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

Track & Field CO S.A.

Individual and Consolidated
Financial Statements for the
Year Ended December 31, 2024 and
Independent Auditor's Report

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

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INDEPENDENT AUDITOR'S REPORT ON THE
INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

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

Opinion

We have audited the accompanying individual and consolidated financial statements of Track & Field CO S.A. ("Company"), identified as Parent and Consolidated, respectively, which comprise the balance sheet as at December 31, 2024, and the related statements of income, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including the material accounting policies.

In our opinion, the individual and consolidated financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of Track & Field CO S.A. as at December 31, 2024, and its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended in accordance with accounting practices adopted in Brazil and the IFRS Accounting Standards as issued by the International Accounting Standards Board - IASB.

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical requirements in the Code of Ethics for Professional Accountants and the professional standards issued by the Brazilian Federal Accounting Council (CFC), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key Audit Matters ("KAM") are those matters that, in our professional judgment, were of most significance in our audit of the current year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Why it is a KAM.

The Company's and its subsidiaries' revenues are substantially derived from the sale of sports and leisure products in general, including own stores, franchisees and e-commerce platform. Their operations are conducted through various sales channels and related revenues are comprised of a large volume of transactions involving individually low amounts, which depend on the proper operation of information systems and controls to identify and measure revenues, as well as the monitoring by the Company's Executive Board with respect to the status of deliveries so as to identify any billed sales to its franchisee and e-commerce platform and not delivered at the end of the year.

The large volume of transactions, the characteristics inherent in the sales recognition process, including the dependence on information systems, require special attention dedicated to the Company's revenue recognition process. For this reason, we considered it a key audit matter.

How the matter was addressed in our audit

Our audit procedures included: (i) understanding and testing the key processes and internal controls related to sales recognition and measurement; (ii) assessing the IT systems used in the process through the support of technology specialists; (iii) obtaining external confirmations from credit card companies as regards sales transactions conducted during the period at physical stores and using e-commerce; (iv) checking, on a sampling basis, sales made to franchisees; (v) performing revenue cut-off testing procedures through an analysis of supporting documentation that substantiates the delivery of goods; and (vi) assessing revenue disclosures according to the relevant segment and operations.

Based on the evidence obtained from performing our audit procedures described above, we consider that the revenue recognition procedures and related disclosures made are acceptable in the context of the individual and consolidated financial statements taken as a whole.

Other matter

Statements of value added.

The individual and consolidated statements of value added (DVA) for the year ended December 31, 2024, prepared under the responsibility of the Company's Executive Board, and disclosed as supplemental information for purposes of the IFRS Accounting Standards, were subject to audit procedures performed together with the audit of the Company's financial statements. In forming our opinion, we assess whether these statements are reconciled with the financial statements and the accounting records, as applicable, and whether their form and content are in accordance with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of value added were appropriately prepared, in all material respects, in accordance with the criteria set out in such technical pronouncement and are consistent in relation to the individual and consolidated financial statements taken as a whole.

Other information accompanying the individual and consolidated financial statements and the independent auditor's report.

The Executive Board is responsible for such other information. The other information comprises the Management Report, obtained prior to this report date.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of audit conclusion thereon.

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In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether this other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the other information obtained prior to this report date, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Board and those charged with governance for the individual and consolidated financial statements.

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and the IFRS Accounting Standards as issued by the IASB, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, the Executive Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Board either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditor's responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual and consolidated financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board.

- Conclude on the appropriateness of the Executive Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statement. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Convenience translation

The accompanying individual and consolidated financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, March 10, 2025

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.

Randal Ribeiro Sylvestre
Engagement Partner

2025SP038612

Operational Highlights

- **Sell out of R$465.6 million in 4Q24,** representing an **increase of 19.3% compared to 4Q23,** in addition to a **growth of 12.3% in same store sales.** In 2024, sell out reached R$1.4 billion, +18.5% vs. 2023, with **renovated stores growing more than 30%.**

- **Sales captured by e-commerce gaining 1.5 p.p. of share in sell out in 2024,** reaching 9.1% vs. 7.6% in 2023, and **growing 42.5% in the year.**

- **Infinite storefront connecting 312 stores** at the end of December (+83 stores YoY), with its sales representing **11.9% of the sell out captured digitally, +6 p.p. vs. 2023.**

- **We opened 17 new stores in the quarter,** totaling **398 stores at the end of the period**. All stores were opened in the new format, and we remain focused on renovating existing stores; during the third quarter, **we renovated 15 units, including 4 owned stores and 11 franchises. In the year, we reached a total of 41 new store openings (+9 YoY) and 43 renovations (+22 YoY).**

- **TFSports exceeded all expectations in 2024**, holding **more than 3,600 events (+27.7% YoY) and attracting more than 390,000 participants** (+65.9% YoY)**. In terms of the number of users**, the platform also stood out, reaching **868,900 (+46.7% YoY)**, as well as 8,000 registered trainers.

- **NPS (*Net Promoter Score*) reached 81 points in 4Q24,** reflecting our commitment to excellence in service and high customer satisfaction.

Financial Highlights

- **Net revenue totaled R$273.3 million in 4Q24, up 23.1% vs 4Q23** (R$221.9 million), with a 35.9% YoY increase in sell-in, and R$831.8 million in 2024, **up 21.7% vs 2023** (R$683.7 million).

- **Adjusted EBITDA reached R$58.3 million in the quarter, +17.9% YoY**, with a margin of 21.3%. For the year, EBITDA reached R$176.7 million, +13.4% YoY and a margin of 21.2% (-1.5 p.p.), impacted by the acceleration of investments in TFSports platform, which represented 3.4% of consolidated net revenue in 2024 vs. 1.1% in the previous year (+2.3 p.p. YoY).

- **Adjusted net income totaled R$40.3 million in 4Q24, an increase of 8.2% vs. 4Q23, with a net margin of 14.7%**. In 2024, net profit was R$125.7 million, +4.1% YoY, with a margin of 15.1%.

- **Operating cash generation of R$100.4 million in the year, an increase of 27.8%** compared to the amount generated in 2023. **We ended another period without debt**, reinforcing the solidity of our business model.

MANAGEMENT COMMENTS

Track&Field

In 2024, we achieved solid and consistent results, reflecting the success of our strategies and the resilience of our business model. Growing performance throughout the year was driven by product innovation, store renovations, digital expansion, as well as strong performance on commemorative dates.

We closed the year with an excellent quarter, benefiting from the great sales performance during Black Friday and Christmas, reaching a sell out of R$465.6 million in 4Q24, a growth of 19.3% compared to the same period in 2023.

We consolidated this trajectory with robust growth in the core, while the TFSports platform gained more and more strategic relevance and value generation. In the year, we achieved a sell out of R$1.4 billion, 18.5% up on the previous year. This result was mainly driven by the excellent performance of renovated stores - both owned and franchised - which recorded sales increases of 26.2% and 38.5%, respectively. In addition, the greater flow of customers in the stores building but the events, the expansion of the physical network and the growth in the number of garments sold were also key factors in the positive performance.

Our e-commerce performance continues to be very strong, with growth of 42.5% in the year, driven by continuous improvements in our digital operation. We are making steady progress in our omnichannel strategies, with the 'ship from store' model accounting for 69.2% of total online sales in the period. In addition, sales through the infinite storefront, which integrated 312 stores, represented 11.9% of digital sell-out, marking an increase of 6 p.p. compared to last year. This strategy, which connects the online and physical shopping experience, is transforming the customer journey, offering convenience and continuity, and reinforces our commitment to innovation building but meet the needs of the market ever more efficiently.

We are fully confident that the acceleration of TFSports not only reinforces our care for the brand and the ecosystem we are building but also highlights our ability to increasingly and effectively serve consumers in the wellness market, one of the most dynamic and promising globally. Against this backdrop, we held more than 3,600 events and experiences in 2024 (+27.7% YoY), attracting 391,700 participants (+65.9% YoY). At the end of the year, the platform had 868,900 users (+46.7% YoY) and 8,000 registered trainers.

At tfmall, we expanded our portfolio with the addition of ten new brands over the course of the year, now totaling 19 strategic partners, highly complementary to T&F and our audience. In addition, TFC food & market, an important part of our ecosystem which already has 12 units, has been integrated into tfmall, providing a more complete experience for our customers, both in stores and online. It's important to note that, despite still being in the ramp-up phase, the marketplace's GMV reached R$4.3 million in 2024.

The year was also marked by important launches and strategies that strengthened and expanded our presence in the market. The Aeris sneaker was a great success, establishing itself as one of the most important items in the portfolio, while Perfect-T, our basic cotton T-shirt with a perfect fit and shape, entered the casual line, meeting the growing demand for versatile and comfortable products. In addition, the Kids line showed significant growth, following strategic adjustments, such as increasing the product range.

MANAGEMENT COMMENTS

Track&Field

In the field of communication, the strategy with influencers and digital marketing has consolidated its place as a fundamental pillar. Through partnerships with content creators, we were able to expand our reach to different audiences and generations, strengthening the brand's presence on social networks and creating an even more engaged community.

Throughout the quarter, we made progress in expanding our network, opening 1 owned store and 16 franchises, totaling 398 units - 40 owned, 13 outlets and 345 franchises. As a result, we reached a record of 41 openings in one year, with 3 outlets, 2 owned stores and 36 franchises.

In view of the excellent results seen in renovated stores, we also accelerated the pace and delivered another 15 stores in the quarter (4 owned and 11 franchised), ending the year with 43 renovated stores. Exceeding our projections for openings and renovations for 2024, we reached the end of the year with 45% of our network remodeled for the new concept. For 2025, we expect to keep up the pace of openings and renovations and, as a result, we expect to end the year with around 60% of our network using the new model.

We end this cycle with the certainty that our journey has only just begun. We continue to expand our wellness ecosystem, always focused on providing our customers with experiences that connect them to an active and healthy lifestyle. We would like to thank everyone who has contributed to our success so far and for all their trust and support along the way. We are excited about the challenges ahead and are confident that, together, we will continue to build an even more prosperous and sustainable future for the company and its stakeholders.

THE MANAGEMENT

Table | Summary of Indicators

São Paulo, March 10th, 2025 – A Track & Field CO S.A. (B3: TFCO4) announces its results for the fourth quarter (4Q) and full year of 2024.

R$ thousand, except when indicated	4Q24	4Q23	Chg. 4Q24 /4Q23	2024	2023	Chg. 2024 / 2023
Financial Results						
Net Revenue	273,291	221,947	23.1%	831,759	683,690	21.7%
Gross Profit	154,590	127,846	20.9%	470,643	394,430	19.3%
Gross Margin	*56.6%*	*57.6%*	*-1.0 p.p.*	*56.6%*	*57.7%*	*-1.1 p.p.*
EBITDA	65,964	53,806	22.6%	196,225	173,730	12.9%
EBITDA Margin	*24.1%*	*24.2%*	*-0.1 p.p.*	*23.6%*	*25.4%*	*-1.8 p.p.*
Adjusted EBITDA[1]	58,283	49,450	17.9%	176,740	155,802	13.4%
Adjusted EBITDA Margin	*21.3%*	*22.3%*	*-1.0 p.p.*	*21.2%*	*22.8%*	*-1.5 p.p.*
Net Income	40,598	35,328	14.9%	117,753	114,410	2.9%
Net Margin	*14.9%*	*15.9%*	*-1.0 p.p.*	*14.2%*	*16.7%*	*-2.6 p.p.*
Adjusted Net Income[2]	40,260	37,220	8.2%	125,655	120,750	4.1%
Adjusted Net Margin	*14.7%*	*16.8%*	*-2.1 p.p.*	*15.1%*	*17.7%*	*-2.6 p.p.*
Net Cash[3]	23,410	54,477	-57.0%	23,410	54,477	-57.0%
Net Cash Equivalents[4]	138,126	151,735	-9.0%	138,126	151,735	-9.0%
Operational Indicators						
Number of Stores	398	359	10.9%	398	359	10.9%
Own	53	46	15.2%	53	46	15.2%
Franchises	345	313	10.2%	345	313	10.2%
Average Ticket (R$)	428.56	396.3	8.1%	399.49	389.64	2.5%
Same Store Sales	12.3%	16.4%	-4.1 p.p.	12.8%	14.4%	-1.6 p.p.
Total Sell Out[5]	465,609	390,361	19.3%	1,414,573	1,194,088	18.5%
Sales by E-commerce	35,592	28,691	24.1%	128,612	90,224	42.5%

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

[1] Adjusted EBITDA: excluding the effects of IFRS 16 (the effect of excluding the depreciation expense of the right of use and the leasing expenses) and non-recurring expenses.

[2] Adjusted net income: excluding the application of IFRS16 and non-recurring expenses.3 Adjusted net income: excluding IFRS-16 application and non-recurring expenses.

[3] Net cash: Cash and cash equivalents – Financial loans.

[4] Net cash equivalents: Net cash + Card receivables.

[5] Total sell out: Represents the Track&Field Group's consumer sales, regardless of the sales channel (physical/online or own store/franchise).

Sell Out

Captured Sell Out per Channel (R$ thousand)	4Q24	4Q23	Chg. 4Q24 /4Q23	2024	2023	Chg. 2024 / 2023
Franchises	273,568	228,367	19.8%	836,356	714,268	17.1%
Company-Operated Stores	156,449	133,303	17.4%	449,605	389,596	15.4%
E-Commerce	35,592	28,691	24.1%	128,612	90,224	42.5%
Total Sell Out	**465,609**	**390,361**	**19.3%**	**1,414,573**	**1,194,088**	**18.5%**

Billed Sell Out per Channel (R$ thousand)	4Q24	4Q23	Chg. 4Q24 /4Q23	2024	2023	Chg. 2024 / 2023
Franchises	288,829	239,649	20.5%	888,088	749,485	18.5%
Company-Operated Stores	165,067	142,862	15.5%	486,832	425,116	14.5%
E-commerce[1]	11,713	7,850	49.2%	39,653	19,487	103.5%
Total Sell Out	**465,609**	**390,361**	**19.3%**	**1,414,573**	**1,194,088**	**18.5%**

[1] Sell out billed by e-commerce reflects sales captured by the website and billed by our distribution center.

Sell-out, which is the result of the total gross sales across all Track&Field sales channels (including owned stores, franchises, and e-commerce), reached R$465.6 million in 4Q24, a 19.3% increase compared to the same period in 2023.

This quarter's performance was significantly driven by the strong result in November, especially during Black Friday, and by a significant increase in sales in December, due to the Christmas shopping season, reinforcing the brand's positioning in presentable products.

Once again, we would like to highlight the performance of the store renovations: during the quarter we renovated 4 company-owned stores, which grew by 22.4% YoY, and 11 franchises, which grew by 48.7% YoY.

Additionally, the solid performance of the quarter reflects: (i) the expansion of the physical network, starting 4Q24 with 38 more stores than at the beginning of 4Q23, (ii) a 10.1% increase in the number of tickets and 7.6% in the volume of items sold and (iii) a higher flow of customers being directed to the stores due to the acceleration of events.

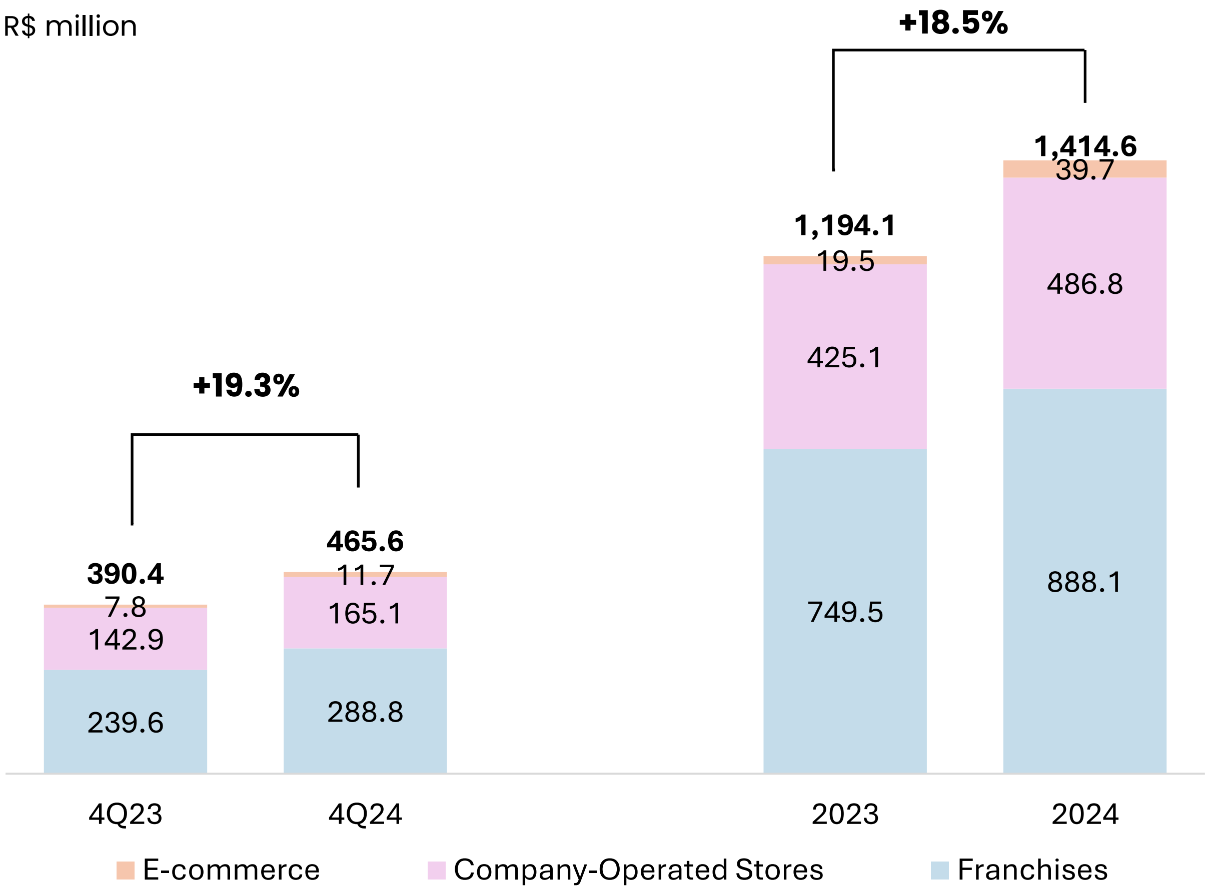
In the year, we reached a sell out of R$1.4 billion, growing 18.5% vs. 2023 (+12.8% in same store sales), a result driven by the performance of the 43 stores renovated in the year: 12 owned, with a 26.2% YoY increase in sales and 31 franchises, growing 38.5% YoY.

It is important to mention the significant growth of our e-commerce compared to physical channels, with an increase of 42.5% compared to 2023 (captured vision), resulting in a gain of 1.5 p.p. in the share of e-commerce in the company's business mix, which reached 9.1% of the total sell out.

Sales made through the infinite storefront, which connected 312 stores at the end of the period, representing 11.9% of the sell-out captured digitally, which means an increase of 6 p.p. compared to the previous year. In addition, social selling, which focuses on converting transactions initiated via WhatsApp, grew by 16.1% vs. 2023, accounting for 41.2% of total sales for the year.

Billed Sell Out

R$ million

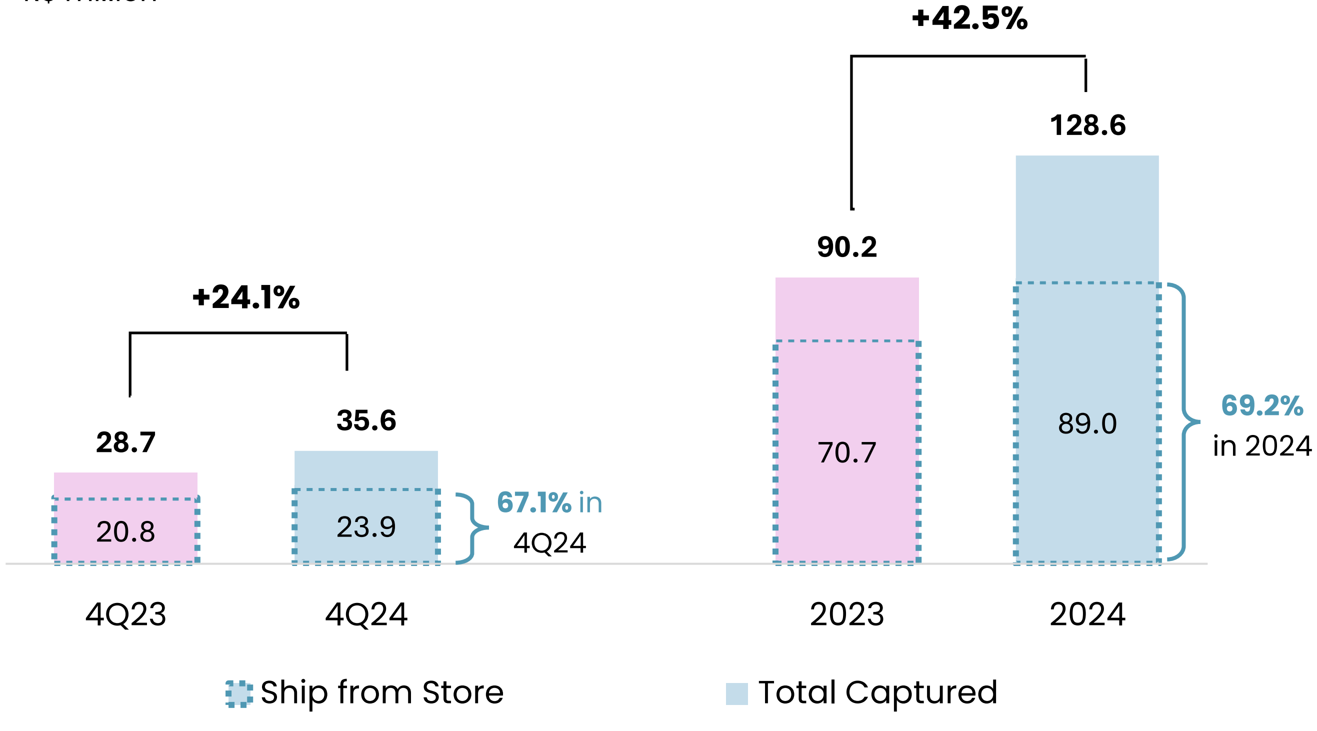


We continued to record positive results with the "ship from store" initiatives, where physical stores act as mini distribution centers, and "pick up in store", which allows online orders to be picked up in stores. In 2024, 69.2% of the sell-out captured by e-commerce was generated through ship from store.

At the end of the period, we had 29 stores operating as national sellers, which deliver throughout Brazil, and 338 as local sellers, representing approximately 39.7% and 29.4%, respectively, of the sell out captured by e-commerce in 2024 (with the remaining 30.8% being invoiced by our DC).

E-commerce (captured)

R$ million



Track&Field

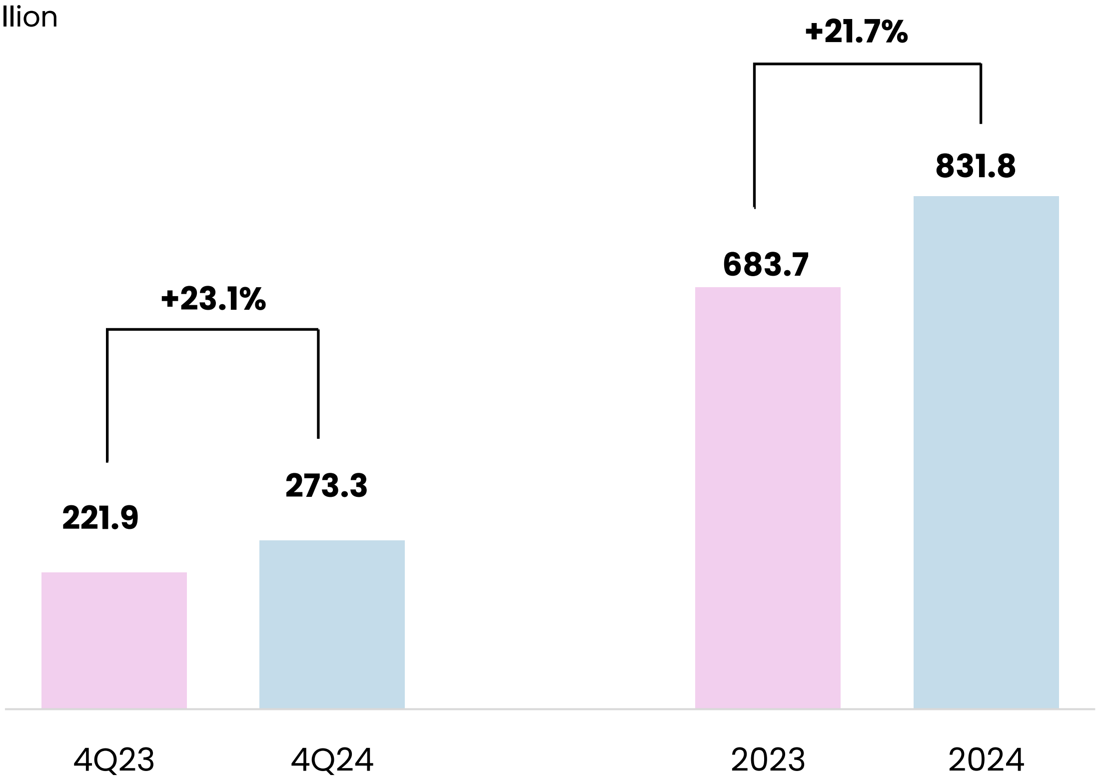
Net Revenue

Net Revenue (R$ thousand)	4Q24	4Q23	Chg. 4Q24 /4Q23	2024	2023	Chg. 2024 / 2023
Sales of Goods	82,419	60,637	35.9%	238,097	191,062	24.6%
Royalties	45,564	37,342	22.0%	139,853	116,126	20.4%
Retail (Own Chain)	133,960	113,587	17.9%	400,189	334,798	19.5%
Events/tfmall	9,652	8,185	17.9%	47,491	36,317	30.8%
Others	1,695	2,196	-22.8%	6,129	5,387	13.8%
Total Net Revenue	**273,291**	**221,947**	**23.1%**	**831,759**	**683,690**	**21.7%**

Net revenue reached R$273.3 million in the quarter, representing growth of 23.1% compared to the same period in 2023. For the year, we recorded net revenue of R$831.8 million, an increase of 21.7% year over year.

Net Revenue

R$ million



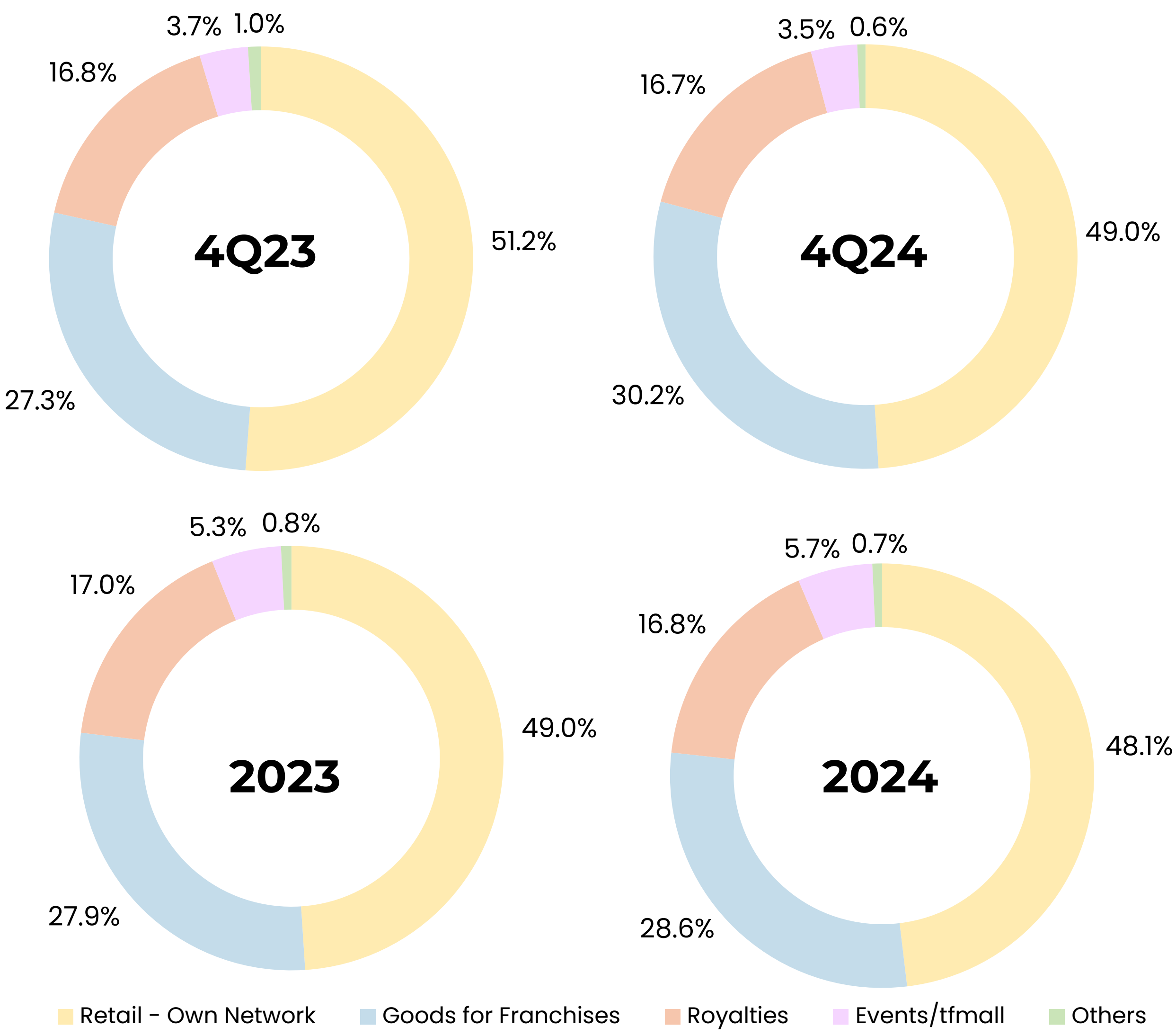
The sale of merchandise to franchises (sell in) grew by 35.9% YoY, driven by the strong supply from franchisees, with high expectations for two high-volume sales dates (Black Friday and Christmas), as well as the expansion of the network by 32 franchises YoY, resulting in a gain of 2.8 p.p. in the share of total revenue for the quarter.

It is important to mention the performance of the retail channel (own network), which reported growth of 17.9% YoY, reaching R$134.0 million. This result is mainly attributable to: (i) the strong performance of own stores, reflecting year-end sales, new openings and better stocked stores; (ii) the solid performance of the digital channel; and (iii) the performance of outlets - benefiting from the opening of 3 new units this year, as well as 3 renovated units, one of them with a TFC.

The royalties line increased by 22.0% to R$45.6 million, reflecting actions aimed at improving our store supply, the growth of the franchise network and the performance of the renovated stores.

Finally, we highlight the 17.9% growth vs. 4Q23 in TFSports' net revenue (events and tfmall), which reached R$9.7 million, removing intercompany effects. This performance was driven by an increase in the number of people registered for events, a rise in the average ticket and higher sponsorship revenue in the period, reflecting the acceleration of events, in line with the company's strategy.

Net Revenue Breakdown (%)



Gross Profit

Gross Profit (R$ thousand)	4Q24	4Q23	Chg. 4Q24 / 4Q23	2024	2023	Chg. 2024 / 2023
Gross Profit	**154,590**	**127,846**	**20.9%**	**470,643**	**394,430**	**19.3%**
Gross Margin	*56.6%*	*57.6%*	*-1.0 p.p.*	*56.6%*	*57.7%*	*-1.1 p.p.*

Gross profit for the quarter reached R$154.6 million, an increase of 20.9% compared to 4Q23. Gross Margin of 56.6%, down 1.0 p.p. YoY, impacted by the 2.8 p.p. increase in the share of merchandise sold to franchises (sell in) in the net sales mix and the acceleration of events. Neutralizing the channel mix effect, the margin would have shown a gain of 0.3 p.p.

In the year, we recorded a growth in gross profit of 19.3% YoY, reaching R$470.6 million and a margin of 56.6%.

Adjusted Operating Expenses

Adjusted Net Revenue (R$ thousand)	4Q24	4Q23	Chg. 4Q24 /4Q23	2024	2023	Chg. 2024 / 2023
General Adjusted Net Revenue	**273,291**	**221,947**	**23.1%**	**831,759**	**683,690**	**21.7%**
Operating Expenses (R$ thousand)	**4Q24**	**4Q23**	**Chg. 4Q24 /4Q23**	**2024**	**2023**	**Chg. 2024 / 2023**
Sales	53,232	46,852	13.6%	160,008	134,622	18.9%
% With Sales over General NR	*19.5%*	*21.1%*	*-1.6 p.p.*	*19.2%*	*19.7%*	*-0.5 p.p.*
General and Administrative	43,810	32,380	35.3%	136,493	106,219	28.5%
% G&A over General NR	*16.0%*	*14.6%*	*1.4 p.p.*	*16.4%*	*15.5%*	*0.9 p.p.*
Operating Expenses	**97,042**	**79,232**	**22.5%**	**296,501**	**240,841**	**23.1%**
%Total Operating Expenses over General NR	*35.5%*	*35.7%*	*-0.2 p.p.*	*35.6%*	*35.2%*	*0.4 p.p.*
Other Operating Revenues (Expenses)	**-735**	**-1,064**	**-30.9%**	**-2,599**	**-2,441**	**6.5%**
Total Operating Expenses (Revenue) - wo/ depreciation	**96,307**	**78,168**	**23.2%**	**293,902**	**238,400**	**23.3%**
Total Operating Expenses (Revenue) over General NR	*35.2%*	*35.2%*	*0.0 p.p.*	*35.3%*	*34.9%*	*0.5 p.p.*
Depreciation	**4,162**	**2,601**	**60.0%**	**14,401**	**9,248**	**55.7%**
Total Operating Expenses (Revenue) – w/ depreciation	**100,469**	**80,769**	**24.4%**	**308,303**	**247,648**	**24.5%**
%Total Operating Expenses over General NR	*36.8%*	*36.4%*	*0.4 p.p.*	*37.1%*	*36.2%*	*0.8 p.p.*

Adjusted operating expenses represented 35.2% of net sales, the same level as in 4Q23. In the year to date, the share of expenses over net sales was 35.3% (+0.5 p.p. YoY). The non-dilution of operating expenses over net revenue in the year is associated with investments related to the development and acceleration of TFSports.

In terms of selling expenses, we saw a reduction in the level of net sales, both in the quarter (-1.6 p.p. YoY) and in the year to date (-0.5 p.p. YoY). This reflects the greater dilution of costs in own retail, due to the greater representativeness of the franchise business in net revenue, which helped offset the increase in expenses related to events.

The increase in administrative expenses over net sales in the quarter (+1.4 p.p. YoY) and in the year (+0.9 p.p. YoY) mainly reflects the initiatives focused on expanding the TFSports operation. Disregarding this impact, the share of expenses in net sales for the year would remain at levels similar to those observed in 2023.

In this context, it is expected that these additional costs will be diluted by 2025, as current structures adjust to the growth projected for the coming periods.

Track&Field

EBITDA

EBITDA (R$ thousand)	**4Q24**	**4Q23**	**Chg. 4Q24 /4Q23**	**2024**	**2023**	**Chg. 2024 / 2023**
Net Income	40,598	35,328	14.9%	117,753	114,410	2.9%
(+) Income Tax and CS (Social Contribution)	12,668	8,648	46.5%	29,687	22,521	31.8%
(+) Net Financial Result	3,967	3,192	24.3%	16,767	11,784	42.3%
(+) Depreciation and amortization	8,732	6,638	31.5%	32,019	25,017	28.0%
EBITDA	**65,964**	**53,806**	**22.6%**	**196,225**	**173,730**	**12.9%**
EBITDA Margin	*24.1%*	*24.2%*	*-0.1 p.p.*	*23.6%*	*25.4%*	*-1.8 p.p.*
(+) IFRS-16 Adjustment	-8,007	-6,416	24.8%	-26,913	-21,879	23.0%
(+) Non-Recurring Adjustments	325	2,059	-84.2%	7,428	3,950	88.0%
Adjusted EBITDA	**58,283**	**49,450**	**17.9%**	**176,740**	**155,802**	**13.4%**
Adjusted EBITDA Margin	*21.3%*	*22.3%*	*-1.0 p.p.*	*21.2%*	*22.8%*	*-1.5 p.p.*

Note: The table with the detailing of non-recurring can be found on page 24.

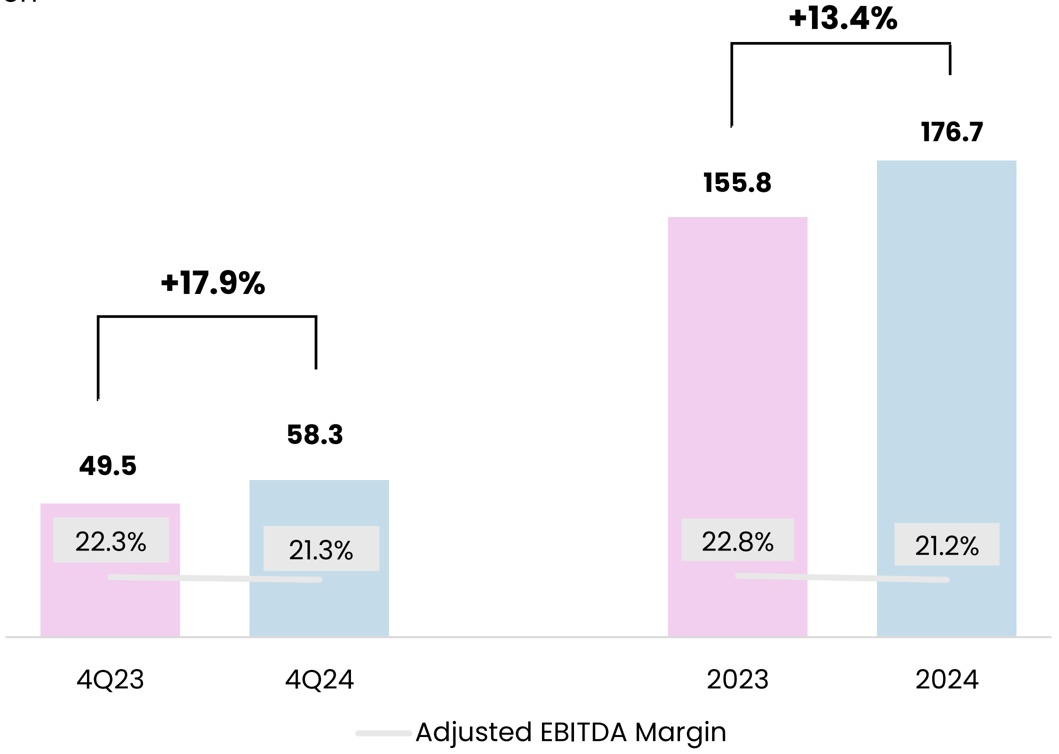
Excluding the effects of IFRS-16 and non-recurring expenses, adjusted EBITDA reached R$58.3 million in 4Q24, a growth of 17.9% vs. the previous year, with a margin of 21.3% (-1.0 p.p. YoY).

The reduction in the EBITDA margin is explained by the lower gross margin in the quarter, which fell by 1.0 p.p. compared to 4Q23 (channel mix effect, with an increase in the sell in representativity), combined with the stable representativity of expenses over net sales in the quarterly comparison, with the impact of the acceleration in TFSports (+1.9 p.p. YoY).

In 2024, the company recorded an Adjusted EBITDA of R$176.7 million (+13.4% YoY) and a margin of 21.2%. The 1.5 p.p. decrease in margin reflects the acceleration of investments in TFSports, which represented 3.4% of consolidated net revenue in 2024 vs. 1.1% in the previous year (+2.3 p.p. YoY).

Adjusted EBITDA

R$ million



Financial Result

Financial Result (R$ thousand)	**4Q24**	**4Q23**	**Chg. 4Q24**	**2024**	**2023**	**Chg. 2024 / 2023**
Financial Revenues	2,517	1,983	26.9%	9,201	8,966	2.6%
Financial Expenses	-6,483	-5,175	25.3%	-25,967	-20,750	25.1%
IFRS interest	-3,481	-2,644	31.7%	*-12,257*	*-9,572*	28.1%
Other Financial Expenses	-3,002	-2,531	18.6%	*-13,710*	*-11,178*	22.7%
Financial Result	**-3,966**	**-3,192**	**24.2%**	**-16,766**	**-11,784**	**42.3%**
Net Effect of Adjustments	2,530	3,162	-20.0%	12,228	11,434	6.9%
Adjusted Financial Result*	***-1,436***	***-30***	**4686.4%**	***-4,538***	***-350***	**1196.6%**

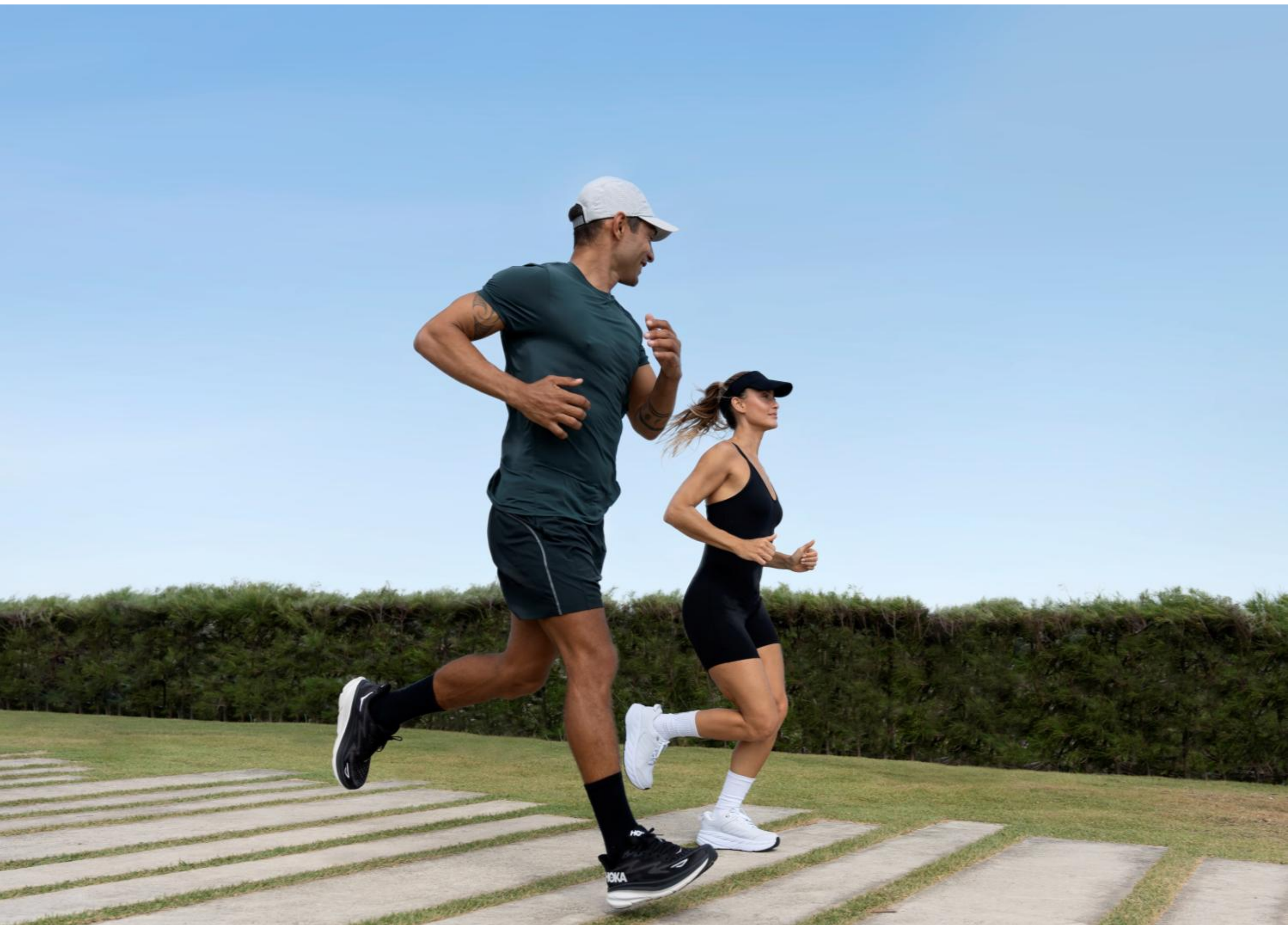
Note: The effects of the adjustments relate to interest on leasing operations and are non-recurring.

The financial result for 4Q24 was negative by R$4.0 million, reflecting the increase in financial expenses with leasing contracts. However, this impact was partially offset by the more expressive growth in financial revenue in the quarter, due to a positive variation in monetary updates resulting from deposits in court.

The adjusted financial result was negative by R$1.4 million in the quarter, excluding the effects of IFRS-16 and non-recurring items.

In 2024, the negative financial result of R$16.8 million was due to the increase in financial expenses resulting from IFRS-16, while the increase in financial revenues was not enough to absorb this impact. The performance of financial revenues was impacted by the reduction in the cash position compared to the previous year, reflecting (i) the share buybacks carried out by the Company, (ii) store openings and renovations and (iii) the development of the TFSports app.

Once again, the company ended the year with no debt and did not prepay any receivables during the period.



Net Income

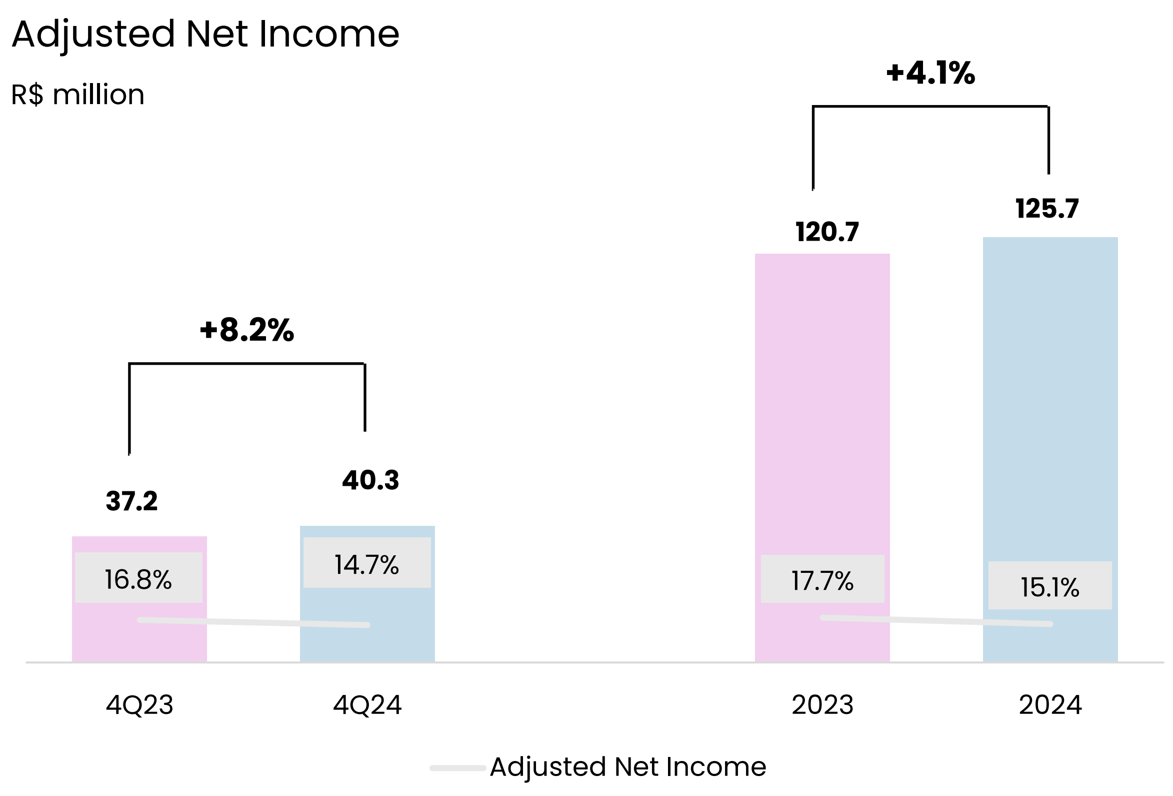
Net Income (R$ thousand)	4Q24	4Q23	Chg. 4Q24 /4Q23	2024	2023	Chg. 2024 / 2023
Net Income	**40,598**	**35,328**	**14.9%**	**117,753**	**114,410**	**2.9%**
Net Margin	*14.9%*	*15.9%*	*-1.0 p.p.*	*14.2%*	*16.7%*	*-2.6 p.p.*
(+) IFRS-16 Adjustment	418	802	-47.9%	2,984	3,212	-7.1%
(+) Non-Recurring Adjustments*	-755	1,090	-169.3%	4,920	3,127	57.3%
Adjusted Net Income	**40,260**	**37,220**	**8.2%**	**125,655**	**120,750**	**4.1%**
Adjusted Net Margin	*14.7%*	*16.8%*	*-2.1 p.p.*	*15.1%*	*17.7%*	*-2.6 p.p.*

Note: The table with the detailing of non-recurring can be found on page 24.

Adjusted net income, excluding the effects of the application of IFRS-16 and non-recurring expenses, totaled R$40.3 million in the quarter, up 8.2% on the R$37.2 million recorded in the same period of 2023.

The adjusted net margin for the quarter was 14.7%, down 2.1 p.p. compared to the same period last year, mainly reflecting: (i) the strategic decision to accelerate events, directing greater investments in TFSports, and (ii) the increase observed in the depreciation line, especially as a result of investments in store openings and renovations over the last few years.

In 2024, adjusted net income reached R$125.7 million, up 4.1% on the previous year. The net margin was 15.1%, down 2.6 p.p. compared to 2023, reflecting the increase in the share of net revenue from TFSports initiatives, which went from 1.5% in 2023 to 3.9% in 2024.



TFSports	4Q24	4Q23	Var. 4T24 /4T23	2024	2023	Var. 2024 / 2023
Users on the App (thousand)	868.9	592.5	46.7%	868.9	592.5	46.7%
Events (Proprietary and Trainer-led)	998	1,010	-1.2%	3,625	2,838	27.7%
Registration in Events (thousand)	103.5	68.6	50.9%	391.7	236.2	65.9%
Number of Trainers (thousand)	8.0	6.1	31.2%	8.0	6.1	31.2%

The growing awareness of health and well-being has driven a global movement towards a more active and healthy lifestyle, which in turn has generated a growing demand for products and services related to sport and health, a fact that has contributed to us exceeding the target set for the number of events held in 2024.

In this scenario, we held more than 3,600 events and experiences throughout the year (+27.7% YoY), attracting 391,700 participants (+65.9% YoY). At the end of the period, the platform had 868,900 users (+46.7% YoY) and 8,000 registered trainers, who offer paid or free classes to our client base.

The year 2024 saw the acceleration of initiatives at TFSports, which represented 3.4% of consolidated net revenue in 2024 vs. 1.1% in the previous year, which is the factor that explains the 1.5 p.p. decrease in EBITDA margin YoY. In this period, the impact of TFSports on the Company's consolidated EBITDA totaled a negative R$28.0 million, of which R$15.0 million was negative in the quarter.

The result was impacted by expenses associated with strengthening administrative structures, with the purpose of sustaining the company's growth, and by the increase in the number of events held, especially those in which we took on the role of sponsor, such as the Experiences. Although these events do not generate direct revenue, they have a significant strategic impact, expanding our capillarity, strengthening the engagement of franchisees, expanding the user base and boosting the flow in stores.

Finally, at tfmall - a marketplace with its own curation in the wellness segment - we added 10 new brands during 2024, totaling 19 partners at the end of the period that we believe have high synergy with our brand and customers. It is also important to mention that the marketplace's GMV, which is still ramping up, reached R$4.3 million in the 12-month period.

Cash Flow

Cash Flow (R$ thousand)	2024	9M24	2023
Net cash from Operational Activities	100.4	93.5	78.5
(+) Net Cash used in Investment Activities	-45.2	-33.8	-34.4
(+) Net Cash Generated by Financing Activities	-86.2	-66.9	-50.2
(=) Increase / Reduction of Cash and Cash Equivalents	- 31.1	- 7.1	- 6.0
(+) Cash Balance at the beginning of the period	54.5	54.5	60.5
(=) Cash Balance at the end of the period	**23.4**	**47.4**	**54.5**

Net cash generation from operating activities reached R$100.4 million, which represented an increase of 27.8% compared to the same period last year.

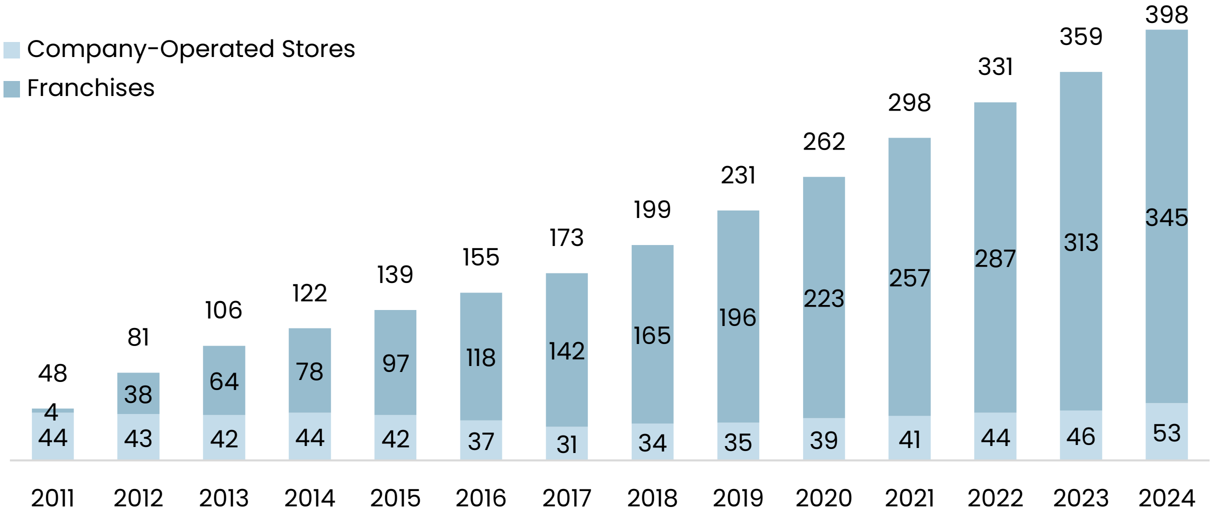
This higher operating cash generation was largely absorbed by the 71.7% YoY increase in net cash used in financing activities, due to the execution of the share buyback program during 2024. In addition, there was a 31.4% growth in investing activities, reflecting the development of the TFSports platform and store renovations and openings.

As a result of this initiative, the company ended the period with a net cash balance of R$23.4 million, down by -57.0% YoY. Cash equivalents (including credit card receivables) reached R$138.1 million.

We emphasize that these results were achieved while the Company maintained continuous investments throughout the year, driving retail growth and the consolidation of TFSports, which highlights our commitment to sustainable growth and consistent cash generation.

EXPANSION

NUMBER OF STORES



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

During the fourth quarter of 2024, we opened 1 owned store and 16 franchises, ending the period with a total of 398 stores in the network, including 40 company-operated, 13 outlets and 345 franchises.

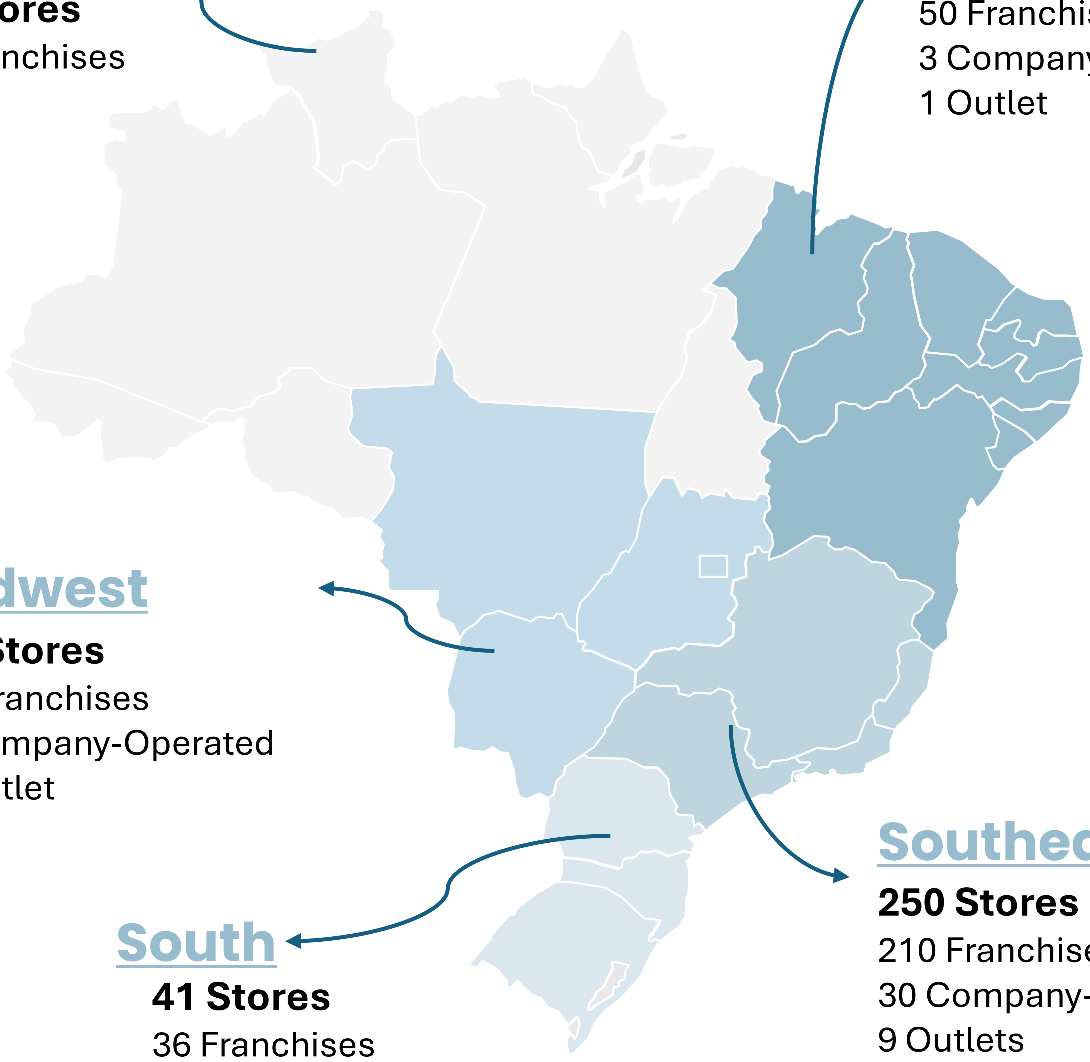
All the new stores are being opened with elements of *Experience* store, with a complete renovation of equipment, visual communication and better product display. During the quarter, we renovated 15 stores for the new concept, of which 11 are franchises and 4 are company-operated.

In 2024, 41 stores were opened, including 3 owned outlets, 2 owned stores and 36 franchises. We also did a total of 43 renovations in the period, with 12 company-operated stores and 31 franchises. It is important to mention the opening of 3 TFC food & market, totaling 12 units.

At the end of the year, 45% of network had adopted new layout, and we expect approximately 60% of the stores to be using the new concept by end of 2025.

STORES MAP

Portugal
1 Store
1 Franchise



North
14 Stores
14 Franchises

Northeast
54 Stores
50 Franchises
3 Company-Operated
1 Outlet

Midwest
38 Stores
34 Franchises
3 Company-Operated
1 Outlet

Southeast
250 Stores
210 Franchises
30 Company-Operated
9 Outlets
1 *E-commerce*

South
41 Stores
36 Franchises
3 Company-Operated
2 Outlets

APPENDIX

Track&Field

Income Statement for the Period

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

R$ thousand	4Q24	4Q23	2024	2023
NET REVENUE FROM SALES OF GOODS AND SERVICES PROVIDED	273,291	221,947	831,759	683,690
Cost of goods sold and services provided	-118,701	-94,329	-361,116	-289,489
GROSS PROFIT	154,590	127,618	470,643	394,202
Gross Margin	*56.6%*	*57.5%*	*56.6%*	*57.7%*
Operating Expenses	-101,204	-81,833	-310,903	-250,088
Sales	-55,420	-47,887	-166,830	-138,321
General and Administrative	-45,785	-33,946	-144,073	-111,768
% Total Operating Expenses over General NR	*37.0%*	*36.9%*	*37.4%*	*36.6%*
Other Operating Expenses (Revenues), Net	735	1,064	2,599	2,441
Total Operating Expenses (Revenues)	-100,469	-80,769	-308,304	-247,647
% Total Operating Expenses (Revenues) over General NR	*36.8%*	*36.4%*	*37.1%*	*36.2%*
Adjusted EBITDA	58,283	49,450	176,740	155,802
Adjusted EBITDA Margin	*21.3%*	*22.3%*	*21.2%*	*22.8%*
Depreciation and Amortization	-4,162	-2,601	-14,401	-9,248
EARNINGS BEFORE FINANCIAL RESULT	54,120	46,849	162,339	146,554
ADJUSTED FINANCIAL RESULT	-1,436	-30	-4,538	-350
Financial revenues	2,517	1,982	9,135	8,966
Financial expenses	-3,953	-2,013	-13,673	-9,316
OPERATING INCOME BEFORE IR AND CS	52,684	46,819	157,801	146,204
INCOME TAX AND CS (SOCIAL CONTRIBUTION)	-12,424	-9,599	-32,146	-25,455
ADJUSTED NET INCOME	**40,260**	**37,220**	**125,655**	**120,750**
Adjusted net margin	*14.7%*	*16.8%*	*15.1%*	*17.7%*

Track & Field

Income Statement for the Period

R$ thousand	4Q24	4Q23	2024	2023
NET REVENUE FROM SALES OF GOODS AND SERVICES PROVIDED	273,291	221,947	831,759	683,690
Cost of goods sold and services provided	-118,701	-94,101	-361,116	-289,260
GROSS PROFIT	154,590	127,846	470,643	394,430
Gross Margin	*56.6%*	*57.6%*	*56.6%*	*57.7%*
Operating Expenses	-100,354	-81,741	-310,174	-247,821
Sales	-53,393	-45,842	-162,030	-133,784
General and Administrative	-46,961	-35,899	-148,145	-114,037
% Total Operating Expenses over General NR	*36.7%*	*36.8%*	*37.3%*	*36.2%*
Other Operating Expenses (Revenues), Net	2,996	1,063	3,738	2,105
Total Operating Expenses (Revenues)	-97,358	-80,678	-306,436	-245,716
% Total Operating Expenses (Revenues) over General NR	*35.6%*	*36.4%*	*36.8%*	*35.9%*
EBITDA	65,964	53,806	196,225	173,730
EBITDA Margin	*24.1%*	*24.2%*	*23.6%*	*25.4%*
Depreciation and Amortization	-8,732	-6,638	-32,019	-25,017
EARNINGS BEFORE FINANCIAL RESULT	57,232	47,168	164,206	148,714
FINANCIAL RESULT	-3,966	-3,192	-16,766	-11,784
Financial revenues	2,517	1,983	9,201	8,966
Financial expenses	-6,483	-5,175	-25,967	-20,750
OPERATING INCOME BEFORE IR AND CS	53,266	43,976	147,440	136,930
INCOME TAX AND CS (SOCIAL CONTRIBUTION)	-12,668	-8,648	-29,687	-22,521
NET INCOME	**40,598**	**35,328**	**117,753**	**114,410**
Net Margin	*14.9%*	*15.9%*	*14.2%*	*16.7%*

Impacts from IFRS-16

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

Items included in Balance Sheet by IFRS-16 (R$ thousand)	Including IFRS 16 Effect (A)	Excluding IFRS (B)	Difference (A-B)
Assets - Rights of Use	142,771		142,771
Liabilities - Leases Payable	151,284		151,284

4Q24 Items affected by IFRS-16 (R$ thousand)	Including IFRS 16 Effect (A)	Excluding IFRS (B)	Difference (A-B)
Operating Expenses (excl, Depreciation and Amortization)	- 88,625	- 96,632	8,007
Depreciation and Amortization Expenses	- 8,733	- 4,163	- 4,570
Financial Result	- 3,967	- 486	- 3,481
IRPJ/CSLL	- 12,668	- 12,294	- 374
Net Income	**40,598**	**41,016**	**- 418**
EBITDA	**65,964**	**57,957**	**8,007**

2024 Items affected by IFRS-16 (R$ thousand)	Including IFRS 16 Effect (A)	Excluding IFRS (B)	Difference (A-B)
Operating Expenses (excl, Depreciation and Amortization)	- 274,417	- 301,330	26,913
Depreciation and Amortization Expenses	- 32,019	- 14,401	- 17,618
Financial Result	- 16,767	- 4,510	- 12,257
IRPJ/CSLL	- 29,687	- 29,664	- 23
Net Income	**117,753**	**120,737**	**- 2,984**
EBITDA	**196,225**	**169,312**	**26,913**

Track & Field

Non-Recurring Adjustments

Adjusted EBITDA Reconciliation (R$ thousand)	4Q24	4Q23	2024	2023
EBITDA	**65,964**	**53,806**	**196,225**	**173,730**
IFRS 16	-8,007	-6,416	-26,913	-21,878
Reversal of provision/terminations	0	73	0	167
Non-recurring consultancies	1,166	1,558	4,316	2,516
Extemporaneous fiscal effects	-2,262	0	-1,139	377
Reversal of renovated rental - pop-ups	665	0	1,389	307
Stock option plan/non-cash	756	654	2,650	654
Other expenses	0	-227	213	-70
Adjusted EBITDA	**58,283**	**49,450**	**176,740**	**155,802**

Adjusted Net Income Reconciliation (R$ thousand)	4Q24	4Q23	2024	2023
Net Income	**40,598**	**35,328**	**117,753**	**114,410**
IFRS 16	44	265	2,961	3,463
IRPJ/CSLL on adjustments	246	-950	-2,457	-2,934
Non-recurring consultancies	1,166	1,558	4,316	2,615
Extemporaneous fiscal effects	-3,213	0	-1,169	535
Reversal of renovated rental - pop-ups	665	0	1,389	307
Stock option plan/non-cash	756	654	2,650	654
Other expenses	0	366	213	1,700
Adjusted Net Income	**40,260**	**37,220**	**125,655**	**120,750**

Cash Flow

R$ thousand	2024	9M24	2023
CASH FLOW OF OPERATING ACTIVITIES			
Net profit for the period	117,753	77,155	114,410
Adjustments to reconcile net income for the year with the net cash generated by operating activities:			
Depreciation and amortization	34,176	24,870	27,616
Current and deferred income and social contribution taxes	29,687	17,019	22,520
Constitution (Reversal) of projected stock loss	1,641	1,462	1,108
Provision (Reversal) for civil, labor and tax risks	-1,831	-1,569	-1,506
Credit losses on accounts receivable	302	204	414
Expected credit loss	90	-118	112
Write-off of fixed and intangible assets	473	403	236
Interest on rent - right of use	12,257	8,776	9,573
Active monetary adjustment	-3,362	-1,794	-2,999
Passive monetary adjustmen	1,538	1,145	2,020
Variation in operating assets and liabilities:			
Accounts receivable	-45,520	48,717	-44,293
Stocks	-58,181	-65,008	-29,498
Taxes to recover	7,913	7,521	-1,721
Judicial deposits	-808	-1,142	1,864
Other credits	-189	-6,747	-2,979
Suppliers	21,914	13,800	-1,774
Labor and social security liabilities	5,947	116	7,265
Tax liabilities	-2,332	-15,467	331
Rentals payable	564	-1,801	106
Other obligations	-383	-804	-3,425
Cash generated by operating activities	**121,649**	**109,129**	**99,380**
Income tax and social contribution paid	-21,265	-15,588	-20,852
Net cash generated by operating activities	**100,384**	**93,541**	**78,528**
CASH FLOW OF INVESTMENT ACTIVITIES			
Sale of fixed assets	5	2	19
Acquisition of fixed assets and intangible assets	-45,240	-33,770	-34,369
Net cash used in investment activities	**-45,235**	**-33,768**	**-34,350**
CASH FLOW OF FINANCING ACTIVITIES			
Dividends paid	-7,211	-7,211	-5,392
Paid interest on equity	-22,287	-21,472	-20,328
Lease payments on right-of-use assets	-27,537	-19,103	-24,314
Acquisition of treasury shares	-29,191	-19,108	-153
Net cash used in financing activities	**-86,226**	**-66,894**	**-50,187**
EXCHANGE VARIATION ON CASH AND CASH EQUIVALENTS OF SUBSIDIARY ABROAD	10	2	- 3
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	- 31,067	- 7,120	- 6,012
Opening balance of cash and cash equivalents	54,477	54,477	60,489
Closing balance of cash and cash equivalents	23,410	47,357	54,477

Balance Sheet

R$ thousand	12/31/2024	12/31/2023
ASSET		
CIRCULANT		
Cash and cash equivalents	23,410	54,477
Accounts receivable	241,664	196,536
Stocks	289,396	232,856
Taxes to recover	4,281	10,336
Other credits	9,770	8,500
Total current assets	**568,521**	**502,705**
NOT CIRCULATING		
Judicial deposits	2,999	445
Deferred income tax and social contribution	4,398	6,400
Taxes to recover	5,014	5,256
Right of use leases	142,771	93,983
Fixed Assets	76,443	52,627
Intangible	25,020	20,686
Total non-current assets	**256,645**	**179,397**
TOTAL ASSETS	**825,166**	**682,102**
LIABILITIES & SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Suppliers	81,347	59,198
Labor and social security liabilities	40,599	34,652
Tax liabilities	34,725	30,636
Leasing right of use payable	15,890	17,682
Dividends payable	28,776	27,473
Other liabilities	11,086	8,083
Total current liabilities	**212,423**	**177,724**
NON-CURRENT		
Suppliers	0	294
Leasing right of use payable	135,394	84,245
Provision for civil, labor and tax contingencies	4,540	6,206
Total non-current liabilities	**139,934**	**90,745**
SHAREHOLDERS' EQUITY		
Capital stock	336,148	192,392
Treasury shares	-41,148	-12,278
Capital Reserve	-11,442	-12,526
Tax incentive reserve	8,663	8,663
Profit reserve	178,712	235,516
Other comprehensive income	1,876	1,866
Total shareholders' equity	**472,809**	**413,633**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**825,166**	**682,102**

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 Net Income - Adjusted Net Income is net income excluding the effect of effect of the adoption of IFRS16 / 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).

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

TRACK & FIELD CO S.A.

BALANCE SHEETS AS AT DECEMBER 31, 2024 AND 2023

(In thousands of Brazilian reais - R$)

		Parent		Consolidated	
ASSETS	Note	2024	2023	2024	2023
CURRENT ASSETS					
Cash and cash equivalents	4	15.296	20.071	23.410	54.477
Trade receivables	5	210.451	170.270	241.664	196.536
Inventories	6	288.660	232.023	289.396	232.856
Recoverable taxes	7	4.147	10.208	4.281	10.336
Other receivables		6.624	7.387	9.770	8.500
Total current assets		525.178	439.959	568.521	502.705
NONCURRENT ASSETS					
Escrow deposits	15	685	445	2.999	445
Deferred income tax and social contribution	18	4.398	6.400	4.398	6.400
Recoverable taxes	7	3.249	2.004	5.014	5.256
Investments	8	45.168	66.871	-	-
Lease right of use	14	132.892	89.310	142.771	93.983
Property, plant and equipment	9	69.727	45.638	76.443	52.627
Intangible assets	10	7.356	4.565	25.020	20.686
Total noncurrent assets		263.475	215.233	256.645	179.397
TOTAL ASSETS		788.653	655.192	825.166	682.102

		Parent		Consolidated	
LIABILITIES AND EQUITY	Note	2024	2023	2024	2023
CURRENT LIABILITIES					
Trade payables	11	77.566	54.820	81.347	59.198
Payroll and related taxes	12	32.253	28.069	40.599	34.652
Taxes payable	13	27.488	23.614	34.725	30.636
Right-of-use leases payable	14	15.073	16.869	15.890	17.682
Dividends and interest on capital payable	16	28.776	27.473	28.776	27.473
Related parties	17	922	2.982	-	-
Other payables		5.783	3.991	11.086	8.083
Total current liabilities		187.861	157.818	212.423	177.724
NONCURRENT LIABILITIES					
Trade payables	11	-	294	-	294
Right-of-use leases payable	14	125.814	80.010	135.394	84.245
Provision for civil, labor and tax risks	15	2.169	3.437	4.540	6.206
Total noncurrent liabilities		127.983	83.741	139.934	90.745
EQUITY					
Share capital	16	336.148	192.392	336.148	192.392
(-) Treasury shares	16	(41.148)	(12.278)	(41.148)	(12.278)
Capital reserve	16	(11.442)	(12.526)	(11.442)	(12.526)
Tax incentive reserve	16	8.663	8.663	8.663	8.663
Earnings reserve	16	178.712	235.516	178.712	235.516
Other comprehensive income	16	1.876	1.866	1.876	1.866
Total equity		472.809	413.633	472.809	413.633
TOTAL LIABILITIES AND EQUITY		788.653	655.192	825.166	682.102

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

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

TRACK & FIELD CO S.A.
INCOME STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In thousands of Brazilian reais - R$, except earnings per share)

		Parent		Consolidated		Parent		Consolidated	
	Note	2024	2023	2024	2023	2024	2023	2024	2023
NET REVENUE FROM SALES AND SERVICES	19	645.956	532.378	831.759	683.690	218.492	176.633	273.291	221.947
Cost of sales and services	20	(314.651)	(258.455)	(361.116)	(289.260)	(103.027)	(83.381)	(118.701)	(94.101)
GROSS PROFIT		331.305	273.923	470.643	394.430	115.465	93.252	154.590	127.846
OPERATING INCOME (EXPENSES)									
Selling expenses	20	(162.277)	(142.872)	(162.030)	(133.784)	(52.208)	(49.271)	(53.393)	(45.842)
General and administrative expenses	20	(105.643)	(81.371)	(148.145)	(114.037)	(34.586)	(25.544)	(46.961)	(35.899)
Share of results of investees	8	81.163	83.017	-	-	20.537	23.163	-	-
Other operating income (expenses), net	22	4.160	2.212	3.738	2.105	2.714	980	2.996	1.063
PROFIT BEFORE FINANCE INCOME (COSTS)		148.708	134.909	164.206	148.714	51.922	42.580	57.232	47.168
FINANCE INCOME (COSTS)									
Finance income	23	3.463	3.494	9.201	8.966	1.604	696	2.517	1.983
Finance costs	23	(22.861)	(18.266)	(25.967)	(20.750)	(5.696)	(4.549)	(6.483)	(5.175)
OPERATING PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		129.310	120.137	147.440	136.930	47.830	38.727	53.266	43.976
INCOME TAX AND SOCIAL CONTRIBUTION									
Current	18	(9.556)	(3.736)	(27.686)	(20.498)	(6.277)	(1.916)	(11.713)	(7.165)
Deferred	18	(2.001)	(1.991)	(2.001)	(2.022)	(955)	(1.483)	(955)	(1.483)
PROFIT FOR THE YEAR		117.753	114.410	117.753	114.410	40.598	35.328	40.598	35.328
Basic and diluted earnings per common share (in Brazilian reais - R$)	16	0,0759	0,0736	0,0759	0,0736	0,0262	0,0227	0,0262	0,0227
Basic and diluted earnings per preferred share (in Brazilian reais - R$)	16	0,7630	0,7356	0,7630	0,7356	0,2657	0,2271	0,2657	0,2271

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

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

TRACK & FIELD CO S.A.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In thousands of Brazilian reais - R$)

				Capital reserve		Earnings reserve				
	Note	Share capital	Treasury shares	Gain (loss) on share transactions	Tax incentive reserves	Legal reserve	Earnings reserve for investment/expansion	Other comprehensive income	Profit for the year	Total
BALANCE AT DECEMBER 31, 2022		192.392	(12.277)	(12.935)	5.845	9.680	143.754	1.869	-	328.328
Profit for the year		-	-	-	-	-	-	-	114.410	114.410
Gain (loss) on trtranslating the financial statements of foreign subsidiary		-	-	-	-	-	-	(3)	-	(3)
Granting of stock option		-	152	-	-	-	-	-	-	152
Withholding income tax on shares		-	(153)	-	-	-	-	-	-	(153)
Gain (loss) on disposal of treasury shares		-	-	409	-	-	-	-	-	409
Recognition of the tax incentive reserve		-	-	-	2.818	-	-	-	(2.818)	-
Recognition of reserves		-	-	-	-	5.580	76.502	-	(82.082)	-
Interest on capital		-	-	-	-	-	-	-	(21.932)	(21.932)
Proposed dividends		-	-	-	-	-	-	-	(7.578)	(7.578)
BALANCE AT DECEMBER 31, 2023		192.392	(12.278)	(12.526)	8.663	15.260	220.256	1.866	-	413.633
Profit for the year		-	-	-	-	-	-	-	117.753	117.753
Capital increase	16.a	143.756	-	-	-	-	(143.756)	-	-	-
Gain (loss) on translating the financial statements of foreign subs	8	-	-	-	-	-	-	10	-	10
Granted stock options	16.b	-	321	-	-	-	-	-	-	321
Withholding income tax on shares	16.b	-	(387)	-	-	-	-	-	-	(387)
Share buyback	16.a	-	(28.804)	-	-	-	-	-	-	(28.804)
Gain (loss) on disposal of treasury shares	16.b	-	-	1.084	-	-	-	-	-	1.084
Recognition of reserves	16.d	-	-	-	-	5.888	80.697	-	(86.585)	-
Unapproved proposed dividends	16.d	-	-	-	-	-	367	-	-	367
Interest on capital	16.e	-	-	-	-	-	-	-	(26.989)	(26.989)
Proposed dividends	16.d	-	-	-	-	-	-	-	(4.179)	(4.179)
BALANCE AT DECEMBER 31, 2024		336.148	(41.148)	(11.442)	8.663	21.148	157.564	1.876	-	472.809

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

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

TRACK & FIELD CO S.A.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In thousands of Brazilian reais - R$)

	Parent		Consolidated		Parent		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023
PROFIT FOR THE YEAR	117.753	114.410	117.753	114.410	40.598	35.328	40.598	35.328
Item that will be reclassified subsequently to profit or loss:								
Gain (loss) on translation of financial statements of foreign subsidiary	10	(2)	10	(2)	8	-	8	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	117.763	114.408	117.763	114.408	40.606	35.328	40.606	35.328

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

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

TRACK & FIELD CO S.A.
STATEMENTS OF VALUE ADDED
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In thousands of Brazilian reais - R$, except earnings per share)

		Parent		Consolidated	
	Note	2024	2023	2024	2023
REVENUE					
Sales of goods and services	19	831.108	691.101	1.030.268	854.255
Other income	22	5.361	2.458	5.726	2.454
Revenue from the construction of own assets		17.477	4.918	17.760	6.584
Credit loss	22	(248)	(160)	(302)	(414)
Expected credit losses	5 & 20	(90)	(112)	(90)	(112)
INPUTS PURCHASED FROM THIRD PARTIES					
Costs of sales and services		(347.838)	(292.333)	(394.303)	(323.138)
Expenses related to the construction of own assets		(17.477)	(4.918)	(17.760)	(6.584)
Supplies, power, outside services and other inputs		(105.915)	(84.751)	(109.785)	(78.492)
GROSS VALUE ADDED		382.378	316.203	531.514	454.553
DEPRECIATION AND AMORTIZATION		(11.442)	(7.102)	(16.558)	(11.011)
WEALTH CREATED		370.936	309.101	514.956	443.542
WEALTH RECEIVED IN TRANSFER					
Share of profits of subsidiaries		81.163	83.017	-	-
Finance income	23	3.463	3.494	9.201	8.966
Total wealth for distribution		455.562	395.612	524.157	452.508
WEALTH DISTRIBUTED					
Personnel:					
Salaries and wages		107.639	92.926	131.281	111.371
Benefits		14.774	12.593	17.375	14.060
Severance Pay Fund (FGTS)		6.346	5.719	7.624	6.512
		128.759	111.238	156.280	131.943
Taxes, fees and contributions:					
Federal		65.575	50.854	94.379	76.471
State		87.285	69.915	87.681	70.108
Municipal		209	113	6.944	6.209
		153.069	120.882	189.004	152.788
Lenders and lessors:					
Interest and banking expenses		14.430	12.067	16.672	14.067
Leases		41.551	37.015	44.448	39.300
		55.981	49.082	61.120	53.367
Shareholders:					
Interest on capital	16.e	26.989	21.932	26.989	21.932
Dividends	16.d	4.179	7.578	4.179	7.578
Retained earnings		86.585	84.900	86.585	84.900
		117.753	114.410	117.753	114.410
WEALTH DISTRIBUTED		455.562	395.612	524.157	452.508

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

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

TRACK & FIELD CO S.A.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In thousands of Brazilian reais - R$)

	Note	Parent 2024	Parent 2023	Consolidated 2024	Consolidated 2023
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the year		117.753	114.410	117.753	114.410
Adjustments to reconcile profit for the year to net cash generated by operating activities:					
Depreciation and amortization		27.982	22.489	34.176	27.616
Current and deferred income tax and social contribution	18	11.557	5.727	29.687	22.520
Allowance for (reversal of) projected inventory losses	22	1.641	1.108	1.641	1.108
Recognition (reversal) of provision for labor and tax risks	22	(1.441)	(1.355)	(1.831)	(1.506)
Credit losses	22	248	160	302	414
Expected credit losses	5 & 20	90	112	90	112
Share of results of investees	8	(81.163)	(83.017)	-	-
Write-off of property, plant and equipment items and intangible assets		473	236	473	236
Interest on right-of-use leases	14	11.114	9.059	12.257	9.573
Inflation adjustment gains		(1.579)	(856)	(3.362)	(2.999)
Inflation adjustment losses		-	207	1.538	2.020
Changes in and operating assets and liabilities:					
Trade receivables		(40.519)	(35.244)	(45.520)	(44.293)
Inventories		(58.278)	(28.967)	(58.181)	(29.498)
Recoverable taxes		6.331	33	7.913	(1.721)
Escrow deposits		(176)	44	(808)	1.864
Other receivables		1.843	(3.097)	(189)	(2.979)
Trade payables		22.475	(3.729)	21.914	(1.774)
Payroll and related taxes		4.184	4.403	5.947	7.265
Taxes payable		(1.551)	1.801	(2.332)	331
Leases payable		632	32	564	106
Due to related parties		(2.060)	564	-	-
Other payables		104	(1.344)	(383)	(3.425)
Cash generated by (used in) operating activities		19.659	2.777	121.649	99.380
Income tax and social contribution paid		(4.131)	(1.347)	(21.265)	(20.852)
Net cash generated by (used in) operating activities		15.528	1.429	100.384	78.528
CASH FLOW FROM INVESTING ACTIVITIES					
Sale of property, plant and equipment		5	19	5	19
Purchase of property and equipment and intangible assets		(38.818)	(20.185)	(45.240)	(34.369)
Capital increase in subsidiary	8	(20.828)	(20.457)	-	-
Dividends received	8	123.704	91.193	-	-
Net cash generated by (used in) investing activities		64.063	50.570	(45.235)	(34.350)
CASH FLOW FROM FINANCING ACTIVITIES					
Interest on capital paid	16.e	(22.287)	(20.328)	(22.287)	(20.328)
Dividends paid	16.d	(7.211)	(5.392)	(7.211)	(5.392)
Intragroup borrowings		-	23	-	-
Lease right of use paid	14	(25.687)	(22.871)	(27.537)	(24.314)
Share buyback	16.b	(29.191)	(153)	(29.191)	(153)
Net cash generated by (used in) financing activities		(84.376)	(48.721)	(86.226)	(50.187)
EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS OF FOREIGN SUBSIDIARY	8	10	(3)	10	(3)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(4.775)	3.275	(31.067)	(6.012)
Cash and cash equivalents at beginning of year		20.071	16.796	54.477	60.489
Cash and cash equivalents at end of year		15.296	20.071	23.410	54.477

The accompanying notes are an integral part of these financial

1. GENERAL INFORMATION

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, the Company is primarily engaged, either directly or through its subsidiaries, in the development and sale of sports and general leisure products (footwear, apparel, equipment, and accessories) originating from the domestic and foreign markets, and holding interest in other entities, conducting business franchise management, franchising, and promoting and organizing sporting events and operating in the food 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.

As at December 31, 2024, the Company had 398 physical stores (359 as at December 31, 2023), i.e., 53 own stores (46 as at December 31, 2023) and 345 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, and two distribution centers, of which one is in the district of Novo Osasco, in the city of Osasco, and the other is in Barueri.

2. BASIS OF PREPARATION OF THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

2.1. Basis of preparation

The individual and consolidated financial statements have been prepared based on the historical cost, unless otherwise stated. The historical cost is usually 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 measurement date.

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

2.2. Consolidation of the financial statements

The consolidated financial statements include the financial statements 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 financial statements, financial statements for the same reporting period were used, which are consistent with the Company's accounting policies.

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

All transactions, 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 Group entities included in the consolidated financial statements are fully eliminated.

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

The Individual and Consolidated Financial Statements for the year ended December 31, 2024, comprise the information of the Company and its direct and indirect subsidiaries ("Companies" or "Group"), which are managed as a single economic entity, as shown below:

Subsidiaries	2024		2023	
	Classification	Equity interest - %	Classification	Equity interest - %
Track & Field Franchising Ltda.	Direct	100%	Direct	100%
TFSports Eventos Esportivos S.A.	Direct	100%	Direct	100%
Fratex Licenciamento de Marcas Ltda.	Direct	100%	Direct	100%
The Track & Field Store, Inc. (i)	Direct	100%	Direct	100%
TFC Food & Market Ltda.	Direct	100%	Direct	100%
Retail Solutions Assessoria e Consultoria de Merchandising Ltda. (ii)	Indirect	100%	Direct	100%

(i) The subsidiary The Track & Field Store, Inc. is dormant since it discontinued its operations on January 31, 2018 and recognizes only administrative expenses.

(ii) The subsidiary Retail Solutions was transferred to TFSports and started to be considered an indirect subsidiary, as disclosed in Note 8.

2.3. Statement of compliance

The individual and consolidated financial statements have been prepared in accordance with accounting practices adopted in Brazil, issued by the Brazilian Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM), and the International Financial Reporting Standards - IFRS, issued by the International Accounting Standards Board - IASB.

2.4. Statement of relevance

In preparing the consolidated financial statements, the Group's Management adopted the guidance set out in technical guidance OCPC 7 and CVM Resolution No. 727/14, so as to solely disclose relevant information that could support their 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 financial statements

At the meeting held on March 10, 2025, the Board of Directors authorized the completion and disclosure of these financial statements.

2.6. Functional and presentation currency

Items included in the consolidated financial statements 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 individual and consolidated financial statements 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 may 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:

- Note 5 - TRADE RECEIVABLES - expected credit losses.
- Note 6 - INVENTORIES - estimated inventory losses.
- Note 9 - PROPERTY AND EQUIPMENT - useful lives and impairment test of assets.
- Note 10 - INTANGIBLE ASSETS - useful lives and impairment test of assets.
- Note 14 - LEASES - definition of the interest rate for calculating the present value of leases.
- Note 15 - PROVISION FOR TAX, CIVIL AND LABOR RISKS.

- Note 18 - INCOME TAX AND SOCIAL CONTRIBUTION - realization of deferred income tax and social contribution.

3. INFORMATION ON THE MATERIAL ACCOUNTING POLICY

a) General revenue recognition principles and criteria

Revenue is measured based on the consideration the Group expects to receive from a contract with the customer, except for amounts charged on behalf of third parties. The Group recognizes revenue when control over products or services is transferred to the customer from the following main sources:

Sale of goods

As for sales of goods to end consumers of own stores, e-commerce, and franchises, revenue is recognized when control over goods is transferred, i.e., when the customer acquires goods at the point of sale and/or when goods are received. The transaction price is payable when goods are acquired.

At the point of sale, a refund liability and related revenue adjustments are recognized for returned products and/or when a sale is cancelled.

Royalties from franchisees and licensees

Revenue is recognized based on percentage rates applied to sales made by franchisees and licensees, pursuant to the executed agreements.

Events

Sales of registrations and sponsorships received of street racing events and sports experiences.

Revenue is recognized to the extent services are provided and the related risks and rewards are transferred to the customers.

b) Transactions in foreign currency

Foreign currency-denominated transactions are initially recognized at the fair value of the corresponding currencies at the date the transaction qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated into Brazilian reais (R$) at the quoted market rates prevailing at the end of the reporting period. Any differences in the payment or translation of monetary items are recognized in finance income (costs).

c) Financial instruments

Classification and measurement of financial assets and financial liabilities

Financial assets

The classification of financial assets and financial liabilities under technical pronouncement CPC 48/IFRS 9 is generally based on the business model within which financial assets are managed and on their contractual cash flow characteristics. The classification is made upon initial recognition and must take into account how it is subsequently measured, i.e., at fair value through profit or loss (“FVTPL”), at amortized cost, or at fair value through other comprehensive income (“FVTOCI”).

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets measured at FVTPL	These assets are subsequently measured at fair value. Net gains or losses, including interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, gains and losses are recognized in profit or loss. Any gains or losses arising on the derecognition are also recognized in profit or loss.
Equity instruments at FVTOCI	These assets are subsequently measured at fair value. Dividends are recognized as gains in profit or loss unless these dividends clearly represent a recovery of part of the investment cost. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Under technical pronouncement CPC 48/IFRS 9, a financial asset is measured at amortized cost provided that the following conditions are met and it is not designated as measured at FVTPL:

- It is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- Its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVTOCI provided that the following conditions are met and it is not designated as measured at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognized when the contract rights to receive the cash flows from the financial asset expire or are transferred, or when the Company assumes an obligation to pay the cash flows received in full to a third party, under the terms of a transfer agreement and when:

(i) the Company transfers substantially all the risks and rewards relating to the asset; or

(ii) the Company neither transfers nor retains substantially all of the risks and rewards relating to the asset, but transfers its control.

Financial liabilities

Financial liabilities, according to technical pronouncement CPC 48/IFRS 9, are classified into two categories: (i) financial liabilities at fair value through profit or loss (“FVTPL”); or (ii) financial liabilities at amortized cost and initial recognition is made in the balance sheet when the entity assumes contractual obligations for settlement in cash or when assuming third-party obligations under a contract to which they are a party.

Financial liabilities are initially measured at fair value and, in the case of borrowings, financing, and debentures, net of directly attributable transaction costs.

Financial liabilities at fair value through profit or loss (FTPL)	Financial liabilities measured at FVTPL are measured at fair value and the net gain or loss, including interest, is recognized in profit or loss.
Financial liabilities measured at amortized cost	These financial liabilities are subsequently measured using the effective method, where gains and losses are recognized in the income statement when the liability is derecognized.

A financial liability (or part of a financial liability) is derecognized when:

(i) the obligation under the liability is discharged, canceled, or expires; or
(ii) when an existing financial liability is replaced by another from the same lender under substantially different terms, or the terms of an existing liability are substantially modified, such a change or modification is treated as the derecognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognized in the income statement.

d) Statement of value added

This statement is intended to disclose the wealth created by the entities and its distribution during a given year, and is presented as required by the Brazilian Corporate Law, as part of their consolidated financial statements.

This statement has been prepared based on information obtained from the accounting records used as a basis for the preparation of the financial statements, supplementary records and in accordance with the provisions of technical pronouncement CPC 09 - Statement of Value Added.

e) Cash and cash equivalents

Includes cash, bank deposits and highly-liquid short-term investments, which are redeemable in up to 90 days or convertible into a known cash amount, are subject to an immaterial risk of change in value, and are recorded at cost plus income earned through the end of the reporting period, which do not exceed their market or realizable value.

Short-term investments are basically represented by Certificates of Bank Deposits (CDBs) and are recognized at their cost amounts plus income earned through the at the end of the reporting period that do not exceed their realizable values.

f) Trade receivables and expected credit losses

Trade receivables correspond to proceeds from goods sold and services provided and are recorded at their original amounts, less the allowance for expected credit losses. The customer portfolio maturity position is analyzed and, for customers with past-due balances a specific analysis of each one is carried out, considering the relevant risk of loss, which is considered sufficient by Management to cover probable losses on the collection of receivables.

g) Inventories

Measured at the acquisition or production costs and other costs incurred on bringing the inventories to their present locations and conditions. In the case of finished product and work-in-process inventories, cost includes a proportional share of manufacturing overheads based on normal operating capacity.

Inventories are stated at the weighted average cost, less any estimated losses, when applicable.

h) Property, plant and equipment

Recognition and measurement

Property, plant and equipment items are measured are the historical acquisition or construction cost, less accumulated depreciation and accumulated impairment losses, where applicable.

Cost includes expenditures that are directly attributable to the acquisition of an asset. The cost of assets built by the entities themselves includes costs of materials and direct labor, as well as any other costs attributable to bringing the asset to the location and condition necessary for them to be capable of operating in the manner intended by Management. Software purchased that is an integral part of a piece of equipment’s functionality is capitalized as part of such equipment.

Gains and losses on disposals are determined as the difference between the sale proceeds and the carrying amount and are recognized in “Other operating income (expenses), net” in the income statement.

Subsequent costs

These costs are capitalized only when it is probable that the economic benefits embodied in the component will flow to the entities and its cost can be reliably measured. Recurring maintenance costs are recognized in profit or loss, when incurred.

Depreciation

Property and equipment items are depreciated from the date on which those assets are available for use, or, in the case of internally built assets, from the day construction is completed and the assets are available for use.

Depreciation is calculated to amortize the cost of property and equipment items, less their estimated residual values, on a straight-line basis, over their estimated useful lives. Depreciation is generally recognized in profit or loss.

The estimated useful lives of the significant property and equipment items for the current and comparative reporting periods are broken down as follows:

	Useful life - years
Machinery and equipment	10
Facilities	10
Furniture and fixtures	10
Hardware	5
Leasehold improvements	*
Telephony	5

(*) As per the lease contract.

The estimated useful lives of property and equipment items are reviewed on an annual basis at the end of the reporting periods. Where applicable, the effects of changes in the remaining useful life are accounted for on a prospective basis.

Impairment

Management annually assesses whether there is evidence that an asset might be impaired, or whenever necessary. If there is any evidence of impairment, the recoverable amount of the asset is estimated, which is the higher of: (i) its fair value less estimated costs to sell; and (ii) its value in use. The value-in-use is equivalent to pretax discounted cash flows arising from the continuing use of an asset. When the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized.

i) Intangible assets

Stated at the acquisition cost of sales points, software licenses, and trademarks and patents.

The estimated useful lives of intangible assets are reviewed on an annual basis at the end of the reporting periods. Where applicable, the effects of changes in the remaining useful life are accounted for on a prospective basis.

The amortization percentage of the software is 20% per year, and for points of sale a percentage rate is applied based on the contractual term.

j) Lease right of use

Right of use relating to leased properties are represented by the present value of the fixed or minimum lease payment flow under the lease agreements of the properties where the Company's stores, distribution center, warehouse and offices are located. They are recognized as property and equipment items, in assets, and as right-of-use leases payable in liabilities.

The recognized assets are depreciated over the lease term, subject to automatic renewal for an equal period.

Interest incurred on determining the present value is allocated to lease liabilities, using the discount rates shown in Note 14, over the lease term, subject to automatic renewal for an equal period. The right of use is remeasured annually using the indices and terms defined in the contract for lease adjustment purposes.

k) Provisions

Recognized when:

- The Company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of funds will be required to settle the obligation and the obligation amount can be reliably estimated.

- The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. They are adjusted through the end of the reporting period for the probable amount of loss considering their nature, the experience of similar transactions and based on the legal counsel’s opinion.

l) Current and deferred income tax and social contribution

Current and deferred taxes Current and deferred income tax and social contribution are calculated at the rates of 15% for income tax, plus a 10% surtax on taxable income exceeding R$240, and 9% on taxable income for social contribution, considering the offset of tax loss carryforwards, limited to 30% of taxable income.

For companies taxed under the deemed income regime, income tax and social contribution are calculated at a deemed rate of 32% and subject to the same tax rates applicable under the taxable income regime.

Income tax and social contribution expenses comprise current and deferred taxes, which are recognized in profit or loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to taxes payable in relation to prior years.

Deferred tax is recognized on temporary differences and tax loss carryforwards between the carrying amounts of assets and liabilities for accounting purposes and the corresponding tax bases used for tax purposes. Deferred tax is measured at the tax rates expected to be applied on temporary differences and tax loss carryforwards when realized, pursuant to the laws that have been enacted or substantially enacted through the end of each reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes imposed by the same tax authority on the same entity subject to taxation.

Deferred income tax and social contribution assets are recognized for all unutilized tax losses, tax credits, and deductible temporary differences to the extent that it is probable that future taxable income will be available against which those tax losses, tax credits and deductible temporary differences can be utilized.

Deferred income tax and social contribution assets are reviewed at the end of each reporting period and reduced to the extent that their realization is no longer probable.

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

m) Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing profit attributable to the Company's owners by the weighted average number of outstanding shares (including adjustments by bonus and right issuance).

Diluted earnings per share

Diluted earnings per share are calculated by adjusting profit and the weighted average number of shares taking into account the conversion of all potential shares with dilutive effect. Potential shares are equity instruments or contracts that can result in the issuance of shares, such as convertible bonds and options, including employees' stock options.

n) Finance income and costs

Finance income and costs are recognized in profit or loss using the effective rate method.

o) Operating segments

The operating segments are addressed consistently with the internal reports provided to the Group's chief decision makers (Executive Board, CEO, and Board of Directors), who are in charge of allocating funds and evaluating the performance of each operating segment.

3.1. Recently issued accounting pronouncements and interpretations not yet adopted by the Company

In the current year, the Group applied a series of amendments to the IFRS, issued by the International Accounting Standards Board - IASB, which are mandatory for a period beginning on or after January 1, 2024. Their adoption had no material impact on the disclosures or the amounts reported in these financial statements:

Pronouncement	**Description**	**Applicable for annual periods beginning on or after**
CVM Resolution No. 199/2024/CPC 09 (R1) - DVA	Makes it mandatory for all publicly traded companies to disclose a DVA.	01/01/2024
Amendments to CPC 03/IAS 7; and CPC 40/IFRS 7	Definition and disclosure of additional information on supplier finance.	01/01/2024
Amendments to CPC 26/IAS 1	Definition of the change in disclosure of long-term liabilities with covenants and classification of liabilities as current or non-current.	01/01/2024
Amendments to CPC 06 (R2)/ IFRS 16	Treatment of lease liabilities in sale and leaseback transactions.	01/01/2024
Adoption of IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information.	Voluntary adoption on 01/01/2024
Adoption of IFRS S2	Climate-related Disclosure.	Voluntary adoption on 01/01/2024

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

The adoption of these standards did not have a material impact on the Company’s individual and consolidated financial statements.

International standards IFRS S1 and IFRS S2 are mandatory starting 2026. The Company is assessing the potential effects of their adoption.

3.2. Recently issued accounting standards and interpretations not yet applicable

At the date of authorization of these financial statements, the Group has not early adopted the new CPC and IFRS standards. Below are the main revised standards already issued and not yet in force:

Standard	**Description**	**Applicable for annual periods beginning on or after**
Amendments to CPC 02/IAS 21	Determining whether a currency is exchangeable and how to determine a spot exchange rate in the absence of exchangeability.	01/01/2025
Amendments to CPC 40(R1)/ IFRS 7 and CPC 48/IFRS 9	Improves the recognition, derecognition, and disclosure criteria for financial instruments.	01/01/2026
Amendments to CPC 40 (R1)/ IFRS 7 and CPC 48/IFRS 9	Contracts referencing to nature-dependent electricity.	01/01/2026
Adoption of IFRS 18	Presentation of financial statements.	01/01/2027
Adoption of IFRS 19	Disclosure of subsidiaries without public accountability.	01/01/2027
Adoption of IFRS S2	Climate-related Disclosure.	01/01/2027
Amendments to CPC 18 (R2)/ IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date not yet defined by the IASB

Management does not anticipate any significant impacts on the Company's individual and consolidated financial statements as a result of these amendment effective by 2026. The standards effective after that date will still be assessed.

4. CASH AND CASH EQUIVALENTS

	Parent		Consolidated	
	2024	2023	2024	2023
Cash	491	276	515	308
Banks - checking account	9,993	3,816	13,211	8,877
Short-term investments (*)	4,812	15,979	9,684	45,292
Total	15,296	20,071	23,410	54,477

(*) Short-term investments are represented by automatic investments in prime banks, in DI fund, yielding up to 100% of CDI (Interbank Deposit Certificate rate) fluctuation, depending on the investment term, subject to an average accumulated rate of 0.93% p.m. (1.06% p.m. at December 31, 2023).

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

5. TRADE RECEIVABLES

	Parent		Consolidated	
	2024	2023	2024	2023
Credit card companies	111,923	95,447	114,716	97,258
Trade receivables - franchisees	99,048	75,253	127,468	99,708
Total	210,971	170,700	242,184	196,966
Expected credit losses	(520)	(430)	(520)	(430)
Total	210,451	170,270	241,664	196,536

The aging list of trade receivables is as follows:

	Parent		Consolidated	
	2024	2023	2024	2023
Total current	209,907	168,901	241,095	194,667
Total past due	1,064	1,799	1,089	2,299
Total trade receivables	210,971	170,700	242,184	196,966

The Company, in accordance with technical pronouncement 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	
	2024	2023	2024	2023
Opening balance	(430)	(318)	(430)	(318)
Additions	(230)	(179)	(230)	(179)
Reversals	140	67	140	67
Closing balance	(520)	(430)	(520)	(430)

6. INVENTORIES

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

	Parent		Consolidated	
	2024	2023	2024	2023
Finished products	197,099	171,293	197,835	172,126
Production process	25,330	16,386	25,330	16,386
Raw materials	46,602	33,134	46,602	33,134
Imports in transit	19,981	10,192	19,981	10,192
Supplies and consumables	3,976	3,705	3,976	3,705
Allowance for losses	(4,328)	(2,687)	(4,328)	(2,687)
Total	288,660	232,023	289,396	232,856

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

The movements is expected credit losses are as follows:

	Parent		Consolidated	
	2024	2023	2024	2023
Opening balance	(2,687)	(1,579)	(2,687)	(1,579)
Additions	(1,641)	(1,108)	(1,641)	(1,108)
Closing balance	(4,328)	(2,687)	(4,328)	(2,687)

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

7. RECOVERABLE TAXES

	Parent		Consolidated	
	2024	2023	2024	2023
Income tax (IRPJ) and social contribution (CSLL)	2,482	7,842	2,607	7,968
State VAT (ICMS)	2,171	2,818	2,173	2,818
Taxes on revenue (PIS and COFINS)	2,743	1,486	4,404	4,633
Other	-	66	111	173
Total	7,396	12,212	9,295	15,592
Current assets	4,147	10,208	4,281	10,336
Non-current assets	3,249	2,004	5,014	5,256

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

8. INVESTMENTS IN SUBSIDIARIES

a) Information on investments in subsidiaries:

	2024						
	TF Franchising	TF Sports (*)	Retail Solutions	Fratex	The Track & Field Store	TFC	Total
Equity interests - %	100	100	-	100	100	100	
Current assets	22,399	5,081	-	14,863	58	1,968	
Non-current assets	9,735	24,884	-	106	-	3,615	
Current liabilities	7,084	11,103	-	5,929	23	1,446	
Non-current liabilities	7,221	4,732	-	1	1	1	
Equity	17,829	14,130	-	9,039	34	4,136	
Net revenue	69,327	55,015	-	68,887	-	5,134	
Profit or loss	51,416	(16,389)	(1,323)	51,244	(63)	(3,722)	
Investment balance	17,829	14,130	-	9,039	34	4,136	45,168
Share of results of investees	51,416	(16,389)	(1,323)	51,244	(63)	(3,722)	81,163

(*) TFSports is reporting the consolidated figures for 2024, from the period of the transfer of Retail to its control.

	2023						
	TF Franchising	TF Sports	Retail Solutions	Fratex	The Track & Field Store	TFC	Total
Equity interests - %	100	100	100	100	100	100	
Current assets	33,118	4,916	662	24,640	32	1,755	
Non-current assets	4,715	7,202	16,091	3,098	-	3,169	
Current liabilities	7,854	8,600	1,604	6,103	14	1,348	
Non-current 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 results of investees	42,560	(8,201)	(2,492)	53,329	(58)	(2,121)	83,017

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

b) Movements in investments:

	TF Franchising	TF Sports	Retail Solutions (i)	Fratex	The Track & Field Store	TFC	Total
Balance at December 31, 2022	12,418	(235)	9,381	30,798	(1)	2,232	54,593
Currency translation adjustment	-	-	-	-	(3)	-	(3)
Dividends received	(28,701)	-	-	(62,492)	-	-	(91,193)
Capitalization	-	8,652	8,260	-	80	3,465	20,457
Share of results of investees	42,560	(8,201)	(2,492)	53,329	(58)	(2,121)	83,017
Balance at December 31, 2023	26,277	216	15,149	21,635	18	3,576	66,871
Currency translation adjustment	-	-	-	-	10	-	10
Dividends received	(59,864)	-	-	(63,840)	-	-	(123,704)
Capitalization		13,255	3,222	-	69	4,282	20,828
Transfer (i)	-	17,048	(17,048)	-	-	-	-
Share of results of investees	51,416	(16,389)	(1,323)	51,244	(63)	(3,722)	81,163
Balance at December 31, 2024	17,829	14,130	-	9,039	34	4,136	45,168

(i) On August 30, 2024, TFCO contributed 100% of the quotas of the share capital of the subsidiary Retail Solutions, with an equity value of R$17,048, to the subsidiary TFSports. Since then, Retail Solutions has been classified as an indirect subsidiary. The transaction had no impact on the Company's equity, as the transfer was made at its carrying amount and between entities under common control.

9. PROPERTY, PLANT AND EQUIPMENT

		Parent			
		2024			2023
	Average annual depreciation rate - %	Acquisition cost	Accumulated depreciation	Total	Total
Machinery and equipment	10	19,764	(4,737)	15,027	13,546
Facilities	10	20,720	(5,839)	14,881	10,685
Furniture and fixtures	10	8,257	(3,341)	4,916	3,485
Computers and peripherals	20	9,716	(5,002)	4,714	3,205
Leasehold improvements	(*)	35,078	(10,230)	24,848	11,805
Telephony	20	352	(288)	64	63
Advances for purchase of property, plant and equipment	-	5,277	-	5,277	2,849
Total		99,164	(29,437)	69,727	45,638

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

		Consolidated			
	Average annual depreciation rate - %	2024			2023
		Acquisition cost	Accumulated depreciation	Total	Total
Machinery and equipment	10	20,394	(4,854)	15,540	13,925
Facilities	10	21,158	(5,923)	15,235	11,072
Furniture and fixtures	10	10,113	(3,836)	6,277	4,806
Computers and peripherals	20	10,383	(5,404)	4,979	3,510
Leasehold improvements	(*)	40,316	(13,514)	26,802	14,424
Telephony	20	352	(288)	64	63
Advances for purchase of property, plant and equipment	-	7,546	-	7,546	4,827
Total		110,262	(33,819)	76,443	52,627

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

Based on the earnings recorded for 2024 and expected earnings for the next years, the Company's Management concluded that there is no indication of the need to record the impairment of its assets. The movements in property, plant and equipment were as follows:

	Parent		Consolidated	
	2024	2023	2024	2023
Opening balance	45,638	37,275	52,627	40,131
Additions	34,231	15,016	35,263	20,081
Write-offs	(473)	(236)	(473)	(236)
Depreciation	(9,669)	(6,417)	(10,974)	(7,349)
Closing balance	69,727	45,638	76,443	52,627

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

10. INTANGIBLE ASSETS

	Parent			
	2024			2023
	Acquisition cost	Accumulated amortization	Total	Total
Points of sale	7,966	(5,510)	2,456	1,124
Software	7,522	(2,622)	4,900	3,441
Total	15,488	(8,132)	7,356	4,565

	Consolidated			
	2024			2023
	Acquisition cost	Accumulated amortization	Total	Total
Points of sale	7,966	(5,510)	2,456	1,124
Trademarks and patents	72	-	72	72
Software	34,727	(12,235)	22,492	19,490
Total	42,765	(17,745)	25,020	20,686

The movements in intangible assets are broken down as follows:

	Parent		Consolidated	
	2024	2023	2024	2023
Opening balance	4,565	776	20,686	10,948
Additions (*)	4,564	4,474	9,918	13,632
Amortization	(1,773)	(685)	(5,584)	(3,894)
Closing balance	7,356	4,565	25,020	20,686

(*) The additions to intangible assets refer primarily to the investment in the wellness platform and technological innovations.

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

11. TRADE PAYABLES

	Parent		Consolidated	
	2024	2023	2024	2023
Domestic suppliers				
Suppliers of materials and goods	73,679	50,449	77,365	54,389
Suppliers of consumables	1,314	2,069	1,406	2,468
Suppliers of property, plant and equipment	1,913	1,125	1,916	1,164
Total domestic trade payables	76,906	53,643	80,687	58,021
Foreign trade payables				
Suppliers of property, plant and equipment	660	1,471	660	1,471
Total foreign trade payables	660	1,471	660	1,471
Total	77,566	55,114	81,347	59,492
Current liabilities	77,566	54,820	81,347	59,198
Non-current liabilities	-	294	-	294

As at December 31, 2024, the days payable outstanding of domestic suppliers is 70 days (62 days at December 31, 2023). The balance of foreign trade payables will be settled in 7 installments, as shown in Note 24 (c).

12. PAYROLL AND RELATED TAXES

	Parent		Consolidated	
	2024	2023	2024	2023
Management fees	6,853	5,873	7,836	6,580
Profit sharing	5,763	4,775	9,543	8,083
Bonuses	2,476	1,759	2,751	1,868
Payroll taxes	4,692	4,332	5,369	4,853
Withholding income tax (IRRF)	2,679	2,500	3,322	2,996
Accrued vacation pay	9,757	8,806	11,740	10,243
Other	33	24	38	29
Total	32,253	28,069	40,599	34,652

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

13. TAXES PAYABLE

	Parent		Consolidated	
	2024	2023	2024	2023
State VAT (ICMS)	17,663	15,865	17,707	15,891
Tax on revenue (PIS)	1,204	1,048	1,377	1,219
Tax on revenue (COFINS)	5,555	4,831	6,296	5,545
IRPJ and CSLL	2,711	1,516	7,913	6,579
Other	355	354	1,432	1,402
Total	27,488	23,614	34,725	30,636

14. LEASE RIGHT OF USE

	Parent		Consolidated	
	2024	2023	2024	2023
ASSETS				
Lease right of use	132,892	89,310	142,771	93,983
TOTAL ASSETS	132,892	89,310	142,771	93,983
LIABILITIES AND EQUITY				
Right-of-use leases payable - current	15,073	16,869	15,890	17,682
Right-of-use leases payable - Non-current	125,814	80,010	135,394	84,245
Total liabilities	140,887	96,879	151,284	101,927

Currently, the Group is a party to 56 lease agreements with third parties, of which 48 are related to stores, 4 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.

Lease terms	Annual rate - %
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%

a) The movements in the balances of right-of-use assets are broken down as follows:

	Parent	Consolidated
Balance at December 31, 2022	82,040	84,322
Additions for new contracts (*)	19,634	22,948
Remeasurement (**)	3,023	3,086
Depreciation	(15,387)	(16,373)
Balance at December 31, 2023	89,310	93,983

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

Additions for new contracts (*)	37,107	43,339
Remeasurement (**)	23,015	23,067
Depreciation	(16,540)	(17,618)
Balance at December 31, 2024	132,892	142,771

(*) The additions for new contracts include new stores and renewed contracts.

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

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

	Parent	Consolidated
Balance at December 31, 2022	88,745	91,367
Additions (*)	18,923	22,215
Remeasurement (**)	3,023	3,086
Finance charges recognized	9,059	9,573
Principal repayment and interest payment	(22,871)	(24,314)
Balance at December 31, 2023	96,879	101,927
Additions (*)	35,566	41,570
Remeasurement (**)	23,015	23,067
Finance charges recognized	11,114	12,257
Principal repayment and interest payment	(25,687)	(27,537)
Balance at December 31, 2024	140,887	151,284

(*) The additions for new contracts include new stores and renewed contracts.

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

Future commitments arising from current contracts, considering the gross payment flow amounts, are shown in the payment schedule in Note 24f.

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’, totaling R$14,554 in the Parent and R$15,510 on a consolidated basis as at December 31, 2024 (R$13,624 in the Parent and R$14,479 on a consolidated basis at December 31, 2023), as stated in Note 20.

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

	Parent	Consolidated
Expenses on asset depreciation	16,540	17,618
Expenses on finance charges recognized	11,114	12,257
Total expenses	27,654	29,875

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

15. 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 at December 31, 2022	5,177	-	5,177	8,180	18,447	26,627
Additions	181	-	181	451	829	1,280
Inflation adjustment	-	-	-	-	1,346	1,346
Write-offs	(1,536)	-	(1,536)	(1,956)	(112)	(2,068)
Balance at December 31, 2023	3,822	-	3,822	6,675	20,510	27,185
Additions	151	-	151	257	-	257
Inflation adjustment	-	-	-	-	1,538	1,538
Write-offs	(1,592)	-	(1,592)	(2,088)	-	(2,088)
Balance at December 31, 2024	2,381	-	2,381	4,844	22,048	26,892
Escrow deposits linked to lawsuits	(212)	-	(212)	(304)	(22,048)	(22,352)
Balance of net contingencies payable at December 31, 2024	2,169	-	2,169	4,540	-	4,540

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 lawsuits

Labor lawsuits mostly claiming overtime pay and related charges, salary equalization, vacation pay, and pecuniary bonus, severance pay, among others.

(b) Tax lawsuits

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 No. 116/03 and of article 17.08 of Municipal Law No. 13071/03. 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 due from June 2013 to May 2023 total R$22,048 as at December 31, 2024 (R$20,510 at December 31, 2023), and 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.

Labor lawsuits assessed as risk of possible loss

As at December 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$886 (R$1,198 at December 31, 2023), for which the likelihood of loss was assessed as possible by its legal counsel.

Escrow deposits

Movements and balances of escrow deposits:

	Parent			Consolidated		
	Labor	Tax	Total	Labor	Tax	Total
Balance at December 31, 2022	537	256	793	588	18,540	19,128
Additions	19	14	33	95	428	523
Write-off	(75)	-	(75)	(126)	-	(126)
Inflation adjustment	50	29	79	58	1,841	1,899
Balance at December 31, 2023	531	299	830	615	20,809	21,424
Additions	92	216	308	92	2,394	2,486
Derecognition	(15)	(290)	(305)	(15)	(290)	(305)
Inflation adjustment	41	23	64	49	1,697	1,746
Balance at December 31, 2024	649	248	897	741	24,610	25,351
Escrow deposits linked to lawsuits	(212)	-	(212)	(304)	(22,048)	(22,352)
Balance of escrow deposits at December 31, 2024	437	248	685	437	2,562	2,999

16. EQUITY

a) Share capital and share rights

As at December 31, 2024, capital amounts to R$336,148 (R$192,392 at December 31, 2023).

On April 26, 2024, the Extraordinary and Annual Shareholders' Meeting approved the capital increase with the balance of the earnings reserve for investments and working capital in the amount of R$143,756, without the issue of new shares. The capital increase reflects the investments already made by the Company.

On November 21, 2024, the Company canceled three million (3,000,000) preferred shares held in treasury without a capital reduction, as prescribed in the Buyback Program. The corresponding movements in treasury shares is shown in letter b below.

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

	2024 (In thousands of shares)			
	Common shares (ON)	Preferred shares (PN)	Total shares	%
Owners of the Company	877,251	14,140	891,391	94.2%
Treasury shares	-	3,899	3,899	0.4%
Free float	-	50,954	50,954	5.4%
Total	877,251	68,993	946,244	100%

	2023 (In thousands of shares)			
	Common shares (ON)	Preferred shares (PN)	Total shares	%
Owners of the Company	877,251	14,119	891,370	93.9%
Treasury shares	-	4,185	4,185	0.4%
Free float	-	53,689	53,689	5.7%
Total	877,251	71,993	949,244	100%

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.

Thus, according to the share table as at December 31, 2024, the common shares will receive 57.68% and the preferred shares 42.32% of the dividends to be declared:

	In thousands of shares		
	Common shares	Preferred shares	Total
Number of shares	877,251	68,993	946,244
Number of treasury shares	-	(3,899)	(3,899)
Number of outstanding shares	877,251	65,094	942,345
Weighted average number of treasury preferred shares	-	(4,620)	(4,620)
Calculation basis of the percentage rate of dividends	877,251	643,729	1,520,980
% to be applied on the dividends	57.68%	42.32%	100.00%

Share buyback program

The Company's Board of Directors approved on June 24, 2024 the Share Buyback program to maximize the generation of value for the Company's shareholders through the purchase of preferred shares issued by the Company, for holding in treasury, bonus, disposal or cancelation, without decreasing the Company's capital. The program provided for the purchase of up to 1,673,118 preferred shares, representing 2.9% of outstanding shares, at market price and is effective for 18 months, up to December 24, 2025.

On November 21, 2024, the Company's Board of Directors approved the discontinuation of the share buyback program effective until that date and launching a new share buyback program, authorizing the purchase of up to two million, seven hundred thousand, five hundred and eighteen (2,700,518) Company preferred shares, representing 0.29% of the total Company shares issued (3.91% of the total preferred shares) and 4.93% of the outstanding shares.

In 2024, in implementing the programs referred to above, the Company bought back a total of 2,793,700 preferred shares for R$28,804.

b) Treasury preferred shares

	In thousands of shares	Amount (R$)
Balance at December 31, 2022	4,223	12,277
Settlement of the 1st vesting - ILP Minimum Performance Goal, 2021	(52)	(152)
Share buyback (IRRF withholding on shares)	14	153
Balance at December 31, 2023	4,185	12,278
Settlement of the 2nd vesting - ILP Minimum Performance Goal, 2021	(52)	(153)
Settlement of the 1st vesting - ILP Minimum Performance Goal, 2022	(58)	(168)
Share buyback (IRRF withholding in shares) (i)	30	387
Share cancellation	(3,000)	-
Share buyback	2,794	28,804
Balance at December 31, 2024	3,899	41,148

(i) As at March 31, 2024, the Company bought back 30,119 units of preferred shares for R$387, equivalent to the withholding income tax (IRRF) amount on the vesting under the

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

Restricted Stock Option Plan with Minimum Performance Goal (see Note 17c), pursuant to technical pronouncement CPC 10 - Share-based Payment.

As at December 31, 2024, the Company had 3,899 treasury shares (4,185 at December 31, 2023) at the carrying amount of R$41,148 (R$12,278 at December 31, 2023). The market value of these shares as at December 31, 2024 was R$8.88 (R$15.03 at December 31, 2023).

Upon settlement of restricted shares and subsequent delivery of treasury shares to participants, 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	Fair value	Gain on transaction
03/31/2023	52,224	152	560	409
03/31/2024	109,369	321	1,405	1,084

c) Tax incentive reserve

The Company is the beneficiary of ICMS tax incentives on transactions with textile products (Article 41 of Annex III of the São Paulo ICMS Regulation (RICMS/SP) - CAT Ordinance No. 35/17) which could, until December 28, 2023, be classified as investment grants, under the terms of Supplementary Law No. 160/2017. On December 29, 2023, Law No. 14789/23 was enacted, thereby changing the tax treatment applicable to investment grants and revoking said statutory provisions. Accordingly, as at December 31, 2024 and 2023, the Company recognizes a balance of R$8,663 corresponding to tax incentive reserve, without any new allocations to reserves during this period.

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

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, the tax incentive 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.

The table below shows the calculation of proposed dividends for 2024:

Profit for the year	117,753
Profit for the year net of tax incentive	117,753
(-) Allocation to legal reserve - 5%	(5,888)
Adjusted profit	111,865
(-) Gross interest on capital credited/paid in the year	(26,989)
Unallocated profit	84,876
Adjusted profit available for distribution	84,876
Management's proposal for the allocation of adjusted profit:	
Proposed dividends	4,179
Earnings retained for investments/expansion and modernization (i)	80,697
Total	84,876

(i) It is proposed for the reserve for investments in expansion and modernization, such as investment in the wellness platform, technological innovations, the production chain, and the distribution center.

The profit allocation proposal for 2024, presented above, will be submitted for approval at the Annual Shareholders' Meeting, in accordance with the Brazilian Corporate Law (Law No. 6404/76), to be held in 2025.

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

Calculation of minimum mandatory dividends

Profit for the year	117,753
Calculation basis of the Legal Reserve	117,753
Legal reserve (5%)	(5,888)
Dividend calculation basis	111,865
Minimum mandatory dividends (25%)	27,966
Interest on capital, net	23,787
Proposed dividends	4,179
	27,966

The proposed dividend distribution disclosed in the Company's financial statements is subject to shareholder approval at the General Shareholders' Meeting.

e) Dividends and interest on capital

Movements in dividends/interest on capital are as follows:

	Parent and Consolidated
Balance at December 31, 2022	23,683
Proposed dividends	7,578
Interest on capital	21,932
Interest on capital paid, net	(16,129)
(-) IRRF paid on interest on capital	(4,199)
Dividends paid	(5,392)
Balance at December 31, 2023	27,473
Reversal of dividends	(367)
Interest on capital paid, net	(19,292)
(-) IRRF paid on interest on capital in 4Q2023	(603)
(-) Dividends paid	(7,211)
Interest on capital	26,989
(-) IRRF paid on interest on capital in 2024	(2,392)
Proposed dividends	4,179
Balance at December 31, 2024	28,776

The Board of Directors approved the declaration and payment of interest on capital to shareholders, at the dates and in the amounts shown in the table below. Payments will be made proportionally to the interest held by each shareholder, subject to Withholding Income Tax, except for shareholders who are provenly tax immune or tax 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.

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

Date of approval	Total approved amount (R$ x 1000)	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	05/30/2025
06/24/2024	6,835	0.043925727	0.004392573	06/27/2024	05/30/2025
09/23/2024	6,803	0.044192556	0.004419256	09/26/2024	05/30/2025
12/18/2024	7,108	0.046506220	0.004650622	12/23/2024	05/30/2025
	26,989				
(-) IRRF	(3,202)				
Total payable, net of IRRF	23,787				

f) 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.

	%	2024	%	2023
Numerator				
Profit for the year	100%	117,753	100%	114,410
Profit for the year - common shares (a)	56.56%	66,603	56.41%	64,534
Profit for the year - preferred shares (a)	43.44%	51,150	43.59%	49,876
Denominator (in thousands of shares)				
Weighted average number of common shares		877,251		877,251
Weighted average number of treasury common shares		-		-
Weighted average number of outstanding common shares (b)		877,251		877,251
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 (c)		877,251		877,251
Basic earnings per common share (a/b)		0.0759		0.0736
Diluted earnings per common share (a/c)		0.0759		0.0736
Basic and diluted earnings per common share (in Brazilian reais - R$)		0.0759		0.0736
Denominator (in thousands of shares)				
Weighted average number of preferred shares		71,657		71,993
Weighted average number of treasury preferred shares		(4,620)		(4,194)
Weighted average number of outstanding preferred shares (b)		67,037		67,799
Potential increase in preferred shares as a result of the stock option and subscription plan		-		-
Weighted average number of preferred shares, considering the potential increase (c)		67,037		67,799
Basic earnings per preferred share (a/b)		0.7630		0.7356
Diluted earnings per preferred share (a/c)		0.7630		0.7356
Basic and diluted earnings per preferred share (in Brazilian reais - R$)		0.7630		0.7356

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

g) Other comprehensive income
As at December 31, 2024, the balance of R$1,869 (R$1,866 at December 31, 2023) refers to the exchange gain arising from the investment held abroad in subsidiary The Track & Field Store INC.

17. RELATED PARTIES

a) Management compensation

The compensation of Management, Board of Directors and Executive Board totaled R$9,507 as at December 31, 2024 (R$8,229 at December 31, 2023), which is considered a short-term benefit.

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. The balance was settled on June 30, 2024.

Movements are as follows:

Balance at December 31, 2022	156
Provision	261
Payments	(194)
Balance at December 31, 2023	223
Provision	60
Reversals	(56)
Payments	(227)
Balance at December 31, 2024	-

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

Overview of the Incentives Program and Plans

The Program, approved at the Shareholders' Meeting, establishes the general conditions of the long-term incentive plans (LTIPs) through the granting of restricted shares issued by the Company to eligible officers and employees of the Company and its subsidiaries, for the purpose of retaining these professionals.

Plans are approved by the Board of Directors, pursuant to the bylaws, and present the definition of participants, goals, number of underling shares and deadlines, and applications in the event of dismissal, retirement, or death, respecting the Program's general guidelines.

In order to promote the alignment of interests, the Restricted Shares Program establishes that one of the requirements for the vesting of the Restricted Shares is the achievement of minimum performance targets by the Participants. The performance targets are defined after the approval of the Plan and their achievements are assessed in the following year, with the vesting phase beginning subsequently. Once this period is over and the rules for remaining with the Company are met, the restricted shares are replaced by preferred shares.

If the Plan's Minimum Performance Targets are met, the vesting of each of the annual installments occurs as the respective Vesting Period is completed (Vested Restricted Shares). In the event that the Targets are not met, the Restricted Shares granted under the Plan are automatically extinguished, regardless of prior notice or indemnification.

The Restricted Stock Program allows Participant to choose whether to settle the transaction in cash or by issuing shares. The fair value of the Restricted Shares is priced according to the Company's preferred share price on B3.

All other details regarding the Program and the Plans approved and listed below are disclosed in our Reference Form and can be found on our Investor Relations website.

Financial information of the Incentive Plans

1) Approved plans in which participants are entitled to receive preferred shares or their equivalent in cash in three annual installments, tied to individual targets and linked to the profit-sharing process.

- 2021 Restricted Stock Option Plan with a Minimum Performance Target ("ILP1 - 2021").
- 2022 Restricted Stock Option Plan with a Minimum Performance Target ("ILP1 - 2022").
- 2023 Restricted Stock Option Plan with a Minimum Performance Target ("ILP1 - 2023").
- 2024 Restricted Stock Option Plan with a Minimum Performance Target ("ILP1 - 2024").

2) Approved plans in which participants are entitled to receive preferred shares or their equivalent in cash in four annual installments (20%, 20%, 30%, and 30%), with quantitative targets linked to the Company's performance in the respective year and equal for all plan participants:

- 2023 Restricted Stock Option Plan for Exceeded Targets ("ILP2-2023").
- 2024 Restricted Stock Option Plan for Exceeded Targets ("ILP2-2024").

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

The table below shows the main information regarding the shares granted, the vesting periods and the amounts accrued, using the share fair value as at December 31, 2024 of R$8.88 (R$15.03 at December 31, 2023), as well as an additional table with the projections of the next vesting periods:

Plans	Dates		Number of stock options							Fair value
Description	Plan approval	Grant	Approved in the plan	Granted	Reversal due to a participant's resignation (c)	Exercised		Provision (d)	Effective	at the grant date
ILP1-2021	03/22/2022	03/22/2022	159,479	105,384	(936)	(104,448)	(a)	52,212	52,212	10.11
ILP1-2022	09/29/2022	03/28/2023	188,414	57,145	(1,183)	(57,145)	(b)	57,519	56,336	10.03
ILP1-2023	03/28/2024	03/28/2024	254,498	-	-	-		84,361	84,361	12.20
ILP1-2024	05/29/2024	05/29/2024	447,235	-	-	-		-	-	11.41
ILP2-2023	09/29/2022	04/26/2024	375,194	-	-	-		75,039	75,039	11.38
ILP2-2024	05/29/2024	05/29/2024	695,103	-	-	-		-	-	11.41
Total shares			2,119,923	162,529	(2,119)	(161,593)		269,131	267,948	
Share fair value at 12/31/2024 - R$									8.88	
Accrued amount									2,379	
Charges									371	
Total accrued amount at 12/31/2024, with impact on profit or loss									2,751	

(a) 52,224 restricted shares totaling R$670, with an average price of R$12.83 at March 31, 2024 - 2nd vesting and 52,224 restricted shares totaling R$560, with an average price of R$10.72 at March 31, 2023 - 1st vesting.

(b) 57,145 restricted shares totaling R$735, with an average price of R$12.86 at March 31, 2024 - 1st vesting.

(c) Unexercised shares due to participants leaving after the grant of ILP1 and unexercised shares due to participants leaving in 2024 (effective) for ILP2.

(d) Provisions calculated up to the reporting period of these financial statements, relating to the next vesting date.

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

	Number of shares									
	Vesting dates - realized			Future vesting dates						
	2023	**2024**	**Subtotal**	**2025**	**2026 onwards**	**Subtotal**	**Total**	**Number of shares approved within the plan**	**Decrease in the total number due to participant resignation**
ILP1-2021									
1st installment	52,224	-	52,224	-	-	-	52,224		
2nd installment	-	52,224	52,224	-	-	-	52,224		
3rd installment	-	-	-	52,212	-	52,212	52,212		
	52,224	**52,224**	**104,448**	**52,212**	**-**	**52,212**	**156,660**	**159,479**	**(2,819)**
ILP1-2022									
1st installment	-	57,145	57,145	-	-	-	57,145		
2nd installment	-	-	-	56,336	-	56,336	56,336		
3rd installment	-	-	-	-	56,336	56,336	56,336		
	-	**57,145**	**57,145**	**56,336**	**56,336**	**112,672**	**169,817**	**188,414**	**(18,597)**
ILP1-2023	-	-	-	84,361	168,722	253,083	253,083	**254,498**	**(1,415)**
ILP1-2024	-	-	-	-	447,235	447,235	447,235	**447,235**	**-**
ILP2-2023	-	-	-	75,039	300,155	375,194	375,194	**375,194**	**-**
ILP2-2024	-	-	-	-	695,103	695,103	695,103	**695,103**	**-**
Total	**52,224**	**109,369**	**161,593**	**267,948**	**1,667,551**	**1,935,499**	**2,097,092**	**2,119,923**	**(22,831)**

d) Related-party balances

As at December 31, 2024, the Parent recognizes in liabilities the amount R$922 (R$2,982 at December 30, 2023) referring to the use of trademark and sponsorship costs, payable to TFSports.

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

18. INCOME TAX AND SOCIAL CONTRIBUTION

a) Reconciliation of income tax and social contribution expenses

	Parent		Consolidated	
	2024	2023	2024	2023
Profit before income tax and social contribution	129,310	120,137	147,440	136,930
Income tax and social contribution at statutory rates - 34%	(43,965)	(40,847)	(50,130)	(46,556)
Adjustment to reflect the effective rate:				
Share of results of investees	27,595	28,226	-	-
Interest on capital	9,176	7,457	9,176	7,457
Tax benefit (LC No.160/2017) (*)	-	433	-	433
Adjustment based on deemed income of subsidiaries	-	-	18,125	16,794
Other permanent additions/deductions (**)	(4,363)	(996)	(6,858)	(648)
Income tax and social contribution expenses	(11,557)	(5,727)	(29,687)	(22,520)
Current	(9,556)	(3,736)	(27,686)	(20,498)
Deferred	(2,001)	(1,991)	(2,001)	(2,022)
Total	(11,557)	(5,727)	(29,687)	(22,520)
Effective tax rate	9%	5%	20%	16%

(*) The Company is entitled to ICMS tax incentives granted on operations involving textile products, which were classified as investment grants, as disclosed in Note 16 (c), and starting 2024 is directly affective profit or loss with the relevant federal tax effects.

(**) Most of this amount refers to gifts and donations made during events.

b) Deferred income tax and social contribution

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

	Parent and Consolidated	
	2024	2023
Provision for labor and tax risks	810	1,300
Allowance for inventory losses	1,470	914
Allowance for expected credit losses	177	146
Lease right of use	(45,183)	(30,365)
Right-of-use leases payable	47,124	32,328
Tax loss	-	2,077
Total	4,398	6,400

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

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

Year	Parent and Consolidated
Year 1 (next 12 months)	1,707
2nd year	1,032
3rd year	1,055
4th year	308
5th year	296
Total	4,398

Movements in deferred income tax and social contribution:

	Parent and Consolidated			
	2023	Addition	Write-off	2024
Provision for labor and tax risks	1,300	51	(541)	810
Allowance for inventory losses	914	556	-	1,470
Allowance for expected credit losses	146	113	(81)	177
Lease right of use	(30,365)	(26,607)	11,789	(45,183)
Right-of-use leases payable	32,328	32,217	(17,421)	47,124
Tax loss	2,077	-	(2,077)	-
Total	6,400	6,330	(8,331)	4,398

	Parent			
	2022	Addition	Write-off	2023
Provision for labor and tax risks	1,760	62	(522)	1,300
Allowance for inventory losses	536	378	-	914
Allowance for expected credit losses	108	93	(55)	146
Lease right of use	(27,894)	(15,733)	13,262	(30,365)
Right-of-use leases payable	29,606	24,796	(22,074)	32,328
Tax loss	4,274	-	(2,197)	2,077
Total	8,391	9,596	(11,586)	6,400

	Consolidated			
	2022	Addition	Write-off	2023
Provision for labor and tax risks	1,791	62	(553)	1,300
Allowance for inventory losses	536	378	-	914
Allowance for expected credit losses	108	93	(55)	146
Lease right of use	(27,894)	(15,733)	13,262	(30,365)
Right-of-use leases payable	29,606	24,796	(22,074)	32,328
Tax loss	4,274	-	(2,197)	2,077
Total	8,422	9,596	(11,617)	6,400

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

19. 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	
	2024	2023	2024	2023
Gross revenue:				
Retail - Own Chain	611,804	516,612	617,830	520,269
Goods for franchises	292,715	237,538	292,715	237,538
Other	8,042	7,324	8,042	7,324
Total gross revenue from sales	912,561	761,474	918,587	765,131
Royalties (i)	7,545	5,055	152,125	127,319
Events	-	-	48,558	37,235
Total gross revenue from services	7,545	5,055	200,683	164,554
Gross revenue deductions:				
Sales returns (iii)	(88,998)	(75,428)	(89,002)	(75,430)
State VAT (ICMS)	(119,192)	(104,736)	(119,588)	(104,929)
Tax on revenue (COFINS) (ii)	(54,022)	(44,265)	(59,138)	(48,829)
Tax on revenue (PIS) (ii)	(11,730)	(9,609)	(12,838)	(10,598)
Service tax (ISS)	(208)	(113)	(6,945)	(6,209)
Total deductions from gross revenue	(274,150)	(234,151)	(287,511)	(245,995)
Net revenue from sales and services	645,956	532,378	831,759	683,690

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$4,358 for PIS and COFINS (R$3,437 in 2023).
iii. Refers mainly to the changes of goods.

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

20. 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 as follows:

	Parent		Consolidated	
	2024	2023	2024	2023
Acquisition cost of inputs, raw materials and goods for resale	(314,651)	(258,455)	(361,116)	(289,260)
Personnel	(122,803)	(106,249)	(155,009)	(130,351)
Marketing/selling expenses	(20,158)	(13,298)	(25,786)	(17,054)
Depreciation and amortization (i)	(25,825)	(19,890)	(32,019)	(25,017)
Freight	(9,494)	(6,488)	(9,543)	(6,515)
Professional services	(23,105)	(17,492)	(29,199)	(22,067)
Rentals and condominium fees	(14,554)	(13,624)	(15,510)	(14,479)
Commission on card payments	(11,283)	(9,174)	(12,259)	(9,787)
Reversal of expected credit loss	(90)	(112)	(90)	(112)
Electric power, water and telephone	(2,386)	(1,936)	(2,641)	(2,136)
Use of trademark and sponsorships	(12,609)	(17,030)	-	-
Other	(25,613)	(18,950)	(28,119)	(20,303)
Total	(582,571)	(482,698)	(671,291)	(537,081)
Classified as:				
Cost of sales and services	(314,651)	(258,455)	(361,116)	(289,260)
Selling expenses	(162,277)	(142,872)	(162,030)	(133,784)
General and administrative expenses	(105,643)	(81,371)	(148,145)	(114,037)
Total	(582,571)	(482,698)	(671,291)	(537,081)

(I) Breakdown of depreciation and amortization:

	Parent		Consolidated	
	2024	2023	2024	2023
CoS	(312,494)	(255,856)	(358,959)	(286,661)
Depreciation and amortization	(2,157)	(2,599)	(2,157)	(2,599)
	(314,651)	(258,455)	(361,116)	(289,260)

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

21. 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:

- 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.

The breakdown of revenue per sales channel is shown in note 19.

22. OTHER OPERATING INCOME (EXPENSES), NET

	Parent		Consolidated	
	2024	2023	2024	2023
Provision for (reversal of) labor and tax risks	1,441	1,355	1,831	1,506
Allowance for inventory losses, net of reversal	(1,641)	(1,108)	(1,641)	(1,108)
Losses on obsolete inventories	(182)	-	(182)	-
Unrealized credit losses	(248)	(160)	(302)	(414)
Gain (loss) on tax credits	(103)	(116)	(1,226)	(116)
Sale of property, plant and equipment items, net	(468)	(217)	(468)	(217)
Revenue from sales rebates	1,628	1,100	1,793	1,201
Other income, net	3,733	1,358	3,933	1,253
Total	4,160	2,212	3,738	2,105

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

23. FINANCE INCOME AND COSTS

a) Finance income

	Parent		Consolidated	
	2024	2023	2024	2023
Income from short-term investments	712	967	4,582	4,264
Discounts obtained	1,110	1,219	1,140	1,222
Inflation adjustment gains	1,579	856	3,362	2,999
Other	62	452	117	481
Total	3,463	3,494	9,201	8,966

b) Finance costs

	Parent		Consolidated	
	2024	2023	2024	2023
Interest on right-of-use leases	(11,114)	(9,059)	(12,257)	(9,573)
Discounts granted	(10,877)	(7,732)	(11,118)	(7,732)
Inflation adjustment losses	-	(207)	(1,538)	(2,020)
Other	(870)	(1,268)	(1,054)	(1,425)
Total	(22,861)	(18,266)	(25,967)	(20,750)

24. FINANCIAL INSTRUMENTS

a) Categories of financial instruments

		Parent		Consolidated	
	Note	2024	2023	2024	2023
Financial assets					
Amortized cost:					
Cash and cash equivalents	4	15,296	20,071	23,410	54,477
Trade receivables	5	210,451	170,270	241,664	196,536
Total financial assets		225,747	190,341	265,074	251,013
Financial liabilities					
Amortized cost:					
Trade payables	11	77,566	55,114	81,347	59,492
Related parties	17	922	2,982	-	-
Dividends and interest on capital payable	16	28,776	27,473	28,776	27,473
Right-of-use leases payable	14	140,887	96,879	151,284	101,927
Rents payable		4,010	3,378	4,060	3,497
Total financial liabilities		252,161	185,826	265,467	192,389

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

b) Financial risks

The Company's activities are subject to financial risks: 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.

c) Exchange rate risk management

Foreign trade payables

The Company imports goods, raw materials, and inputs that are used in the development and sale processes, recognized in foreign suppliers. 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 acquired property, plant and equipment in foreign currency and the residual balance of R$660 as at December 31, 2024 (R$1,471 at December 31, 2023).

d) Sensitivity analysis

The Group presents sensitivity analysis considering the table below.

				Market projection		
			Balance in	Scenario I	Scenario II	Scenario III
Transactions	Risk		2024	Probable	Positive	Negative
Cash and cash equivalents	CDI fluctuation	100.11% of CDI	23,410	2,545	2,799	2,290
Foreign trade payables	US dollar fluctuation	R$6.19	660	-	(66)	66

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 December 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.

Foreign exchange risk

The Company's foreign exchange risk exceptionally arises from the import of property, plant and equipment, as shown in the table above.

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

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 has no borrowings and long-term investments as at December 31, 2024. For purposes of automatic investment, the effect is shown in the table above.

e) Credit risk management

Online sales are made at the Company's website and Omnichannel channels, where 81.1% refers to credit card transactions, and 18.9% to instant payment (PIX) or cash sales.

As at December 31, 2024, the Company has a gross revenue concentration of 39.7% out of 345 franchisees (39.2% of the 331 franchisees at December 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 the contracted financial liabilities:

			Parent					
	Carrying amount	Contractual cash flow	Up to 1 year	Up to 2 years	Up to 3 years	Up to 4 years	Up to 5 years	Over 5 years
Trade payables	77,566	77,566	77,566	-	-	-	-	-
Leases payable	4,010	4,010	4,010	-	-	-	-	-
Related parties	922	922	922	-	-	-	-	-
Dividends and interest on capital payable	28,776	28,776	28,776	-	-	-	-	-
Leases payable	140,887	222,534	28,492	28,490	27,926	27,469	26,853	83,304

			Consolidated					
	Carrying amount	Contractual cash flow	Up to 1 year	Up to 2 years	Up to 3 years	Up to 4 years	Up to 5 years	Over 5 years
Trade payables	81,347	81,347	81,347	-	-	-	-	-
Leases payable	4,060	4,060	4,060	-	-	-	-	-
Dividends and interest on capital payable	28,776	28,776	28,776	-	-	-	-	-
Leases payable	151,284	240,752	30,470	30,483	29,934	29,494	28,896	91,475

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

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.

25. INSURANCE COVERAGE

The Company has an insurance policy that considers, primarily, risk concentration and its materiality, bearing in mind the nature of its business and the advice of insurance brokers. The insurance coverage as at December 31, 2024 is as follows:

Items	Coverage	Due date	Insured amount - R$
Buildings, furniture, machinery, fixtures and inventories of raw materials and finished goods.	Property damage and loss of profits	Mar 2025	136,543
		Jul 2025	162,560

26. NON-CASH TRANSACTIONS

Consolidated non-cash transactions are shown in the table below:

Classification in the financial statements	Line item	Note	Nature of transaction	2024	2023
Assets	Property, plant and equipment	14	Addition of lease agreements	43,339	22,948
Liabilities	Right-of-use leases payable			43,339	22,948
Assets	Property, plant and equipment	14	Remeasurement of new lease agreements	23,067	3,086
Liabilities	Right-of-use leases payable			23,067	3,086
Assets	Property, plant and equipment	-	Addition to property, plant and equipment payable	2,576	2,635
Liabilities	Trade payables			2,576	2,635
Liabilities	Payroll and related taxes	12	Stock granting - incentive plan	1,405	560
Equity	(-) Treasury shares	16		321	152
Equity	Gains on transactions involving shares			1,084	408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