

Track & Field®

# Earnings Release 4Q23



**Video conference**  
**March 8th (Friday)**

08am EUA-EST | 10am Brasília

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conference

**Sell out reached R\$390.4 million in 4Q23**, which represents a **20.1% growth vs. 4Q22**, and a **same store sales growth of 16.4%**. In 2023, sell out reached R\$1.2 billion, +19.4% vs. 2022, with the revamped stores experiencing a 34.9% increase.

**E-commerce growing 25.5% in the captured sell-out view vs. 2022**, reflecting our focus on enhancing the consumer experience in this channel, along with efficiency gains in SEO (organic search) and performance media.

In 2023, **78.5%** of the sales captured by the e-commerce channel were invoiced through physical stores (**ship from store**).

We continue with the roll-out of the second wave of our omnichannel initiative, which **focuses on implementing the infinite shelf, available in 229 stores by the end of 2023, and onboarding new sellers** for our sports goods marketplace (tfmall).



We inaugurated **17 stores in the quarter**, reaching a **total of 359 stores in 2023, entering 17 new cities during the year**. All these stores were opened in the new format, and we remain focused on refurbishing existing stores. We remodeled **21 stores throughout the year**, both in our own network and among franchises.

In 2023, **TFSports** hosted 81 Santander Track&Field Run Series, conducted 1,612 Keep Moving online classes, organized 355 T&F Experience events, and held 35 stages of the Track&Field Open Beach Tennis. By the end of the year, the platform recorded **over 588 thousand users (a +52.0% YoY increase) and more than 6,100 registered trainers**.

**NPS (Net Promoter Score) reached 81,7 points in 4Q23**, remaining at a high level and consistently proving that the Company's growth coexists with high customer satisfaction across our various channels."

**Net revenue** totaled **R\$221.9 million in 4Q23, +19.8% vs. 4Q22** (R\$185.3 million) and **R\$683.7 million in 2023, +20.5% vs. 2022** (R\$567.4 million).

**Gross profit grew 17.4% vs. 4TQ2**, reaching R\$127.8 million in the fourth quarter, with a **gross margin of 57.6%**. In **2023, gross profit growth was of 20.7% vs. 2022**, totaling R\$394.4 million, with a **gross margin of 57.7%**.

**Adjusted EBITDA reached R\$49.5 million in 4Q23, +14.5% YoY**, while **adjusted EBITDA margin was 22.3% in the quarter vs. 23.3% em 4Q22**. In the year, **adjusted EBITDA was R\$155.8 million, +23.5% vs. 2022**, with a **adjusted EBITDA margin of 22.8%**.

**Adjusted net income totaled R\$37.2 million in 4Q23, +4.9% vs. 4Q22**, accumulating R\$120.8 million in 2023 (+20.8% YoY). **Excluding TFSports, net income for the quarter reached R\$44.2 million, +25.8% vs. 4Q22**, totaling R\$131.2 million in 2023 (+30.4% vs. 2022).



# MESSAGE FROM THE ADMINISTRATION

Throughout the year 2023, the Company demonstrated the solidity of its results, reflecting the success in launching new products and its strategy of innovation and expansion anchored by the consolidation of the new store model, acceleration of digital channels, success of the omnichannel strategy, and strengthening of the well-being ecosystem.

The last quarter benefited significantly from the month of November, with excellent sales performance during the Black Friday period, extending until December due to the Christmas celebration, once again highlighting our positioning as a giftable brand. In this context, we achieved a sell-out of R\$390.4 million in 4Q23, an increase of 20.1% compared to 4Q22.

Regarding the financial results for the year, we recorded a sell-out of R\$1.2 billion in 2023, a 19.4% increase compared to 2022, allowing us to increase profitability measured in terms of adjusted EBITDA (+23.5% YoY), with a margin of 22.8% in 2023 vs. 22.2% in 2022, and an adjusted net income of R\$120.8 million, 20.8% higher than the previous year.

In terms of expansion, we finished the year with 32 inaugurations (17 in 4Q23), totaling 359 stores nationwide. Additionally, 21 stores were revamped to the new concept (7 company operated stores and 14 franchises), and we opened 3 units of TFC Food & Market, ending 2023 with 9 units (6 owned and 3 franchises). In 2024, we will continue to focus on brand expansion, especially through our franchised network, and plan to double the number of revamped stores, considering both owned and franchise locations.

We also highlight the performance of TFSports, which hosted more than 2 thousand events/experiences during the year, including 81 street races from the Santander Track&Field Run Series, 35 stages of the Track&Field Open Beach Tennis, 355 T&F Experience events, and 1,612 Keep Moving online classes. The platform reached over 588 thousand users by the end of the year, with a 52.0% YoY growth. Currently, we have more than 6 thousand trainers connected to the app, offering classes and events to our customer base. In tfmall, we added 3 brand new sellers during 4Q23, currently featuring 9 brands that we believe have high synergy with T&F and its consumers, and we continue to focus on seeking new strategic partners for 2024.

From a product perspective, we received excellent feedback on the expansion of the Kids line, offering products from size 4 and the launch of the Teen Line in December, catering to children and teenagers seeking comfort and style, solidifying Track&Field as a brand that dresses the entire family.

We are pleased to share that we made significant progress in our ESG 2025 Plan, launched in early 2023. In the people pillar, we outlined our Diversity and Inclusion Plan, which will guide our actions. We also restructured our socio-environmental assessment system for the national supply chain, building a socio-environmental risk matrix and creating tools for the approval, assessment, and monitoring of our suppliers. In the product and experience pillar, we finalized our list of socio-environmental attributes, derived from publications and market references, aiming to map opportunities for substituting conventional raw materials with alternatives featuring positive socio-environmental attributes. Lastly, we incorporated the climate risks identified in the study based on the Task Force on Climate-Related Financial Disclosures (TCFD) into our corporate risk matrix. We also offset our greenhouse gas emissions for scopes 1 and 2 for 2022. We completed the diagnosis and development of waste management procedures, seeking continuous internal improvement. Details of these projects will be presented in our Annual Report, scheduled for publication in the second quarter of 2024.

Our priority for this year remains strengthening our well-being ecosystem, with a total focus on our growth plan and process and operational efficiency, along with the acceleration of events and reinforcement of our events and experiences platform, TFSports. We extend our gratitude to our employees, Board of Directors, franchisees, and suppliers for their engagement and partnership, and to our shareholders for their trust in us.

## Table | Summary of Indicators

São Paulo, March 7th, 2024 – Track & Field CO S.A. (B3: TFCO4) announces its results for the fourth quarter (4Q) and full year of 2023.

R\$ thousand, except otherwise indicated	4Q23	4Q22	Var. 4Q23/ 4Q22	2023	2022	Var. 2023/ 2022
<b>Financial Indicators</b>						
<b>Net Revenue</b>	221,947	185,312	19.8%	683,690	567,426	20.5%
<b>Gross Profit</b>	127,846	108,889	17.4%	394,430	326,770	20.7%
<i>Gross Margin</i>	57.6%	58.8%	-1.2 p.p.	57.7%	57.6%	0.1 p.p.
<b>EBITDA</b>	53,806	48,355	11.3%	173,730	143,761	20.8%
<i>EBITDA Margin</i>	24.2%	26.1%	-1.9 p.p.	25.4%	25.3%	0.1 p.p.
<b>Adjusted<sup>1</sup> EBITDA</b>	49,450	43,204	14.5%	155,802	126,184	23.5%
<i>Adjusted EBITDA Margin</i>	22.3%	23.3%	-1.0 p.p.	22.8%	22.2%	0.6 p.p.
<b>Ex-TFSports Adj. EBITDA</b>	55,630	42,247	31.7%	163,616	124,936	31.0%
<i>Ex-TFSports Adj. EBITDA Margin</i>	26.0%	23.7%	2.3 p.p.	25.3%	23.1%	2.2 p.p.
<b>Net Income</b>	35,328	34,728	1.7%	114,410	96,460	18.6%
<i>Net Margin</i>	15.9%	18.7%	-2.8 p.p.	16.7%	17.0%	-0.3 p.p.
<b>Ajusted<sup>2</sup> Net Income</b>	37,220	35,477	4.9%	120,750	99,954	20.8%
<i>Adjusted Net Margin</i>	16.8%	19.1%	-2.3 p.p.	17.7%	17.6%	0.1 p.p.
<b>Ex-TFSports Adj. Net Income</b>	44,231	35,173	25.8%	131,229	100,664	30.4%
<i>Ex-TFSports Adj. Net Margin</i>	20.7%	19.8%	0.9 p.p.	20.3%	18.6%	1.7 p.p.
<b>Net Cash<sup>3</sup></b>	54,477	60,489	-9.9%	54,477	60,489	-9.9%
Net Cash Equivalents <sup>4</sup>	151,735	141,558	7.2%	151,735	141,558	7.2%
<b>Operational Indicators</b>						
<b>Number of Stores</b>	359	331	8.5%	359	331	8.5%
Owned Stores	46	44	4.5%	46	44	4.5%
Franchises	313	287	9.1%	313	287	9.1%
<b>Average Ticket (R\$)</b>	396.30	384.82	3.0%	389.64	372.82	4.5%
<b>Same Store Sales</b>	16.4%	12.6%	n.a.	14.4%	18.7%	n.a.
<b>Total Sell Out (R\$ thousands)<sup>5</sup></b>	390,361	324,909	20.1%	1,194,088	1,000,157	19.4%
<b>Total Amount Raised by e-commerce (R\$ thousands)</b>	28,691	22,371	28.3%	90,224	71,901	25.5%

Note: Adjusted amounts refer to non-accounting measurements for purposes of comparability and better market analysis.

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

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

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

<sup>4</sup> Net Cash Equivalents: Cash and Cash Equivalents + Receivables from cards.

<sup>5</sup> Total Sell Out: Representing Track&Field Group's consumer sales, irrespective of sales channel (physical/online or whether own store/franchise).

 Sell Out

Sell out Billed per channel (R\$ thousand)	4Q23	4Q22	Var. 4Q23/4Q22	2023	2022	Var. 2023/2022
Franchises	239,649	192,070	24.8%	749,485	615,366	21.8%
Company-operated stores	142,862	126,983	12.5%	425,116	361,177	17.7%
E-Commerce	7,850	5,857	34.0%	19,487	23,614	-17.5%
<b>Total Sell Out</b>	<b>390,361</b>	<b>324,909</b>	<b>20.1%</b>	<b>1,194,088</b>	<b>1,000,157</b>	<b>19.4%</b>

Sell out captured per channel (R\$ thousand)	4Q23	4Q22	Var. 4Q23/4Q22	2023	2022	Var. 2023/2022
Franchises	228,367	186,573	22.4%	714,268	596,856	19.7%
Company-operated stores	133,303	115,966	15.0%	389,596	331,401	17.6%
E-Commerce	28,691	22,371	28.3%	90,224	71,901	25.5%
<b>Total Sell Out</b>	<b>390,361</b>	<b>324,909</b>	<b>20.1%</b>	<b>1,194,088</b>	<b>1,000,157</b>	<b>19.4%</b>

The sell-out, the result of the sum of gross sales across all Track&Field sales channels (including own stores, franchises, and e-commerce), reached R\$390.4 million in 4Q23, representing a total growth of 20.1% compared to the same period in 2022 and 16.4% in the same-store sales concept.

Throughout the quarter, we observed month-to-month growth, with notable peaks in November, driven by Black Friday, and December, due to the search for gifts during the Christmas period, resulting in a sales growth of 21.2% vs. 2022 in the combined two months.

It is worth noting that the quarter's performance was boosted by the reported results from stores revamped to the new concept, both owned and franchised, which grew their sales by 25.0% vs. a same-store sales (SSS) growth of 16.2%.

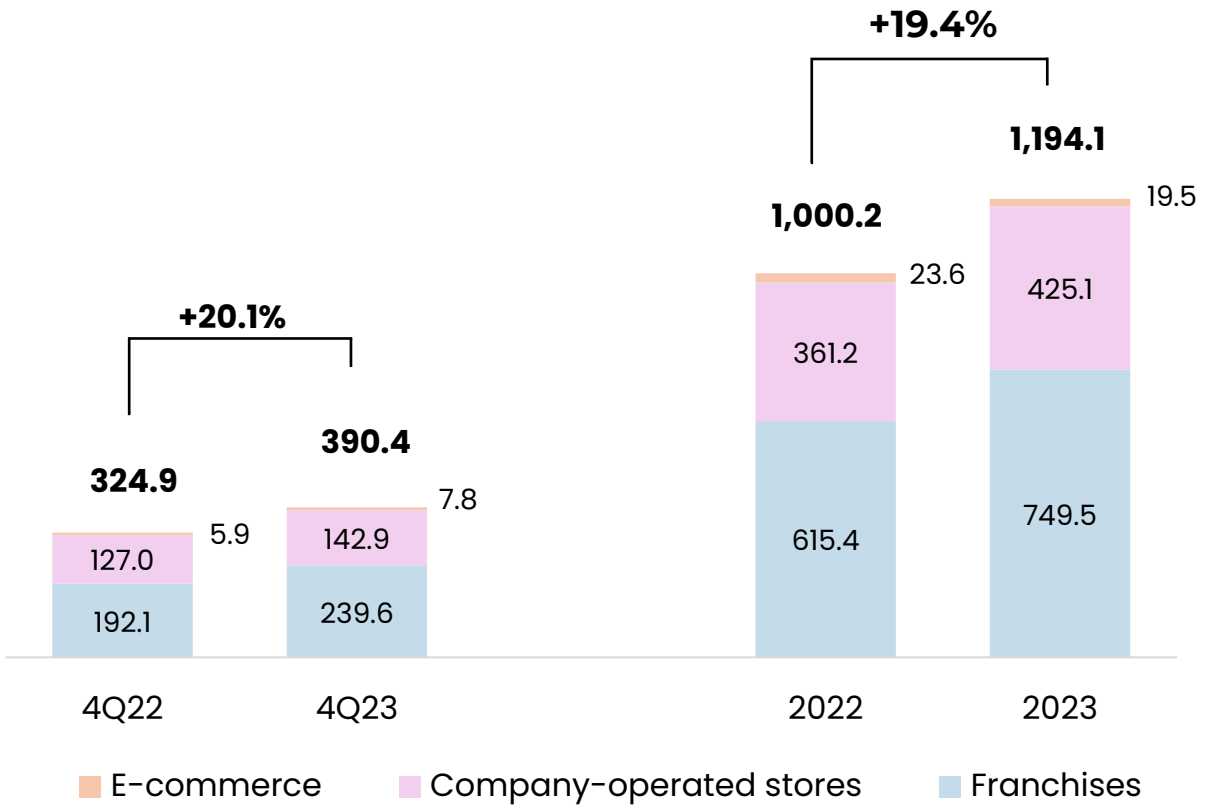
Our e-commerce showed growth at a pace higher than physical channels (+34.0% in the billed sell-out view and +28.3% in the captured sell-out view vs. 4Q22), gaining share in the Company's business mix, reflecting improvements implemented throughout the previous year - with a focus on enhancing the consumer experience in this channel, as well as efficiency gains in SEO (organic search) and performance media.

For the year, we achieved a sell-out of R\$1.2 billion, growing by 19.4%. This period result was driven by the following factors: (i) consolidation of an addressable market reflecting the growing demand for products and experiences related to an active and healthy lifestyle; (ii) strong sales performance of both winter and summer collections; (iii) events with higher participant numbers, bringing increased customer traffic to stores; and (iv) the brand's evolution as a giftable option on festive occasions such as Mother's Day, Father's Day, and Christmas.

The revamped stores experienced a sales growth of 34.9% in 2023, compared to 14.0% in same-store sales. The growth of these stores was primarily driven by an increase in the number of transactions, stemming from new customers, and an increase in the purchase frequency among existing customer base.

### Sell Out Billed

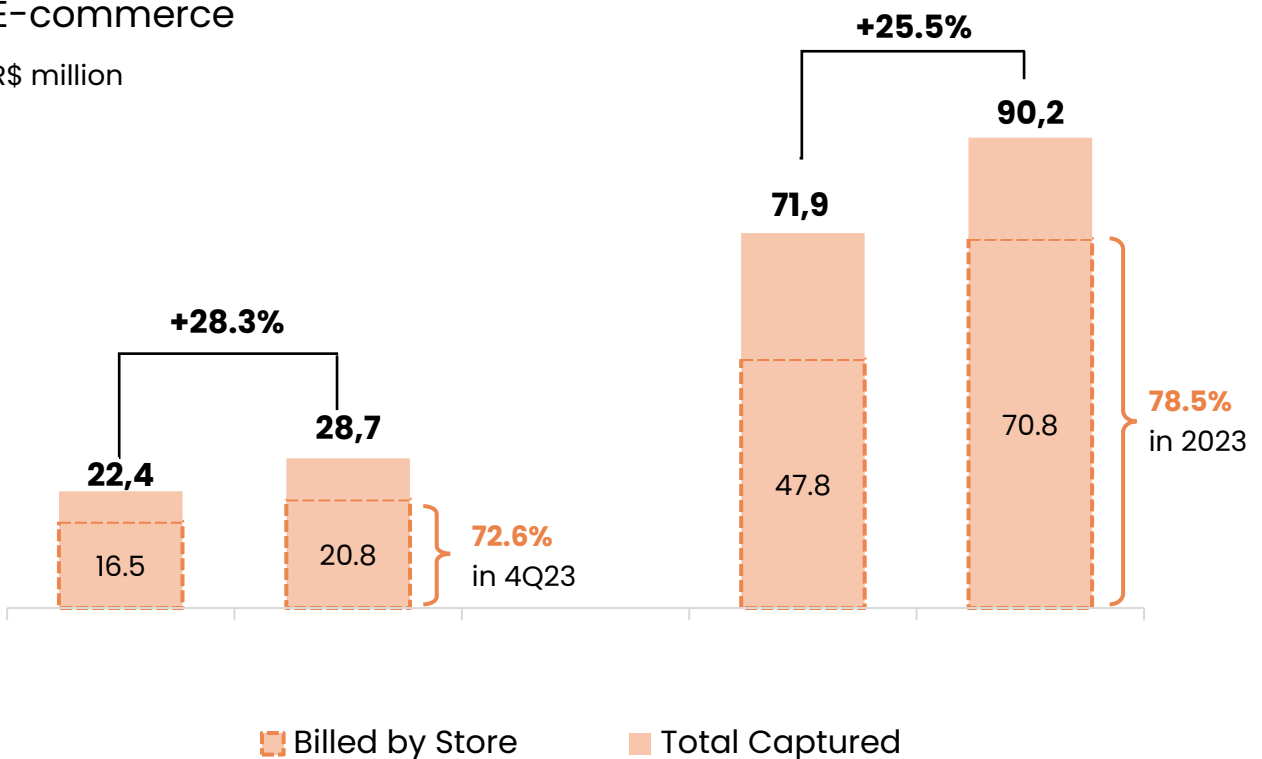
R\$ million



We continue to observe positive results from ship-from-store initiatives, where physical stores function as mini-distribution centers, and pick-up-in-store services, allowing customers to retrieve online orders from physical stores, thus extending the omnichannel concept throughout the entire network. Out of the digital revenue, 72.6% was generated through the ship-from-store model in the quarter and 78.5% for the year.

### E-commerce

R\$ million



# Digital Channels and Omnichannel



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

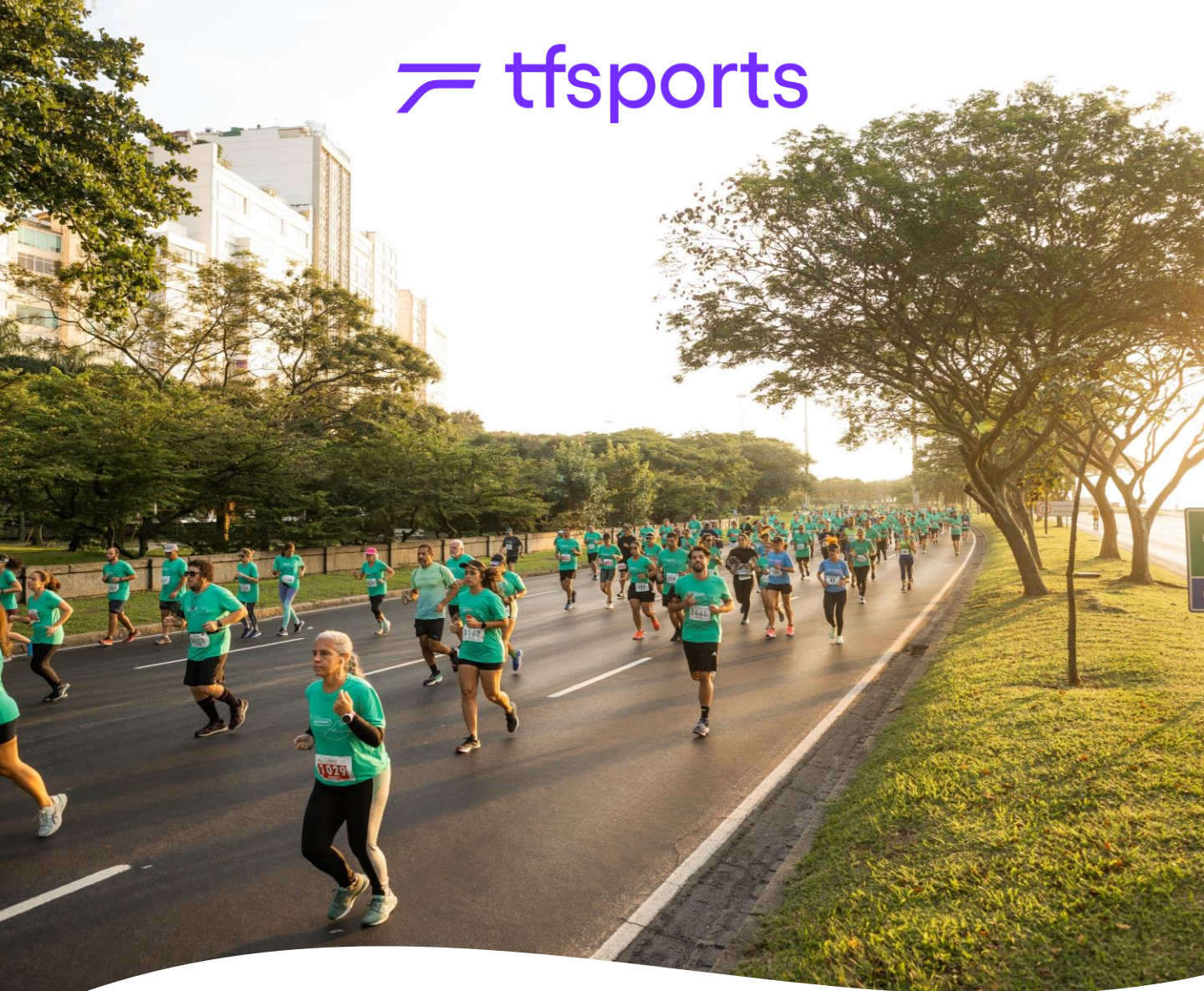
We concluded the year with 359 stores, of which 23 operate as national sellers, conducting deliveries nationwide, and 314 are local sellers, representing approximately 41% and 32%, respectively, of the total sell-out in 4Q23 (with the remaining 27% billed by our distribution center)

Continuing our commitment to innovation, our company has successfully introduced the infinite shelf concept across 229 stores, integrating them with our digital platform. This innovative approach not only broadens our physical presence but also ensures a seamless shopping experience for customers, enhancing convenience. The adoption of the infinite shelf underscores our dedication to maintaining high standards and staying adaptable to the changing demands of the market.

Additionally, another initiative that continues to yield positive results is social selling. This method encompasses sales made through the sending of payment links and delivery to the customer's address, focusing on the efficient conversion of transactions initiated via WhatsApp, characterizing an influenced sale. In the last quarter (4Q23), we recorded a growth of 35.2% in the sell-out of influenced sales compared to the previous year, representing a significant 40% of the total sell-out for the quarter. This success not only highlights innovation in our sales approach but also underscores the growing importance of social selling in our operational strategies.

In complement to the implementation of all these initiatives in our network, we have an optimized logistics operation, enabling the delivery of sold products in a maximum of 2 business days. This super express delivery represented about 71% of all deliveries in 4Q23.





TFSports	4Q23	4Q22	Var. 4Q23/4Q22	2023	2022	Var. 2023/2022
<b>Net Revenue</b> (R\$ thousand)	8,090	7,252	11.6%	36,066	26,449	36.4%
<b>Users on the App</b> (thousand)*	588.2	386.9	52.0%	588.2	386.9	52.0%
<b>Registration in street races/Experiences</b> (thousand)	68.5	43.7	56.9%	247.2	190.4	29.8%
<b>Number of Trainers</b> (thousand)*	6.1	3.6	70.7%	6.1	3.6	70.7%

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

In the fourth quarter of 2023, the net revenue totaled R\$8.1 million, marking an expansion of 11.6% compared to the same period in the previous year. The adjusted EBITDA for the quarter was negative at R\$6.0 million, and for the full year of 2023, it stood at a negative R\$7.2 million. This negative result was primarily influenced by increased expenses during the quarter, driven by structural reinforcements to accommodate expected growth in upcoming periods, and notably, the acceleration of events towards the year-end with the aim of attracting more users to the platform.

On the operational front, our TFSports app has consistently demonstrated growth in the number of registered users, surpassing 588 thousand in 4Q23 (a +52.0% increase compared to 4Q22). In addition to providing sports events, experiences, and classes through the "Continue em Movimento" program, the app has also facilitated connections with over 6.1 thousand coaches, offering paid or free classes to our customer base.



In the fourth quarter of 2023, the following activities were carried out: 465 Keep Moving online classes of with over 10 thousand participants; 20 street races from the Santander Track&Field Run Series circuit, concluding the year with 81 races and over 159 thousand participants; 6 stages of the Track&Field Open Beach Tennis, totaling 35 stages held nationwide throughout the year; and 167 T&F Experience events, concluding the year with 355 events. These events include in-person classes led by specialized trainers in various disciplines such as Kayaking, Yoga, Cycling, Martial Arts, Tennis, Beach Tennis, Hawaiian Canoeing, Functional Training, Paddle Sports, Kangoo Jump, Indoor Cycling, among others. It's worth noting that more than half of the franchise groups already organize events on our platform.

In tfmall – a curated marketplace in the wellness segment – we added 3 new sellers during 4Q23, bringing the total to 9 sellers that we believe have high synergy with our brand (Apple, Garmin, Head, Hoka, Manduka, New Balance, Polar, Samsung, and Saucony) and we will continue seeking more strategic partners for the year 2024. It's noteworthy that the sell-out of the marketplace recorded a growth of 90.6% in 4Q23. From this total, in addition to online platform sales, only 19% of the physical stores connected to the infinite showcase made sales, indicating significant future potential for the expansion of this segment within TFSports.

2024 will be a year of acceleration and consolidation for TFSports as one of the largest platforms for organizing experiences related to an active and healthy lifestyle worldwide.

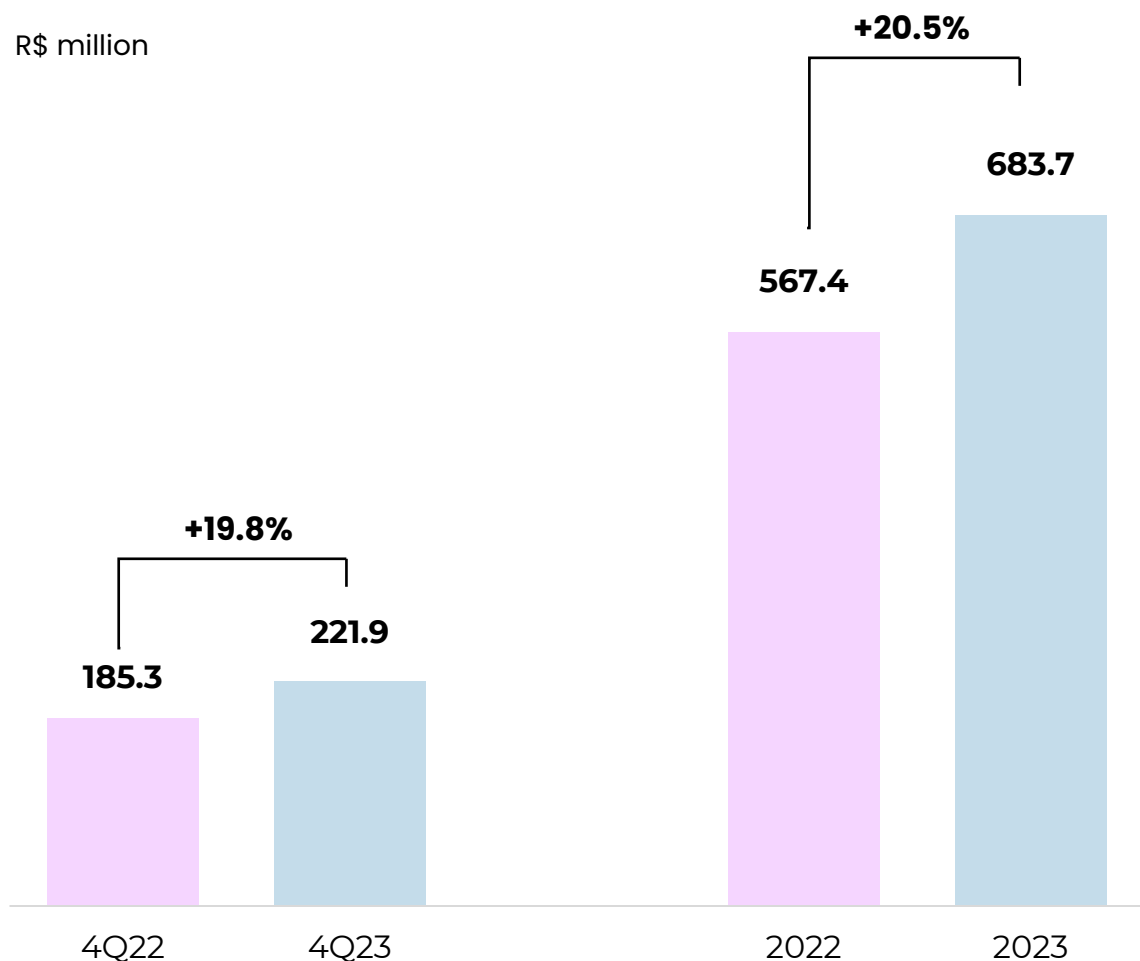
## → Net Revenue

Net Revenue (R\$ thousand)	4Q23	4Q22	Var. 4Q23/4Q22	2023	2022	Var. 2023/2022
<b>Goods for Franchises</b>	60,637	50,539	20.0%	191,067	156,195	22.3%
<b>Royalties</b>	37,437	27,927	34.1%	116,377	91,897	26.6%
<b>Retail (Own Network)</b>	113,587	98,604	15.2%	334,798	287,895	16.3%
<b>TFSports</b>	8,090	7,252	11.6%	36,066	26,449	36.4%
<b>Others</b>	2,196	990	121.7%	5,381	4,990	7.8%
<b>Total Net Revenue</b>	<b>221,947</b>	<b>185,312</b>	<b>19.8%</b>	<b>683,690</b>	<b>567,426</b>	<b>20.5%</b>

The net revenue for this quarter amounted to R\$221,9 million (+19.8% compared to 4Q22), with notable emphasis to the royalties' channel (+34.1%), which exhibited growth surpassing the previous year, reaching the level of R\$37.4 million vs. R\$27.9 million in 4Q22, representing 16.9% of the total net revenue for the period. This performance reflects the increase in merchandise sales to franchisees in previous months, leading to improved sell-out in the franchise channel during 4Q23.

### Net Revenue

R\$ million



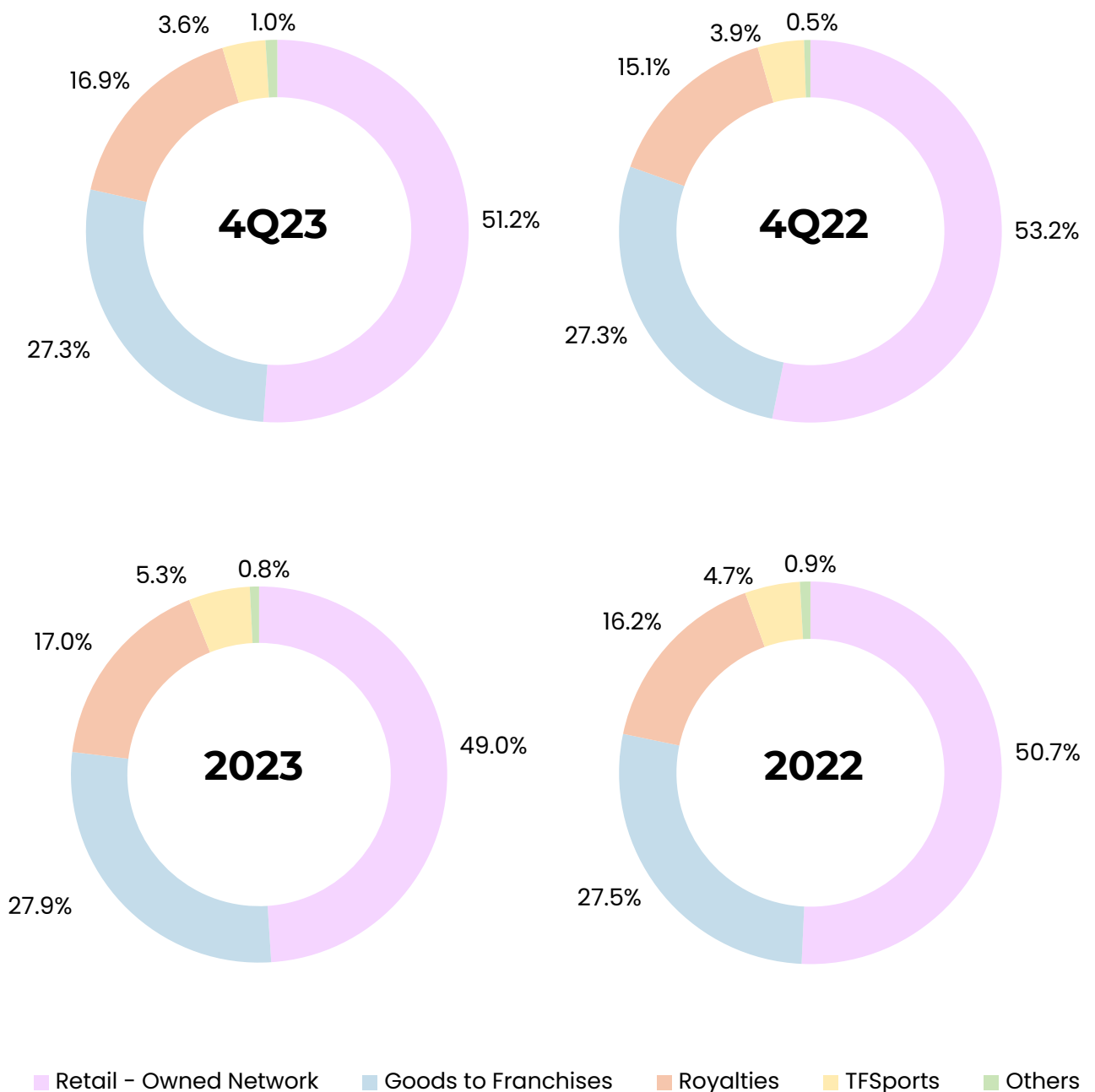
Secondly, we observed a strong performance in the good for franchises channel (+20.0% YoY), representing 27.3% of the total net revenue for the period. This reflects the franchisees' anticipation for an even stronger Black Friday and Christmas than in 2022, coupled with the positive performance of the Summer 2024 collection.

Finally, we highlight the positive performance of the retail-owned network channel, which experienced a growth of 15.2% YoY, reaching R\$113.6 million (vs. R\$98.6 million in 4Q22), representing 51.2% of the total net revenue. The performance of owned stores reflected the impact of Black Friday and Christmas periods, positively influencing sales across all businesses.

It's worth mentioning the 11.6% growth in TFSports revenue, reflecting the acceleration of events in line with the Company's strategy.

For the year 2023, we recorded a net revenue of R\$683.7 million, a growth of 20.5% compared to 2022.

Net Revenue Breakdown (%)



## → Gross Profit

Gross Profit (R\$ mil)	4Q23	4Q22	Var. 4Q23/ 4Q22	2023	2022	Var. 2023/ 2022
<b>Gross Profit</b>	127,846	108,889	17.4%	394,430	326,770	20.7%
<i>Gross Margin</i>	57.6%	58.8%	-1.2 p.p.	57.7%	57.6%	0.1 p.p.

The gross profit for the quarter totaled R\$127.8 million, a 17.4% increase compared to 4Q22, with a margin of 57.6%, lower by 1.2 p.p. compared to the same quarter last year (58.8%). Due to the acceleration of events at the end of the year and the mismatch of revenues with sponsorships - in 2022, sponsorships were concentrated in the second half of the year, while in 2023 they occurred in the first half - the TFSports margin negatively impacted the consolidated margin.

For the year, on the other hand, we observed a stable gross margin compared to 2022, with a gain of 0.1 p.p. We recorded a 20.7% YoY growth in gross profit, reaching R\$394.4 million.



 Adjusted Operating Expenses

Net Revenue	4Q23	4Q22	Var. 4Q23/4Q22	2023	2022	Var. 2023/2022
<b>General Adjusted Net Revenue</b>	<b>221,947</b>	<b>185,312</b>	<b>19.8%</b>	<b>683,690</b>	<b>567,600</b>	<b>20.5%</b>
Operating Expenses (R\$ thousand)	4Q23	4Q22	Var. 4Q23/4Q22	2023	2022	Var. 2023/2022
<b>Sales</b>	46,852	39,913	17.4%	134,622	116,834	15.2%
<i>% With Sales over General NR</i>	<i>21.1%</i>	<i>21.5%</i>	<i>-0.4 p.p.</i>	<i>19.7%</i>	<i>20.6%</i>	<i>-0.9 p.p.</i>
<b>General and Administrative</b>	32,380	26,689	21.3%	106,219	87,506	21.4%
<i>% G&amp;A over General NR</i>	<i>14.6%</i>	<i>14.4%</i>	<i>0.2 p.p.</i>	<i>15.5%</i>	<i>15.4%</i>	<i>0.1 p.p.</i>
<b>Operating Expenses</b>	<b>79,232</b>	<b>66,602</b>	<b>19.0%</b>	<b>240,841</b>	<b>204,340</b>	<b>17.9%</b>
<i>%Total Operating Expenses over General NR</i>	<i>35.7%</i>	<i>35.9%</i>	<i>-0.2 p.p.</i>	<i>35.2%</i>	<i>36.0%</i>	<i>-0.8 p.p.</i>
<b>Other Operating Revenues (Expenses)</b>	<b>-1,064</b>	<b>-989</b>	<b>7.6%</b>	<b>-2,441</b>	<b>-3,918</b>	<b>-37.7%</b>
<b>Total Operating Expenses (Revenue) - wo/ depreciation</b>	<b>78,168</b>	<b>65,613</b>	<b>19.1%</b>	<b>238,400</b>	<b>200,422</b>	<b>18.9%</b>
<i>%Total Operating Expenses (Revenue) over General NR</i>	<i>35.2%</i>	<i>35.4%</i>	<i>-0.2 p.p.</i>	<i>34.9%</i>	<i>35.3%</i>	<i>-0.4 p.p.</i>
<b>Depreciation</b>	<b>2,601</b>	<b>1,885</b>	<b>38.0%</b>	<b>9,248</b>	<b>5,841</b>	<b>58.3%</b>
<b>Total Operating Expenses (Revenue) - w/ depreciation</b>	<b>80,769</b>	<b>67,498</b>	<b>19.7%</b>	<b>247,648</b>	<b>206,263</b>	<b>20.1%</b>
<i>%Total Operating Expenses over General NR</i>	<i>36.4%</i>	<i>36.4%</i>	<i>0.0 p.p.</i>	<i>36.2%</i>	<i>36.4%</i>	<i>-0.2 p.p.</i>

Adjusted operating expenses in the fourth quarter represented 35.2% of net sales, compared to 35.4% observed in 4Q22 (-0.2 p.p. YoY). Over the course of the year, we also observed a decrease in the representation of operating expenses (-0.4 p.p. YoY), once again highlighting the Company's ability to reduce its costs as a proportion of net revenue.

Excluding TFSports, which accelerated business structuring initiatives and user acquisition for the platform, the Company reported an even more significant operational leverage, with expenses representing 34.7% of net revenue in the quarter (-1.1 p.p. YoY) and 34.6% for the year (-1.7 p.p. YoY).

Regarding sales expenses, we once again observed a decrease in the proportion to net sales, both when comparing 4Q23 vs. 4Q22 (-0.4 p.p. YoY) and for the year (-0.9 p.p. YoY). The lower sales expense ratio in the period resulted from the increased representation of the franchise channel in the total network, diluting the weight of expenses from owned retail in the company's total revenue.

The slight increase in administrative expenses as a percentage of net sales for the quarter (+0.2 p.p. YoY) and for the year (+0.1 p.p. YoY) is attributed to the reinforcement of some corporate structures made to accommodate the company's growth, with the expectation of diluting these additional expenses in the coming periods.


**EBITDA**

EBITDA (R\$ thousand and %)	4Q23	4Q22	Var. 4Q23/4Q22	2023	2022	Var. 2023/2022
<b>Net Income</b>	35,328	34,728	1.7%	114,410	96,460	18.6%
(+) Income Tax and Social Security	8,648	6,453	34.0%	22,521	23,961	-6.0%
(+) Net Financial Result	3,192	1,630	95.8%	11,784	4,797	145.7%
(+) Depreciation & Amortization	6,638	5,544	19.7%	25,017	18,544	34.9%
<b>EBITDA</b>	<b>53,806</b>	<b>48,355</b>	<b>11.3%</b>	<b>173,730</b>	<b>143,761</b>	<b>20.8%</b>
<i>EBITDA Margin</i>	<i>24.2%</i>	<i>26.1%</i>	<i>-1.9 p.p.</i>	<i>25.4%</i>	<i>25.3%</i>	<i>0.1 p.p.</i>
(+) IFRS-16 Adjustment	-6,416	-6,150	4.3%	-21,879	-18,504	18.2%
(+) Non Recurring Adjustment*	2,059	1,000	106.0%	3,950	926	326.5%
<b>Adjusted EBITDA</b>	<b>49,450</b>	<b>43,204</b>	<b>14.5%</b>	<b>155,802</b>	<b>126,184</b>	<b>23.5%</b>
<i>Adjusted EBITDA Margin</i>	<i>22.3%</i>	<i>23.3%</i>	<i>-1.0 p.p.</i>	<i>22.8%</i>	<i>22.2%</i>	<i>0.6 p.p.</i>
<b>Ex-TFSports Adjusted EBITDA</b>	<b>55,630</b>	<b>42,247</b>	<b>31.7%</b>	<b>163,616</b>	<b>124,936</b>	<b>31.0%</b>
<i>Ex-TFSports Adjusted EBITDA Margin</i>	<i>26.0%</i>	<i>23.7%</i>	<i>2.3 p.p.</i>	<i>25.3%</i>	<i>23.1%</i>	<i>2.2 p.p.</i>

\* Non-Recurring Adjustment breakdown is on page 24.

The EBITDA reached R\$53.8 million in the quarter, showing a growth of 11.3% compared to 4Q22. The EBITDA margin for the period was 24.2%, which is 1.9 percentage points lower than the 26.1% seen in the same period the previous year.

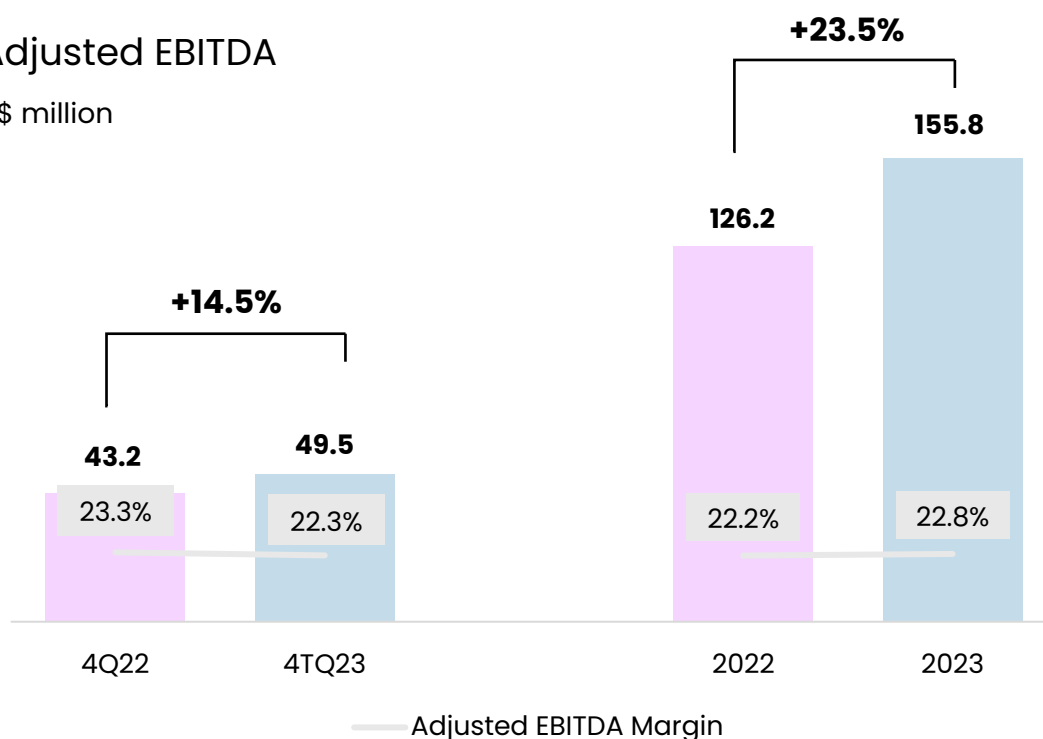
For the year, the Company reported an EBITDA of R\$173.7 million (+20.8% vs. 2022) and an EBITDA margin of 25.4%, remaining stable in the annual comparison.

Excluding the effects of IFRS-16 and non-recurring expenses, the adjusted EBITDA amounted to R\$49.5 million in 4Q23, representing a growth of 14.5% vs. the previous year, with a margin of 22.3% (-1.0 p.p. YoY) – due to a lower gross margin in the quarter vs. 4Q22 combined with the maintenance of the level of expenses as a percentage of net sales, which saw a slight increase of 0.2 p.p. in 4Q23. In 2023, the Company recorded an adjusted EBITDA of R\$155.8 million (+23.5% YoY) and a margin of 22.8% (+0.6 p.p. year over year).

Excluding TFSports, the adjusted EBITDA reached R\$55.6 million in 4Q23, showing a growth of 31.7% vs. the previous year, with a margin of 26.0% (+2.3 p.p. YoY). For the year, the adjusted EBITDA ex-TFSports amounted to R\$163.6 million (+31.0% YoY), presenting a margin of 25.3% (+2.2 p.p. vs. 2022).

## Adjusted EBITDA

R\$ million



## → Financial Result

Financial Result (R\$ thousand)	4Q23	4Q22	Var. 4Q23/ 4Q22	2023	2022	Var. 2023/ 2022
<b>Financial Revenue</b>	1,983	2,200	-9.9%	8,966	10,263	-12.6%
<b>Financial Expenses</b>	-5,175	-3,830	35.1%	-20,750	-15,060	37.8%
IFRS interest	-2,644	-2,198	20.3%	-9,572	-7,889	21.3%
Other Financial Expenses	-2,531	-1,632	55.1%	-11,178	-7,171	55.9%
<b>Financial Result</b>	<b>-3,192</b>	<b>-1,630</b>	<b>95.8%</b>	<b>-11,784</b>	<b>-4,797</b>	<b>145.6%</b>
<b>Net Effect of Adjustments</b>	3,162	2,587	22.2%	11,434	8,241	38.7%
<b>Adjusted Financial Result*</b>	<b>-30</b>	<b>957</b>	<b>-103.1%</b>	<b>-350</b>	<b>3,444</b>	<b>-110.2%</b>

\* Effects Adjustments: interest on leasing and non-recurring operations.

The Financial Result was negative at R\$3.2 million in the fourth quarter, attributed to a lower average cash balance due to the effects of the Company's investment program, mainly focused on store renovations and the development of the TFSports application. These factors continue to offset the positive impacts from financial investments, along with higher financial expenses, especially related to lease interest (IFRS-16 effects). The adjusted financial result was negative at R\$30 thousand in 4Q23, excluding the effects of IFRS-16 and non-recurring items.

On an annual basis, the negative financial result of R\$11.8 million was a result of higher financial expenses from IFRS-16, offsetting positive results from financial investments. Additionally, the annual adjusted financial result was negative at R\$350 thousand, equally due to the net effects of adjustments in other expenses and IFRS.

Once again, the Company ended the year without debt and did not engage in any receivable's prepayments throughout the period.





## Net Income

Net Income (R\$ thousand and %)	4Q23	4Q22	Var. 4Q23/ 4Q22	2023	2022	Var. 2023/ 2022
<b>Net Income</b>	<b>35,328</b>	<b>34,728</b>	<b>1.7%</b>	<b>114,410</b>	<b>96,460</b>	<b>18.6%</b>
<i>Net Margin</i>	<i>15.9%</i>	<i>18.7%</i>	<i>-2.8 p.p.</i>	<i>16.7%</i>	<i>17.0%</i>	<i>-0.3 p.p.</i>
<i>(+) IFRS-16 Adjustments</i>	802	-355	-325.8%	3,212	1,454	120.9%
<i>(+) Non-Recurring Adjustments*</i>	1,090	1,105	-1.4%	3,127	2,041	53.2%
<b>Adjusted Net Income</b>	<b>37,220</b>	<b>35,477</b>	<b>4.9%</b>	<b>120,750</b>	<b>99,954</b>	<b>20.8%</b>
<i>Adjusted Net Margin</i>	<i>16.8%</i>	<i>19.1%</i>	<i>-2.3 p.p.</i>	<i>17.7%</i>	<i>17.6%</i>	<i>0.1 p.p.</i>
<b>Ex-TFSports Adjusted Net Income</b>	<b>44,231</b>	<b>35,173</b>	<b>25.8%</b>	<b>131,229</b>	<b>100,664</b>	<b>30.4%</b>
<i>Ex-TFSports Adjusted Net Margin</i>	<i>20.7%</i>	<i>19.8%</i>	<i>0.9 p.p.</i>	<i>20.3%</i>	<i>18.6%</i>	<i>1.7 p.p.</i>

\* Non-Recurring Adjustment breakdown is on page 24.

The net profit reached R\$35.3 million in 4Q23, a +1.7% increase compared to the R\$34.7 million from 4Q22. The net margin, on the other hand, concluded the quarter at 15.9%, 2.8 p.p. lower than the previous year.

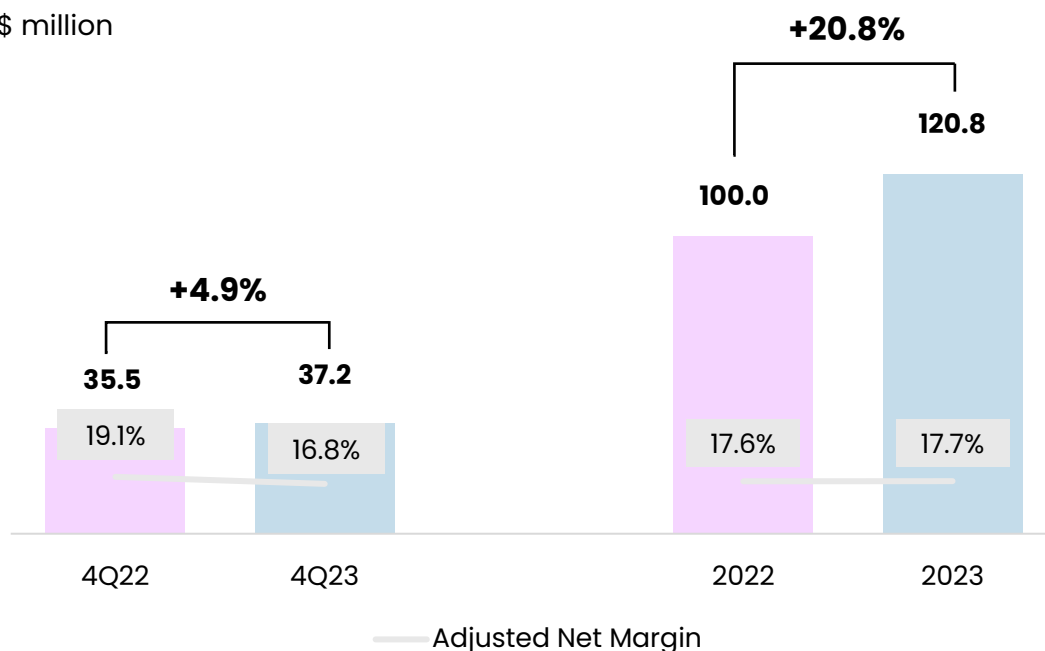
The adjusted net profit, excluding the effects of IFRS-16 application and non-recurring expenses, totaled R\$37.2 million in the quarter, growing by 4.9% compared to the result of R\$35.5 million recorded in the same period of 2022. The adjusted net margin for the quarter was 16.8%, showing a 2.3 p.p. decrease compared to the previous year. This decrease is mainly attributed to two factors: (i) a continuous increase in depreciation due to investments made throughout the year, as well as in the previous quarter, and (ii) a higher representation of income tax on net sales in 4Q23 vs. 4Q22.

In 2023, the adjusted net profit totaled R\$120.8 million, growing by 20.8% compared to the R\$100.0 million recorded in the twelve months of 2022, with the maintenance of the margin at 17.7%.

The adjusted net profit ex-TFSports reached R\$44.2 million in 4Q23, a +25.8% increase compared to the result of R\$35.2 million recorded in 4Q22, with a margin gain of 0.9 p.p., reaching 20.7%. In 2023, this number amounted to R\$131.2 million, a growth of 30.4% vs. 2022 and a margin of 20.3% (+1.7 p.p. vs. 2022).

## Adjusted Net Income

R\$ million



## → Cash Flow

Cash Flow (R\$ thousand)	2023	9M23	2022
Net cash generated (applied) from operating activities	78.5	53.3	68.3
Net cash applied in investing activities	-34.4	-25.8	-33.7
Net cash generated (applied) from financing activities	-50.2	-41.7	-40.8
<b>Increase / Decrease in Cash and Cash Equivalents</b>	<b>-6.0</b>	<b>-14.2</b>	<b>-6.3</b>
<b>Initial Cash Balance</b>	<b>60.5</b>	<b>60.5</b>	<b>66.8</b>
<b>Final Cash Balance</b>	<b>54.5</b>	<b>46.3</b>	<b>60.5</b>

The net cash generation from operating activities was R\$78.5 million, a level 15.0% higher than the same period in the previous year, highlighting the sustainable growth of the company despite the investments made throughout the year to expand its operations.

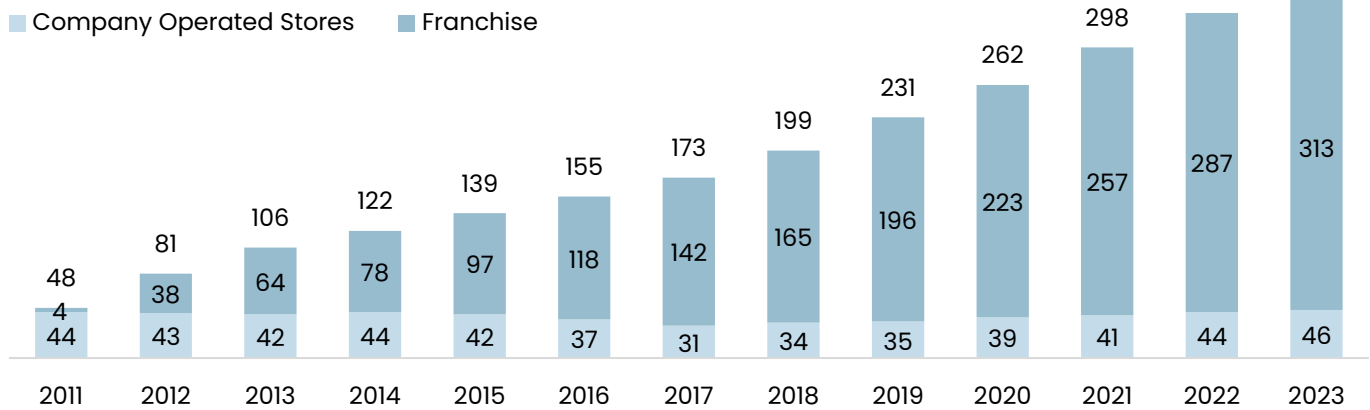
The increase in cash generated from operating activities was absorbed by the rise in the net cash line applied in investment activities (+1.9% YoY), mainly due to the development of the TFSports platform and store renovations, as well as the increase in financing activities (+22.9% YoY) due to higher dividend and interest on equity (JCP) payments during the period.

The company ended the period with a net cash balance of R\$54.5 million and cash equivalents (including credit card receivables) totaling R\$151.7 million.



# EXPANSION

## NUMBER OF STORES 2023



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

We concluded the period with a total of 359 stores within the network, comprising 36 company-owned stores, 10 outlets, and 313 franchises (17 of which were inaugurated during 4Q23). In 2023, we entered 17 new municipalities, opening 32 stores, including 1 company-owned store and 31 franchises, in addition to transferring 1 franchise to company-owned status.

Of the franchises inaugurated during the year, 27.3% were established by new franchisees, and 72.7% were with existing franchisees in our network.

All new stores are being opened with elements of the Experience store, featuring a complete overhaul of equipment, visual communication, and improved product display. Additionally, we carried out 21 renovations during the year, with 14 franchises and 7 company-owned stores, concluding the year with 9 units of TFC Food & Market.

# STORE MAP

## North

**11 Stores**  
11 Franchises

## Northeast

**50 Stores**  
48 Franchises  
2 Company Operated

## Midwest

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

## South

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

## Southeast

**227 Stores**  
191 Franchises  
28 Company Operated  
7 Outlets  
1 *E-commerce*



# ANNEXES

Track & Field



**Income Statement for the Period**

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

R\$ thousand	4Q23	4Q22	2023	2022
NET REVENUE OF SALES AND SERVICES PROVIDED	221,947	185,312	683,690	567,600
Cost of goods sold and services provided	-94,329	-76,494	-289,489	-240,996
GROSS PROFIT	127,618	108,817	394,202	326,604
<i>Gross Margin</i>	57.5%	58.7%	57.7%	57.5%
Operating Expenses	-81,833	-68,486	-250,088	-210,179
Sales	-47,887	-40,759	-138,321	-119,245
General & Administrative	-33,946	-27,728	-111,768	-90,936
<i>% Total Operating Expenses over General NR</i>	36.9%	37.0%	36.6%	37.0%
Other Operating Expenses (Revenues)	1,064	989	2,441	3,918
Total Operating Expenses (Revenues)	-80,769	-67,497	-247,647	-206,261
<i>% Total Operating Expenses (Revenues) over General NR</i>	36.4%	36.4%	36.2%	36.3%
Adjusted EBITDA	49,450	43,204	155,802	126,184
<i>Adjusted EBITDA Margin</i>	22.3%	23.3%	22.8%	22.2%
Depreciation and Amortization	-2,601	-1,884	-9,248	-5,841
PROFIT BEFORE FINANCIAL RESULT	46,849	41,320	146,554	120,343
ADJUSTED FINANCIAL RESULT	-30	957	-350	3,444
Financial Revenues	1,982	2,200	8,966	10,224
Financial Expenses	-2,013	-1,243	-9,316	-6,781
OPERATING PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	46,819	42,277	146,204	123,787
INCOME TAX AND SOCIAL CONTRIBUTION	-9,599	-6,801	-25,455	-23,834
<b>ADJUSTED NET INCOME FOR THE PERIOD</b>	<b>37,220</b>	<b>35,477</b>	<b>120,750</b>	<b>99,954</b>
<i>Adjusted Net Margin</i>	16.8%	19.1%	17.7%	17.6%

## Income Statement for the Period

R\$ thousand	4Q23	4Q22	2023	2022
NET REVENUE OF SALES AND SERVICES PROVIDED	221,947	185,312	683,690	567,426
Cost of goods sold, and services provided	-94,101	-76,423	-289,260	-240,656
GROSS PROFIT	127,846	108,889	394,430	326,770
<i>Gross Margin</i>	<i>57.6%</i>	<i>58.8%</i>	<i>57.7%</i>	<i>57.6%</i>
Operating Expenses	-81,741	-66,983	-247,821	-205,385
Sales	-45,842	-38,715	-133,784	-115,106
General & Administrative	-35,899	-28,268	-114,037	-90,279
<i>% Total Operating Expenses over General NR</i>	<i>36.8%</i>	<i>36.1%</i>	<i>36.2%</i>	<i>36.2%</i>
Other Operating Expenses (Revenues)	1,063	905	2,105	3,833
Total Operating Expenses (Revenues)	-80,678	-66,078	-245,716	-201,552
<i>% Total Operating Expenses (Revenues) over General NR</i>	<i>36.4%</i>	<i>35.7%</i>	<i>35.9%</i>	<i>35.5%</i>
EBITDA	53,806	48,355	173,730	143,761
<i>EBITDA Margin</i>	<i>24.2%</i>	<i>26.1%</i>	<i>25.4%</i>	<i>25.3%</i>
Depreciation and Amortization	-6,638	-5,544	-25,017	-18,544
PROFIT BEFORE FINANCIAL RESULT	47,168	42,811	148,714	125,218
FINANCIAL RESULT	-3,192	-1,630	-11,784	-4,797
Financial Revenues	1,983	2,200	8,966	10,263
Financial Expenses	-5,175	-3,830	-20,750	-15,060
OPERATING PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	43,976	41,181	136,930	120,421
INCOME TAX AND SOCIAL CONTRIBUTION	-8,648	-6,453	-22,521	-23,961
<b>NET INCOME FOR THE PERIOD</b>	<b>35,328</b>	<b>34,728</b>	<b>114,410</b>	<b>96,460</b>
<i>Net Margin</i>	<i>15.9%</i>	<i>18.7%</i>	<i>16.7%</i>	<i>17.0%</i>

## Impacts from IFRS-16

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

Items included in Balance Sheet by IFRS-16 (R\$ thousand)	Including IFRS 16 Effect (A)	Excluding IFRS 16 Effect (A)	Difference (A-B)
Assets - Rights of Use	93,983	-	93,983
Liabilities - Leases Payable	101,927	-	101,927

4Q23 Items affected by IFRS-16 (R\$ thousand)	Including IFRS 16 Effect (A)	Excluding IFRS 16 Effect (A)	Difference (A-B)
Operating Expenses (excl, Depreciation and Amortization)	-74,040	-80,456	6,416
Depreciation and Amortization Expenses	-6,638	-2,601	-4,037
Financial Result	-3,192	-548	-2,644
IRPJ/CSLL	-8,648	-8,111	-537
<b>Net Income</b>	<b>35,328</b>	<b>36,130</b>	<b>-802</b>
<b>EBITDA</b>	<b>53,806</b>	<b>47,390</b>	<b>6,416</b>

2023 Items affected by IFRS-16 (R\$ thousand)	Including IFRS 16 Effect (A)	Excluding IFRS 16 Effect (B)	Difference (A-B)
Operating Expenses (excl, Depreciation and Amortization)	-220,699	-242,578	21,879
Depreciation and Amortization Expenses	-25,017	-9,248	-15,768
Financial Result	-11,784	-2,212	-9,572
IRPJ/CSLL	-22,521	-22,772	251
<b>Net Income</b>	<b>114,410</b>	<b>117,621</b>	<b>-3,211</b>
<b>EBITDA</b>	<b>173,730</b>	<b>151,851</b>	<b>21,879</b>



## Non-Recurring Adjustments

<b>Adjusted EBITDA Reconciliation</b> (R\$ thousand)	<b>4Q23</b>	<b>4Q22</b>	<b>2023</b>	<b>2022</b>
<b>EBITDA</b>	<b>53,806</b>	<b>48,355</b>	<b>173,730</b>	<b>143,761</b>
IFRS 16	-6,416	-6,150	-21,878	-18,504
CPC 47 Effect – 2021	0	0	0	174
Pre-operational: new DC / TF Joinville	-227	-73	-604	511
Reversal of provision for contingency/terminations of C-Level	73	0	167	-831
Strategic consulting	1,558	718	2,516	718
Import tax restructuring	0	0	377	0
Other non-recurring expenses	0	355	534	355
Reversal of restructured lease - pop-ups	0	0	307	0
Stock Option Plan/Non-cash	654	0	654	0
<b>Adjusted EBITDA</b>	<b>49,450</b>	<b>43,204</b>	<b>155,802</b>	<b>126,184</b>

<b>Adjusted Net Income Reconciliation</b> (R\$ thousand)	<b>4Q23</b>	<b>4Q22</b>	<b>2023</b>	<b>2022</b>
<b>Net Income</b>	<b>35,328</b>	<b>34,728</b>	<b>114,410</b>	<b>96,460</b>
IFRS 16	265	-291	3,463	2,052
CPC 47 Effect – 2021	0	0	0	174
Pre-operational: new DC / TF Joinville	-154	-73	-533	510
Reversal of provision for contingency/terminations of C-Level	0	0	94	-831
IRPJ/CSLL on Adjustments	-950	-348	-2,934	128
Strategic consulting	1,558	718	2,615	718
Import tax restructuring	0	0	535	0
Other non-recurring expenses	519	744	2,139	744
Reversal of restructured lease - pop-ups	0	0	307	0
Stock Option Plan/Non-cash	654	0	654	0
<b>Adjusted Net Income</b>	<b>37,220</b>	<b>35,477</b>	<b>120,750</b>	<b>99,954</b>

**Cash Flow**

R\$ thousand	2023	2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net income for the year	114,410	96,460
<b>Adjustments to reconcile net income (loss) for the year with net cash from operating activities:</b>		
Depreciation and Amortization	27,616	19,287
Inflation adjustment on judicial deposits	-1,899	-1,570
Current and deferred income tax and social contribution	22,520	23,961
Constitution (Reversal) of projected inventory loss	1,108	709
Provision (Reversal) for civil, labor and tax risks	-1,506	-1,283
Credit losses on accounts receivables	414	106
Expected credit losses	112	52
Write-off of property, plant, and equipment and intangible assets	236	0
Tax credits from previous periods	0	138
Interest on lease – right of use	9,573	7,890
Inflation adjustment of recoverable taxes	-1,100	-1,032
Inflation adjustment of taxes payable	1,813	1,555
Inflation adjustment of other obligations	207	174
<b>Variation in operating assets and liabilities:</b>		
Accounts receivable	-44,293	-27,605
Inventories	-29,498	-46,537
Recoverable taxes	-1,721	5,611
Judicial deposits	1,864	2,434
Other credits	-2,979	-2,094
Suppliers	-1,774	16,436
Labor and social security obligations	7,265	5,104
Tax obligations	331	-203
Rents payable	106	97
Advance on events	0	-8,243
Other obligations	-3,425	-4,391
<b>Net cash from operating activities</b>	<b>99,380</b>	<b>87,055</b>
Income tax and social contribution paid	-20,852	-18,792
<b>Net cash generated from operating activities</b>	<b>78,528</b>	<b>68,263</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Gain (Loss) on sale of property, plant, and equipment	19	0
Acquisition of intangible assets	-34,369	-33,713
<b>Net cash used in investing activities</b>	<b>-34,350</b>	<b>-33,713</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	-5,392	-9,881
Interest over capital	-20,328	0
Leases – right of use paid	-24,314	-18,696
Acquisition of own shares	-153	-12,256
<b>Net cash used in financing activities</b>	<b>-50,187</b>	<b>-40,833</b>
<b>EXCHANGE RATE VARIATION ON CASH AND CASH EQUIVALENTS OF SUBSIDIARY ABROAD</b>	<b>-3</b>	<b>0</b>
<b>INCREASE (REDUCTION) IN CASH AND CASH EQUIVALENTS</b>	<b>-6,012</b>	<b>-6,282</b>
<b>Initial balance of cash and cash equivalents</b>	<b>60,489</b>	<b>66,771</b>
<b>Final balance of cash and cash equivalents</b>	<b>54,477</b>	<b>60,489</b>

**Balance Sheet**

R\$ thousand	<b>2023</b>	<b>2022</b>
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**ASSETS****CURRENT**

Cash and cash equivalents	54,477	60,489
Accounts receivable	196,536	152,769
Inventories	232,856	204,466
Recoverable taxes	10,336	4,938
Prepaid expenses and other credits	6,147	3,883
Advances from Suppliers	2,353	1,248
<b>Total current assets</b>	<b>502,705</b>	<b>427,793</b>

**NON-CURRENT**

Judicial deposits	445	410
Deferred income tax and social contribution	6,400	8,422
Recoverable taxes	5,256	7,833
Property, Plant & Equipment	146,610	124,453
Intangible Assets	20,686	10,948
<b>Total non-current assets</b>	<b>179,397</b>	<b>152,066</b>
<b>TOTAL ASSETS</b>	<b>682,102</b>	<b>579,859</b>

R\$ thousand	<b>2023</b>	<b>2022</b>
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**LIABILITIES AND NET EQUITY****CURRENT**

Suppliers	59,198	60,336
Labor and social security obligations	34,652	27,388
Tax obligations	30,636	30,192
Leases - right of use payable	17,682	15,767
Rents payable	3,497	3,391
Advance from customers	3,081	845
Dividends payable	27,473	23,683
Other obligations	1,505	4,834
<b>Total current liabilities</b>	<b>177,724</b>	<b>166,436</b>

**NON-CURRENT**

Suppliers	294	1,586
Leases - right of use payable	84,245	75,600
Provision for civil, labor and tax risks	6,206	7,909
<b>Total non-current liabilities</b>	<b>90,745</b>	<b>85,095</b>

**SHAREHOLDERS' EQUITY**

Share capital	192,392	192,392
Treasury shares	-12,278	12,277
Capital reserve	-12,526	-12,935
Reserve of tax incentives	8,663	5,845
Profit Reserve	235,516	153,434
Other comprehensive income	1,866	1,869
<b>Total shareholders' equity</b>	<b>413,633</b>	<b>328,328</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>682,102</b>	<b>579,859</b>

# Non-Accounting Metrics

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

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

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

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

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

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

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

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

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

# Track & Field®



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