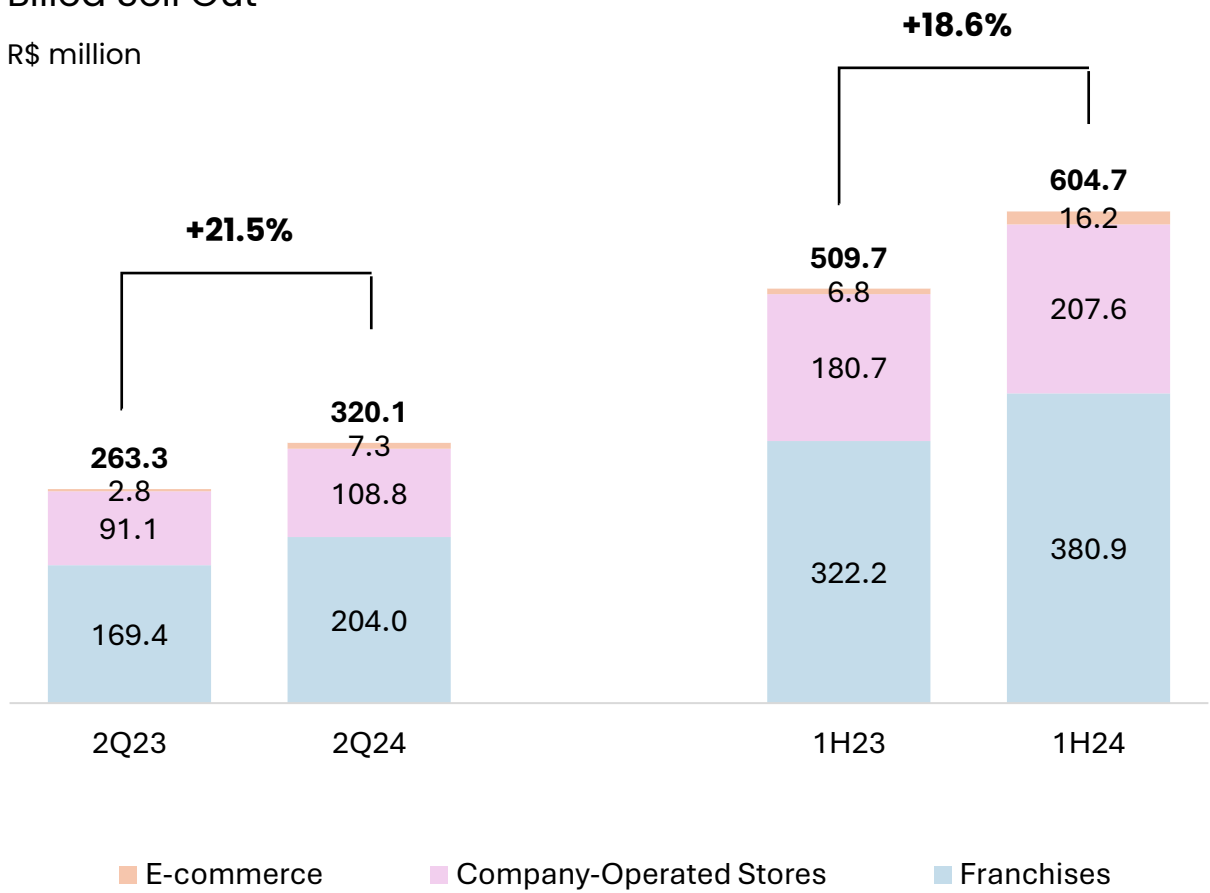
Additionally, the strong performance of the quarter reflects (i) a 21.1% increase in the number of items sold, (ii) the expansion of physical stores with +35 units YoY, (iii) the performance of renovated stores, both company-owned and franchised, which increased their sales by 30.6% and 30.3%, respectively, (iv) a 12.9% growth in influenced sales, representing 40.7% of the sell-out, and (v) higher customer traffic directed to stores due to the acceleration of events.

Once again, we highlight the substantial growth of our e-commerce compared to physical channels (+58.2% in captured sales vs. 2Q23), resulting in a YoY gain of 1.8 p.p. in the representation of e-commerce in the company's business mix. This performance is a direct reflection of our continuous efforts to improve our operations in areas such as website experience, team strengthening, media strategies, and effective integration of our omnichannel approach.

Finally, it is important to comment on the performance in Rio Grande do Sul, where we have 11 stores (4 owned and 7 franchised) that accounted for 2.1% of total sales in the quarter. Despite the officially declared calamity, we managed to achieve a 4.8% growth compared to Q2 2023, demonstrating the resilience and effectiveness of our operations in the region, even in the face of significant challenges.

Billed Sell Out

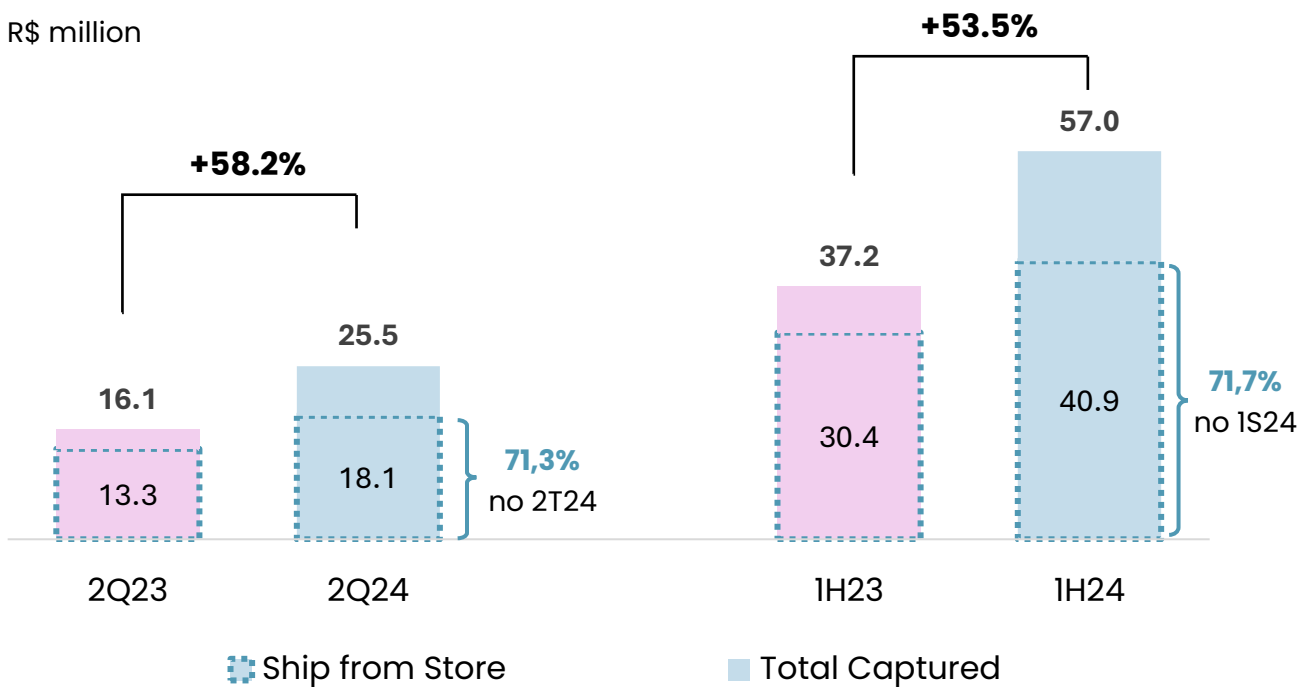
R\$ million



We continue to observe positive results from the ship-from-store initiatives, where physical stores operate as mini distribution centers, and pick-up in store, which allows for online orders to be picked up in physical stores. In the quarter, 71.3% of the sell-out captured by e-commerce was generated through the ship-from-store model.

E-commerce (captured)

R\$ million



Digital Channels and Omnichannel

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

We ended the period with 374 stores, of which 27 operate as national sellers, delivering across the entire country, and 326 as local sellers, representing approximately 43.9% and 27.4%, respectively, of the sell-out captured by e-commerce in 2Q24 (with the remaining 28.7% fulfilled by our distribution center).

Strengthening our commitment to innovation, we continue to successfully implement the infinite showcase in our operations. By the end of the semester, 274 stores were already connected to our digital platform, with their sales representing 10.1% of the sell-out captured by e-commerce in the quarter (+5.6 p.p. YoY). This approach not only expands the reach of our physical presence but also offers customers a seamless shopping experience, providing greater convenience. The showcase reinforces our commitment to excellence and adaptation to the growing demands of the market.

Additionally, another initiative that continues to deliver 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 efficiently converting transactions initiated via WhatsApp, characterizing an influenced sale.

In the last quarter, we achieved a 12.9% growth in sell-out from influenced sales compared to the previous year, representing a significant 40.7% of the total quarterly sell-out. This success not only highlights the innovation in our commercial approach but also the growing importance of social selling in our operational strategies.

Complementing the implementation of all these initiatives in our network, we have an optimized logistics operation, enabling product delivery within a maximum of 2 business days. This super express delivery represented about 71% of all deliveries in 2Q24.



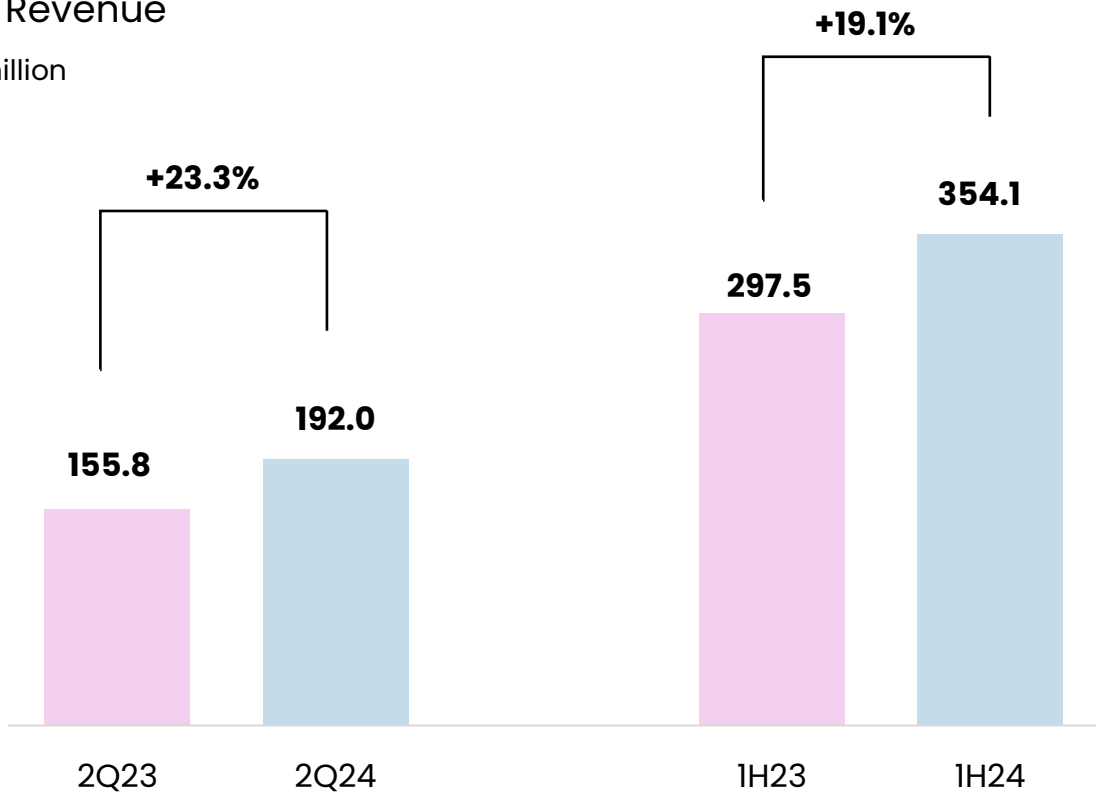
→ Net Revenue

Net Revenue (R\$ thousand)	2Q24	2Q23	Chg. 2Q24 / 2Q23	1H24	1H23	Chg. 1H24 / 1H23
Sales of Goods	55,680	47,321	17.7%	97,577	85,994	13.5%
Royalties	31,987	26,399	21.2%	59,564	49,780	19.7%
Retail (Own Chain)	88,214	71,761	22.9%	169,415	141,384	19.8%
Events/tmall	14,330	8,900	61.0%	25,239	18,174	38.9%
Others	1,790	1,394	28.4%	2,339	2,133	9.7%
Total Net Revenue	192,002	155,775	23.3%	354,133	297,465	19.1%

In the second quarter of this year, net revenue reached R\$192.0 million, representing a growth of 23.3% compared to the same period in 2023.

Net Revenue

R\$ million



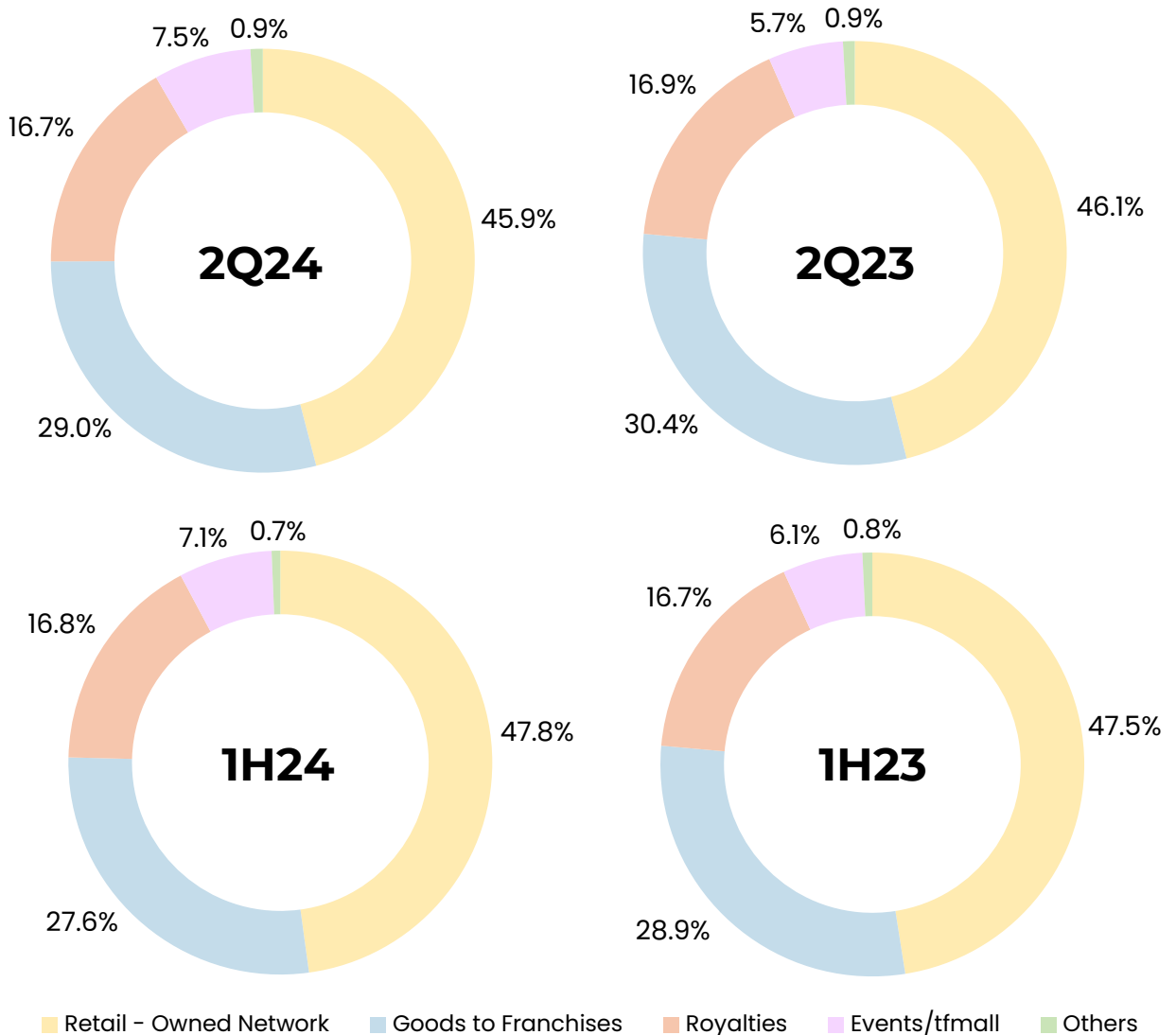
The performance of the retail channel (own network) is notable, reporting a 22.9% YoY growth, reaching R\$88.2 million. This positive result is mainly attributed to the strong sales performance in our own stores (+19.4% compared to Q2 2023) and the sales through e-commerce (+160.6%). This reflects a (i) strong sales performance during the quarter’s celebratory dates, (ii) good reception of the new collection, (iii) positive impacts from renovations carried out, (iv) the increase in the number of own stores compared to Q2 2023 (+7 stores), and (v) improved consumer experience in e-commerce, as well as efficiency gains in SEO and performance media.

With the normalization of supply in April, after delays in the first quarter, we observed a recovery in sell-in sales, resulting in a 17.7% YoY growth. This increase is due to robust stocking by franchisees with the new collection (I24), as well as high expectations for Mother's Day and Valentine's Day sales.

The royalty line saw a 21.2% increase, reaching R\$32.0 million, driven by the increase in the number of franchises (+28 units YoY) and good performance of the renovated stores.

Finally, we highlight the significant 61.0% year-over-year growth in TFSports net revenue (events and tfmall), reaching R\$14.3 million. This increase reflects the acceleration of events, aligned with the Company's strategy, resulting in a 1.8 p.p. gain in the share of total revenue.

Net Revenue Breakdown (%)



→ Gross Profit

Gross Profit (R\$ thousand)	2Q24	2Q23	Chg. 2Q24 / 2Q23	1H24	1H23	Chg. 1H24 / 1H23
Gross Profit	107,219	88,901	20.6%	202,655	172,208	17.7%
<i>Gross Margin</i>	<i>55.8%</i>	<i>57.1%</i>	<i>-1.3 p.p.</i>	<i>57.2%</i>	<i>57.9%</i>	<i>-0.7 p.p.</i>

The gross profit for the quarter reached R\$107.2 million, marking a 20.6% increase compared to Q2 2023. The gross margin reached 55.8%, down by 1.3 p.p. YoY, primarily due to the increased share of events in the net sales mix (by 1.8 p.p.).

Excluding all effects of the TFSports business, we present a gross margin in line with the same period of the previous year.





Adjusted Operating Expenses

Adjusted Net Revenue (R\$ thousand)	2Q24	2Q23	Chg. 2Q24 / 2Q23	1H24	1H23	Chg. 1H24 / 1H23
General Adjusted Net Revenue	192,002	155,775	23.3%	354,133	297,465	19.1%
Operating Expenses (R\$ thousand)	2Q24	2Q23	Chg. 2Q24 / 2Q23	1H24	1H23	Chg. 1H24 / 1H23
Sales	35,054	27,611	27.0%	66,416	57,084	16.3%
<i>% With Sales over General NR</i>	18.3%	17.7%	0.6 p.p.	18.8%	19.2%	-0.4 p.p.
General and Administrative	31,894	26,253	21.5%	59,053	47,184	25.2%
<i>% G&A over General NR</i>	16.6%	16.9%	-0.3 p.p.	16.7%	15.9%	0.8 p.p.
Operating Expenses	66,948	53,864	24.3%	125,469	104,268	20.3%
<i>%Total Operating Expenses over General NR</i>	34.9%	34.6%	0.3 p.p.	35.4%	35.1%	0.4 p.p.
Other Operating Revenues (Expenses)	-783	-1,100	-28.8%	-1,090	-1,343	-18.8%
Total Operating Expenses (Revenue) - w/ depreciation	66,165	52,764	25.4%	124,379	102,925	20.8%
<i>%Total Operating Expenses (Revenue) over General NR</i>	34.5%	33.9%	0.6 p.p.	35.1%	34.6%	0.5 p.p.
Depreciation	3,359	2,246	49.6%	6,456	4,246	52.0%
Total Operating Expenses (Revenue) - w/ depreciation	69,524	55,010	26.4%	130,835	107,171	22.1%
<i>%Total Operating Expenses over General NR</i>	36.2%	35.3%	0.9 p.p.	36.9%	36.0%	0.9 p.p.

Excluding the effects of the TFSports business, we observed expenses representing 33.2% of net revenue for the second quarter, remaining in line compared to the same period last year (+0.2 p.p.).

On a consolidated basis, adjusted operating expenses represented 34.5% of net sales, compared to 33.9% in the second quarter of 2023 (+0.6 p.p.).

Regarding selling expenses, we observed an increase of +0.6 p.p. YoY in the level of expenses over net sales, reflecting the increased representation of TFSports within the network. It is worth noting that for the accumulated six-month period, we observed a decrease of -0.4 p.p. YoY, reflecting, this time, a lower impact of own retail expenses on the company's total revenue.

For administrative expenses, we reported a slight dilution (-0.3 p.p. YoY), given the strong growth observed in net sales. For the accumulated six-month period, we reported an increase of +0.8 p.p. YoY due to the difficulty in comparing these periods, given the strengthening of certain operational structures during the second half of 2023 (especially in TFSports, technology, and marketing), with full impact in 2024. Additionally, we also had impacts on other lines related to initiatives in TFSports.



EBITDA

EBITDA (R\$ thousand)	2Q24	2Q23	Chg. 2Q24 / 2Q23	1H24	1H23	Chg. 1H24 / 1H23
Net Income	26,245	26,831	-2.2%	52,630	51,918	1.4%
(+) Income Tax and CS (Social Contribution)	5,723	4,966	15.2%	10,119	9,181	10.2%
(+) Net Financial Result	3,937	2,881	36.7%	7,471	5,541	34.8%
(+) Depreciation and amortization	7,936	6,192	28.2%	15,034	12,004	25.2%
EBITDA	43,841	40,870	7.3%	85,254	78,645	8.4%
<i>EBITDA Margin</i>	22.8%	26.2%	-3.4 p.p.	-24.1%	-26.4%	2.4 p.p.
(+) IFRS-16 Adjustment	-6,656	-5,110	30.3%	-12,513	-10,217	22.5%
(+) Non-Recurring Adjustments	4,098	303	1253.5%	5,535	1,083	411.2%
Adjusted EBITDA	41,284	36,064	14.5%	78,276	69,512	12.6%
<i>Adjusted EBITDA Margin</i>	21.5%	23.2%	-1.7 p.p.	22.1%	23.4%	-1.3 p.p.
Adjusted EBITDA Ex-TFSports	44,978	38,022	18.3%	82,105	69,638	17.9%
<i>Adjusted EBITDA Margin Ex-TFSports</i>	25.3%	25.9%	-0.6 p.p.	25.0%	24.9%	0.1 p.p.

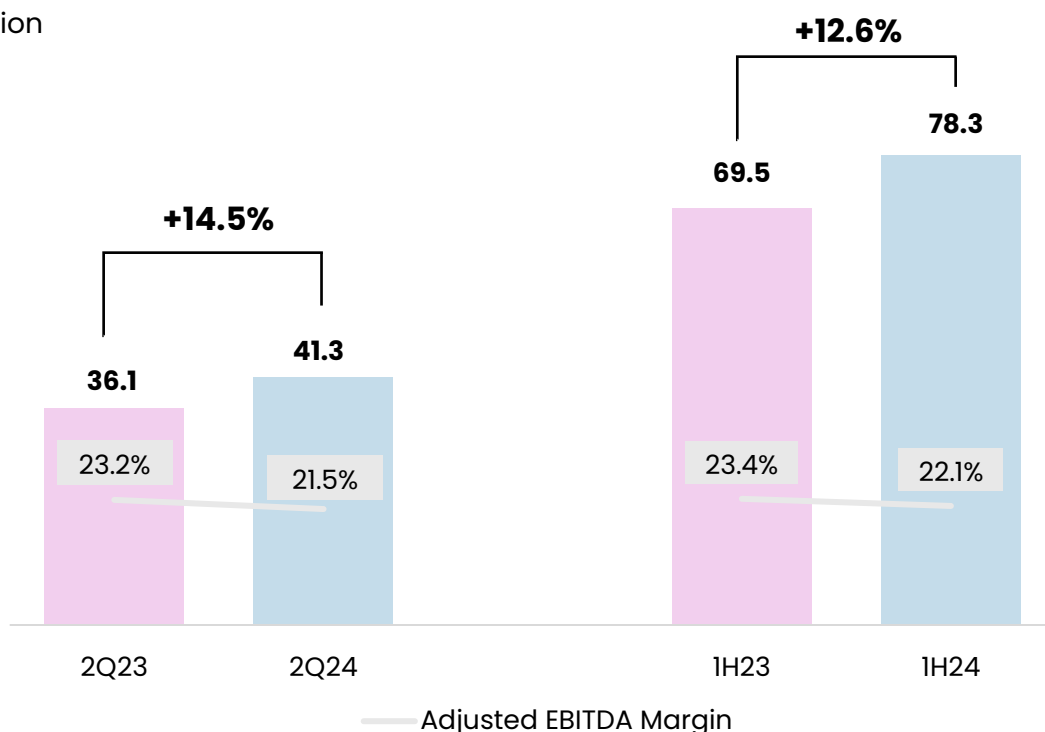
Note: The table detailing Non-Recurring Items can be found on page 25.

Excluding the effects of IFRS-16 and non-recurring expenses, adjusted EBITDA totaled R\$41.3 million in Q2 2024, an increase of 14.5% compared to the previous year, with a margin of 21.5% (-1.7 p.p. YoY). This decrease reflects a lower gross margin in the quarter compared to Q2 2023 (-1.3 p.p.), combined with less expense dilution during the period (+0.6 p.p.), both primarily due to the results absorbed by TFSports.

Excluding all effects of the TFSports business, adjusted EBITDA reached R\$45.0 million in Q2 2024, representing a growth of 18.3% compared to the previous year, with a margin of 25.3% (-0.6 p.p. YoY).

Adjusted EBITDA

R\$ million



 Financial Result

Financial Result (R\$ thousand)	2Q24	2Q23	Chg. 2Q24 / 2Q23	1H24	1H23	Chg. 1H24 / 1H23
Financial Revenues	2,313	2,217	4.3%	4,860	4,203	15.6%
Financial Expenses	-6,250	-5,098	22.6%	-12,331	-9,744	26.5%
IFRS interest	-2,983	-2,186	36.5%	-5,590	-4,389	27.4%
Other Financial Expenses	-3,267	-2,912	12.2%	-6,741	-5,355	25.9%
Financial Result	-3,937	-2,881	36.7%	-7,471	-5,541	34.8%
Net Effect of Adjustments	3,190	2,329	37.0%	6,079	4,983	22.0%
Adjusted Financial Result*	-747	-552	35.3%	-1,392	-558	149.5%

Note: The effects of the adjustments relate to interest on leasing operations and non-recurring items.

The adjusted financial result, excluding the net effect of IFRS-16 adjustments and non-recurring items, was negative by R\$747 thousand in the second quarter.

Once again, the company ended the quarter without any debt and did not make any receivables advances during the period.

Considering the effects of IFRS-16, we observed a negative financial result of R\$3.9 million, mainly due to an increase in financial expenses associated with lease agreements.



→ Net Income

Net Income (R\$ thousand and %)	2Q24	2Q23	Chg. 2Q24 / 2Q23	1H24	1H23	Chg. 1H24 / 1H23
Net Income	26,245	26,831	-2.2%	52,630	51,918	1.4%
<i>Net Margin</i>	<i>13.7%</i>	<i>17.2%</i>	<i>-3.5 p.p.</i>	<i>14.9%</i>	<i>17.5%</i>	<i>-2.6 p.p.</i>
(+) IFRS-16 Adjustment	603	751	-19.7%	1,512	1,428	5.9%
(+) Non-Recurring Adjustments*	3,301	268	1130.9%	4,357	1,055	312.9%
Adjusted Net Income	30,149	27,850	8.3%	58,498	54,402	7.5%
<i>Adjusted Net Margin</i>	<i>15.7%</i>	<i>17.9%</i>	<i>-2.2 p.p.</i>	<i>16.5%</i>	<i>18.3%</i>	<i>-1.8 p.p.</i>
Adjusted Net Income Ex-TFSports	34,926	30,399	14.9%	64,331	55,652	15.6%
<i>Adjusted Net Margin Ex-TFSports</i>	<i>19.7%</i>	<i>20.7%</i>	<i>-1.0 p.p.</i>	<i>19.6%</i>	<i>19.9%</i>	<i>-0.3 p.p.</i>

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

Adjusted net income, excluding the effects of IFRS-16 application and non-recurring expenses, reached R\$30.1 million in the quarter, growing 8.3% compared to the result of R\$27.9 million recorded in the same period of 2023.

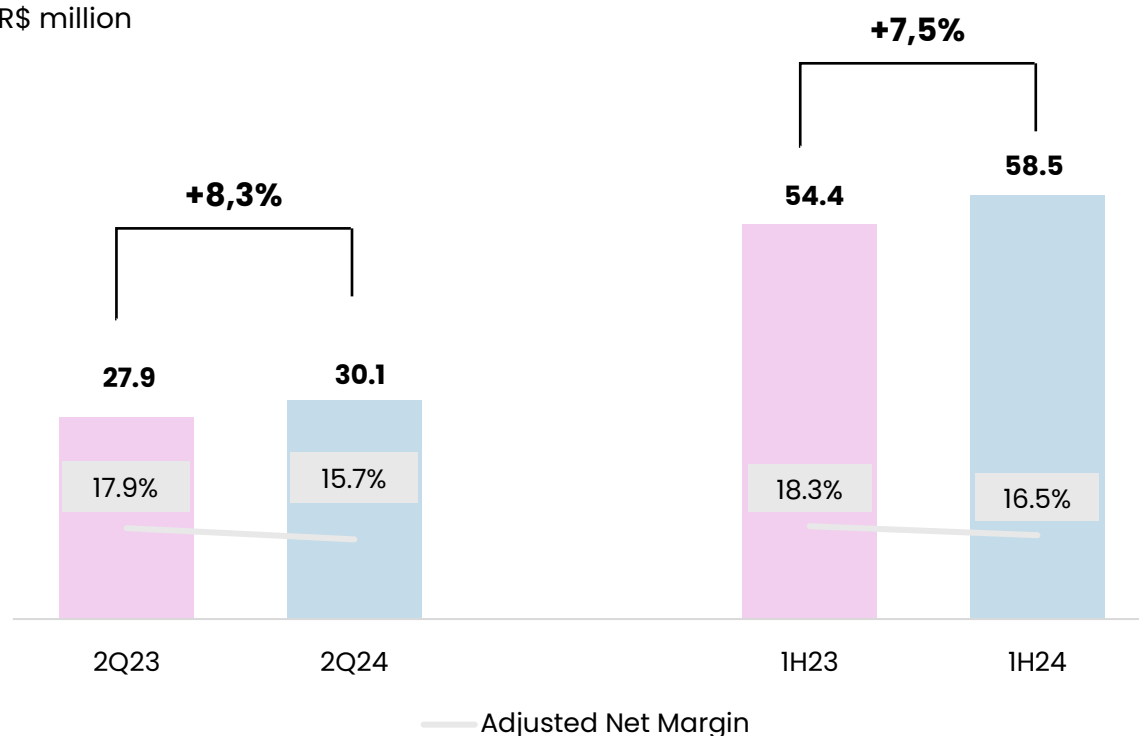
The adjusted net margin ended the quarter at 15.7%, a decrease of 2.2 p.p. compared to the previous year, impacted by increased depreciation due to investments made during the period.

In the first half of 2024, adjusted net income totaled R\$58.5 million, growing 7.5% compared to the same period in 2023, with a margin of 16.5% (-1.8 p.p.).

Excluding all effects of the TFSports business, net income totaled R\$34.9 million in Q2 2024, up 14.9% from the R\$30.4 million result of Q2 2023, with a margin of 19.7% (-1.0 p.p.). In the first half of the year, this result was R\$64.3 million, up 15.6% compared to H1 2023, with a margin of 19.6%, virtually stable compared to the margin of the first half of 2023.

Adjusted Net Income

R\$ million





TFSports	2Q24	2Q23	Chg. 2Q24 / 2Q23	1H24	1H23	Chg. 1H24 / 1H23
Net Revenue (RS thousand)	17,097	8,900	92.1%	28,006	18,174	54.1%
Users on the App (thousand)*	710.7	491.7	44.5%	710.7	491.7	44.5%
Registration in Events (thousand)	101.9	58.4	74.5%	169.8	102.7	65.3%
Number of Trainers (thousand)*	7.4	5.0	47.1%	7.4	5.0	47.1%

Note (*): positions on the closing date of each period.

Our TFSports app has experienced significant growth in the number of registered users, reaching over 710,000 in the second quarter of 2024 (+44.5% compared to Q2 2023). In addition to offering sports events, exclusive experiences, and free online classes through the 'Keep Moving' program, the app now connects 7,400 trainers who offer paid or free classes to our customer base.

In the second quarter of 2024, net revenue totaled R\$17.1 million (including tfmall), marking a significant expansion of 92.1% compared to the same period of the previous year. The adjusted EBITDA for the TFSports business was negative at R\$3.7 million, mainly due to the increase in the number of events held during the quarter (in line with the company's strategy to drive user growth on the platform) and the expenses associated with strengthening the administrative structures over the past year, aimed at supporting the company's growth.



We are happy and proud to share that our race circuit, Santander Track&Field Run Series, was awarded by the São Paulo Athletics Federation in four categories. We ranked 1st in three of them: (i) best-rated company in race quality in 2023, (ii) highest number of events held in the state, and (iii) highest number of races in the regions of São Paulo, São José dos Campos, and Santos. Additionally, we placed 3rd in the category for the highest number of athletes in the state, with only fewer participants than the organizers of the São Silvestre and SP City Marathon, both of which had over 30,000 participants per race.

In the second quarter of 2024, the following were held: 446 "Keep Moving" classes, with 15,100 participants; 23 street races of the Santander Track&Field Run Series circuit, ending the quarter with 59,200 participants; 20 stages of the Track&Field Open Beach Tennis, totaling 4,800 participants; and 194 T&F Experience events (in-person classes led by specialized trainers in various modalities such as Kayak, Yoga, Bike, Fight, Tennis, Beach Tennis, Hawaiian Canoe, Functional, Paddle Sports, Kangoo Jump, Indoor Bike, among others), with 19,900 participants. Additionally, our Trainers organized 196 classes/events on our platform, with 2,900 participants.

On tfmall – a wellness-focused marketplace with our own curation – we added 2 new brands during Q2 2024, bringing the total to 13 partners whom we believe have high synergy with our brand and customers. It is worth noting that the GMV of the marketplace, still in ramp-up, reached R\$2.2 million in the semester.

→ Cash Flow

Cash Flow (R\$ thousand)	2Q24	1Q24	2Q23
Net cash from Operational Activities	80.7	46.4	29.1
(+) Net Cash used in Investment Activities	-20.6	-11.0	-14.5
(+) Net Cash Generated by Financing Activities	-47.6	-7.7	-35.2
(=) Increase / Reduction of Cash and Cash Equivalents	12.5	27.7	- 20.6
(+) Cash Balance at the beginning of the period	54.5	54.5	60.5
(=) Cash Balance at the end of the period	67.0	82.2	39.9

The net cash generated from operating activities reached R\$80.7 million, a significant increase of 176.9% compared to the same period of the previous year, driven by the store expansion observed during the quarter along with improvements in working capital indicators recorded during the period – net revenue growing 23.3% YoY versus an inventory growth of 2.6% in the same period.

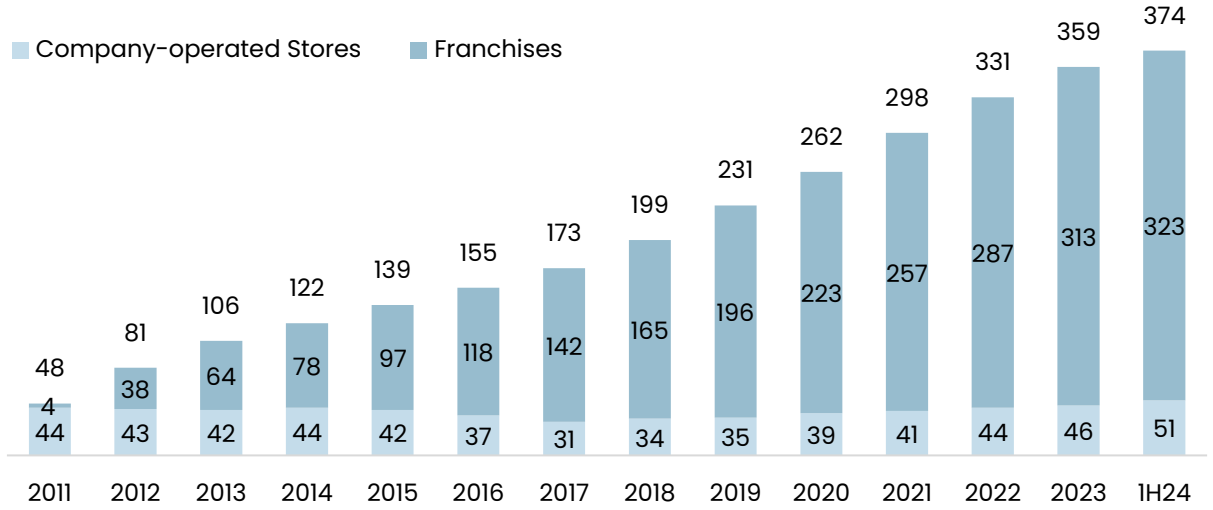
The increase in cash from operational activities was partially absorbed by the increase in cash used in investment activities, which grew by 42.1% compared to the previous year, due to the development of the TFSports platform and the renovations/openings of stores. The company ended the period with a net cash balance 67.8% higher than that recorded in the same period in 2023, totaling R\$67.0 million compared to R\$39.9 million. Cash equivalents, including credit card receivables, reached R\$136.8 million.

This result was achieved even with investments made throughout the period for the growth of our retail operation and TFSports, demonstrating the company's commitment to sustainable growth and consistent cash generation.



EXPANSION

NUMBER OF STORES



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

During the second quarter of 2024, we opened 3 outlets and 12 franchises, ending the period with a total of 374 stores in the network, including 38 company-owned stores, 13 outlets, and 323 franchises.

All new stores are being opened with elements of the Experience store, featuring a complete renovation of equipment, visual communication, and better product displays. Additionally, 14 stores were remodeled to the new concept during the quarter, including 12 franchises and 2 company-owned stores.

In the first half of the year, 17 stores were opened, including 3 outlets and 14 franchises. Moreover, a total of 19 renovations were completed during the period, with 3 company-owned stores and 16 franchises.

By the end of June, 35% of the network's stores had adopted the new layout, and we expect approximately half of our network to be under the new concept by the end of 2024.



STORES MAP

STORES IN NATIONAL TERRITORY

North

11 Stores
11 Franchises

Northeast

51 Stores
48 Franchises
2 Company-Operated
1 Outlet

Midwest

34 Stores
31 Franchises
2 Company-Operated
1 Outlet

South

39 Stores
34 Franchises
3 Company-Operated
2 Outlets

Southeast

238 Stores
198 Franchises
30 Company-Operated
9 Outlets
1 *E-commerce*

STORES ABROAD



1 Franchise located in Cascais (PT)



ANNEXES

Income Statement for the Period

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

R\$ thousand	2Q24	2Q23	1H24	1H23
NET REVENUE FROM SALES OF GOODS AND SERVICES PROVIDED	192,002	155,775	354,133	297,465
Cost of goods sold and services provided	-84,553	-66,949	-151,478	-125,031
GROSS PROFIT	107,449	88,827	202,655	172,435
<i>Gross Margin</i>	<i>56.0%</i>	<i>57.0%</i>	<i>57.2%</i>	<i>58.0%</i>
Operating Expenses	-70,307	-56,110	-131,925	-108,514
Sales	-36,539	-28,511	-69,237	-58,787
General and Administrative	-33,769	-27,599	-62,688	-49,727
<i>% Total Operating Expenses over General NR</i>	<i>36.6%</i>	<i>36.0%</i>	<i>37.3%</i>	<i>36.5%</i>
Other Operating Expenses (Revenues), Net	783	1,100	1,090	1,343
Total Operating Expenses (Revenues)	-69,524	-55,010	-130,835	-107,171
<i>% Total Operating Expenses (Revenues) over General NR</i>	<i>36.2%</i>	<i>35.3%</i>	<i>36.9%</i>	<i>36.0%</i>
Adjusted EBITDA	41,284	36,064	78,276	69,512
<i>Adjusted EBITDA Margin</i>	<i>21.5%</i>	<i>23.2%</i>	<i>22.1%</i>	<i>23.4%</i>
Depreciation and Amortization	-3,359	-2,246	-6,456	-4,246
EARNINGS BEFORE FINANCIAL RESULT	37,924	33,818	71,819	65,266
ADJUSTED FINANCIAL RESULT	-747	-552	-1,392	-558
Financial revenues	2,313	2,217	4,860	4,203
Financial expenses	-3,060	-2,768	-6,253	-4,761
OPERATING INCOME BEFORE IR AND CS	37,178	33,266	70,427	64,707
INCOME TAX AND CS (SOCIAL CONTRIBUTION)	-7,029	-5,415	-11,928	-10,305
ADJUSTED NET INCOME	30,149	27,850	58,498	54,402
<i>Adjusted net margin</i>	<i>15.7%</i>	<i>17.9%</i>	<i>16.5%</i>	<i>18.3%</i>

Income Statement for the Period

R\$ thousand	2Q24	2Q23	1H24	1H23
NET REVENUE FROM SALES OF GOODS AND SERVICES PROVIDED	192,002	155,775	354,133	297,465
Cost of goods sold and services provided	-84,783	-66,874	-151,478	-125,257
GROSS PROFIT	107,219	88,901	202,655	172,208
<i>Gross Margin</i>	55.8%	57.1%	57.2%	57.9%
Operating Expenses	-70,975	-55,322	-132,403	-106,617
Sales	-35,895	-27,626	-67,462	-56,891
General and Administrative	-35,080	-27,696	-64,941	-49,726
<i>% Total Operating Expenses over General NR</i>	37.0%	35.5%	37.4%	35.8%
Other Operating Expenses (Revenues), Net	-339	1,099	-32	1,049
Total Operating Expenses (Revenues)	-71,314	-54,223	-132,435	-105,568
<i>% Total Operating Expenses (Revenues) over General NR</i>	37.1%	34.8%	37.4%	35.5%
EBITDA	43,841	40,870	85,254	78,645
<i>EBITDA Margin</i>	22.8%	26.2%	24.1%	26.4%
Depreciation and Amortization	-7,936	-6,192	-15,034	-12,004
EARNINGS BEFORE FINANCIAL RESULT	35,905	34,678	70,220	66,640
FINANCIAL RESULT	-3,937	-2,881	-7,471	-5,541
Financial revenues	2,313	2,217	4,860	4,203
Financial expenses	-6,250	-5,098	-12,331	-9,744
OPERATING INCOME BEFORE IR AND CS	31,968	31,797	62,749	61,099
INCOME TAX AND CS (SOCIAL CONTRIBUTION)	-5,723	-4,966	-10,119	-9,181
NET INCOME	26,245	26,831	52,630	51,918
<i>Net Margin</i>	13.7%	17.2%	14.9%	17.5%

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 16 Effect (A)	Excluding IFRS (B)	Difference (A-B)
Assets - Rights of Use	107,056		107,056
Liabilities - Leases Payable	115,576		115,576

2Q24 Items affected by IFRS-16 (R\$ thousand)	Including IFRS 16 Effect (A)	Excluding IFRS (B)	Difference (A-B)
Operating Expenses (excl, Depreciation and Amortization)	- 63,378	- 70,034	6,656
Depreciation and Amortization Expenses	- 7,936	- 3,359	- 4,577
Financial Result	- 3,937	- 954	- 2,983
IRPJ/CSLL	- 5,723	- 6,025	302
Net Income	26,245	26,847	- 602
EBITDA	43,841	37,185	6,656

1H24 Items affected by IFRS-16 (R\$ thousand)	Including IFRS 16 Effect (A)	Excluding IFRS (B)	Difference (A-B)
Operating Expenses (excl, Depreciation and Amortization)	- 117,401	- 129,914	12,513
Depreciation and Amortization Expenses	- 15,034	- 6,456	- 8,578
Financial Result	- 7,471	- 1,881	- 5,590
IRPJ/CSLL	- 10,119	- 10,261	142
Net Income	52,630	54,143	- 1,513
EBITDA	85,254	72,741	12,513

Non-Recurring Adjustments

Adjusted EBITDA Reconciliation

(R\$ thousand)	2Q24	2Q23	1H24	1H23
EBITDA	43,841	40,870	85,254	78,645
IFRS 16	-6,656	-5,110	-12,513	-10,217
Strategic consulting	1,265	279	2,465	464
Extemporaneous fiscal effects	1,123	0	1,123	377
Reversal of renovated rental - pop-ups	525	0	525	0
Stock option plan/non-cash	742	0	1,210	0
Other non-recurring expenses	443	24	213	242
Adjusted EBITDA	41,284	36,064	78,276	69,512

Adjusted Net Income Reconciliation

(R\$ thousand)	2Q24	2Q23	1H24	1H23
Net Income	26,245	26,831	52,630	51,918
IFRS 16	905	1,022	1,655	1,931
IRPJ/CSLL on adjustments	-1,306	-449	-1,810	-1,124
Strategic consulting	1,265	279	2,465	563
Extemporaneous fiscal effects	1,329	129	1,610	535
Reversal of renovated rental - pop-ups	525	0	525	0
Stock option plan/non-cash	742	0	1,210	0
Other non-recurring expenses	443	39	213	579
Adjusted Net Income	30,149	27,850	58,498	54,402

Cash Flow

R\$ thousand	2Q24	1Q24	2Q23
CASH FLOW FROM OPERATING ACTIVITIES			
Net income for the period	52,630	26,385	51,918
Adjustments to reconcile net income (loss) for the year with the net cash generated by operating activities:			
Depreciation and amortization	16,085	7,883	13,079
Monetary restatement of judicial deposits	-811	-401	-970
Monetary updating of contingency provision	757	385	459
Current and deferred income and social contribution taxes	10,119	4,396	9,181
Provision (Reversal) of projected inventory loss	866	495	252
Provision (Reversal) for civil, labor, and tax risks	-1,171	-567	-399
Credit losses on accounts receivable	138	55	341
Expected credit loss	-92	-114	-57
Write-off of fixed and intangible assets	350	311	0
Interest on rent - right of use	5,590	2,607	4,389
Monetary restatement of taxes to be recovered	-361	-282	-604
Monetary restatement of taxes payable	0	0	926
Monetary restatement of other obligations	0	0	207
Variation in operating assets and liabilities:			
Accounts receivable	43,541	47,852	34,658
Inventory	-28,547	-21,145	-49,643
Taxes to recover	7,606	-241	-1,506
Judicial deposits	-1,315	226	913
Other credits	-5,734	-3,040	-3,103
Suppliers	9,864	4,201	-5,687
Labor and social security obligations	-5,512	-2,437	-2,645
Tax obligations	-15,132	-12,546	-14,899
Rents payable	-1,627	-1,747	-1,997
Advance on events	4,614	28	5,317
Other obligations	-497	669	1,389
Cash from operating activities	91,361	52,973	41,520
Income tax and social contribution paid	-10,666	-6,590	-12,380
Net cash generated by operating activities	80,695	46,383	29,139
CASH FLOW FROM INVESTING ACTIVITIES			
Gain (Loss) on sale of property, plant, and equipment	2	0	0
Acquisition of fixed assets and intangible assets	-20,621	-10,965	-14,506
Net cash used in investing activities	-20,619	-10,965	-14,506
CASH FLOW FROM FINANCING ACTIVITIES			
Dividends paid	-7,211	0	-5,392
Interest on capital paid	-20,646	-603	-18,968
Leases - right of use paid	-12,797	-6,727	-10,678
Acquisition of own shares	-6,914	-387	-153
Net cash used in financing activities	-47,568	-7,717	-35,191
EXCHANGE VARIATION ON CASH AND CASH EQUIVALENTS OF SUBSIDIARY ABROAD	3	1	- 2
INCREASE (REDUCTION) IN CASH AND CASH EQUIVALENTS	12,511	27,702	- 20,560
Opening balance of cash and cash equivalents	54,477	54,477	60,489
Closing balance of cash and cash equivalents	66,988	82,179	39,929

Balance Sheet

R\$ thousand	2Q24	2Q23
ASSETS		
CURRENT		
Cash and cash equivalents	66,988	39,929
Accounts receivable	152,949	117,827
Inventory	260,537	253,857
Recoverable taxes	4,359	6,034
Prepaid expenses and other credits	13,463	7,161
Advances from suppliers	1,853	1,480
TOTAL CURRENT ASSETS	500,149	426,288
NON-CURRENT		
Judicial deposits	2,571	467
Deferred income tax and social contribution	5,911	8,163
Recoverable taxes	3,988	8,847
Property, plant & equipment	169,273	136,416
Intangible assets	24,502	14,652
TOTAL NON-CURRENT	206,245	168,545
TOTAL ASSETS	706,394	594,833

R\$ thousand	2Q24	2Q23
LIABILITIES & SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Suppliers	69,998	55,844
Labor and social security liabilities	29,140	24,743
Tax obligations	14,468	12,760
Leases - right of use payable	16,801	17,213
Rental payable	1,869	1,394
Advance from customers	5,283	2,749
Advance from Events	4,614	5,317
Dividends payable	12,327	10,389
Other liabilities	110	4,909
TOTAL CURRENT LIABILITIES	154,610	135,318
NON-CURRENT		
Suppliers	0	879
Leases - right of use payable	98,775	81,617
Provision for civil, labor and tax contingencies	4,963	7,413
Other liabilities	0	21
TOTAL NON-CURRENT LIABILITIES	103,738	89,930
SHAREHOLDERS' EQUITY		
Share capital	336,148	192,392
Treasury shares	-18,871	-12,278
Capital Reserve	-11,442	-12,527
Reserve of tax incentives	8,663	7,040
Profit reserve	92,127	153,434
Other comprehensive income	1,869	1,867
Net income (loss) for the period	39,552	39,657
Total shareholders' equity	448,046	369,585

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.

Adjusted EBITDA EX-TFSports and Adjusted Net Income EX-TFSports disregard all the effects of the TFSports business.

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®

Investor Relations

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