

(Convenience Translation into English from the  
Original Previously Issued in Portuguese)

## **Track & Field CO S.A. and Subsidiaries**

Report on Review of Individual and  
Consolidated Interim Financial Information  
for the Three-month Period  
ended March 31, 2024

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

## REPORT ON REVIEW OF INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

To the Management and Shareholders of  
Track & Field CO S.A.

### **Introduction**

We have reviewed the accompanying individual and consolidated interim financial information of Track & Field CO S.A. ("Company"), identified as Parent and Consolidated, respectively, included in the Interim Financial Information Form (ITR) for the quarter ended March 31, 2024, which comprises the individual and consolidated balance sheet as at March 31, 2024, and the related individual and consolidated statements of profit and loss, of comprehensive income, of changes in equity and of cash flows for the three-month period then ended, including the explanatory notes.

The Executive Board is responsible for the preparation of this individual and consolidated interim financial information in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of review**

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion on the individual and consolidated interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in ITR referred to above is not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34 applicable to the preparation of Interim Financial Information (ITR), and presented in accordance with the standards issued by the CVM.

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## Other matters


### *Statements of value added*

The individual and consolidated interim financial information referred to above includes the statements of value added (DVA) for the three-month period ended March 31, 2024, prepared under the responsibility of the Company's Executive Board and presented as supplemental information for international standard IAS 34 purposes. These statements were subject to the review procedures performed together with the review of the Interim Financial Information (ITR) to reach a conclusion on whether they are reconciled with the interim financial information and the accounting records, as applicable, and if their form and content are consistent with the criteria set forth in technical pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with technical pronouncement CPC 09 and consistently with the accompanying individual and consolidated interim financial information taken as a whole.

### *Convenience translation*

The accompanying individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

São Paulo, May 13, 2024



DELOITTE TOUCHE TOHMATSU  
Auditores Independentes Ltda.



Randal Ribeiro Sylvestre  
Engagement Partner

- ✦ **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.<br>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**

| <b>Billed Sell Out per Channel</b><br>(R\$ thousand) | <b>1Q24</b>    | <b>1Q23</b>    | <b>Var.</b><br><b>1Q24 / 1Q23</b> |
|--|----------------|----------------|-----------------------------------|
| 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>                      |

| <b>Captured Sell Out per Channel</b><br>(R\$ thousand) | <b>1Q24</b>    | <b>1Q23</b>    | <b>Var.</b><br><b>1Q24 / 1Q23</b> |
|--|----------------|----------------|-----------------------------------|
| 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.

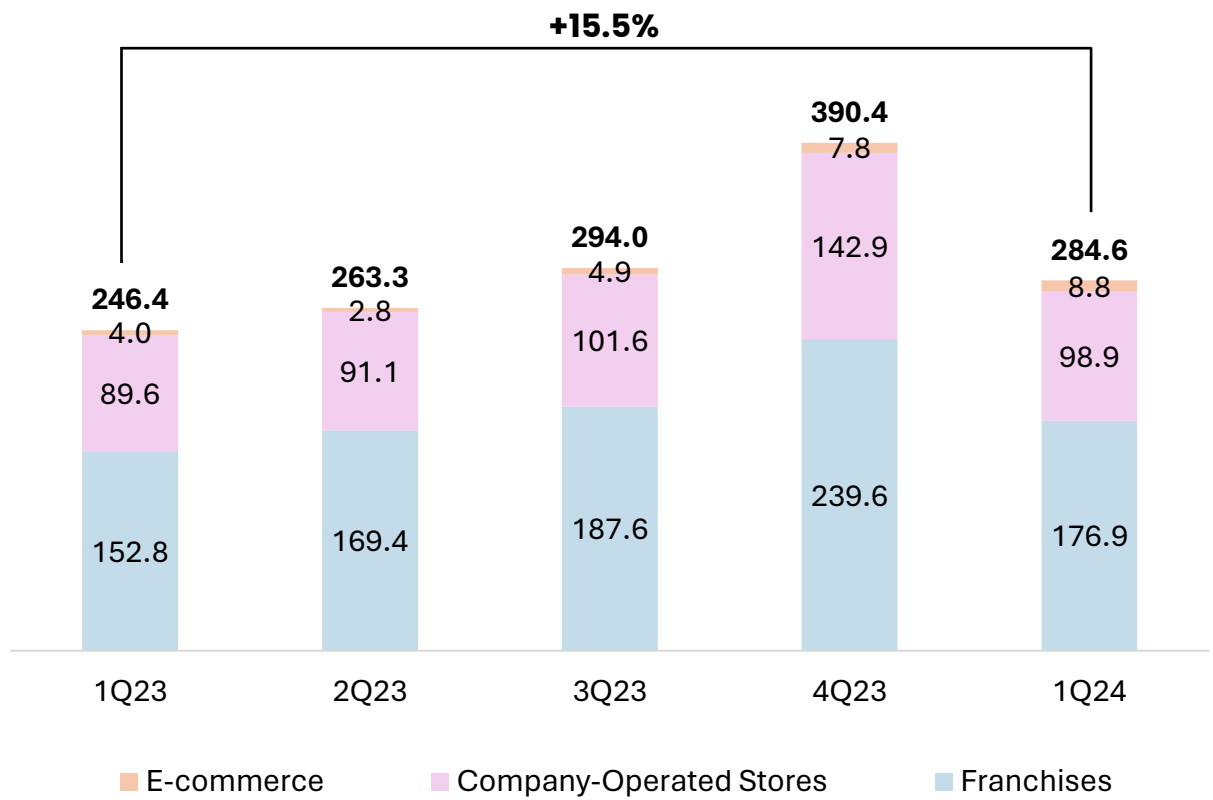
However, after the Carnival period, we noticed a normalization in customer traffic in our stores, with sales returning to expected levels. In this context, February's sales aligned with the growth pace observed in the last quarter of 2023. This, coupled with the solid performance in March, resulted in 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

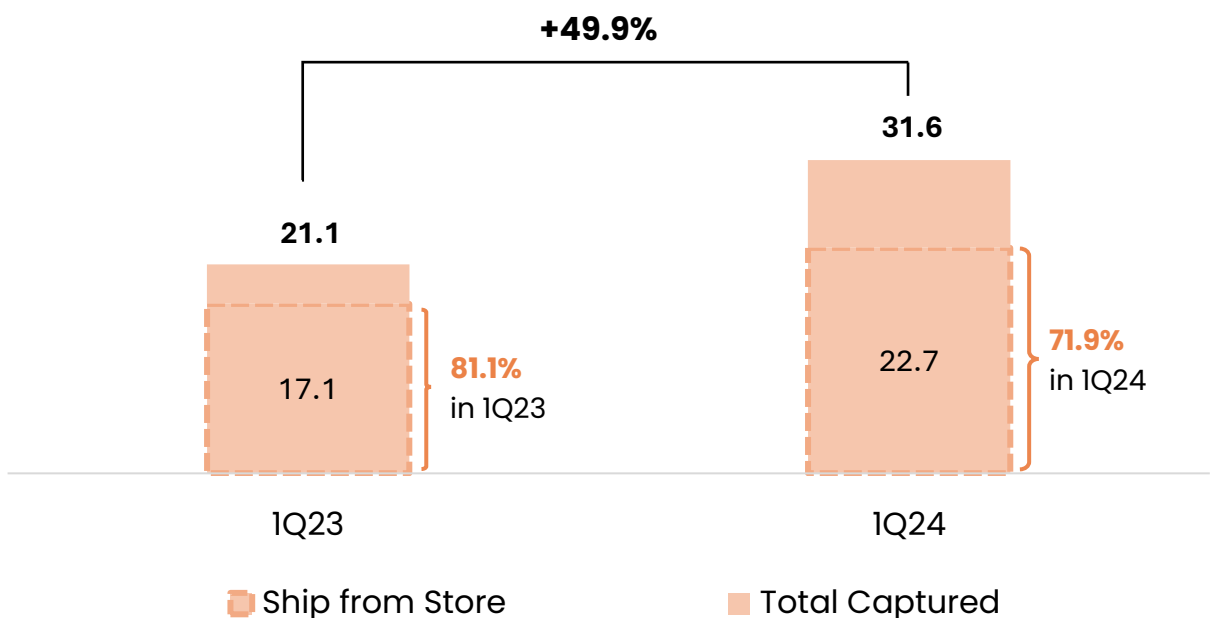


By the end of March, we had 28% of our stores in the new layout, and we expect to have almost half of our network in the new concept by the end of 2024. The renovated stores experienced a sales growth of 19.4% in 1Q24 and 24.2% in the February/March bimester.

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

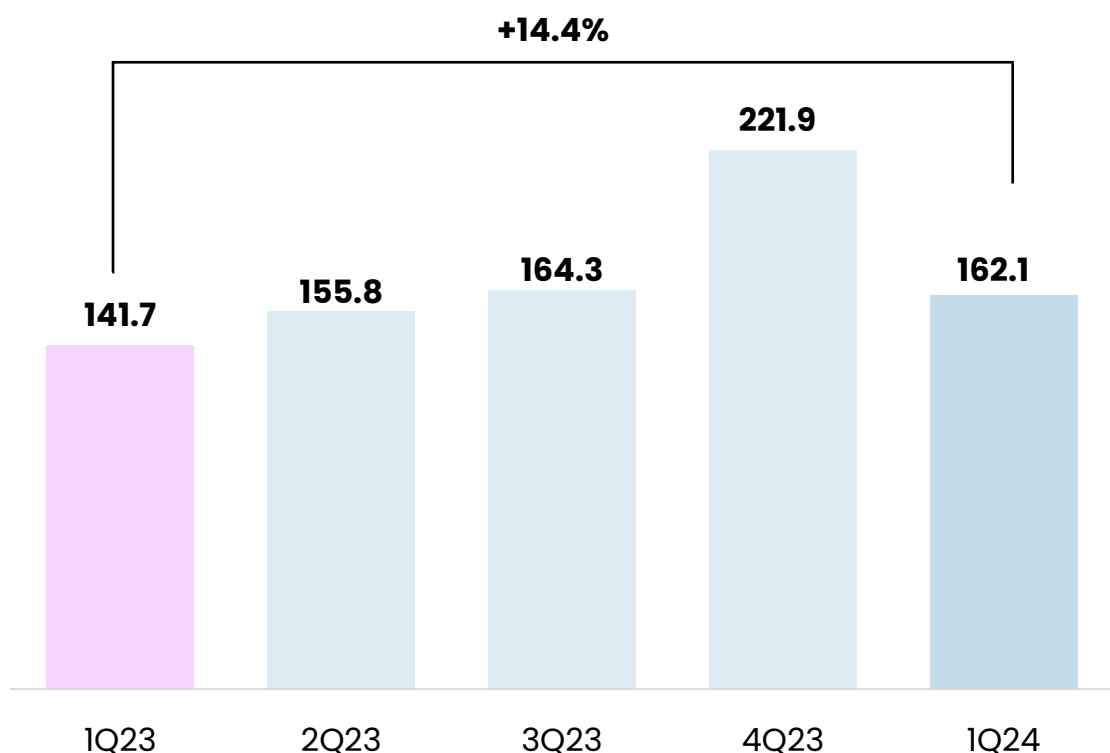
| Net Revenue<br>(R\$ thousand) | 1Q24           | 1Q23           | Var.<br>1Q24 / 1Q23 |
|-------------------------------|----------------|----------------|---------------------|
| Goods for Franchises          | 41,897         | 38,673         | 8.3%                |
| Royalties                     | 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



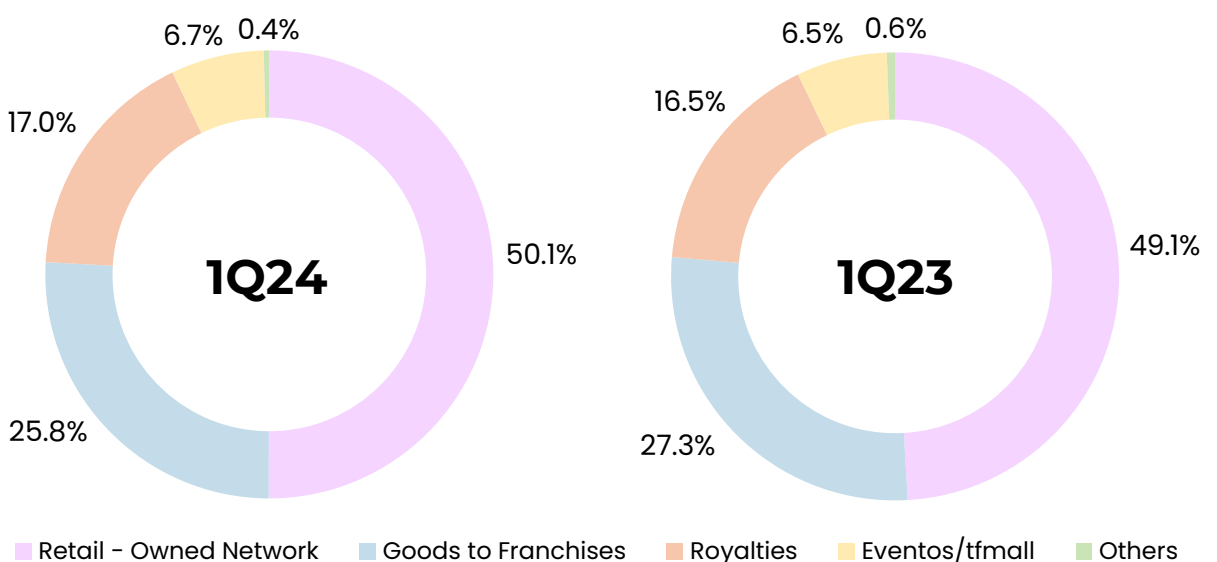


Additionally, the retail channel (company-owned network) also deserves recognition for its performance, reporting 16.6% YoY growth and reaching a 50.1% share of total net revenue (vs. 49.1% in 1Q23). This increase is mainly the result of the strong performance in our company-owned stores, which saw sales 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<br>(R\$ thousand) | 1Q24          | 1Q23          | Var.<br>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<br>(R\$ thousand)                      | 1Q24           | 1Q23           | Var.<br>1Q24 / 1Q23 |
|---|----------------|----------------|---------------------|
| <b>General Adjusted Net Revenue</b>                         | <b>162,131</b> | <b>141,690</b> | <b>14.43%</b>       |
| Operating Expenses<br>(R\$ thousand)                        | 1Q24           | 1Q23           | Var.<br>1Q24 / 1Q23 |
| <b>Sales</b>  | 31,362         | 29,473         | 6.4%                |
| <i>% With Sales over General NR</i>                         | <i>19.3%</i>   | <i>20.8%</i>   | <i>-1.5 p.p.</i>    |
| <b>General and Administrative</b>                           | 27,158         | 20,931         | 29.7%               |
| <i>% G&amp;A over General NR</i>                            | <i>16.8%</i>   | <i>14.8%</i>   | <i>2.0 p.p.</i>     |
| <b>Operating Expenses</b>                                   | <b>58,521</b>  | <b>50,404</b>  | <b>16.1%</b>        |
| <i>%Total Operating Expenses over General NR</i>            | <i>36.1%</i>   | <i>35.6%</i>   | <i>0.5 p.p.</i>     |
| <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>  | <i>35.9%</i>   | <i>35.4%</i>   | <i>0.5 p.p.</i>     |
| <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>            | <i>37.8%</i>   | <i>36.8%</i>   | <i>1.0 p.p.</i>     |

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.

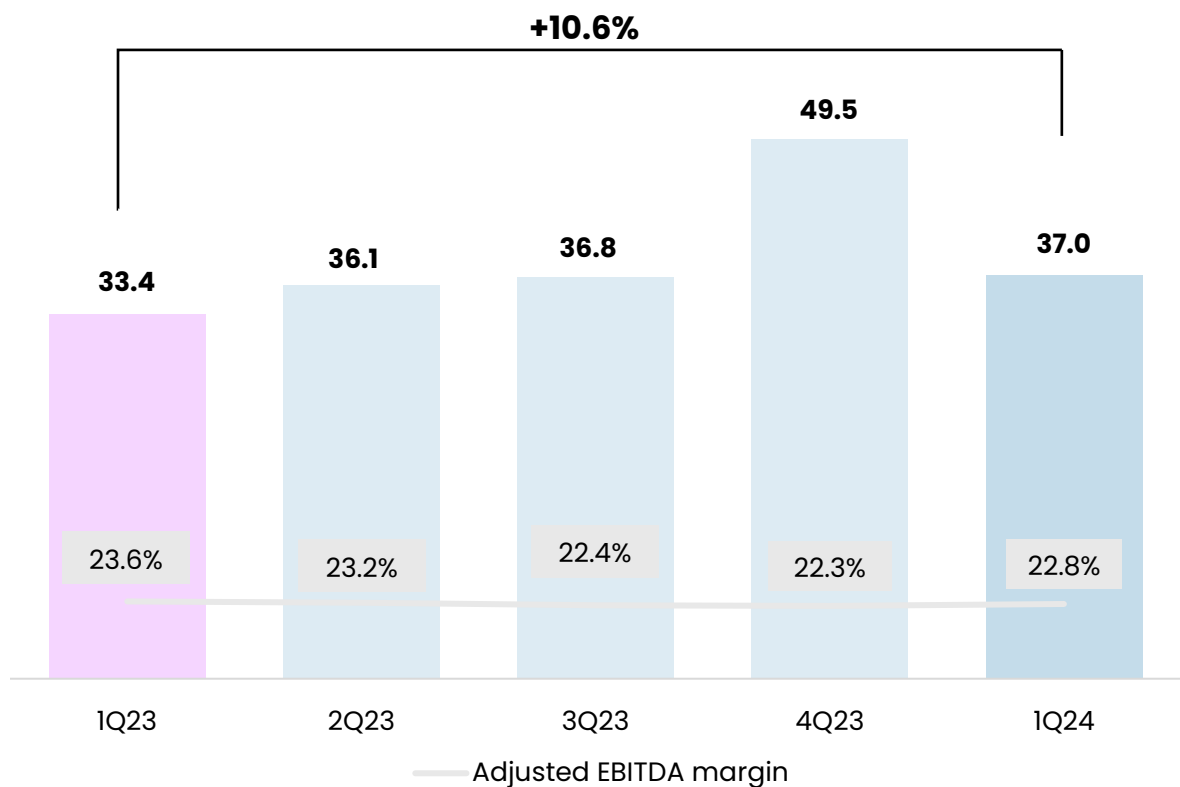
Excluding the effects of IFRS-16 and non-recurring expenses, adjusted EBITDA amounted to R\$37.0 million in 1Q24, a 10.6% increase YoY, with a margin of 22.8% (-0.8 p.p. YoY). This decline in margin can be explained by increased expenses in the quarter compared to the first quarter of 2023, driven by 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<br>(R\$ thousand) | 1Q24          | 1Q23          | Var.<br>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<br>(R\$ thousand and %)     | 1Q24          | 1Q23          | Var.<br>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.

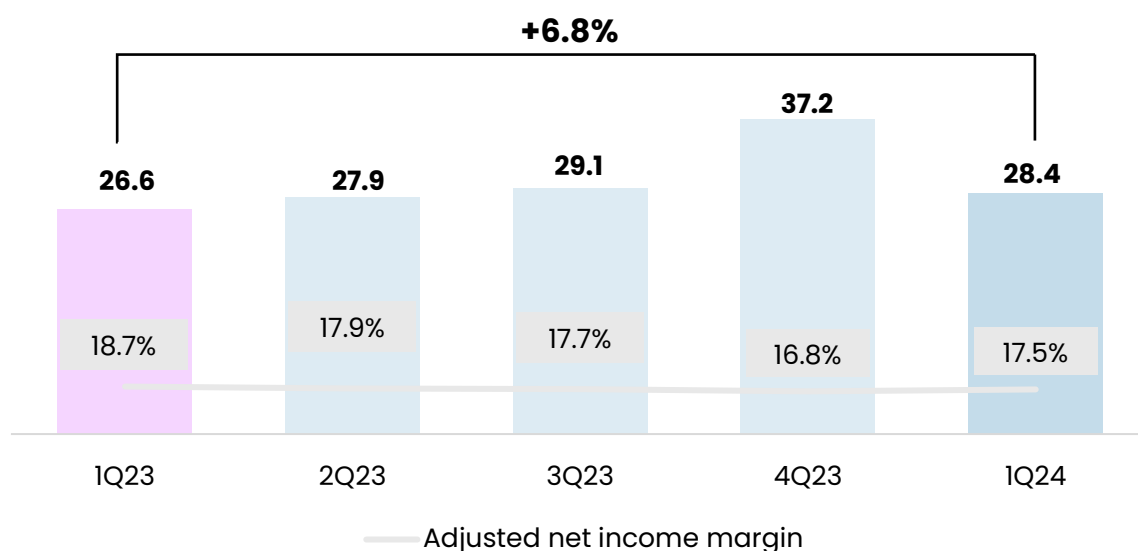
Adjusted net income, excluding the effects of IFRS-16 and non-recurring expenses, reached R\$28.4 million in the quarter, growing 6.8% compared to the R\$26.6 million recorded in the same period in 2023. Meanwhile, the adjusted net margin closed the quarter at 17.5%, registering a decrease of 1.2 percentage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

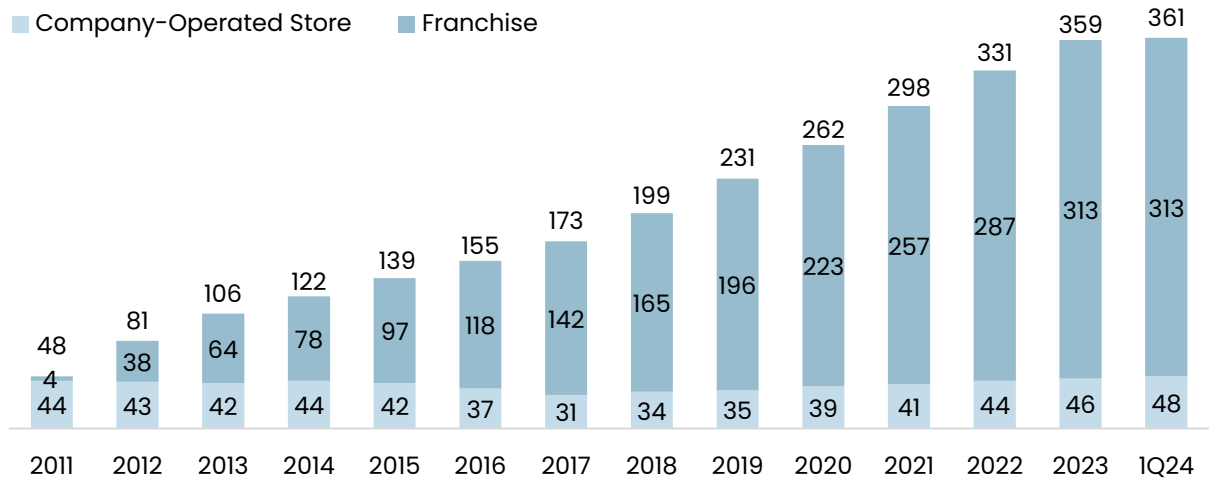
Net cash generated from operating activities was R\$46.4 million, a level 207.3% higher than the same period last year, once again demonstrating the company's healthy growth. It is worth highlighting that this positive result versus the same period in the previous year occurred due to the growth observed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

## South

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

## Southeast

**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        |
| <b>GROSS PROFIT</b>  | <b>95.206</b>  | <b>83.608</b>  |
| <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            |
| <b>Total Operating Expenses (Revenues)</b>                   | <b>-61.310</b> | <b>-52.161</b> |
| <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         |
| <b>EARNINGS BEFORE FINANCIAL RESULT</b>                      | <b>33.896</b>  | <b>31.447</b>  |
| <b>ADJUSTED FINANCIAL RESULT</b>                             | <b>-646</b>    | <b>-6</b>      |
| Financial revenues   | 2.547          | 1.986          |
| Financial expenses   | -3.193         | -1.992         |
| <b>OPERATING INCOME BEFORE IR AND CS</b>                     | <b>33.250</b>  | <b>31.441</b>  |
| <b>INCOME TAX AND CS (SOCIAL CONTRIBUTION)</b>               | <b>-4.900</b>  | <b>-4.890</b>  |
| <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<br>(R\$ thousand) | Including IFRS   | Excluding IFRS   | Difference<br>(A-B) |
|--|------------------|------------------|---------------------|
|  | 16 Effect<br>(A) | 16 Effect<br>(B) |                     |
| Assets - Rights of Use                                       | 95,634           | -                | 95,634              |
| Liabilities - Leases Payable                                 | 103,178          | -                | 103,178             |

| 1Q24<br>Items affected by IFRS-16<br>(R\$ thousand)      | Including IFRS   | Excluding IFRS   | Difference<br>(A-B) |
|--|------------------|------------------|---------------------|
|  | 16 Effect<br>(A) | 16 Effect<br>(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).

## Capital Structure

| <b>Number of Shares<br/>(Unit)</b> | <b>Current Quarter<br/>03/31/2024</b> |
|------------------------------------|---------------------------------------|
| Common shares - paid-in capital    | 877,251,375                           |
| Preferred shares - paid-in capital | 71,992,864                            |
| <b>Total paid-in capital</b>       | <b>949,244,239</b>                    |
| Treasury common shares             | -                                     |
| Treasury preferred shares          | 4,105,673                             |
| <b>Total treasury shares</b>       | <b>4,105,673</b>                      |

**Individual Financial Statements / Balance Sheet Assets**

(Thousands of Reais)

| <b>Account Code</b> | <b>Account Description</b>                  | <b>Current Quarter<br/>03/31/2024</b> | <b>Prior Year<br/>12/31/2023</b> |
|---------------------|---|---------------------------------------|----------------------------------|
| 1                   | Total assets                                | 670,115                               | 655,192                          |
| 1.01                | Current assets                              | 423,535                               | 439,959                          |
| 1.01.01             | Cash and cash equivalents                   | 20,826                                | 20,071                           |
| 1.01.03             | Trade receivables                           | 128,160                               | 170,270                          |
| 1.01.04             | Inventories                                 | 252,927                               | 232,023                          |
| 1.01.06             | Recoverable taxes                           | 10,785                                | 10,208                           |
| 1.01.07             | Prepaid expenses                            | 10,837                                | 7,387                            |
| 1.01.07.01          | Prepaid expenses and other receivables      | 6,089                                 | 5,436                            |
| 1.01.07.02          | Advances to suppliers                       | 1,386                                 | 1,951                            |
| 1.01.07.03          | Due from related parties                    | 3,362                                 | 0                                |
| 1.02                | Noncurrent assets                           | 246,580                               | 215,233                          |
| 1.02.01             | Long-term assets                            | 8,875                                 | 8,849                            |
| 1.02.01.07          | Deferred taxes                              | 6,178                                 | 6,400                            |
| 1.02.01.07.01       | Deferred income tax and social contribution | 6,178                                 | 6,400                            |
| 1.02.01.10          | Other noncurrent assets                     | 2,697                                 | 2,449                            |
| 1.02.01.10.03       | Escrow deposits                             | 620                                   | 445                              |
| 1.02.01.10.04       | Recoverable taxes                           | 2,077                                 | 2,004                            |
| 1.02.02             | Investments                                 | 89,966                                | 66,871                           |
| 1.02.02.01          | Equity interests                            | 89,966                                | 66,871                           |
| 1.02.02.01.02       | Interests in subsidiaries                   | 89,966                                | 66,871                           |
| 1.02.03             | Property and equipment                      | 140,734                               | 134,948                          |
| 1.02.03.01          | Property and equipment in use               | 49,477                                | 45,638                           |
| 1.02.03.02          | Right-of-use leases                         | 91,257                                | 89,310                           |
| 1.02.04             | Intangible assets                           | 7,005                                 | 4,565                            |
| 1.02.04.01          | Intangible assets                           | 7,005                                 | 4,565                            |



## Individual Financial Statements / Balance Sheet Liabilities

(Thousands of Reais)

| Account Code  | Account Description                       | Current Quarter<br>03/31/2024 | Prior Year<br>12/31/2023 |
|---------------|---|-------------------------------|--------------------------|
| 2             | Total liabilities                         | 670,115                       | 655,192                  |
| 2.01          | Current liabilities                       | 149,848                       | 157,818                  |
| 2.01.01       | Payroll and related taxes                 | 25,062                        | 28,069                   |
| 2.01.01.02    | Payroll and related taxes                 | 25,062                        | 28,069                   |
| 2.01.02       | Trade payables                            | 60,242                        | 54,820                   |
| 2.01.02.01    | Domestic trade payables                   | 59,027                        | 53,643                   |
| 2.01.02.02    | Foreign trade payables                    | 1,215                         | 1,177                    |
| 2.01.03       | Taxes payable                             | 10,348                        | 23,614                   |
| 2.01.03.01    | Federal taxes payable                     | 10,348                        | 23,614                   |
| 2.01.03.01.02 | Taxes payable                             | 10,348                        | 23,614                   |
| 2.01.04       | Borrowings and financing                  | 15,870                        | 16,869                   |
| 2.01.04.03    | Finance leases                            | 15,870                        | 16,869                   |
| 2.01.04.03.01 | Right-of-use leases payable               | 15,870                        | 16,869                   |
| 2.01.05       | Other payables                            | 38,326                        | 34,446                   |
| 2.01.05.01    | Due to related parties                    | 2,086                         | 2,982                    |
| 2.01.05.02    | Other                                     | 36,240                        | 31,464                   |
| 2.01.05.02.01 | Dividends and interest on capital payable | 33,113                        | 27,473                   |
| 2.01.05.02.05 | Rents payable                             | 1,566                         | 3,378                    |
| 2.01.05.02.06 | Other payables                            | 1,029                         | 273                      |
| 2.01.05.02.07 | Advances from customers                   | 532                           | 340                      |
| 2.02          | Noncurrent liabilities                    | 85,473                        | 83,741                   |
| 2.02.01       | Borrowings and financing                  | 82,544                        | 80,010                   |
| 2.02.01.03    | Finance leases                            | 82,544                        | 80,010                   |
| 2.02.01.03.01 | Right-of-use leases payable               | 82,544                        | 80,010                   |
| 2.02.02       | Other payables                            | 0                             | 294                      |
| 2.02.02.02    | Other                                     | 0                             | 294                      |
| 2.02.02.02.03 | Foreign trade payables                    | 0                             | 294                      |
| 2.02.04       | Provisions                                | 2,929                         | 3,437                    |
| 2.02.04.02    | Other provisions                          | 2,929                         | 3,437                    |
| 2.02.04.02.04 | Provision for civil, labor and tax risks  | 2,929                         | 3,437                    |
| 2.03          | Equity                                    | 434,794                       | 413,633                  |
| 2.03.01       | Issued capital                            | 192,392                       | 192,392                  |
| 2.03.02       | Capital reserves                          | -15,123                       | -16,141                  |
| 2.03.02.05    | Treasury shares                           | -12,344                       | -12,278                  |
| 2.03.02.08    | Loss on transactions involving shares     | -11,442                       | -12,526                  |
| 2.03.02.09    | Tax incentive reserve                     | 8,663                         | 8,663                    |
| 2.03.04       | Earnings reserves                         | 235,516                       | 235,516                  |
| 2.03.04.01    | Legal reserve                             | 15,260                        | 15,260                   |
| 2.03.04.10    | Reserve for investment/expansion          | 220,256                       | 220,256                  |
| 2.03.05       | Retained earnings/accumulated losses      | 20,142                        | 0                        |
| 2.03.08       | Other comprehensive income                | 1,867                         | 1,866                    |

**Individual Financial Statements / Income Statement**

(Thousands of Reais)

| <b>Account Code</b> | <b>Account Description</b>                            | <b>Accumulated for the Current</b> | <b>Accumulated for the Prior</b> |
|---------------------|---|------------------------------------|----------------------------------|
|                     |   | <b>Fiscal Year</b>                 | <b>Fiscal Year</b>               |
|                     |   | <b>01/01/2024 to 03/31/2024</b>    | <b>01/01/2023 to 03/31/2023</b>  |
| 3.01                | Revenue from sales and services                       | 124,069                            | 109,472                          |
| 3.02                | Cost of sales and services                            | -60,889                            | -53,863                          |
| 3.03                | Gross profit  | 63,180                             | 55,609                           |
| 3.04                | Operating income (expenses)                           | -31,877                            | -26,260                          |
| 3.04.01             | Selling expenses                                      | -33,723                            | -30,145                          |
| 3.04.02             | General and administrative expenses                   | -20,830                            | -16,695                          |
| 3.04.05             | Other operating expenses                              | 217                                | 212                              |
| 3.04.06             | Share of profit (loss) of subsidiaries                | 22,459                             | 20,368                           |
| 3.05                | Profit (loss) before finance income (costs) and taxes | 31,303                             | 29,349                           |
| 3.06                | Finance income (costs)                                | -4,651                             | -3,562                           |
| 3.06.01             | Finance income  | 830                                | 509                              |
| 3.06.02             | Finance costs   | -5,481                             | -4,071                           |
| 3.07                | Profit (loss) before income taxes                     | 26,652                             | 25,787                           |
| 3.08                | Income tax and social contribution                    | -267                               | -700                             |
| 3.08.01             | Current   | -45                                | -631                             |
| 3.08.02             | Deferred  | -222                               | -69                              |
| 3.09                | Profit (loss) from continuing operations              | 26,385                             | 25,087                           |
| 3.11                | Profit (loss) for the period                          | 26,385                             | 25,087                           |
| 3.99                | Earnings per share - (Reais /share)                   |                                    |                                  |
| 3.99.01             | Basic earnings per share                              |                                    |                                  |
| 3.99.01.01          | Common shares   | 0.017                              | 0.0161                           |
| 3.99.01.02          | Preferred shares                                      | 0.1696                             | 0.1613                           |

**Individual Financial Statements / Statement of Comprehensive Income**

(Thousands of Reais)

| <b>Account Code</b> | <b>Account Description</b>   | <b>Accumulated for the Current</b> | <b>Accumulated for the Prior</b> |
|---------------------|--|------------------------------------|----------------------------------|
|                     |  | <b>Fiscal Year</b>                 | <b>Fiscal Year</b>               |
|                     |  | <b>01/01/2024 to 03/31/2024</b>    | <b>01/01/2023 to 03/31/2023</b>  |
| 4.01                | Profit for the period  | 26,385                             | 25,087                           |
| 4.02                | Other comprehensive income   | 1                                  | 0                                |
| 4.02.01             | Gain (loss) on translation of financial statements of foreign subsidiary | 1                                  | 0                                |
| 4.03                | Comprehensive income for the period                                      | 26,386                             | 25,087                           |

**Individual Financial Statements / Statement of Cash Flows (Indirect Method)**

(Thousands of Reais)

| Account Code | Account Description   | Accumulated for the Current             | Accumulated for the Prior               |
|--------------|---|---|---|
|              |   | Fiscal Year<br>01/01/2024 to 03/31/2024 | Fiscal Year<br>01/01/2023 to 03/31/2023 |
| 6.01         | Cash flows from operating activities                            | 20,611                                  | -12,157                                 |
| 6.01.01      | Cash provided by operating activities                           | 12,998                                  | 12,689                                  |
| 6.01.01.01   | Profit (loss) for the period                                    | 26,385                                  | 25,087                                  |
| 6.01.01.02   | Depreciation and amortization                                   | 6,355                                   | 5,223                                   |
| 6.01.01.05   | Current and deferred income tax and social contribution         | 267                                     | 700                                     |
| 6.01.01.06   | Allowance for (reversal of) projected inventory losses          | 495                                     | 194                                     |
| 6.01.01.07   | Provision for civil, labor and tax risks                        | -500                                    | -209                                    |
| 6.01.01.08   | Credit losses   | 51                                      | 25                                      |
| 6.01.01.09   | Expected credit losses  | -114                                    | -67                                     |
| 6.01.01.10   | Share of profit (loss) of subsidiaries                          | -22,459                                 | -20,368                                 |
| 6.01.01.11   | Write-off of property and equipment items and intangible assets | 311                                     | 0                                       |
| 6.01.01.12   | Interest on right-of-use leases                                 | 2,430                                   | 2,131                                   |
| 6.01.01.13   | Inflation adjustments to escrow deposits                        | -15                                     | -20                                     |
| 6.01.01.16   | Inflation adjustments to recoverable taxes                      | -208                                    | -214                                    |
| 6.01.01.17   | Inflation adjustments to other payables                         | 0                                       | 207                                     |
| 6.01.02      | Changes in assets and liabilities                               | 9,147                                   | -24,846                                 |
| 6.01.02.01   | Trade receivables   | 42,173                                  | 35,710                                  |
| 6.01.02.02   | Inventories   | -21,399                                 | -35,899                                 |
| 6.01.02.03   | Recoverable taxes   | -442                                    | -707                                    |
| 6.01.02.04   | Escrow deposits   | -160                                    | -5                                      |
| 6.01.02.05   | Other receivables   | 996                                     | 201                                     |
| 6.01.02.06   | Trade payables  | 4,752                                   | -2,290                                  |
| 6.01.02.07   | Payroll and related taxes                                       | -3,007                                  | -4,333                                  |
| 6.01.02.08   | Taxes payable   | -11,777                                 | -15,178                                 |
| 6.01.02.09   | Trade payables  | -1,812                                  | -1,394                                  |
| 6.01.02.10   | Due to related parties  | -896                                    | -1,199                                  |
| 6.01.02.12   | Other payables  | 719                                     | 248                                     |
| 6.01.03      | Other   | -1,534                                  | 0                                       |
| 6.01.03.01   | Income tax and social contribution paid                         | -1,534                                  | 0                                       |
| 6.02         | Net cash provided by investing activities                       | -9,252                                  | 14,982                                  |
| 6.02.01      | Purchase of property and equipment items and intangible assets  | -8,617                                  | -3,250                                  |
| 6.02.03      | Capital increase in subsidiary                                  | -7,535                                  | -1,858                                  |
| 6.02.04      | Profit received from subsidiaries                               | 6,900                                   | 20,090                                  |
| 6.03         | Net cash provided by financing activities                       | -10,605                                 | -6,286                                  |
| 6.03.01      | Dividends paid  | -603                                    | 0                                       |
| 6.03.02      | Borrowings and financing  | -3,362                                  | -1,026                                  |
| 6.03.03      | Payment of right-of-use leases                                  | -6,253                                  | -5,107                                  |
| 6.03.04      | Purchase of own shares  | -387                                    | -153                                    |
| 6.04         | Exchange rate changes on cash and cash equivalents              | 1                                       | 0                                       |
| 6.05         | Increase (decrease) in cash and cash equivalents                | 755                                     | -3,461                                  |
| 6.05.01      | Opening balance of cash and cash equivalents                    | 20,071                                  | 16,796                                  |
| 6.05.02      | Closing balance of cash and cash equivalents                    | 20,826                                  | 13,335                                  |

**Individual Financial Statements / Statement of Changes in Equity / SCE - 01/01/2024 to 03/31/2024**

(Thousands of Reais)

| <b>Account Code</b> | <b>Account Description</b>   | <b>Paid-in capital</b> | <b>Capital reserves,<br/>stock options granted<br/>and treasury shares</b> | <b>Earnings reserves</b> | <b>Retained earnings<br/>(accumulated losses)</b> | <b>Other comprehensive<br/>income</b> | <b>Equity</b> |
|---------------------|--|------------------------|--|--------------------------|---|---------------------------------------|---------------|
| 5.01                | Opening balances   | 192,392                | -16,141  | 235,516                  | 0   | 1,866                                 | 413,633       |
| 5.02                | Prior-year adjustments   | 0                      | 0  | 0                        | 0   | 0                                     | 0             |
| 5.03                | Adjusted opening balances  | 192,392                | -16,141  | 235,516                  | 0   | 1,866                                 | 413,633       |
| 5.04                | Capital transactions with shareholders                                   | 0                      | 1,018  | 0                        | -6,243  | 1                                     | -5,224        |
| 5.04.03             | Recognized granted stock options   | 0                      | 321  | 0                        | 0   | 0                                     | 321           |
| 5.04.07             | Interest on capital  | 0                      | 0  | 0                        | -6,243  | 0                                     | -6,243        |
| 5.04.08             | Repurchase of shares   | 0                      | -387   | 0                        | 0   | 0                                     | -387          |
| 5.04.09             | Gain (loss) on disposal of treasury shares                               | 0                      | 1,084  | 0                        | 0   | 0                                     | 1,084         |
| 5.04.10             | Gain (loss) on translation of financial statements of foreign subsidiary | 0                      | 0  | 0                        | 0   | 1                                     | 1             |
| 5.05                | Total comprehensive income   | 0                      | 0  | 0                        | 26,385  | 0                                     | 26,385        |
| 5.05.01             | Profit for the period  | 0                      | 0  | 0                        | 26,385  | 0                                     | 26,385        |
| 5.06                | Internal changes in equity   | 0                      | 0  | 0                        | 0   | 0                                     | 0             |
| 5.07                | Closing balances   | 192,392                | -15,123  | 235,516                  | 20,142  | 1,867                                 | 434,794       |

**Individual Financial Statements / Statement of Changes in Equity / SCE - 01/01/2023 to 03/31/2023**

(Thousands of Reais)

| <b>Account Code</b> | <b>Account Description</b>                 | <b>Paid-in capital</b> | <b>Capital reserves,<br/>stock options granted<br/>and treasury shares</b> | <b>Earnings reserves</b> | <b>Retained earnings<br/>(accumulated losses)</b> | <b>Other comprehensive<br/>income</b> | <b>Equity</b> |
|---------------------|--|------------------------|--|--------------------------|---|---------------------------------------|---------------|
| 5.01                | Opening balances                           | 192,392                | -25,212  | 159,279                  | 0   | 1,869                                 | 328,328       |
| 5.02                | Prior-year adjustments                     | 0                      | 0  | 0                        | 0   | 0                                     | 0             |
| 5.03                | Adjusted opening balances                  | 192,392                | -25,212  | 159,279                  | 0   | 1,869                                 | 328,328       |
| 5.04                | Capital transactions with shareholders     | 0                      | 407  | 0                        | -5,585  | 0                                     | -5,178        |
| 5.04.03             | Recognized granted stock options           | 0                      | 152  | 0                        | 0   | 0                                     | 152           |
| 5.04.07             | Interest on capital                        | 0                      | 0  | 0                        | -5,585  | 0                                     | -5,585        |
| 5.04.08             | Repurchase of shares                       | 0                      | -153   | 0                        | 0   | 0                                     | -153          |
| 5.04.09             | Gain (loss) on disposal of treasury shares | 0                      | 408  | 0                        | 0   | 0                                     | 408           |
| 5.05                | Total comprehensive income                 | 0                      | 0  | 0                        | 25,087  | 0                                     | 25,087        |
| 5.05.01             | Profit for the period                      | 0                      | 0  | 0                        | 25,087  | 0                                     | 25,087        |
| 5.06                | Internal changes in equity                 | 0                      | 0  | 0                        | 0   | 0                                     | 0             |
| 5.07                | Closing balances                           | 192,392                | -24,805  | 159,279                  | 19,502  | 1,869                                 | 348,237       |

## Individual Financial Statements / Statement of Value Added

(Thousands of Reais)

| Account Code  | Account Description                                 | Accumulated for the Current             | Accumulated for the Prior               |
|---------------|---|---|---|
|               |   | Fiscal Year<br>01/01/2024 to 03/31/2024 | Fiscal Year<br>01/01/2023 to 03/31/2023 |
| 7.01          | Revenues  | 165,287                                 | 144,198                                 |
| 7.01.01       | Sales of goods, products and services               | 162,112                                 | 143,831                                 |
| 7.01.02       | Other income  | 860                                     | 335                                     |
| 7.01.02.01    | Other income  | 797                                     | 293                                     |
| 7.01.02.02    | Credit loss   | -51                                     | -25                                     |
| 7.01.02.03    | Expected credit losses                              | 114                                     | 67                                      |
| 7.01.03       | Revenue from the construction of own assets         | 2,315                                   | 32                                      |
| 7.02          | Inputs acquired from third parties                  | -92,377                                 | -84,057                                 |
| 7.02.01       | Costs of sales and services                         | -68,560                                 | -67,493                                 |
| 7.02.02       | Supplies, power, outside services and other inputs  | -21,502                                 | -16,532                                 |
| 7.02.03       | Impairment losses on assets                         | -2,315                                  | -32                                     |
| 7.03          | Gross value added                                   | 72,910                                  | 60,141                                  |
| 7.04          | Withholdings  | -2,403                                  | -1,577                                  |
| 7.04.01       | Depreciation, amortization and depletion            | -2,403                                  | -1,577                                  |
| 7.05          | Wealth created by the Company                       | 70,507                                  | 58,564                                  |
| 7.06          | Wealth received in transfer                         | 23,289                                  | 20,877                                  |
| 7.06.01       | Share of profit (loss) of subsidiaries              | 22,459                                  | 20,368                                  |
| 7.06.02       | Finance income                                      | 830                                     | 509                                     |
| 7.07          | Total wealth for distribution                       | 93,796                                  | 79,441                                  |
| 7.08          | Wealth distributed                                  | 93,796                                  | 79,441                                  |
| 7.08.01       | Personnel   | 27,166                                  | 24,342                                  |
| 7.08.01.01    | Salaries and wages                                  | 22,595                                  | 20,339                                  |
| 7.08.01.02    | Benefits  | 3,212                                   | 2,768                                   |
| 7.08.01.03    | Severance Pay Fund (FGTS)                           | 1,359                                   | 1,235                                   |
| 7.08.02       | Taxes, fees and contributions                       | 27,074                                  | 18,509                                  |
| 7.08.02.01    | Federal   | 11,202                                  | 7,144                                   |
| 7.08.02.02    | State   | 15,826                                  | 11,340                                  |
| 7.08.02.03    | Municipal   | 46                                      | 25                                      |
| 7.08.03       | Lenders and lessors                                 | 13,171                                  | 11,503                                  |
| 7.08.03.02    | Rentals   | 9,608                                   | 8,589                                   |
| 7.08.03.03    | Other   | 3,563                                   | 2,914                                   |
| 7.08.03.03.01 | Interest and banking expenses                       | 3,563                                   | 2,914                                   |
| 7.08.04       | Shareholders  | 26,385                                  | 25,087                                  |
| 7.08.04.01    | Interest on capital                                 | 6,243                                   | 5,585                                   |
| 7.08.04.03    | Retained earnings/accumulated losses for the period | 20,142                                  | 19,502                                  |

**Consolidated Financial Statements / Balance Sheet Assets**

(Thousands of Reais)

| <b>Account Code</b> | <b>Account Description</b>                  | <b>Current Quarter<br/>03/31/2024</b> | <b>Prior Year<br/>12/31/2023</b> |
|---------------------|---|---------------------------------------|----------------------------------|
| 1                   | Total assets                                | 696,285                               | 682,102                          |
| 1.01                | Current assets                              | 507,967                               | 502,705                          |
| 1.01.01             | Cash and cash equivalents                   | 82,179                                | 54,477                           |
| 1.01.03             | Trade receivables                           | 148,743                               | 196,536                          |
| 1.01.04             | Inventories                                 | 253,506                               | 232,856                          |
| 1.01.06             | Recoverable taxes                           | 10,915                                | 10,336                           |
| 1.01.07             | Prepaid expenses                            | 12,624                                | 8,500                            |
| 1.01.07.01          | Prepaid expenses and other receivables      | 10,847                                | 6,147                            |
| 1.01.07.02          | Advances to suppliers                       | 1,777                                 | 2,353                            |
| 1.02                | Noncurrent assets                           | 188,318                               | 179,397                          |
| 1.02.01             | Long-term assets                            | 11,998                                | 12,101                           |
| 1.02.01.07          | Deferred taxes                              | 6,178                                 | 6,400                            |
| 1.02.01.07.01       | Deferred income tax and social contribution | 6,178                                 | 6,400                            |
| 1.02.01.10          | Other noncurrent assets                     | 5,820                                 | 5,701                            |
| 1.02.01.10.03       | Escrow deposits                             | 620                                   | 445                              |
| 1.02.01.10.04       | Recoverable taxes                           | 5,200                                 | 5,256                            |
| 1.02.03             | Property and equipment                      | 151,925                               | 146,610                          |
| 1.02.03.01          | Property and equipment in use               | 56,291                                | 52,627                           |
| 1.02.03.02          | Right-of-use leases                         | 95,634                                | 93,983                           |
| 1.02.04             | Intangible assets                           | 24,395                                | 20,686                           |
| 1.02.04.01          | Intangible assets                           | 24,395                                | 20,686                           |



## Consolidated Financial Statements / Balance Sheet Liabilities

(Thousands of Reais)

| Account Code  | Account Description                                       | Current Quarter<br>03/31/2024 | Prior Year<br>12/31/2023 |
|---------------|---|-------------------------------|--------------------------|
| 2             | Total liabilities   | 696,285                       | 682,102                  |
| 2.01          | Current liabilities                                       | 169,149                       | 177,724                  |
| 2.01.01       | Payroll and related taxes                                 | 32,214                        | 34,652                   |
| 2.01.01.02    | Payroll and related taxes                                 | 32,214                        | 34,652                   |
| 2.01.02       | Trade payables  | 64,033                        | 59,198                   |
| 2.01.02.01    | Domestic trade payables                                   | 62,818                        | 58,021                   |
| 2.01.02.02    | Foreign trade payables                                    | 1,215                         | 1,177                    |
| 2.01.04       | Borrowings and financing                                  | 16,465                        | 17,682                   |
| 2.01.04.03    | Finance leases  | 16,465                        | 17,682                   |
| 2.01.04.03.01 | Right-of-use leases payable                               | 16,465                        | 17,682                   |
| 2.01.05       | Other payables  | 56,437                        | 66,192                   |
| 2.01.05.02    | Other   | 56,437                        | 66,192                   |
| 2.01.05.02.01 | Dividends and interest on capital payable                 | 33,113                        | 27,473                   |
| 2.01.05.02.04 | Advances from customers                                   | 4,842                         | 3,081                    |
| 2.01.05.02.05 | Taxes payable   | 15,674                        | 30,636                   |
| 2.01.05.02.06 | Rents payable   | 1,750                         | 3,497                    |
| 2.01.05.02.07 | Event advances  | 28                            | 0                        |
| 2.01.05.02.08 | Other payables  | 1,030                         | 1,505                    |
| 2.02          | Noncurrent liabilities                                    | 92,342                        | 90,745                   |
| 2.02.01       | Borrowings and financing                                  | 86,713                        | 84,245                   |
| 2.02.01.03    | Finance leases  | 86,713                        | 84,245                   |
| 2.02.01.03.01 | Right-of-use leases payable                               | 86,713                        | 84,245                   |
| 2.02.02       | Other payables  | 0                             | 294                      |
| 2.02.02.02    | Other   | 0                             | 294                      |
| 2.02.02.02.03 | Foreign trade payables                                    | 0                             | 294                      |
| 2.02.04       | Provisions  | 5,629                         | 6,206                    |
| 2.02.04.01    | Provision for tax, social security, labor and civil risks | 5,629                         | 0                        |
| 2.02.04.02    | Other provisions  | 0                             | 6,206                    |
| 2.02.04.02.04 | Provision for civil, labor and tax risks                  | 0                             | 6,206                    |
| 2.03          | Consolidated equity                                       | 434,794                       | 413,633                  |
| 2.03.01       | Issued capital  | 192,392                       | 192,392                  |
| 2.03.02       | Capital reserves  | -15,123                       | -16,141                  |
| 2.03.02.05    | Treasury shares   | -12,344                       | -12,278                  |
| 2.03.02.08    | Loss on transactions involving shares                     | -11,442                       | -12,526                  |
| 2.03.02.09    | Tax incentive reserve                                     | 8,663                         | 8,663                    |
| 2.03.04       | Earnings reserves   | 235,516                       | 235,516                  |
| 2.03.04.01    | Legal reserve   | 15,260                        | 15,260                   |
| 2.03.04.10    | Reserve for investment/expansion                          | 220,256                       | 220,256                  |
| 2.03.05       | Retained earnings/accumulated losses                      | 20,142                        | 0                        |
| 2.03.08       | Other comprehensive income                                | 1,867                         | 1,866                    |

**Consolidated Financial Statements / Income Statement**

(Thousands of Reais)

| <b>Account Code</b> | <b>Account Description</b>                            | <b>Accumulated for the Current</b>                    | <b>Accumulated for the Prior</b>                      |
|---------------------|---|---|---|
|                     |   | <b>Fiscal Year</b><br><b>01/01/2024 to 03/31/2024</b> | <b>Fiscal Year</b><br><b>01/01/2023 to 03/31/2023</b> |
| 3.01                | Revenue from sales and services                       | 162,131   | 141,690   |
| 3.02                | Cost of sales and services                            | -66,695   | -58,383   |
| 3.03                | Gross profit  | 95,436  | 83,307  |
| 3.04                | Operating income (expenses)                           | -61,121   | -51,345   |
| 3.04.01             | Selling expenses                                      | -31,567   | -29,265   |
| 3.04.02             | General and administrative expenses                   | -29,861   | -22,030   |
| 3.04.05             | Other operating expenses                              | 307   | -50   |
| 3.05                | Profit (loss) before finance income (costs) and taxes | 34,315  | 31,962  |
| 3.06                | Finance income (costs)                                | -3,534  | -2,660  |
| 3.06.01             | Finance income  | 2,547   | 1,986   |
| 3.06.02             | Finance costs   | -6,081  | -4,646  |
| 3.07                | Profit (loss) before income taxes                     | 30,781  | 29,302  |
| 3.08                | Income tax and social contribution                    | -4,396  | -4,215  |
| 3.08.01             | Current   | -4,174  | -4,146  |
| 3.08.02             | Deferred  | -222  | -69   |
| 3.09                | Profit (loss) from continuing operations              | 26,385  | 25,087  |
| 3.11                | Consolidated profit (loss) for the period             | 26,385  | 25,087  |
| 3.99                | Earnings per share - (Reais /share)                   |   |   |
| 3.99.01             | Basic earnings per share                              |   |   |
| 3.99.01.01          | Common shares   | 0.017   | 0.0161  |
| 3.99.01.02          | Preferred shares                                      | 0.1696  | 0.1613  |
| 3.99.02             | Diluted earnings per share                            |   |   |

**Consolidated Financial Statements / Statement of Comprehensive Income**

(Thousands of Reais)

| <b>Account Code</b> | <b>Account Description</b>   | <b>Accumulated for the Current</b> | <b>Accumulated for the Prior</b> |
|---------------------|--|------------------------------------|----------------------------------|
|                     |  | <b>Fiscal Year</b>                 | <b>Fiscal Year</b>               |
|                     |  | <b>01/01/2024 to 03/31/2024</b>    | <b>01/01/2023 to 03/31/2023</b>  |
| 4.01                | Consolidated profit for the period                                       | 26,385                             | 25,087                           |
| 4.02                | Other comprehensive income   | 1                                  | 0                                |
| 4.02.01             | Gain (loss) on translation of financial statements of foreign subsidiary | 1                                  | 0                                |
| 4.03                | Consolidated comprehensive income for the period                         | 26,386                             | 25,087                           |
| 4.03.01             | Attributable to Company's owners   | 26,386                             | 25,087                           |

**Consolidated Financial Statements / Statement of Cash Flows (Indirect Method)**

(Thousands of Reais)

| Account Code | Account Description   | Accumulated for the Current             | Accumulated for the Prior               |
|--------------|---|---|---|
|              |   | Fiscal Year<br>01/01/2024 to 03/31/2024 | Fiscal Year<br>01/01/2023 to 03/31/2023 |
| 6.01         | Cash flows from operating activities                            | 46,383                                  | 15,067                                  |
| 6.01.01      | Cash provided by operating activities                           | 41,153                                  | 37,852                                  |
| 6.01.01.01   | Profit (loss) for the period                                    | 26,385                                  | 25,087                                  |
| 6.01.01.02   | Depreciation and amortization                                   | 7,883                                   | 6,345                                   |
| 6.01.01.04   | Inflation adjustments to provision for risks                    | 385                                     | 0                                       |
| 6.01.01.05   | Current and deferred income tax and social contribution         | 4,396                                   | 4,215                                   |
| 6.01.01.06   | (Allowance for) reversal of projected inventory losses          | 495                                     | 194                                     |
| 6.01.01.07   | Provision for civil, labor and tax risks                        | -567                                    | -216                                    |
| 6.01.01.08   | Credit losses   | 55                                      | 247                                     |
| 6.01.01.09   | Expected credit losses  | -114                                    | -67                                     |
| 6.01.01.10   | Inflation adjustments to taxes payable                          | 0                                       | 466                                     |
| 6.01.01.11   | Write-off of property and equipment items and intangible assets | 311                                     | 0                                       |
| 6.01.01.12   | Interest on right-of-use leases                                 | 2,607                                   | 2,203                                   |
| 6.01.01.13   | Inflation adjustments to escrow deposits                        | -401                                    | -486                                    |
| 6.01.01.15   | Inflation adjustments to recoverable taxes                      | -282                                    | -343                                    |
| 6.01.01.16   | Inflation adjustments to other payables                         | 0                                       | 207                                     |
| 6.01.02      | Changes in assets and liabilities                               | 11,820                                  | -14,281                                 |
| 6.01.02.01   | Trade receivables   | 47,852                                  | 37,208                                  |
| 6.01.02.02   | Inventories   | -21,145                                 | -35,898                                 |
| 6.01.02.03   | Recoverable taxes   | -241                                    | -1,274                                  |
| 6.01.02.04   | Escrow deposits   | 226                                     | 384                                     |
| 6.01.02.05   | Other receivables   | -3,040                                  | -534                                    |
| 6.01.02.06   | Trade payables  | 4,201                                   | -1,845                                  |
| 6.01.02.07   | Payroll and related taxes                                       | -2,437                                  | -4,223                                  |
| 6.01.02.08   | Taxes payable   | -12,546                                 | -17,023                                 |
| 6.01.02.09   | Trade payables  | -1,747                                  | -1,351                                  |
| 6.01.02.11   | Other payables  | 669                                     | 2,389                                   |
| 6.01.02.12   | Event advances  | 28                                      | 7,886                                   |
| 6.01.03      | Other   | -6,590                                  | -8,504                                  |
| 6.01.03.01   | Income tax and social contribution paid                         | -6,590                                  | -8,504                                  |
| 6.02         | Net cash provided by investing activities                       | -10,965                                 | -6,702                                  |
| 6.02.01      | Purchase of property and equipment items and intangible assets  | -10,965                                 | -6,702                                  |
| 6.03         | Net cash provided by financing activities                       | -7,717                                  | -5,568                                  |
| 6.03.01      | Dividends paid  | -603                                    | 0                                       |
| 6.03.04      | Payment of right-of-use leases                                  | -6,727                                  | -5,415                                  |
| 6.03.05      | Purchase of own shares  | -387                                    | -153                                    |
| 6.04         | Exchange rate changes on cash and cash equivalents              | 1                                       | 0                                       |
| 6.05         | Increase (decrease) in cash and cash equivalents                | 27,702                                  | 2,797                                   |
| 6.05.01      | Opening balance of cash and cash equivalents                    | 54,477                                  | 60,489                                  |
| 6.05.02      | Closing balance of cash and cash equivalents                    | 82,179                                  | 63,286                                  |

Consolidated Financial Statements / Statement of Changes in Equity / SCE - 01/01/2024 to 03/31/2024

(Thousands of Reais)

| Account Code | Account Description  | Paid-in capital | Capital reserves,<br>stock options granted<br>and treasury shares | Earnings reserves | Retained earnings<br>(accumulated losses) | Other comprehensive<br>income | Equity  | Noncontrolling<br>interests | Equity  |
|--------------|--|-----------------|---|-------------------|---|-------------------------------|---------|-----------------------------|---------|
| 5.01         | Opening balances   | 192.392         | -16.141   | 235.516           | 0   | 1.866                         | 413.633 | 0                           | 413.633 |
| 5.02         | Prior-year adjustments   | 0               | 0   | 0                 | 0   | 0                             | 0       | 0                           | 0       |
| 5.03         | Adjusted opening balances  | 192.392         | -16.141   | 235.516           | 0   | 1.866                         | 413.633 | 0                           | 413.633 |
| 5.04         | Capital transactions with shareholders                                   | 0               | 1.018   | 0                 | -6.243                                    | 1                             | -5.224  | 0                           | -5.224  |
| 5.04.03      | Recognized granted stock options   | 0               | 321   | 0                 | 0   | 0                             | 321     | 0                           | 321     |
| 5.04.07      | Interest on capital  | 0               | 0   | 0                 | -6.243                                    | 0                             | -6.243  | 0                           | -6.243  |
| 5.04.08      | Repurchase of shares   | 0               | -387  | 0                 | 0   | 0                             | -387    | 0                           | -387    |
| 5.04.09      | Gain (loss) on the disposal of treasury shares                           | 0               | 1.084   | 0                 | 0   | 0                             | 1.084   | 0                           | 1.084   |
| 5.04.10      | Gain (loss) on translation of financial statements of foreign subsidiary | 0               | 0   | 0                 | 0   | 1                             | 1       | 0                           | 1       |
| 5.05         | Total comprehensive income   | 0               | 0   | 0                 | 26.385                                    | 0                             | 26.385  | 0                           | 26.385  |
| 5.05.01      | Profit for the period  | 0               | 0   | 0                 | 26.385                                    | 0                             | 26.385  | 0                           | 26.385  |
| 5.06         | Internal changes in equity   | 0               | 0   | 0                 | 0   | 0                             | 0       | 0                           | 0       |
| 5.07         | Closing balances   | 192.392         | -15.123   | 235.516           | 20.142                                    | 1.867                         | 434.794 | 0                           | 434.794 |

**Consolidated Financial Statements / Statement of Changes in Equity / SCE - 01/01/2023 to 03/31/2023**

(Thousands of Reais)

| <b>Account Code</b> | <b>Account Description</b>                     | <b>Paid-in capital</b> | <b>Capital reserves,<br/>stock options granted<br/>and treasury shares</b> | <b>Earnings reserves</b> | <b>Retained earnings<br/>(accumulated losses)</b> | <b>Other comprehensive<br/>income</b> | <b>Equity</b> | <b>Noncontrolling<br/>interests</b> | <b>Equity</b> |
|---------------------|--|------------------------|--|--------------------------|---|---------------------------------------|---------------|-------------------------------------|---------------|
| 5.01                | Opening balances                               | 192.392                | -25.212  | 159.279                  | 0   | 1.869                                 | 328.328       | 0                                   | 328.328       |
| 5.02                | Prior-year adjustments                         | 0                      | 0  | 0                        | 0   | 0                                     | 0             | 0                                   | 0             |
| 5.03                | Adjusted opening balances                      | 192.392                | -25.212  | 159.279                  | 0   | 1.869                                 | 328.328       | 0                                   | 328.328       |
| 5.04                | Capital transactions with shareholders         | 0                      | 407  | 0                        | -5.585  | 0                                     | -5.178        | 0                                   | -5.178        |
| 5.04.03             | Recognized granted stock options               | 0                      | 152  | 0                        | 0   | 0                                     | 152           | 0                                   | 152           |
| 5.04.07             | Interest on capital                            | 0                      | 0  | 0                        | -5.585  | 0                                     | -5.585        | 0                                   | -5.585        |
| 5.04.08             | Repurchase of shares                           | 0                      | -153   | 0                        | 0   | 0                                     | -153          | 0                                   | -153          |
| 5.04.09             | Gain (loss) on the disposal of treasury shares | 0                      | 408  | 0                        | 0   | 0                                     | 408           | 0                                   | 408           |
| 5.05                | Total comprehensive income                     | 0                      | 0  | 0                        | 25.087  | 0                                     | 25.087        | 0                                   | 25.087        |
| 5.05.01             | Profit for the period                          | 0                      | 0  | 0                        | 25.087  | 0                                     | 25.087        | 0                                   | 25.087        |
| 5.06                | Internal changes in equity                     | 0                      | 0  | 0                        | 0   | 0                                     | 0             | 0                                   | 0             |
| 5.07                | Closing balances                               | 192.392                | -24.805  | 159.279                  | 19.502  | 1.869                                 | 348.237       | 0                                   | 348.237       |

**Consolidated Financial Statements / Statement of Value Added**

(Thousands of Reais)

| <b>Account Code</b> | <b>Account Description</b>                          | <b>Accumulated for the Current</b>              | <b>Accumulated for the Prior</b>                |
|---------------------|---|---|---|
|                     |   | <b>Fiscal Year<br/>01/01/2024 to 03/31/2024</b> | <b>Fiscal Year<br/>01/01/2023 to 03/31/2023</b> |
| 7.01                | Revenues  | 206,260   | 178,860   |
| 7.01.01             | Sales of goods, products and services               | 203,062   | 178,498   |
| 7.01.02             | Other income  | 883   | 66  |
| 7.01.02.01          | Other income  | 824   | 246   |
| 7.01.02.02          | Credit loss   | -55   | -247  |
| 7.01.02.03          | Expected credit losses                              | 114   | 67  |
| 7.01.03             | Revenue from the construction of own assets         | 2,315   | 296   |
| 7.02                | Inputs acquired from third parties                  | -96,878   | -87,534   |
| 7.02.01             | Costs of sales and services                         | -74,366   | -72,013   |
| 7.02.02             | Supplies, power, outside services and other inputs  | -20,197   | -15,225   |
| 7.02.03             | Impairment losses on assets                         | -2,315  | -296  |
| 7.03                | Gross value added                                   | 109,382   | 91,326  |
| 7.04                | Withholdings  | -3,552  | -2,483  |
| 7.04.01             | Depreciation, amortization and depletion            | -3,552  | -2,483  |
| 7.05                | Wealth created by the Company                       | 105,830   | 88,843  |
| 7.06                | Wealth received in transfer                         | 2,547   | 1,986   |
| 7.06.02             | Finance income                                      | 2,547   | 1,986   |
| 7.07                | Total wealth for distribution                       | 108,377   | 90,829  |
| 7.08                | Wealth distributed                                  | 108,377   | 90,829  |
| 7.08.01             | Personnel   | 32,363  | 28,108  |
| 7.08.01.01          | Salaries and wages                                  | 27,022  | 23,685  |
| 7.08.01.02          | Benefits  | 3,718   | 3,022   |
| 7.08.01.03          | Severance Pay Fund (FGTS)                           | 1,623   | 1,401   |
| 7.08.02             | Taxes, fees and contributions                       | 35,370  | 25,119  |
| 7.08.02.01          | Federal   | 17,972  | 12,420  |
| 7.08.02.02          | State   | 15,871  | 11,382  |
| 7.08.02.03          | Municipal   | 1,527   | 1,317   |
| 7.08.03             | Lenders and lessors                                 | 14,259  | 12,515  |
| 7.08.03.01          | Interest  | 3,994   | 3,410   |
| 7.08.03.02          | Rentals   | 10,265  | 9,105   |
| 7.08.04             | Shareholders  | 26,385  | 25,087  |
| 7.08.04.01          | Interest on capital                                 | 6,243   | 5,585   |
| 7.08.04.03          | Retained earnings/accumulated losses for the period | 20,142  | 19,502  |

(Convenience Translation into English from the Original Previously Issued in Portuguese)

## TRACK & FIELD CO S.A. AND SUBSIDIARIES

### NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED MARCH 31, 2024 (In thousands of Brazilian reais - R\$, unless otherwise stated)

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#### 1. GENERAL INFORMATION

##### a) The Company and its subsidiaries

Track & Field CO S.A. (“Company” or “Parent”), headquartered in Brazil, incorporated as a publicly-held company, has its registered office located in the city of São Paulo – SP, established in 1988, which either directly or through its subsidiaries, is primarily engaged in the development and sale of sports and leisure products in general (footwear, clothing, equipment and accessories) derived from the domestic and foreign markets, besides holding interest in other entities, conducting business franchise management and sublicensing activities and promoting and organizing sporting events, and operating in the food for immediate consumption industry. On October 26, 2020, the Company’s shares started to be traded at B3 under ticker symbol TFCO4. The Company has been investing mainly in innovation and technology, in the improvement of its wellness platform, and in its physical and digital expansion and omnichannel initiatives.

The interim financial information for the period ended March 31, 2024 comprises the following companies (“Track & Field Group’s Entities”, “Companies”, “Track & Field Group” or “Group”), which are managed as a single economic entity: (i) Track & Field Co S.A., (ii) Track & Field Franchising Ltda., (iii) TFSports Eventos Esportivos Ltda, (iv) Retail Solutions Assessoria e Consultoria de Merchandising Ltda., (v) Fratex Licenciamento de Marcas Ltda., (vi) The Track & Field Store INC., and (vii) TFC Food & Market Ltda.

As at March 31, 2024, the Company had 361 physical stores (359 as at December 31, 2023), i.e., 48 own stores (46 as at December 31, 2023) and 313 franchise stores in operation (313 as at December 31, 2023), three administrative offices located in the district of Itaim Bibi, city of São Paulo, one product development and manufacturing center in the district of Ipiranga, city of São Paulo, one production unit in the city of Joinville, two distribution centers, i.e., one center in the district of Novo Osasco, in the city of Osasco, and one center in Barueri.

#### 2. BASIS OF PREPARATION OF THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

##### 2.1. Basis of preparation

The individual and consolidated interim financial information has been prepared based on historical cost, unless otherwise stated. Historical cost is generally based on the fair value of the consideration given in exchange for assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market players at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, Management takes into account the characteristics of the asset or liability if market players would take those characteristics into account when pricing the asset or liability at the



TRACK & FIELD CO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED MARCH 31, 2024

(In thousands of Brazilian reais - R\$, unless otherwise stated)

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measurement date.

2.2. Consolidation of the interim financial information

The consolidated interim financial information includes the interim financial information of the Company and its subsidiaries. Control is achieved when the Company:

- Has power over an investee.
- Is exposed, or has rights, to variable returns from its involvement with the investee.
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company achieves control over the subsidiary and ceases when the Company loses control over the subsidiary.

In preparing the consolidated interim financial information, the interim financial information for the same reporting period was used, which is consistent with the Company's accounting policies.

When necessary, accounting adjustments are made to the subsidiaries' interim financial information to conform their accounting policies to those used by the Company.

All transactions and receivables and payables, as well as investments proportionately to the investor's interest in the equity and profit or loss of subsidiaries, and unrealized earnings, less income tax and social contribution, between the entities included in the consolidated interim financial information are fully eliminated.

In the Company's individual interim financial information, the investments in subsidiaries are recognized under the equity method.

The consolidated interim financial information comprises the interim financial information of the Company and its direct subsidiaries, as shown below:

| Subsidiaries   | Equity interest - % |            |
|--|---------------------|------------|
|  | 03/31/2024          | 12/31/2023 |
| Track & Field Franchising Ltda.                                  | 100%                | 100%       |
| TFSports Eventos Esportivos Ltda.                                | 100%                | 100%       |
| Retail Solutions Assessoria e Consultoria de Merchandising Ltda. | 100%                | 100%       |
| Fratex Licenciamento de Marcas Ltda.                             | 100%                | 100%       |
| The Track & Field Store, Inc. (i)                                | 100%                | 100%       |
| TFC Food & Market Ltda.  | 100%                | 100%       |

TRACK & FIELD CO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION  
FOR THE QUARTER ENDED MARCH 31, 2024  
(In thousands of Brazilian reais - R\$, unless otherwise stated)

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- (i) Subsidiary The Track & Field Store, Inc. discontinued its activities on January 31, 2018 and recognized only administrative expenses during the subsequent years.

2.3. Statement of compliance

The individual and consolidated interim financial information has been prepared in accordance with international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board ("IASB"), and technical pronouncement CPC 21 (R1) - Interim Financial Reporting, and is presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission ("CVM"), applicable to the preparation of Interim Financial Information (ITR).

2.4. Statement of relevance

In preparing the consolidated interim financial information, the Group's Management adopted the guidance set out in OCPC 7 and CVM Resolution 727/14, so as to solely disclose relevant information that could support its users in the decision-making process, without failing to comply with the existing minimum requirements. In addition, Management asserts that all relevant information is being disclosed and corresponds to the information used in managing the business.

2.5. Authorization for issuance of the individual and consolidated interim financial information

At the meeting held on May 13, 2024, the Board of Directors authorized the completion and disclosure of this interim financial information.

2.6. Functional and presentation currency

Items included in the consolidated interim financial information are measured in Brazilian reais (R\$), the currency of the economic environment in which the Group operates, which is the Company's and its subsidiaries' functional currency, and also the presentation currency, except for the foreign subsidiary The Track & Field Store INC., which uses the US dollar (US\$) as functional currency.

2.7. Use of estimates and judgments

The preparation of interim financial information pursuant to the CPC standards requires Management to make judgments, estimates and assumptions that affect the adoption of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from those estimates. Estimates and assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

The information on uncertainties surrounding assumptions and estimates that have a significant risk of resulting in a material adjustment in the next year is disclosed in the following notes:

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- Note 5 TRADE RECEIVABLES - expected credit losses.
- Note 6 INVENTORIES - estimated inventory losses.
- Note 9 PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS – useful lives and impairment test of assets.
- Note 13 LEASES - definition of the interest rate for calculating the present value of leases.
- Note 14 PROVISION FOR TAX, CIVIL AND LABOR RISKS.
- Note 17 INCOME TAX AND SOCIAL CONTRIBUTION - realization of deferred income tax and social contribution.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in preparing this interim financial information are consistent with those disclosed in note 3 to the financial statements for the year ended December 31, 2023, issued on March 7, 2024, and, therefore, should be read together.

4. CASH AND CASH EQUIVALENTS

|                            | Parent        |               | Consolidated  |               |
|----------------------------|---------------|---------------|---------------|---------------|
|                            | 03/31/2024    | 12/31/2023    | 03/31/2024    | 12/31/2023    |
| Cash                       | 41            | 276           | 57            | 308           |
| Banks - checking account   | 10,897        | 3,816         | 14,792        | 8,877         |
| Short-term investments (*) | 9,888         | 15,979        | 67,330        | 45,292        |
| Total                      | <u>20,826</u> | <u>20,071</u> | <u>82,179</u> | <u>54,477</u> |

(\*) Short-term investments are represented by automatic investments in prime banks, in DI fund, yielding up to 100% of the Interbank Deposit Certificate (CDI) rate fluctuation, depending on the investment term, subject to an average accumulated rate of 1.03% p.m.

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5. TRADE RECEIVABLES

|                                 | Parent     |            | Consolidated |            |
|---------------------------------|------------|------------|--------------|------------|
|                                 | 03/31/2024 | 12/31/2023 | 03/31/2024   | 12/31/2023 |
| Credit card companies           | 68,335     | 95,447     | 71,155       | 97,258     |
| Trade receivables - franchisees | 60,141     | 75,253     | 77,904       | 99,708     |
| Total                           | 128,476    | 170,700    | 149,059      | 196,966    |
| Expected credit losses          | (316)      | (430)      | (316)        | (430)      |
| Total                           | 128,160    | 170,270    | 148,743      | 196,536    |

The aging list of trade receivables is as follows:

|                         | Parent     |            | Consolidated |            |
|-------------------------|------------|------------|--------------|------------|
|                         | 03/31/2024 | 12/31/2023 | 03/31/2024   | 12/31/2023 |
| Total current           | 127,044    | 168,901    | 147,038      | 194,667    |
| Total past-due          | 1,432      | 1,799      | 2,021        | 2,299      |
| Total trade receivables | 128,476    | 170,700    | 149,059      | 196,966    |

The Company, in accordance with CPC 48/IFRS 9 - Financial Instruments, has analyzed and determined the possible losses on receivables from credit card transactions based on the chargeback history, concerning online sales, as shown below:

|                 | Parent     |            | Consolidated |            |
|-----------------|------------|------------|--------------|------------|
|                 | 03/31/2024 | 03/31/2023 | 03/31/2024   | 03/31/2023 |
| Opening balance | (430)      | (318)      | (430)        | (318)      |
| Reversals       | 114        | 67         | 114          | 67         |
| Closing balance | (316)      | (251)      | (316)        | (251)      |

6. INVENTORIES

Inventories are stated at the weighted average cost, which includes a proportional share of manufacturing overheads based on operating capacity, or at the net realizable value, whichever is lower.

|                   | Parent     |            | Consolidated |            |
|-------------------|------------|------------|--------------|------------|
|                   | 03/31/2024 | 12/31/2023 | 03/31/2024   | 12/31/2023 |
| Finished products | 186,060    | 174,998    | 186,639      | 175,831    |

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|                    |                |                |                |                |
|--------------------|----------------|----------------|----------------|----------------|
| Production process | 18,786         | 16,386         | 18,786         | 16,386         |
| Raw materials      | 35,034         | 33,134         | 35,034         | 33,134         |
| Imports in transit | 16,229         | 10,192         | 16,229         | 10,192         |
| Expected losses    | (3,182)        | (2,687)        | (3,182)        | (2,687)        |
| Total              | <u>252,927</u> | <u>232,023</u> | <u>253,506</u> | <u>232,856</u> |

The variations in expected losses are broken down as follows:

|                 | Parent         |                | Consolidated   |                |
|-----------------|----------------|----------------|----------------|----------------|
|                 | 03/31/2024     | 03/31/2023     | 03/31/2024     | 03/31/2023     |
| Opening balance | (2,687)        | (1,579)        | (2,687)        | (1,579)        |
| Addition        | (495)          | (194)          | (495)          | (194)          |
| Closing balance | <u>(3,182)</u> | <u>(1,773)</u> | <u>(3,182)</u> | <u>(1,773)</u> |

The projected inventory loss is recognized based on the history of losses on the physical inventory taking of the stores and distribution center, and comprises the volume of slow-moving inventory items derived from the change of collections, which is reduced upon the periodic performance of internal sales bazaars.

7. RECOVERABLE TAXES

|  | Parent        |               | Consolidated  |               |
|--|---------------|---------------|---------------|---------------|
|  | 03/31/2024    | 12/31/2023    | 03/31/2024    | 12/31/2023    |
| Income tax and social contribution (a) | 7,392         | 7,842         | 7,517         | 7,968         |
| State VAT (ICMS) (b)                   | 3,850         | 2,818         | 3,850         | 2,818         |
| Taxes on revenue (PIS and COFINS) (c)  | 1,610         | 1,486         | 4,628         | 4,633         |
| Federal VAT (IPI)                      | 10            | 66            | 10            | 66            |
| Service Tax (ISS)                      | -             | -             | 108           | 107           |
| Social security contribution (INSS)    | -             | -             | 2             | -             |
| Total                                  | <u>12,862</u> | <u>12,212</u> | <u>16,115</u> | <u>15,592</u> |
| Current assets                         | 10,785        | 10,208        | 10,915        | 10,336        |
| Noncurrent assets                      | 2,077         | 2,004         | 5,200         | 5,256         |

(a) Income tax (IRPJ) and social contribution (CSLL)

The balance mainly refers to judgment of Matter 962 (Extraordinary Appeal No. 1063.187) by the Federal Supreme Court - STF, according to which "Collecting income tax and social

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contribution on inflation adjustments at Selic rate of amounts refunded as a result of overpaid taxes is unconstitutional". Considering that the Company filed such lawsuit on 08/04/21 and the STF decision is effective for lawsuits filed through 09/17/21, the Company is eligible to recover amounts improperly paid in the five years preceding the court decision, including the period the dispute was pending. In light of the final and unappealable court decision, as at March 31, 2024, the economic benefit amount was R\$4,633 (R\$5,208 as at December 31, 2023). The tax credit utilization was approved by the Brazilian Federal Revenue Office, with the related offset beginning March 2024. Moreover, the Company joined the program introduced by Lei do Bem 11196/2005, which grants tax benefits to companies that support RD&I projects intended for technological innovation, entitling them to tax benefits and a relief of income tax and social contribution.

The variations in IRPJ and CSLL credits are as follows:

|                                 | Parent       | Consolidated |
|---------------------------------|--------------|--------------|
| Balance as at December 31, 2023 | 7,842        | 7,968        |
| Additions                       | 87           | 152          |
| Inflation adjustments           | 206          | 206          |
| Offsets                         | (743)        | (809)        |
| Balance as at March 31, 2024    | <u>7,392</u> | <u>7,517</u> |

|                                 | Parent       | Consolidated |
|---------------------------------|--------------|--------------|
| Balance as at December 31, 2022 | 6,474        | 6,536        |
| Additions                       | 34           | 34           |
| Inflation adjustments           | 197          | 198          |
| Offsets                         | (154)        | (154)        |
| Balance as at March 31, 2023    | <u>6,551</u> | <u>6,614</u> |

The IRPJ and CSLL credits are expected to be realized as follows:

| Year                                  | Parent       | Consolidated |
|---------------------------------------|--------------|--------------|
| 1 <sup>st</sup> year (next 12 months) | 7,392        | 7,407        |
| Next years                            | -            | 110          |
| Total                                 | <u>7,392</u> | <u>7,517</u> |

(b) State VAT (ICMS)

The Company records ICMS credits on purchase of property and equipment, which will be used in the 48-month period, in addition to operating credits.

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The variations in ICMS credits are as follows:

|                                 | Parent       | Consolidated |
|---------------------------------|--------------|--------------|
| Balance as at December 31, 2023 | 2,818        | 2,818        |
| CIAP additions                  | 208          | 208          |
| Additions, net of offsets       | 1,031        | 1,031        |
| CIAP offsets                    | (207)        | (207)        |
| Balance as at March 31, 2024    | <u>3,850</u> | <u>3,850</u> |

|                                 | Parent       | Consolidated |
|---------------------------------|--------------|--------------|
| Balance as at December 31, 2022 | 2,824        | 2,824        |
| CIAP additions                  | 401          | 401          |
| Additions, net of offsets       | 329          | 329          |
| CIAP offsets                    | (112)        | (112)        |
| Balance as at March 31, 2023    | <u>3,442</u> | <u>3,442</u> |

The ICMS credits are expected to be realized as follows:

| Year                                  | Parent       | Consolidated |
|---------------------------------------|--------------|--------------|
| 1 <sup>st</sup> year (next 12 months) | 2,779        | 2,779        |
| 2 <sup>nd</sup> year                  | 405          | 405          |
| 3 <sup>rd</sup> year                  | 390          | 390          |
| 4 <sup>th</sup> year                  | 276          | 276          |
| Total                                 | <u>3,850</u> | <u>3,850</u> |

(c) Taxes on revenue (PIS and COFINS)

The balance of PIS and COFINS refers to:

- 1) In the three-month period ended March 31, 2024, the Company recorded R\$361 (R\$2,746 in 2023) as PIS and COFINS credits on the purchase of property and equipment, which will be used in the 48-month period, pursuant to the prevailing law.
- 2) Tax credit arising from the zero-rate benefit introduced by Law 14148/21, approved on March 17, 2022, which launched the Emergency Program for Recovery of the Events Sector (PERSE). The Program reduced to zero the rates for PIS and COFINS, IRPJ and CSLL for 60 months, which has benefited subsidiary TFSports Eventos Esportivos, a Group company responsible for organizing sports events.

In light of the several legislative discussions involving Provisional Measure 1202/23, which provided for the benefit revocation beginning 2024, the House of Representatives approved Bill 1206/24 on April 23, 2024, thereby restructuring the PERSE program. Currently, the matters voted by the House are awaiting a vote before the Federal Senate.

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The PIS and COFINS credits are expected to be realized as follows:

| Year                                  | Parent | Consolidated |
|---------------------------------------|--------|--------------|
| 1 <sup>st</sup> year (next 12 months) | 604    | 609          |
| 2 <sup>nd</sup> year                  | 530    | 530          |
| 3 <sup>rd</sup> year                  | 326    | 326          |
| 4 <sup>th</sup> year                  | 150    | 3,163        |
| Total                                 | 1,610  | 4,628        |

8. INVESTMENTS IN SUBSIDIARIES

a) Information on investments in subsidiaries:

|  | 03/31/2024     |           |                  |        |                         |       | Total  |
|--|----------------|-----------|------------------|--------|-------------------------|-------|--------|
|  | TF Franchising | TF Sports | Retail Solutions | Fratex | The Track & Field Store | TFC   |        |
| Equity interests - %                   | 100            | 100       | 100              | 100    | 100                     | 100   |        |
| Current assets                         | 41,056         | 14,724    | 945              | 36,143 | 33                      | 1,580 |        |
| Noncurrent assets                      | 4,215          | 7,381     | 16,776           | 114    | -                       | 3,220 |        |
| Current liabilities                    | 8,775          | 13,743    | 1,035            | 5,162  | 27                      | 609   |        |
| Noncurrent liabilities                 | 3,702          | 3,168     | -                | -      | -                       | -     |        |
| Equity                                 | 32,794         | 5,194     | 16,686           | 31,095 | 6                       | 4,191 |        |
| Net revenue                            | 13,629         | 10,685    | 571              | 16,893 | -                       | 1,152 |        |
| Profit or loss                         | 10,017         | 583       | (483)            | 12,860 | (13)                    | (505) |        |
| Investment balance                     | 32,794         | 5,194     | 16,686           | 31,095 | 6                       | 4,191 | 89,966 |
| Share of profit (loss) of subsidiaries | 10,017         | 583       | (483)            | 12,860 | (13)                    | (505) | 22,459 |
| Assets - Investments                   |                |           |                  |        |                         |       | 89,966 |

|  | 12/31/2023     |           |                  |        |                         |         | Total  |
|--|----------------|-----------|------------------|--------|-------------------------|---------|--------|
|  | TF Franchising | TF Sports | Retail Solutions | Fratex | The Track & Field Store | TFC     |        |
| Equity interests - %                   | 100            | 100       | 100              | 100    | 100                     | 100     |        |
| Current assets                         | 33,118         | 4,916     | 662              | 24,640 | 32                      | 1,755   |        |
| Noncurrent assets                      | 4,715          | 7,202     | 16,091           | 3,098  | -                       | 3,169   |        |
| Current liabilities                    | 7,854          | 8,600     | 1,604            | 6,103  | 14                      | 1,348   |        |
| Noncurrent liabilities                 | 3,702          | 3,302     | -                | -      | -                       | -       |        |
| Equity                                 | 26,277         | 216       | 15,149           | 21,635 | 18                      | 3,576   |        |
| Net revenue                            | 58,764         | 36,202    | 1,654            | 70,346 | -                       | 3,166   |        |
| Profit or loss                         | 42,560         | (8,201)   | (2,492)          | 53,329 | (58)                    | (2,121) |        |
| Investment balance                     | 26,277         | 216       | 15,149           | 21,635 | 18                      | 3,576   | 66,871 |
| Share of profit (loss) of subsidiaries | 42,560         | (8,201)   | (2,492)          | 53,329 | (58)                    | (2,121) | 83,017 |
| Assets - Investments                   |                |           |                  |        |                         |         | 66,871 |



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b) Variations in investments:

|  | TF<br>Franchising | TF Sports | Retail<br>Solutions | Fratex  | The Track &<br>Field Store | TFC   | Total   |
|--|-------------------|-----------|---------------------|---------|----------------------------|-------|---------|
| Balances as at December 31, 2023       | 26,277            | 216       | 15,149              | 21,635  | 18                         | 3,576 | 66,871  |
| Currency translation adjustment        | -                 | -         | -                   | -       | 1                          | -     | 1       |
| Dividends received                     | (3,500)           | -         | -                   | (3,400) | -                          | -     | (6,900) |
| Capitalization                         | -                 | 4,395     | 2,020               | -       | -                          | 1,120 | 7,535   |
| Share of profit (loss) of subsidiaries | 10,017            | 583       | (483)               | 12,860  | (13)                       | (505) | 22,459  |
| Balances as at March 31, 2024          | 32,794            | 5,194     | 16,686              | 31,095  | 6                          | 4,191 | 89,966  |

|  | TF<br>Franchising | TF Sports | Retail<br>Solutions | Fratex   | The Track &<br>Field Store | TFC   | Total    |
|--|-------------------|-----------|---------------------|----------|----------------------------|-------|----------|
| Balances as at December 31, 2022       | 12,418            | (235)     | 9,381               | 30,798   | (1)                        | 2,232 | 54,593   |
| Currency translation adjustment        | -                 | -         | -                   | -        | -                          | -     | -        |
| Dividends received                     | -                 | -         | -                   | (20,090) | -                          | -     | (20,090) |
| Advance for future capital increase    | -                 | -         | 1,840               | -        | 16                         | 2     | 1,858    |
| Share of profit (loss) of subsidiaries | 8,087             | 2,175     | (731)               | 11,162   | (12)                       | (313) | 20,368   |
| Balances as at March 31, 2023          | 20,505            | 1,940     | 10,490              | 21,870   | 3                          | 1,921 | 56,729   |

9. PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

A) PROPERTY AND EQUIPMENT

|  | Average<br>annual<br>depreciation<br>rate - % | Parent                 |                             |         |         |
|--|---|------------------------|-----------------------------|---------|---------|
|  |   | Cost of<br>acquisition | Accumulated<br>depreciation | Total   | Total   |
|  |   | 03/31/2024             | 12/31/2023                  |         |         |
| Machinery and equipment                            | 10  | 17,166                 | (3,444)                     | 13,722  | 13,546  |
| Facilities   | 10  | 16,294                 | (5,404)                     | 10,890  | 10,685  |
| Furniture and fixtures                             | 10  | 6,410                  | (2,904)                     | 3,506   | 3,485   |
| Computers and peripherals                          | 20  | 7,308                  | (4,029)                     | 3,279   | 3,205   |
| Leasehold improvements                             | (*)   | 21,880                 | (8,584)                     | 13,296  | 11,805  |
| Telephony  | 20  | 327                    | (267)                       | 60      | 63      |
| Advances for purchase of property<br>and equipment | -   | 4,724                  | -                           | 4,724   | 2,849   |
| Lease – right of use                               | (**)  | 139,140                | (47,883)                    | 91,257  | 89,310  |
| Total  |   | 213,249                | (72,515)                    | 140,734 | 134,948 |

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|   | Average<br>annual<br>depreciation<br>rate - % | Consolidated           |                             |                |                |
|---|---|------------------------|-----------------------------|----------------|----------------|
|   |   | 03/31/2024             |                             | 12/31/2023     |                |
|   |   | Cost of<br>acquisition | Accumulated<br>depreciation | Total          | Total          |
| Machinery and equipment                         | 10  | 17,631                 | (3,530)                     | 14,101         | 13,925         |
| Facilities                                      | 10  | 16,722                 | (5,455)                     | 11,267         | 11,072         |
| Furniture and fixtures                          | 10  | 8,085                  | (3,260)                     | 4,825          | 4,806          |
| Computers and peripherals                       | 20  | 7,940                  | (4,369)                     | 3,571          | 3,510          |
| Leasehold improvements                          | (*)   | 26,837                 | (11,156)                    | 15,681         | 14,424         |
| Telephony                                       | 20  | 327                    | (267)                       | 60             | 63             |
| Advances for purchase of property and equipment | -   | 6,786                  | -                           | 6,786          | 4,827          |
| Lease – right of use                            | (**)  | 147,141                | (51,507)                    | 95,634         | 93,983         |
| <b>Total</b>                                    |   | <b>231,469</b>         | <b>(79,544)</b>             | <b>151,925</b> | <b>146,610</b> |

(\*) Refers to the cost of construction works at new sales points and significant renovations in existing sales points, which are depreciated over the lease term.

(\*\*) Refers to the right of use (CPC 06 (R2)/IFRS 16) of stores and distribution centers mainly depreciated according to the lease term, as shown in note 13.

Based on the earnings recorded for the period ended March 31, 2024 and expected earnings for the year, the Company's Management concluded that there is no indication of the need to record the impairment of its assets. The variations in property and equipment were as follows:

|                 | Parent     |            | Consolidated |            |
|-----------------|------------|------------|--------------|------------|
|                 | 03/31/2024 | 03/31/2023 | 03/31/2024   | 03/31/2023 |
| Opening balance | 134,948    | 119,315    | 146,610      | 124,453    |
| Additions (*)   | 12,049     | 5,744      | 12,210       | 7,223      |
| Write-offs      | (311)      | -          | (311)        | -          |
| Depreciation    | (5,952)    | (5,134)    | (6,584)      | (5,548)    |
| Closing balance | 140,734    | 119,925    | 151,925      | 126,128    |

(\*) As at March 31, 2024, the additions comprise the acquisition of property and equipment and right-of-use lease (see note 13) as shown below:

|                        | Parent        |              | Consolidated  |              |
|------------------------|---------------|--------------|---------------|--------------|
|                        | 03/31/2024    | 03/31/2023   | 03/31/2024    | 03/31/2023   |
| Property and equipment | 6,150         | 2,903        | 6,297         | 4,341        |
| Lease – right of use   | 5,899         | 2,841        | 5,913         | 2,882        |
| <b>Total addition</b>  | <b>12,049</b> | <b>5,744</b> | <b>12,210</b> | <b>7,223</b> |

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B) INTANGIBLE ASSETS

|                | Parent              |                          |              |              |
|----------------|---------------------|--------------------------|--------------|--------------|
|                | 03/31/2024          |                          | 12/31/2023   |              |
|                | Cost of acquisition | Accumulated amortization | Total        | Total        |
| Points of sale | 7,966               | (5,006)                  | 2,960        | 1,124        |
| Software       | 5,802               | (1,757)                  | 4,045        | 3,441        |
| Total          | <u>13,768</u>       | <u>(6,763)</u>           | <u>7,005</u> | <u>4,565</u> |

|                        | Consolidated        |                          |               |               |
|------------------------|---------------------|--------------------------|---------------|---------------|
|                        | 03/31/2024          |                          | 12/31/2023    |               |
|                        | Cost of acquisition | Accumulated amortization | Total         | Total         |
| Points of sale         | 7,966               | (5,006)                  | 2,960         | 1,124         |
| Trademarks and patents | 72                  | -                        | 72            | 72            |
| Software               | 29,817              | (8,454)                  | 21,363        | 19,490        |
| Total                  | <u>37,855</u>       | <u>(13,460)</u>          | <u>24,395</u> | <u>20,686</u> |

The variations in intangible assets are broken down as follows:

|                 | Parent       |              | Consolidated   |               |
|-----------------|--------------|--------------|----------------|---------------|
|                 | 03/31/2024   | 03/31/2023   | 03/31/2024     | 03/31/2023    |
| Opening balance | 4,565        | 776          | 20,686         | 10,948        |
| Additions       | 2,843        | 725          | 5,008          | 2,900         |
| Amortization    | <u>(403)</u> | <u>(89)</u>  | <u>(1,299)</u> | <u>(797)</u>  |
| Closing balance | <u>7,005</u> | <u>1,412</u> | <u>24,395</u>  | <u>13,051</u> |

10. TRADE PAYABLES

|                                  | Parent     |            | Consolidated |            |
|----------------------------------|------------|------------|--------------|------------|
|                                  | 03/31/2024 | 12/31/2023 | 03/31/2024   | 12/31/2023 |
| <u>Domestic trade payables</u>   |            |            |              |            |
| Suppliers of materials and goods | 56,554     | 50,449     | 59,697       | 54,389     |

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|                                     |        |        |        |        |
|-------------------------------------|--------|--------|--------|--------|
| Suppliers of consumables            | 716    | 2,069  | 1,361  | 2,468  |
| Suppliers of property and equipment | 1,757  | 1,125  | 1,760  | 1,164  |
| Total domestic trade payables       | 59,027 | 53,643 | 62,818 | 58,021 |
| <u>Foreign trade payables</u>       |        |        |        |        |
| Suppliers of property and equipment | 1,215  | 1,471  | 1,215  | 1,471  |
| Total foreign trade payables        | 1,215  | 1,471  | 1,215  | 1,471  |
|                                     | 60,242 | 55,114 | 64,033 | 59,492 |
| Total                               |        |        |        |        |
| Current liabilities                 | 60,242 | 54,820 | 64,033 | 59,198 |
| Noncurrent liabilities              | -      | 294    | -      | 294    |

The average payment period of domestic trade payables is 62 days (62 days as at December 31, 2023). The balance of foreign trade payables will be settled in 12 installments, as shown in note 23 (c).

11. PAYROLL AND RELATED TAXES

|                                     | Parent     |            | Consolidated |            |
|-------------------------------------|------------|------------|--------------|------------|
|                                     | 03/31/2024 | 12/31/2023 | 03/31/2024   | 12/31/2023 |
| Payroll                             | 3,802      | 5,570      | 4,714        | 6,047      |
| Management fees                     | 1,272      | 303        | 2,716        | 533        |
| Profit sharing                      | 2,954      | 4,775      | 3,819        | 8,083      |
| Bonuses                             | 726        | 1,759      | 851          | 1,868      |
| Severance pay fund (FGTS)           | 514        | 950        | 638          | 1,057      |
| Social security contribution (INSS) | 2,883      | 3,382      | 3,682        | 3,796      |
| Withholding income tax (IRRF)       | 2,281      | 2,500      | 3,194        | 2,996      |
| Accrued vacation pay                | 9,086      | 8,806      | 10,708       | 10,243     |
| Accrued 13 <sup>th</sup> salary     | 1,513      | -          | 1,858        | -          |
| Other                               | 31         | 24         | 34           | 29         |
| Total                               | 25,062     | 28,069     | 32,214       | 34,652     |

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12. TAXES PAYABLE

|   | Parent        |               | Consolidated  |               |
|---|---------------|---------------|---------------|---------------|
|   | 03/31/2024    | 12/31/2023    | 03/31/2024    | 12/31/2023    |
| State VAT (ICMS)                                    | 7,487         | 15,865        | 7,522         | 15,891        |
| Tax on revenue (PIS)                                | 419           | 1,048         | 521           | 1,219         |
| Tax on revenue (COFINS)                             | 1,937         | 4,831         | 2,320         | 5,545         |
| Income tax (IRPJ) and<br>social contribution (CSLL) | 40            | 1,516         | 4,111         | 6,579         |
| Other   | 465           | 354           | 1,200         | 1,402         |
| Total   | <u>10,348</u> | <u>23,614</u> | <u>15,674</u> | <u>30,636</u> |

As at March 31, 2024, the decrease derives from the business seasonality, with a major concentration of sales at the end of the year, which affects taxes on sales and taxes payable (ICMS, PIS and COFINS).

13. RIGHT-OF-USE LEASES PAYABLE

Currently, the Group is a party to 51 lease agreements with third parties, of which 43 are related to stores, 4 to the distribution centers, and 4 to the administrative centers. As at December 31, 2023, the Group was a party to 48 lease agreements with third parties, of which 40 are related to stores, 4 to the distribution centers, and 4 to the administrative centers.

Most lease agreements of stores establish variable lease expense, contingent on sales, or a minimum amount adjusted for inflation annually based on several inflation indexes, with average lease terms of five years, subject to renewal.

The following table shows the notional rates applied in relation to the lease terms:

| <u>Lease term</u> | <u>Annual rate - %</u> |
|-------------------|------------------------|
| Up to 5 years     | From 10.14% to 16.48%  |
| 6 to 10 years     | From 10.26% to 18.43%  |
| 11 to 16 years    | From 11.09% to 19.46%  |

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The variations in the balances of right-of-use assets are broken down as follows:

|                                 | <u>Parent</u> | <u>Consolidated</u> |
|---------------------------------|---------------|---------------------|
| Balance as at December 31, 2023 | 89,310        | 93,983              |
| Addition of new agreements      | 983           | 983                 |
| Remeasurement (*)               | 4,916         | 4,930               |
| Depreciation                    | (3,952)       | (4,262)             |
| Balance as at March 31, 2024    | <u>91,257</u> | <u>95,634</u>       |

|                                 | <u>Parent</u> | <u>Consolidated</u> |
|---------------------------------|---------------|---------------------|
| Balance as at December 31, 2022 | 82,040        | 84,322              |
| Remeasurement (*)               | 2,841         | 2,882               |
| Depreciation                    | (3,642)       | (3,857)             |
| Balance as at March 31, 2023    | <u>81,239</u> | <u>83,347</u>       |

(\*) Remeasurement of the lease amounts on the annual adjustment date and operating cost.

The balances and variations in right-of-use liabilities for the year are broken down as follows:

|  | <u>Parent</u> | <u>Consolidated</u> |
|--|---------------|---------------------|
| Balance as at December 31, 2023          | 96,879        | 101,927             |
| Additions                                | 442           | 442                 |
| Remeasurement (*)                        | 4,916         | 4,930               |
| Finance charges recognized               | 2,430         | 2,607               |
| Principal repayment and interest payment | (6,253)       | (6,728)             |
| Balance as at March 31, 2024             | <u>98,414</u> | <u>103,178</u>      |

|                        |               |                |
|------------------------|---------------|----------------|
| Current liabilities    | 15,870        | 16,465         |
| Noncurrent liabilities | 82,544        | 86,713         |
| Total                  | <u>98,414</u> | <u>103,178</u> |

|  | <u>Controladora</u> | <u>Consolidado</u> |
|--|---------------------|--------------------|
| Balance as at December 31, 2022          | 88,745              | 91,367             |
| Remeasurement (*)                        | 2,841               | 2,882              |
| Finance charges recognized               | 2,131               | 2,203              |
| Principal repayment and interest payment | (5,107)             | (5,415)            |
| Balance as at March 31, 2023             | <u>88,610</u>       | <u>91,037</u>      |

(\*) Remeasurement of the lease amounts on the annual adjustment date.

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The future commitments arising from effective agreements, considering the fixed amount as at March 31, 2024, are shown below:

|              | <u>Parent</u> | <u>Consolidated</u> |
|--------------|---------------|---------------------|
| Up to 1 year | 15,870        | 16,465              |
| 2 to 3 years | 22,219        | 22,760              |
| 4 to 5 years | 22,855        | 23,675              |
| 6 to 7 years | 21,416        | 22,521              |
| Over 7 years | 16,054        | 17,757              |
| Total        | <u>98,414</u> | <u>103,178</u>      |

The variable rentals, determined under short-term leases or leases of low-value assets that were not recognized as rights of use, are recorded in line item "Rentals and common area maintenance fees", in the total amounts of R\$3,280 in the Parent and R\$3,452 in the consolidated as at March 31, 2024 (R\$3,272 in the Parent and R\$3,479 in the consolidated as at March 31, 2023), as stated in note 19.

The variations in profit or loss accounts as at March 31, 2024 corresponding to right-of-use leases are as follows:

|  | <u>Parent</u> | <u>Consolidated</u> |
|--|---------------|---------------------|
| Depreciation expenses                  | 3,952         | 4,262               |
| Expenses on finance charges recognized | 2,430         | 2,607               |
| Total expenses                         | <u>6,382</u>  | <u>6,869</u>        |

In full compliance with CPC 06 (R2)/IFRS 16 as regards the measurement and remeasurement of its lease liabilities and right-of-use assets, the Group applied the discounted cash flow technique without considering the projected future inflation rates in the cash flows to be discounted, as prohibited by CPC 06 (R2)/IFRS 16.

Pursuant to the guidance provided by CVM's technical areas in order to provide additional information to investors in the Brazilian market, the comparative balances of lease liabilities, right-of-use assets, finance costs and depreciation expenses for the period/year are presented based on the cash flows including projected inflation rates, as recommended by Circular Letter/CVM/SNC/SEP/02/2019 as at March 31, 2024.

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|   | Parent   |   | Consolidated   |   |
|---|--|---|--|---|
|   | Balance sheet<br>(without<br>projected<br>inflation rates) | CVM<br>requirement<br>(with projected<br>inflation rates) | Balance sheet<br>(without<br>projected<br>inflation rates) | CVM<br>requirement<br>(with projected<br>inflation rates) |
| <u>Balance sheet</u>                        |  |   |  |   |
| Right of use (asset)                        | 91,257   | 103,282   | 95,634   | 143,708   |
| Right-of-use leases (liabilities)           | 98,414   | 114,391   | 103,178  | 151,131   |
| <u>Profit or loss</u>                       |  |   |  |   |
| Depreciation                                | 3,952  | 16,511  | 4,262  | 17,210  |
| Interest                                    | 2,430  | 9,411   | 2,607  | 9,912   |
| PIS and COFINS credits on rentals           | (552)  | (552)   | (552)  | (552)   |
| Deferred income tax and social contribution | 159  | 159   | 159  | 159   |

The following table details the differences in asset and liability balances, depreciation amounts and interest amounts, on a year-to-year basis, between the methodology suggested by Circular Letter/CVM/SNC/SEP/02/2019 and the Group's adopted methodology, in full compliance with CPC 06 (R2)/IFRS 16. This table indicates that, at the end of the lease terms, both methodologies do not affect the Group's equity.

|      | Right-of-use assets, net |                    | Lease liabilities     |                    |
|------|--------------------------|--------------------|-----------------------|--------------------|
|      | CPC 06(02)/IFRS<br>16    | CVM<br>Requirement | CPC 06(02)/IFRS<br>16 | CVM<br>Requirement |
| 2024 | 82,736                   | 82,860             | 90,163                | 90,283             |
| 2025 | 66,908                   | 67,396             | 76,152                | 76,633             |
| 2026 | 53,714                   | 54,301             | 63,951                | 64,544             |
| 2027 | 41,766                   | 42,290             | 52,192                | 52,730             |
| 2028 | 30,696                   | 30,995             | 40,276                | 40,581             |
| 2029 | 20,738                   | 20,763             | 28,569                | 28,593             |
| 2030 | 12,153                   | 12,153             | 17,756                | 17,756             |
| 2031 | 7,846                    | 7,846              | 12,024                | 12,024             |
| 2032 | 4,411                    | 4,411              | 7,024                 | 7,024              |
| 2033 | 1,952                    | 1,952              | 3,240                 | 3,240              |
| 2034 | 1,303                    | 1,303              | 2,295                 | 2,295              |
| 2035 | 1,117                    | 1,117              | 2,085                 | 2,085              |
| 2036 | 931                      | 931                | 1,845                 | 1,845              |
| 2037 | 745                      | 745                | 1,572                 | 1,572              |
| 2038 | 559                      | 559                | 1,261                 | 1,261              |
| 2039 | 373                      | 373                | 906                   | 906                |
| 2040 | 187                      | 187                | 502                   | 502                |
| 2041 | 1                        | 1                  | 41                    | 41                 |



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|      | Finance costs   |             | Depreciation expenses |             |
|------|-----------------|-------------|-----------------------|-------------|
|      | CPC 06(02)/IFRS | CVM         | CPC 06(02)/IFRS       | CVM         |
|      | 16              | Requirement | 16                    | Requirement |
| 2024 | 8,016           | 8,019       | 12,897                | 12,909      |
| 2025 | 9,399           | 9,435       | 15,829                | 15,950      |
| 2026 | 8,042           | 8,103       | 13,194                | 13,450      |
| 2027 | 6,757           | 6,821       | 11,948                | 12,260      |
| 2028 | 5,501           | 5,552       | 11,070                | 11,444      |
| 2029 | 4,189           | 4,207       | 9,958                 | 10,283      |
| 2030 | 2,943           | 2,943       | 8,586                 | 8,610       |
| 2031 | 1,916           | 1,916       | 4,306                 | 4,306       |
| 2032 | 1,243           | 1,243       | 3,435                 | 3,435       |
| 2033 | 648             | 648         | 2,459                 | 2,459       |
| 2034 | 341             | 341         | 649                   | 649         |
| 2035 | 289             | 289         | 186                   | 186         |
| 2036 | 260             | 260         | 186                   | 186         |
| 2037 | 226             | 226         | 186                   | 186         |
| 2038 | 188             | 188         | 186                   | 186         |
| 2039 | 145             | 145         | 186                   | 186         |
| 2040 | 95              | 95          | 186                   | 186         |
| 2041 | 39              | 39          | 186                   | 186         |

**14. PROVISION FOR CIVIL, LABOR AND TAX RISKS AND ESCROW DEPOSITS**

The Company shows below the variations and balances of contingencies, net of the corresponding escrow deposits:

|   | Parent |     |       | Consolidated |          |          |
|---|--------|-----|-------|--------------|----------|----------|
|   | Labor  | Tax | Total | Labor (a)    | Tax (b)  | Total    |
| Balance as at December 31, 2023                           | 3,822  | -   | 3,822 | 6,675        | 20,510   | 27,185   |
| Additions   | 135    | -   | 135   | 174          | -        | 174      |
| Inflation adjustments                                     | -      | -   | -     | -            | 385      | 385      |
| Write-offs  | (636)  | -   | (636) | (742)        | -        | (742)    |
| Balance as at March 31, 2024                              | 3,321  | -   | 3,321 | 6,107        | 20,895   | 27,002   |
| Escrow deposits linked to lawsuits                        | (392)  | -   | (392) | (478)        | (20,895) | (21,373) |
| Balance of net contingencies payable as at March 31, 2024 | 2,929  | -   | 2,929 | 5,629        | 0        | 5,629    |

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|   | Parent |     |       | Consolidated |          |          |
|---|--------|-----|-------|--------------|----------|----------|
|   | Labor  | Tax | Total | Labor (a)    | Tax (b)  | Total    |
| Balance as at December 31, 2022                           | 5,177  | -   | 5,177 | 8,180        | 18,447   | 26,627   |
| Additions   | 9      | -   | 9     | 151          | 714      | 865      |
| Inflation adjustments                                     | -      | -   | -     | -            | -        | -        |
| Write-offs  | (218)  | -   | (218) | (367)        | -        | (367)    |
| Balance as at March 31, 2023                              | 4,968  | -   | 4,968 | 7,964        | 19,161   | 27,125   |
| Escrow deposits linked to lawsuits                        | (393)  | -   | (393) | (393)        | (19,070) | (19,463) |
| Balance of net contingencies payable as at March 31, 2023 | 4,575  | -   | 4,575 | 7,571        | 91       | 7,662    |

The Company performs an ongoing assessment of the risks involved in civil, labor and tax lawsuits arising from the normal course of its activities. Such assessment is based on available information and risk factors present in each lawsuit, including the opinion of the Group's legal counsel. Supported by this assessment process, Management set up a provision in an amount considered sufficient to cover probable losses on the outcome of the ongoing lawsuits, as follows:

(a) Labor claims

Labor claims deriving from the Group companies' normal course of operations refer to labor lawsuits mostly claiming overtime pay and related charges, salary equalization, vacation pay and pecuniary bonus, remunerated weekly rest, severance pay, 13<sup>th</sup> salary and overtime bank.

(b) Tax

Subsidiary TF Franchising claimed at court the non-levy of ISS on franchising activities, alleging the unconstitutionality of item 17.08 of the list of services of Supplementary Law 116/03 and of article 17.08 of Municipal Law 13,071/03.

Upon decision on the matter handed down by the STF, with recognized general repercussion, in the judgment of the Topic No. 300/STF (RE No. 603.136) and which is unfavorable to taxpayers, the understanding was applied to the case of TF Franchising, also resulting in a final unfavorable outcome.

The amounts of the ISS tax debts, payable from June 2013 to May 2023 (R\$20,895 as at March 31, 2024), were deposited in an escrow account linked to the case records of the lawsuit. In view of the return of the case records to the original court, the court authorization for conversion of the amount deposited into municipal income, as payment, is awaited, ending the progress of the lawsuit.

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Labor lawsuits assessed as risk of possible loss

As at March 31, 2024, the Company's Management did not consider necessary to recognize a provision for losses on ongoing labor lawsuits in the total amount of R\$954 (R\$1,198 as at December 31, 2023), for which the likelihood of loss was assessed as possible by its legal counsel.

Escrow deposits

Variations and balances of escrow deposits:

|   | Parent |     |       | Consolidated |          |          |
|---|--------|-----|-------|--------------|----------|----------|
|   | Labor  | Tax | Total | Labor        | Tax      | Total    |
| Balance as at December 31, 2023                 | 531    | 299 | 830   | 615          | 20,809   | 21,424   |
| Additions                                       | 11     | 171 | 182   | 12           | 171      | 183      |
| Write-offs                                      | (15)   | -   | (15)  | (15)         | -        | (15)     |
| Inflation adjustments                           | 9      | 6   | 15    | 11           | 390      | 401      |
| Balance as at March 31, 2024                    | 536    | 476 | 1,012 | 623          | 21,370   | 21,993   |
| Escrow deposits linked to lawsuits              | (392)  | -   | (392) | (478)        | (20,895) | (21,373) |
| Balance of escrow deposits as at March 31, 2024 | 144    | 476 | 620   | 145          | 475      | 620      |

|   | Parent |     |       | Consolidated |          |          |
|---|--------|-----|-------|--------------|----------|----------|
|   | Labor  | Tax | Total | Labor        | Tax      | Total    |
| Balance as at December 31, 2022                 | 537    | 256 | 793   | 588          | 18,540   | 19,128   |
| Additions                                       | 15     | -   | 15    | 92           | 320      | 412      |
| Write-off                                       | -      | -   | -     | (51)         | -        | (51)     |
| Inflation adjustments                           | 13     | 7   | 20    | 13           | 473      | 486      |
| Balance as at March 31, 2023                    | 565    | 263 | 828   | 642          | 19,333   | 19,975   |
| Escrow deposits linked to lawsuits              | (393)  | -   | (393) | (393)        | (19,070) | (19,463) |
| Balance of escrow deposits as at March 31, 2023 | 172    | 263 | 435   | 249          | 263      | 512      |

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15. EQUITY

a) Issued capital and share rights

As at March 31, 2024 and December 31, 2023, capital amounts to R\$192,392.

The subscribed and paid-in capital is held as follows:

| 03/31/2024 (In thousands of shares) |                |                  |                |             |
|-------------------------------------|----------------|------------------|----------------|-------------|
|                                     | Common shares  | Preferred shares | Total shares   | %           |
| Company's owners                    | 877,251        | 14,140           | 891,391        | 93.9%       |
| Treasury shares                     | -              | 4,106            | 4,106          | 0.4%        |
| Outstanding shares                  | -              | 53,747           | 53,747         | 5.7%        |
| Total                               | <u>877,251</u> | <u>71,993</u>    | <u>949,244</u> | <u>100%</u> |

| 12/31/2023 (In thousands of shares) |                |                  |                |             |
|-------------------------------------|----------------|------------------|----------------|-------------|
|                                     | Common shares  | Preferred shares | Total shares   | %           |
| Company's owners                    | 877,251        | 14,119           | 891,370        | 93.9%       |
| Treasury shares                     | -              | 4,185            | 4,185          | 0.4%        |
| Outstanding shares                  | -              | 53,689           | 53,689         | 5.7%        |
| Total                               | <u>877,251</u> | <u>71,993</u>    | <u>949,244</u> | <u>100%</u> |

Preferred shares are entitled to receive dividends 10 times higher than common shares. Accordingly, the amount of profit allocated to the payment of dividends will be divided between common and preferred shares – excluding treasury shares – considering the right to dividend 10 times higher of preferred shares.

b) Treasury preferred shares

|   | Number in thousands of shares | Amount (R\$)  |
|---|-------------------------------|---------------|
| Balance as at December 31, 2022                                     | 4,223                         | 12,277        |
| Granting under the incentive plan – 1 <sup>st</sup> vesting_ILP2021 | (52)                          | (152)         |
| Share buyback   | 14                            | 153           |
| Balance as at December 31, 2023                                     | 4,185                         | 12,278        |
| Granting under the incentive plan – 2 <sup>nd</sup> vesting_ILP2021 | (52)                          | (153)         |
| Granting under the incentive plan – 1 <sup>st</sup> vesting_ILP2022 | (57)                          | (168)         |
| Share buyback (i)   | 30                            | 387           |
| Balance as at March 31, 2024  | <u>4,106</u>                  | <u>12,344</u> |

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- (i) As at March 31, 2024, the Company repurchased 30,119 units of preferred shares for R\$387, equivalent to the withholding income tax (IRRF) amount on the vesting under the Restricted Stock Option Plan with Minimum Performance Goal (see note 17c), pursuant to CPC 10.

As at March 31, 2024, the Company had 4,106 treasury shares (4,185 as at December 31, 2023) at the carrying amount of R\$12,344 (R\$12,278 as at December 31, 2023). The market value of these shares as at March 31, 2024 was R\$12.20 (R\$15.03 as at December 31, 2023).

Upon the granting of shares, the Company earned gains on the transaction, classified in equity in “Capital reserve” (gain (loss) on transactions involving shares), as shown in the following table:

| Date       | Number of shares | Cost (R\$) | Fair value (R\$) | Gains on transactions (R\$) |
|------------|------------------|------------|------------------|-----------------------------|
| 03/31/2023 | 52,224           | 152        | 560              | 409                         |
| 03/31/2024 | 109,369          | 321        | 1,405            | 1,084                       |

c) Other comprehensive income

As at March 31, 2024, the balance of R\$1,867 (R\$1,866 as at December 31, 2023) refers to the exchange gain arising from the investment held abroad in subsidiary The Track & Field Store INC.

d) Allocation of profit for the year

The allocation of profit for the year will be made in accordance with the Company’s Bylaws and the Brazilian Corporate Law, which determine the following allocations:

- 5% to the legal reserve.
- Distribution of mandatory minimum dividends, at a percentage rate to be defined at the General Meeting, but in accordance with the rules set forth in the prevailing law (minimum of 25% of profit for the year, after recognition of the legal reserve and establishment of provision for risks).
- Pursuant to the Company’s Bylaws, the remaining percentage rate of the profit will be allocated to the “Earnings reserve for investment/expansion”, which is intended to strengthen the capital for the performance of its activities and expansion, pursuant to the capital budget approved and proposed by the Company’s Management, to be decided at the General Shareholders’ Meeting.

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Variations in dividends/interest on capital are as follows:

|                                      | Parent and<br>Consolidated |
|--------------------------------------|----------------------------|
| Balance as at December 31, 2022      | 23,683                     |
| Mandatory dividends                  | 7,578                      |
| Interest on capital payable          | 21,932                     |
| Interest on capital paid, net        | (16,129)                   |
| (-) IRRF paid on interest on capital | (4,199)                    |
| Dividends paid                       | (5,392)                    |
| Balance as at December 31, 2023      | 27,473                     |
| Interest on capital payable          | 6,243                      |
| (-) IRRF paid on interest on capital | (603)                      |
| Balance as at March 31, 2024         | 33,113                     |

e) Interest on capital

| Approval date                     | Total approved amount | Amount per preferred share (R\$) | Amount per common share (R\$) | Shareholding position date | Payment date |
|-----------------------------------|-----------------------|----------------------------------|-------------------------------|----------------------------|--------------|
| 03/22/2024                        | 6,243                 | 0.040119474                      | 0.004011947                   | 03/28/2024                 | 04/30/2025   |
|                                   | 6,243                 |                                  |                               |                            |              |
| (-) Withholding income tax (IRRF) | (752)                 |                                  |                               |                            |              |
| Total amount payable, net of IRRF | 5,491                 |                                  |                               |                            |              |

At the meeting held on March 22, 2024, the Board of Directors approved the declaration and payment of interest on capital to shareholders, in the amounts shown in the table above. Payments will be made on April 30, 2025, proportionately to the ownership interest of each shareholder, subject to withholding income tax, except for shareholders that are provenly immune or exempt. Shareholders will be entitled to shares in the Company on the dates indicated in "shareholding position date" (including), and beginning the day subsequent to such shareholding position date (including), shares will be traded ex-interest on capital on stock exchange.

f) Tax incentive

The Company is entitled to the State VAT (ICMS) tax incentives on operations involving textile products (article 41 of Appendix III of RICMS/SP - CAT Ordinance 35/17), which are classified as investment grants, pursuant to Supplementary Law 160/2017 that provides for an agreement allowing the States and Federal District to resolve on the transfer of tax credits, either recognized or otherwise, arising from tax or tax financial exemptions, incentives and benefits granted in noncompliance with section "g", item XII, paragraph 2, article 155 of the Federal Constitution and the refund of said tax or tax financial exemptions, incentives and benefits, and amends Law

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12973 of May 13, 2014. On December 29, 2023, Law 14789/23 was enacted, thereby changing the tax treatment applicable to investment grants and revoking said statutory provisions. Accordingly, as at March 31, 2024, the Company recognizes a balance of R\$8,663 (R\$8,663 as at December 31, 2023) corresponding to tax incentive reserve, without any new allocations to reserves during this period.

g) Earnings reserve

As set forth in article 199 of Law 6404/76 (Brazilian Corporate Law), the balance of earnings reserves must not exceed capital.

Considering Management's proposal for allocation of the adjusted profit, presented in the individual and consolidated financial statements for the year ended December 31, 2023, the balance of the earnings reserve for investments and working capital at the end of 2023 is R\$220,256 and of the legal reserve is R\$15,260, totaling R\$235,516 as earnings reserves.

Due to the balance greater than the capital and, as set forth in the same article 199 of the Brazilian Corporate Law, Management's proposal to the Annual General Meeting for 2024 – which is legally responsible for deciding on the allocation of profit for 2023 – will include a capital increase using the balance of earnings reserve for investments and working capital in the amount of R\$143,754, without issuance of new shares. The capital increase reflects the investments already made by the Company.

The Annual General Meeting for 2024 held on April 26, 2024 approved the proposed capital increase, which was recorded in April 2024.

h) Basic and diluted earnings per share

The table below shows the profit attributable to shareholders and the weighted average number of outstanding shares used to calculate basic and diluted earnings.

The Group does not enter into any transactions affecting the dilution of earnings.

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| <b>Numerator</b>  | <u>%</u> | <u>03/31/2024</u> | <u>%</u> | <u>03/31/2023</u> |
|---|----------|-------------------|----------|-------------------|
| Profit for the period   | 100%     | 26,385            | 100%     | 25,087            |
| Profit for the period - common shares   | 56.37%   | 14,874            | 56.42%   | 14,153            |
| Profit for the period - preferred shares  | 43.63%   | 11,511            | 43.58%   | 10,934            |
| <br><b>Denominator (in thousands of shares)</b>   |          |                   |          |                   |
| Weighted average number of common shares  |          | 877,251           |          | 877,251           |
| Weighted average number of treasury common shares   |          | -                 |          | -                 |
| Weighted average number of outstanding common shares                                      |          | <u>877,251</u>    |          | <u>877,251</u>    |
| Potential increase in common shares as a result of the stock option and subscription plan |          | -                 |          | -                 |
| Weighted average number of common shares, considering the potential increase              |          | 877,251           |          | 877,251           |
| Basic earnings per common share (a/b)   |          | 0,0170            |          | 0,0161            |
| Diluted earnings per common share (a/c)   |          | 0,0170            |          | 0,0161            |
| Basic and diluted earnings per common share (in Brazilian reais - R\$)                    |          | <u>0,0170</u>     |          | <u>0,0161</u>     |
| <br><b>Denominator (in thousands of shares)</b>   |          |                   |          |                   |
| Weighted average number of preferred shares   |          | 71,993            |          | 71,993            |
| Weighted average number of treasury preferred shares                                      |          | <u>(4,106)</u>    |          | <u>(4,222)</u>    |
| Weighted average number of outstanding preferred shares                                   |          | 67,887            |          | 67,771            |
| Potential increase in common shares as a result of the stock option and subscription plan |          | -                 |          | -                 |
| Weighted average number of common shares, considering the potential increase              |          | 67,887            |          | 67,771            |
| Basic earnings per preferred share (a/b)  |          | 0,1696            |          | 0,1613            |
| Diluted earnings per preferred share (a/c)  |          | 0,1696            |          | 0,1613            |
| Basic and diluted earnings per preferred share (in Brazilian reais - R\$)                 |          | <u>0,1696</u>     |          | <u>0,1613</u>     |

**16. RELATED PARTIES**

**a) Management compensation**

The compensation of Management, Board of Directors and Executive Board totaled R\$2,276 as at March 31, 2024 (R\$1,739 as at March 31, 2023), which is considered a short-term benefit.



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b) Management retention bonuses

The Company's Management Retention Bonus Program approved at the Board of Directors' meeting held on June 24, 2021 is a long-term incentive aimed at retaining management members and aligning their interests to those of the Company and its shareholders. Executive Board members selected by the Board of Directors will be eligible according to their performance. The participants will be entitled to receive cash bonuses directly associated with the price of Company's shares, to be settled within 12, 24 and 36 months from the granting date, provided that those participants continue exercising their duties as executive officers at the time of settlement.

Variations (consolidated) are broken down as follows:

|                                 |       |
|---------------------------------|-------|
| Balance as at December 31, 2022 | 156   |
| Provision                       | 261   |
| Payments                        | (194) |
| Balance as at December 31, 2023 | 223   |
| Provision                       | 36    |
| Balance as at March 31, 2024    | 259   |

c) Company's Restricted Stock Option Program with Minimum Performance Goal

The Program was approved at the General Meeting and determines the general conditions for the long-term incentive through the granting of Restricted Shares issued by the Company to eligible officers and employees of the Company and its subsidiaries.

The Plans are approved by the Board of Directors pursuant to the bylaws, in conformity with the general guidelines, but include changes in the group of eligible executives, goals, amounts and realization dates.

In the event of termination of the participant due to dismissal, with or without cause, resignation or removal from position, retirement, permanent disability or death, the rights conferred according to the Plans can be extinguished or modified, as set out below.

If, at any time, during the validity of the Plans, the Participant:

- a) In case of dismissal, the Participant will be entitled to exercise the Vested Restricted Shares, within 30 days, counted from the dismissal date. All Restricted Shares not yet exercisable ("Unvested Restricted Shares") will be automatically extinguished, by operation of law, regardless of prior notice or indemnity;

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- b) In case of dismissal without cause, the Board of Directors shall solely and exclusively decide whether all Restricted Shares that have been granted to Participant, either Vested or Unvested Restricted Shares, will be automatically extinguished;
- c) In case of dismissal with cause, all Restricted Shares that have been granted, either Vested or Unvested Restricted Shares, will be automatically extinguished, by operation of law, regardless of prior notice or indemnity;
- d) In case of retirement or permanent disability of the Participant, all Vested Restricted Shares can be exercised within 30 days, counted from the retirement or permanent disability date, and all Unvested Restricted Shares can be exercised within their terms and normal Vesting rules, subject to the condition that the Participant does not work in a competitor and any additional conditions established by the Board of Directors; and
- e) In case of the Participant's death, all Unvested Restricted Shares will become exercisable in advance. The Vested or Unvested Restricted Shares will be extended to the heirs and successors, upon legal succession or will, and can be exercised fully or partially by the heirs, successors or spouses of the Participant, for a 12-month period, counted from the death date.

Notwithstanding the situations above, the Board of Directors can establish differentiated terms and conditions for each Agreement, without the need of applying any rule of isonomy or analogy between the Participants, even if in similar or identical situations.

c.1) Restricted Stock Option Plan with Minimum Performance Goal for 2021

The Board of Directors approved on March 22, 2022 the restricted stock option plan with minimum performance goal for 2021, for the eligible executives, as well as the grant of 159,479 restricted shares, effective beginning April 1, 2022.

Participants will be entitled to receive preferred shares or their equivalent in cash in three annual installments, provided that they remain at the Company up to the vesting date, as follows:

| Date       | Total number of shares | Realized |          | Unrealized – settlement term |          |          |
|------------|------------------------|----------|----------|------------------------------|----------|----------|
|            |                        | March-23 | March-24 | March-23                     | March-24 | March-25 |
| 03/22/2022 | 159,479                | -        | -        | 53,160                       | 53,160   | 53,159   |
| 12/31/2022 | 159,479                | -        | -        | 53,160                       | 53,160   | 53,159   |
| 12/31/2023 | 156,660                | 52,224   | -        | -                            | 52,224   | 52,212   |
| 03/31/2024 | 156,660                | 52,224   | 52,224   | -                            | -        | 52,212   |

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As at March 31, 2024, pursuant to the incentive plan terms and conditions, 52,224 preferred shares were granted to eligible participants, in the amount of R\$670. As at March 31, 2023, pursuant to the incentive plan terms and conditions, 52,224 preferred shares were granted to eligible participants, in the amount of R\$560.

The variations are as follows:

|                                    | R\$   | Shares   |
|------------------------------------|-------|----------|
| Balance as at December 31, 2022    | 758   | 53,160   |
| Participant withdrawal             | (13)  | (936)    |
| Granting - 1 <sup>st</sup> vesting | (560) | (52,224) |
| Addition                           | 600   | 52,224   |
| Balance as at December 31, 2023    | 785   | 52,224   |
| Addition                           | 44    | 13,053   |
| Granting – 2 <sup>nd</sup> vesting | (670) | (52,224) |
| Balance as at March 31, 2024       | 159   | 13,053   |

The fair value measurement of the shares is as follows:

| Date       | Total number of shares | Share amount<br>(in Brazilian<br>reais – R\$) | Plan amount (in<br>Brazilian reais –<br>R\$) |
|------------|------------------------|---|--|
| 03/22/2022 | 159,479                | 10.11   | 1,612,333                                    |
| 12/31/2022 | 159,479                | 10.50   | 1,674,530                                    |
| 12/31/2023 | 156,660                | 15.03   | 2,354,600                                    |
| 03/31/2024 | 156,660                | 12.20   | 1,911,252                                    |

c.2) Restricted Stock Option Plan with Minimum Performance Goal for 2022

The Board of Directors approved on March 28, 2023 the grant of 188,414 shares referring to the restricted stock option plan with minimum performance goal for 2022, for the eligible participants.

Participants will be entitled to receive preferred shares or their equivalent in cash in three annual installments, provided that they remain at the Company up to the vesting date, as follows:

| Date       | Total number of shares | Realized | Unrealized – settlement term |          |          |
|------------|------------------------|----------|------------------------------|----------|----------|
|            |                        | March-24 | March-24                     | March-25 | March-26 |
| 03/28/2023 | 188,414                | -        | 62,805                       | 62,805   | 62,804   |
| 12/31/2023 | 171,435                | -        | 57,145                       | 57,145   | 57,145   |
| 03/31/2024 | 169,817                | 57,145   | -                            | 56,336   | 56,336   |

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As at March 31, 2024, pursuant to the incentive plan terms and conditions, 57,145 preferred shares were granted to eligible participants, in the amount of R\$735.

The variations are as follows:

|                                    | R\$   | Shares   |
|------------------------------------|-------|----------|
| Balance as at December 31, 2022    | -     | -        |
| Provision                          | 860   | 57,145   |
| Balance as at December 31, 2023    | 860   | 57,145   |
| Participant withdrawal             | (14)  | (1,183)  |
| Addition                           | 62    | 15,271   |
| Granting - 1 <sup>st</sup> vesting | (735) | (57,145) |
| Balance as at March 31, 2024       | 173   | 14,088   |

The fair value measurement of the shares is as follows:

| Date       | Total number of shares | Share amount (in Brazilian reais – R\$) | Plan amount (in Brazilian reais – R\$) |
|------------|------------------------|---|--|
| 03/28/2023 | 188,414                | 10.03                                   | 1,889,794                              |
| 12/31/2023 | 171,435                | 15.03                                   | 2,576,668                              |
| 03/31/2024 | 169,817                | 12.20                                   | 2,071,767                              |

c.3) Restricted Stock Option Plan with Minimum Performance Goal for 2023

The Board of Directors approved on March 28, 2024 the grant of 254,498 shares referring to the restricted stock option plan with minimum performance goal for 2023, for the eligible participants.

Participants will be entitled to receive preferred shares or their equivalent in cash in three annual installments, provided that they remain at the Company up to the vesting date, as follows:

| Date       | Total number of shares | Unrealized – settlement term |          |          |
|------------|------------------------|------------------------------|----------|----------|
|            |                        | March-25                     | March-26 | March-27 |
| 03/28/2024 | 254,498                | 84,834                       | 84,834   | 84,830   |
| 03/31/2024 | 254,498                | 84,834                       | 84,834   | 84,830   |

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The variations are as follows:

|                                 | <u>R\$</u>        | <u>Shares</u>       |
|---------------------------------|-------------------|---------------------|
| Balance as at December 31, 2023 | -                 | -                   |
| Addition                        | <u>103</u>        | <u>8,437</u>        |
| Balance as at March 31, 2024    | <u><u>103</u></u> | <u><u>8,437</u></u> |

The fair value measurement of the shares is as follows:

| <u>Date</u> | <u>Total number of shares</u> | <u>Share amount (in Brazilian reais – R\$)</u> | <u>Plan amount (in Brazilian reais – R\$)</u> |
|-------------|-------------------------------|--|---|
| 03/28/2024  | 254,498                       | 12.20  | 3,104,876                                     |
| 03/31/2024  | 254,498                       | 12.20  | 3,104,876                                     |

c.4) Restricted Stock Option Plan with Overcoming Goals

The Restricted Stock Option Plan with Overcoming Goals, approved on March 28, 2023, provides for the granting of restricted shares to eligible participants according to their performance observed in FY2023, FY2024, FY2025 and FY2026. The first grant will be conducted in 2024 upon achievement of the goals, as well as in the subsequent years; the vesting of each grant will occur in the year following the granting year, as long as the executive officers remain at the Company. A total number of 648,344 restricted shares are expected to be granted under this plan.

d) Related-party balances

|                     | <u>Parent</u>       |                     |
|---------------------|---------------------|---------------------|
|                     | <u>03/31/2024</u>   | <u>12/31/2023</u>   |
| Assets              |                     |                     |
| Intragroup loans    | <u>3,362</u>        | -                   |
| Total               | <u><u>3,362</u></u> | <u><u>-</u></u>     |
| Liabilities         |                     |                     |
| Related parties (i) | <u>2,086</u>        | <u>2,982</u>        |
| Total               | <u><u>2,086</u></u> | <u><u>2,982</u></u> |

(i) Amount payable to related parties refers to the trademark use.

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Variations and breakdown of intragroup loans

| <b>Subsidiaries</b>            | <b>12/31/2023</b> | <b>Additions</b> | <b>03/31/2024</b> |
|--------------------------------|-------------------|------------------|-------------------|
| Fratex Licenciamento de Marcas | -                 | 33               | 33                |
| TF Sports                      | -                 | 59               | 59                |
| Track & Field Franchising      | -                 | 3,270            | 3,270             |
| <b>Total assets</b>            | <b>-</b>          | <b>3,362</b>     | <b>3,362</b>      |

| <b>Subsidiaries</b>       | <b>12/31/2022</b> | <b>Additions</b> | <b>(-) Receipts</b> | <b>03/31/2023</b> |
|---------------------------|-------------------|------------------|---------------------|-------------------|
| TF Sports                 | 23                | 75               | (72)                | 26                |
| Track & Field Franchising | -                 | 1,023            | -                   | 1,023             |
| <b>Total assets</b>       | <b>23</b>         | <b>1,098</b>     | <b>(72)</b>         | <b>1,049</b>      |

**17. INCOME TAX AND SOCIAL CONTRIBUTION**

a) Reconciliation of income tax and social contribution expenses

|   | <b>Parent</b>     |                   | <b>Consolidated</b> |                   |
|---|-------------------|-------------------|---------------------|-------------------|
|   | <b>03/31/2024</b> | <b>03/31/2023</b> | <b>03/31/2024</b>   | <b>03/31/2023</b> |
| Profit before income tax and social contribution            | 26,652            | 25,787            | 30,781              | 29,302            |
| Income tax and social contribution at statutory rates – 34% | (9,062)           | (8,768)           | (10,466)            | (9,963)           |
| Adjustment to reflect the effective rate:                   |                   |                   |                     |                   |
| Share of profit (loss) of subsidiaries                      | 7,636             | 6,925             | -                   | -                 |
| Interest on capital   | 2,123             | 1,899             | 2,123               | 1,899             |
| Tax benefit (Supplementary Law 160/2017)*                   | -                 | (385)             | -                   | (385)             |
| Adjustment based on deemed income of subsidiaries           | -                 | -                 | 4,130               | 3,515             |
| Other permanent additions/deductions                        | (964)             | (371)             | (183)               | 719               |
| <b>Income tax and social contribution expenses</b>          | <b>(267)</b>      | <b>(700)</b>      | <b>(4,396)</b>      | <b>(4,215)</b>    |
| Current   | (45)              | (631)             | (4,174)             | (4,146)           |
| Deferred  | (222)             | (69)              | (222)               | (69)              |
| <b>Total</b>  | <b>(267)</b>      | <b>(700)</b>      | <b>(4,396)</b>      | <b>(4,215)</b>    |
| Effective rate  | 1%                | 3%                | 14%                 | 14%               |

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(\*) The Company is entitled to the ICMS tax incentives granted on operations involving textile products, which are classified as investment grants, as disclosed in note 15(f).

b) Deferred income tax and social contribution

Deferred taxes on temporary differences and tax loss carryforwards are as follows:

|                                      | Parent and Consolidated |              |
|--------------------------------------|-------------------------|--------------|
|                                      | 03/31/2024              | 12/31/2023   |
| Provision for labor and tax risks    | 1,129                   | 1,300        |
| Allowance for inventory losses       | 1,080                   | 914          |
| Allowance for expected credit losses | 107                     | 146          |
| Leases - IFRS 16/CPC 06 (R2)         | 1,805                   | 1,963        |
| Tax loss                             | 2,057                   | 2,077        |
| Total                                | <u>6,178</u>            | <u>6,400</u> |

Expected realization of deferred income tax and social contribution assets as at March 31, 2024:

| Year                                  | Parent and Consolidated |
|---------------------------------------|-------------------------|
| 1 <sup>st</sup> year (next 12 months) | 2,398                   |
| 2 <sup>nd</sup> year                  | 1,450                   |
| 3 <sup>rd</sup> year                  | 1,481                   |
| 4 <sup>th</sup> year                  | 433                     |
| 5 <sup>th</sup> year                  | 416                     |
| Total                                 | <u>6,178</u>            |

Variations in deferred income tax and social contribution:

|                                      | Parent and Consolidated |            |              | 03/31/2024   |
|--------------------------------------|-------------------------|------------|--------------|--------------|
|                                      | 12/31/2023              | Addition   | Write-off    |              |
| Provision for labor and tax risks    | 1,300                   | 45         | (216)        | 1,129        |
| Allowance for inventory losses       | 914                     | 166        | -            | 1,080        |
| Allowance for expected credit losses | 146                     | 16         | (55)         | 107          |
| Leases - IFRS 16/CPC 06 (R2)         | 1,963                   | -          | (158)        | 1,805        |
| Tax loss                             | 2,077                   | -          | (20)         | 2,057        |
| Total                                | <u>6,400</u>            | <u>227</u> | <u>(449)</u> | <u>6,178</u> |

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|                                      | Parent       |            |              | 03/31/2023   |
|--------------------------------------|--------------|------------|--------------|--------------|
|                                      | 12/31/2022   | Addition   | Write-off    |              |
| Provision for labor and tax risks    | 1,760        | -          | (71)         | 1,689        |
| Allowance for inventory losses       | 536          | 66         | -            | 602          |
| Allowance for expected credit losses | 108          | -          | (23)         | 85           |
| Leases - IFRS 16/CPC 06 (R2)         | 1,713        | 231        | -            | 1,944        |
| Tax loss                             | 4,274        | -          | (272)        | 4,002        |
| <b>Total</b>                         | <b>8,391</b> | <b>297</b> | <b>(366)</b> | <b>8,322</b> |

|                                      | Consolidated |            |              | 03/31/2023   |
|--------------------------------------|--------------|------------|--------------|--------------|
|                                      | 12/31/2022   | Addition   | Write-off    |              |
| Provision for labor and tax risks    | 1,791        | -          | (71)         | 1,721        |
| Allowance for inventory losses       | 536          | 66         | -            | 602          |
| Allowance for expected credit losses | 108          | -          | (23)         | 85           |
| Leases - IFRS 16/CPC 06 (R2)         | 1,713        | 231        | -            | 1,944        |
| Tax loss                             | 4,274        | -          | (272)        | 4,002        |
| <b>Total</b>                         | <b>8,422</b> | <b>297</b> | <b>(366)</b> | <b>8,354</b> |

18. NET REVENUE FROM SALES AND SERVICES

This consolidated position comprises revenue from sales to end consumers (own stores and e-commerce), sales of goods to franchisees, royalties on sales made by franchisees, revenue from events and taxes levied thereon.

The table below shows the consolidated gross revenue per sales channel:

|  | Parent         |                | Consolidated   |                |
|--|----------------|----------------|----------------|----------------|
|  | 03/31/2024     | 03/31/2023     | 03/31/2024     | 03/31/2023     |
| <u>Gross revenue:</u>                    |                |                |                |                |
| Retail – Own Chain                       | 126,957        | 110,435        | 128,255        | 111,026        |
| Goods for franchisees                    | 52,947         | 48,721         | 52,947         | 48,721         |
| Other                                    | 827            | 1,016          | 827            | 1,016          |
| <b>Total gross revenue from sales</b>    | <b>180,731</b> | <b>160,172</b> | <b>182,029</b> | <b>160,763</b> |
| Royalties (i)                            | 1,745          | 1,059          | 30,373         | 25,630         |
| Events                                   | -              | -              | 11,024         | 9,505          |
| <b>Total gross revenue from services</b> | <b>1,745</b>   | <b>1,059</b>   | <b>41,397</b>  | <b>35.135</b>  |



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|                                     | Parent     |            | Consolidated |            |
|-------------------------------------|------------|------------|--------------|------------|
|                                     | 03/31/2024 | 03/31/2023 | 03/31/2024   | 03/31/2023 |
| <u>Gross revenue deductions:</u>    |            |            |              |            |
| Sales returns (iii)                 | (20,364)   | (17,400)   | (20,364)     | (17,400)   |
| ICMS                                | (25,285)   | (23,210)   | (25,328)     | (23,254)   |
| COFINS (ii)                         | (10,445)   | (9,140)    | (11,566)     | (10,055)   |
| PIS (ii)                            | (2,267)    | (1,984)    | (2,510)      | (2,182)    |
| ISS                                 | (46)       | (25)       | (1,527)      | (1,317)    |
| Total deductions from gross revenue | (58,407)   | (51,759)   | (61,295)     | (54,208)   |
| Net revenue from sales and services | 124,069    | 109,472    | 162,131      | 141,690    |

- i. Refers to royalties, processing services, digital marketing services and use of Omnichannel operations branding charged from franchisees.
- ii. In consolidated, this balance refers to the benefit under the PERSE Law, in the amount of R\$1,012 for PIS and COFINS, in the period ended March 31, 2024 (R\$3,437 in 2023).
- iii. Refers mainly to the changes of goods.

19. EXPENSES BY NATURE

The Company's statement of profit and loss is presented based on a classification of expenses and costs according to their function. The information on the nature of these expenses recognized in the statement of profit and loss is as follows:

|  | Parent     |            | Consolidated |            |
|--|------------|------------|--------------|------------|
|  | 03/31/2024 | 03/31/2023 | 03/31/2024   | 03/31/2023 |
| Acquisition cost of inputs, raw materials and goods for resale | (60,889)   | (53,863)   | (66,695)     | (58,383)   |
| Personnel  | (24,946)   | (22,528)   | (31,476)     | (26,964)   |
| Marketing/selling expenses                                     | (2,093)    | (1,409)    | (2,873)      | (2,517)    |
| Depreciation and amortization (i)                              | (5,570)    | (4,695)    | (7,098)      | (5,817)    |
| Freight  | (2,079)    | (1,893)    | (2,085)      | (1,894)    |
| Professional services  | (4,803)    | (3,822)    | (6,161)      | (4,807)    |

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|  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|
| Rentals and common area maintenance fees | (3,280)          | (3,272)          | (3,452)          | (3,479)          |
| Commission on credit cards               | (2,424)          | (1,835)          | (2,642)          | (1,951)          |
| Expected credit loss                     | 114              | 67               | 114              | 67               |
| Electric power, water and telephone      | (540)            | (486)            | (598)            | (519)            |
| Taxes and fees                           | (12)             | (69)             | (16)             | (79)             |
| Royalties                                | (4,309)          | (3,742)          | -                | -                |
| Other                                    | (4,611)          | (3,156)          | (5,141)          | (3,335)          |
| <b>Total</b>                             | <b>(115,442)</b> | <b>(100,703)</b> | <b>(128,123)</b> | <b>(109,678)</b> |
| Classified as:                           |                  |                  |                  |                  |
| Cost of sales and services               | (60,889)         | (53,863)         | (66,695)         | (58,383)         |
| Selling expenses                         | (33,723)         | (30,145)         | (31,567)         | (29,265)         |
| General and administrative expenses      | (20,830)         | (16,695)         | (29,861)         | (22,030)         |
| <b>Total</b>                             | <b>(115,442)</b> | <b>(100,703)</b> | <b>(128,123)</b> | <b>(109,678)</b> |

(i) Breakdown of depreciation and amortization:

|  | Parent         |                | Consolidated   |                |
|--|----------------|----------------|----------------|----------------|
|  | 03/31/2024     | 03/31/2023     | 03/31/2024     | 03/31/2023     |
| Depreciation and amortization              | (5,570)        | (4,695)        | (7,098)        | (5,817)        |
| Depreciation absorbed in cost              | (785)          | (528)          | (785)          | (528)          |
| <b>Total depreciation and amortization</b> | <b>(6,355)</b> | <b>(5,223)</b> | <b>(7,883)</b> | <b>(6,345)</b> |

20. SEGMENT REPORTING

The Company's activities are conducted in one single operating segment, i.e., the retail industry, which comprises the development and sale of clothing, accessories and sporting experiences aimed at reinforcing the brand positioning and boosting the flow of customers to the stores. The Company is organized as a single business unit for operating, commercial, managerial and administrative purposes, and its performance is evaluated on such basis. Such view is based on the following factors:

- Its structure does not include any divisions for managing the different lines of products, markets or sales channels.
- The development areas operate for all of their product lines and sales channels.
- The Company's strategic decisions are focused on analyses raising market opportunities, rather than only addressing the performance by product or channel.

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The breakdown of revenue per sales channel is shown in note 18.

21. OTHER OPERATING INCOME (EXPENSES), NET

|  | Parent     |            | Consolidated |             |
|--|------------|------------|--------------|-------------|
|  | 03/31/2024 | 03/31/2023 | 03/31/2024   | 03/31/2023  |
| Reversal of (provision for) civil, labor and tax risks | 500        | 209        | 567          | 216         |
| Reversal of (allowance for) inventory losses           | (495)      | (194)      | (495)        | (194)       |
| Losses on obsolete inventories                         | (182)      | -          | (182)        | -           |
| Unrealized credit losses                               | (51)       | (25)       | (55)         | (247)       |
| Gain (loss) on tax credits                             | (41)       | (71)       | (41)         | (71)        |
| Write-off of property and equipment items              | (311)      | -          | (311)        | -           |
| Revenue from sales rebates                             | 269        | -          | 305          | -           |
| Other income   | 528        | 293        | 519          | 246         |
| Total  | <u>217</u> | <u>212</u> | <u>307</u>   | <u>(50)</u> |

22. FINANCE INCOME (COSTS)

A) FINANCE INCOME

|                                    | Parent     |            | Consolidated |              |
|------------------------------------|------------|------------|--------------|--------------|
|                                    | 03/31/2024 | 03/31/2023 | 03/31/2024   | 03/31/2023   |
| Income from short-term investments | 265        | 203        | 1,511        | 1,076        |
| Discounts obtained (*)             | 337        | 46         | 339          | 48           |
| Interest receivable                | 6          | 26         | 15           | 33           |
| Inflation adjustment gains         | 223        | 234        | 683          | 829          |
| Other                              | (1)        | -          | (1)          | -            |
| Total                              | <u>830</u> | <u>509</u> | <u>2,547</u> | <u>1,986</u> |

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B) FINANCE COSTS

|                                 | Parent         |                | Consolidated   |                |
|---------------------------------|----------------|----------------|----------------|----------------|
|                                 | 03/31/2024     | 03/31/2023     | 03/31/2024     | 03/31/2023     |
| Interest on right-of-use leases | (2,430)        | (2,131)        | (2,607)        | (2,203)        |
| Interest payable                | (5)            | (63)           | (8)            | (65)           |
| Discounts granted               | (2,894)        | (1,260)        | (2,894)        | (1,260)        |
| Banking fees                    | (107)          | (109)          | (141)          | (141)          |
| Fines                           | -              | (372)          | -              | (375)          |
| Inflation adjustment losses     | -              | (207)          | (385)          | (673)          |
| Other                           | (45)           | 71             | (46)           | 71             |
| <b>Total</b>                    | <b>(5,481)</b> | <b>(4,071)</b> | <b>(6,081)</b> | <b>(4,646)</b> |

23. FINANCIAL INSTRUMENTS

a) Categories of financial instruments

|                               | Note | Parent         |                | Consolidated   |                |
|-------------------------------|------|----------------|----------------|----------------|----------------|
|                               |      | 03/31/2024     | 12/31/2023     | 03/31/2024     | 12/31/2023     |
| Financial assets              |      |                |                |                |                |
| Amortized cost:               |      |                |                |                |                |
| Cash and cash equivalents     | 4    | 20,826         | 20,071         | 82,179         | 54,477         |
| Trade receivables             | 5    | 128,160        | 170,270        | 148,743        | 196,536        |
| Related parties               | 16   | 3,362          | -              | -              | -              |
| <b>Total financial assets</b> |      | <b>152,348</b> | <b>190,341</b> | <b>230,922</b> | <b>251,013</b> |

|                                    | Note | Parent        |               | Consolidated  |               |
|------------------------------------|------|---------------|---------------|---------------|---------------|
|                                    |      | 03/31/2024    | 12/31/2023    | 03/31/2024    | 12/31/2023    |
| Financial liabilities              |      |               |               |               |               |
| Amortized cost:                    |      |               |               |               |               |
| Trade payables                     | 10   | 60,242        | 55,114        | 64,033        | 59,492        |
| Related parties                    | 16   | 2,086         | 2,982         | -             | -             |
| Rents payable                      |      | 1,566         | 3,378         | 1,750         | 3,497         |
| Dividends payable                  | 15   | 33,113        | 27,473        | 33,113        | 27,473        |
| <b>Total financial liabilities</b> |      | <b>97,007</b> | <b>88,947</b> | <b>98,896</b> | <b>90,462</b> |

b) Financial risks

The Company's activities are subject to credit and liquidity risks. However, Management monitors the continuous forecasts of liquidity requirements to ensure the Group has sufficient cash to meet its operating needs.

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c) Exchange rate risk management

Foreign suppliers

The Company imports goods, raw materials and inputs from foreign suppliers, which are used in the development and sale processes. These purchases are substantially denominated in U.S. dollars and have low exposure to exchange rate changes, since 90% of payments are made in advance and 10% is settled within 10 days from the date goods are delivered to the distribution center.

Additionally, the Company purchased property and equipment in foreign currency:

- In September 2022, with payment in 36 installments, with a residual balance payable in 12 installments as at March 31, 2024:

|                                | Parent and Consolidated |            |
|--------------------------------|-------------------------|------------|
|                                | 03/31/2024              | 12/31/2023 |
| Foreign suppliers              | 1,215                   | 1,471      |
| Foreign exchange exposure, net | 1,215                   | 1,471      |

d) Sensitivity analysis

The Group presents sensitivity analysis considering the table below:

| Transactions              | Risk                |                | Balance as at<br>03/31/2024 | Market projection      |                         |                          |
|---------------------------|---------------------|----------------|-----------------------------|------------------------|-------------------------|--------------------------|
|                           |                     |                |                             | Scenario I<br>Probable | Scenario II<br>Positive | Scenario III<br>Negative |
| Cash and cash equivalents | CDI variation       | 100.13% of CDI | 82,179                      | 10,157                 | 11,173                  | 9,142                    |
| Foreign suppliers         | US dollar variation | R\$ 4.99       | 1,215                       | -                      | (122)                   | 122                      |

For presentation of the sensitivity analysis of financial instruments, it was considered as probable scenario, in Management's opinion, on the maturity dates of each one of the transactions for the liability and the asset the expected realization of interest for one year based on the balance as at March 31, 2024.

The probable scenario (I) does not have an impact on the fair value of the financial instruments. For the positive (II) and negative (III) scenarios, for exclusive purpose of the sensitivity analysis, Management considers an increase of 10% and a decrease of 10% in the risk variables, up to one year of the financial instruments.

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Foreign exchange risk

The Company's foreign exchange risk exceptionally arises from the import of property and equipment, as follows:

As for foreign currency-denominated transactions referring to its operating cycle, the Company does not adopt any hedging mechanisms against possible exchange rate changes, considering: (a) the low import volume, in which a higher appreciation in the U.S. dollar would entail a drop in the margins of these goods, and (b) the immateriality of amounts payable to foreign suppliers, since 90% of imported goods are paid prior to their shipment and the remaining 10% portion is paid within 10 days from the receipt of goods.

Interest rate risk

The Group does not have any financial assets and financial liabilities exposed to interest rate changes as at March 31, 2024.

e) Credit risk management

Online sales are made at the Company's website and Omnichannel channels, where 80.9% refers to credit card transactions, and 19.1% to instant payment (PIX) or cash sales.

As at March 31, 2024, the Company's sales are concentrated on 313 franchisees accounting for 43% of sales (43.8% as at March 31, 2023). Sales to franchisees are supported by agreements, purchase orders and other legal instruments deemed necessary and, therefore, transactions are protected to an extent that it may even result in the merger of a franchisee's operations.

The Company adopts formal criteria for accepting and hiring franchisees, which requires strict assessments of their financial conditions, business management ability and brand service potential, with a view to avoiding any default losses that might hamper the business.

f) Liquidity risk management

Effectively managing liquidity risks implies maintaining funds available through committed credit facilities and the ability to settle market positions. Management monitors the continuous forecasts of the Companies' liquidity requirements to ensure they have sufficient cash to meet their operating needs.

The table below shows in detail the maturity of financial liabilities contracted:

|                | Account balance | Contractual cash flow | Parent       |               |               |               |               | Over 5 years |
|----------------|-----------------|-----------------------|--------------|---------------|---------------|---------------|---------------|--------------|
|                |                 |                       | Up to 1 year | Up to 2 years | Up to 3 years | Up to 4 years | Up to 5 years |              |
| Trade payables | 60,242          | 60,242                | 60,242       | -             | -             | -             | -             | -            |
| Rents payable  | 1,566           | 1,566                 | 1,566        | -             | -             | -             | -             | -            |

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|                   |        |         |        |        |        |        |        |        |
|-------------------|--------|---------|--------|--------|--------|--------|--------|--------|
| Related parties   | 2,086  | 2,086   | 2,086  | -      | -      | -      | -      | -      |
| Dividends payable | 33,113 | 33,113  | 33,113 | -      | -      | -      | -      | -      |
| Leases payable    | 98,414 | 143,117 | 18,156 | 22,510 | 19,343 | 17,617 | 16,516 | 48,975 |

|                   | Account<br>balance | Contractual<br>cash flow | Consolidated    |                  |                  |                  |                  |                 |
|-------------------|--------------------|--------------------------|-----------------|------------------|------------------|------------------|------------------|-----------------|
|                   |                    |                          | Up to<br>1 year | Up to 2<br>years | Up to 3<br>years | Up to 4<br>years | Up to 5<br>years | Over 5<br>years |
| Trade payables    | 64,033             | 64,033                   | 64,033          | -                | -                | -                | -                | -               |
| Rents payable     | 1,750              | 1,750                    | 1,750           | -                | -                | -                | -                | -               |
| Dividends payable | 33,113             | 33,113                   | 33,113          | -                | -                | -                | -                | -               |
| Leases payable    | 103,178            | 151,465                  | 19,081          | 23,410           | 20,243           | 18,517           | 17,416           | 52,798          |

g) Fair value of financial instruments

When applicable, the Group adopts technical pronouncement CPC 48/IFRS 9 - Financial Instruments: Disclosures for financial instruments measured in the balance sheet at fair value, which requires the disclosure of fair value measurements based on the following hierarchy level:

- Level 1 inputs: are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2 inputs: are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs: are unobservable inputs for the asset or liability.

The Company does not have any financial instruments measured at fair value.

24. INSURANCE COVERAGE

The Company adopts an insurance policy that considers mainly the risk concentration and its materiality, taking into consideration the nature of its activities and the advice from insurance consultants. As at March 31, 2024, insurance coverage is as follows:

| Items   | Type of coverage                    | Maturity         | Insured amount - R\$ |
|---|-------------------------------------|------------------|----------------------|
| Buildings, furniture, machinery, fixtures and inventories of raw materials and finished goods | Property damage and loss of profits | Jul/24<br>Mar/25 | 65,000<br>125,643    |

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25. NON-CASH TRANSACTIONS

Non-cash transactions (Consolidated) are shown in the table below:

| Classification in the financial statements | Line item                              | Note | Nature of transaction                      | 03/31/2024 | 12/31/2023 |
|--|--|------|--|------------|------------|
| Assets                                     | Property and equipment                 | 13   | Addition of lease agreements               | 983        | 22,948     |
| Liabilities                                | Right-of-use leases payable            |      |  | 983        | 22,948     |
| Assets                                     | Property and equipment                 | 13   | Remeasurement of new lease agreements      | 4,930      | 3,086      |
| Liabilities                                | Right-of-use leases payable            |      |  | 4,930      | 3,086      |
| Classification in the financial statements | Line item                              | Note | Nature of transaction                      | 03/31/2024 | 12/31/2023 |
| Assets                                     | Property and equipment                 | -    | Addition to property and equipment payable | 2,975      | 2,635      |
| Liabilities                                | Trade payables                         |      |  | 2,975      | 2,635      |
| Liabilities                                | Payroll and related taxes              | 11   |  | 1,405      | 560        |
| Equity                                     | (-) Treasury shares                    |      | Stock granting – incentive plan            | 321        | 152        |
| Equity                                     | Gains on transactions involving shares | 15   |  | 1,084      | 408        |

26. EVENTS AFTER THE REPORTING PERIOD

Decree 57600, of May 4, 2024, recognizes the state of public calamity in the State of Rio Grande do Sul up to December 31, 2024 due to the heavy rains that have been hitting the state since last week.

Collaboration is part of our values. Therefore, we are working closely with the population to support Rio Grande do Sul at this time of public calamity that affected thousands of people, including our employees. The Company has been undertaking several support initiatives for employees, franchisees, and the local community.

As regards our operations, the mapping procedures performed to date indicate that: (i) Stores that have been closed since the incidents in the region: of the Group's total 361 physical stores, as at March 31, 2024, 11 stores are located in the State of Rio Grande do Sul (4 own stores and 7 franchises), which accounts for 2% of our sell out. It is worth stressing that we did not incur any losses in any of these facilities; (ii) suppliers: low impact of supply disruptions due to little representativeness at the location and/or delivery deadlines for future months. We were unable to estimate the other developments that might arise from this scenario up to the disclosure of this material.



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