

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

Track & Field CO S.A. and Subsidiaries

Report on Review of Interim
Financial Information
for the Nine-month Period
Ended September 30, 2023

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

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

REPORT ON REVIEW OF INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Track & Field CO S.A. ("Company"), identified as Parent and Consolidated, respectively, included in the Interim Financial Information Form (ITR) for the quarter ended September 30, 2023, which comprises the individual and consolidated balance sheet as at September 30, 2023, and the related statements of profit and loss and of comprehensive income for the three- and nine-month periods then ended, and statements of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

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

Scope of review

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

Conclusion on the individual and consolidated interim financial information

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

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Other matters

Statements of value added

The individual and consolidated interim financial information referred to above includes the statements of value added (DVA) for the nine-month period ended September 30, 2023, prepared under the responsibility of the Company's Executive Board and presented as supplemental information for international standard IAS 34 purposes. These statements were subject to the review procedures performed together with the review of the Interim Financial Information (ITR) to reach a conclusion on whether they are reconciled with the interim financial information and the accounting records, as applicable, and if their form and content are consistent with the criteria set forth in technical pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with technical pronouncement CPC 09 and consistently with the accompanying individual and consolidated interim financial information taken as a whole.

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

São Paulo, November 13, 2023



DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.



Randal Ribeiro Sylvestre
Engagement Partner

Track & Field

Earnings Release 3Q23

Videoconference
November 14th (Tuesday)
09:00 BRT | 07:00 a.m. NY

[Click here](#) to access the
conference call

São Paulo, November 13th, 2023 – Track & Field CO S.A. (B3: TFCO4) announces its results for the third quarter of 2023 (3Q23). The consolidated financial statements were prepared in compliance with the accounting practices adopted in Brazil with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

Operating Highlights



Sell out reached R\$ 294.0 million in 3Q23, representing a 20.4% increase compared to 3Q22, with a same store sales growth of +15.2%. Also, we highlight performance came from the revamped stores under the new concept, with company-owned stores growing by 34.3% and franchises by 33.8%;



4 new stores were opened in the quarter (all of them franchises), with the chain reaching a total of **343 stores at the end of September 2023.** All these stores are already being opened within the new format and we remain equally focused on the store renovation program, reformulating both its own and franchise networks;



Continuous increase in sales through the ship from store modality (sales captured by e-commerce and invoiced by physical stores), which went from **71% in 3Q22 to 80% in 3Q23;**



We continued with the roll-out of the second wave of omnichannel with a **focus on implementing the infinite shelf, present in 193 stores by the end of 3Q23, and attracting new sellers** to our sporting goods marketplace (tfmall);



During 3Q23, **TFSports** held 23 Santander Track&Field Run Series, 450 Keep Moving online classes, 90 T&F Experience events and the Track&Field Open Beach Tennis, which had 14 stages until the end of September. At the end of the quarter, the Platform had **more than 540 thousand users (+53.4% YoY) and more than 5.7 thousand registered trainers;**



NPS (Net Promoter Score) reaching 85.7 points in 3Q23, remaining at a high level and continually proving that the Company's growth coexists with high customer satisfaction with our various channels.

Financial Highlights



Net Revenue totaled **R\$164.3 million in 3Q23, +18.9% vs. 3Q22** (R\$ 138.1 million);



Gross Profit growth of 19.3% vs. 3Q22, reaching **R\$94.4 million in 3Q23,** with a **gross margin of 57.4%;**



Adjusted EBITDA reached **R\$36.8 million in 3Q23, +22.4% YoY.** **Adjusted EBITDA margin of 22.4%** in the quarter vs. 21.8% in 3Q22;



Adjusted Net Profit totaled **R\$29.1 million in 3Q23, growth of 16.1%** compared to the R\$25.1 million recorded in 3Q22, **accumulating R\$83.5 million in 9M23 (+29.5% YoY).**

B3: TFCO4

R\$ 13.93

(per PN share on 11/10)

877,251,375 ON shares

71,992,864 PN shares

(free float: 53,689,262 PN)

R\$ 2.2 billion

Market Cap on 11/10

Table | Summary of Indicators

The information contained in this document refers to the consolidated financial statements for the third quarter and nine months of 2023 and 2022.

R\$ thousand, except otherwise indicated	3Q23	3Q22	Chg. 3Q23/3Q22	9M23	9M22	Chg. 9M23/9M22
Resultados Financeiros						
Net Revenue	164,278	138,147	18.9%	461,743	382,114	20.8%
Gross Profit	94,376	79,099	19.3%	266,584	217,881	22.4%
Gross Margin	57.4%	57.3%	0.1 p.p.	57.7%	57.0%	0.7 p.p.
EBITDA	41,280	34,239	20.6%	119,925	95,406	25.7%
EBITDA Margin	25.1%	24.8%	0.3 p.p.	26.0%	25.0%	1.0 p.p.
Adjusted ¹ EBITDA	36,842	30,101	22.4%	106,354	82,980	28.2%
Adjusted EBITDA Margin	22.4%	21.8%	0.6 p.p.	23.0%	21.7%	1.3 p.p.
Net Income	27,164	24,485	10.9%	79,082	61,732	28.1%
Margem Líquida	16.5%	17.7%	-1.2 p.p.	17.1%	16.2%	1.0 p.p.
Ajusted ² Net Income	29,128	25,099	16.1%	83,530	64,478	29.5%
Adjusted Net Margin	17.7%	18.2%	-0.5 p.p.	18.1%	16.9%	1.2 p.p.
Net Cash ³	46,274	53,347	-13.3%	46,274	53,347	-13.3%
Net Cash Equivalents ⁴	107,820	100,737	7.0%	107,820	100,737	7.0%
Operational Indicators						
Number of Stores	343	315	8.9%	343	315	8.9%
Owned Stores	45	42	7.1%	45	42	7.1%
Franchises	298	273	9.2%	298	273	9.2%
Average Ticket (R\$)	399,04	369,89	7.9%	386,49	360,49	7.2%
Total Sell Out (R\$ thousands) ⁵	294,042	244,142	20.4%	803,728	675,248	19.0%
Total Amount Raised by e-commerce (R\$ thousands)	24,369	19,841	22.8%	61,533	49,530	24.2%

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

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

² Adjusted Net Income: excluding IFRS-16 application and non-recurring expenses.

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

⁴ Net Cash Equivalents: Cash and Cash Equivalents + Receivables from cards.

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



Message from Management

The third quarter of 2023 was marked by the continuation of double-digit sales growth compared to the previous year, with the company delivering solid results even in a challenging retail scenario in Brazil.

We observed a more challenging month of July, due to the school break and a very intense promotional period performed by several fashion retailers. However, these effects were completely neutralized in the months of August and September. We attribute this good performance, mainly, to the excellent results on Father's Day, the great sales performance observed during our winter promotional period, and the start of sales for the Summer 2024 collection in the second half of September.

As a result, the sell-out for 3Q23 reached the mark of R\$ 294.0 million, an increase of 20.4% vs. 3Q22, allowing us to enhance profitability measured in terms of adjusted EBITDA (+22.4% YoY), with a margin of 22.4% in 3Q23 compared to 21.8% in 3Q22, and adjusted net profit, which totaled R\$ 29.1 million, 16.1% higher than the figure recorded in 3Q22.

Regarding the renovation program and opening of new stores, in September 2023, we totaled 15 openings throughout the year (4 in 3Q23), reaching a total of 343 stores nationwide. It's worth noting that we have observed a maturation period of less than 2 years for recently opened stores. In addition, of the 25 stores we planned to renovate in 2023, 14 have already been completed during the 9M23 (4 company-owned stores and 10 franchises). It is worth highlighting that the renovated stores, both company-owned and franchises, increased their sales by +34.3% and +33.8%, respectively, boosting the quarter's performance. Finally, in the beginning of November, we opened another TFC Food & Market, at the Catarina Fashion Outlet unit, concluding 2023 with a total of 9 units.

We continue to advance in our omnichannel model, with 22 stores operating as mini distribution centers (CDs), delivering to the entire national territory, and over 300 operating with the ship-from-store modality, allowing us to invoice more than 80% of sales captured in e-commerce through the stores. Currently, we have 193 active stores in the infinite shelf, and by the end of the year, we expect 80% of our stores to be connected, enabling our sales force to view the inventory of the entire network and make a sale of a product that may not be available in the inventory of the store where the customer is making the purchase.

In addition, we continue to accelerate the TFSports platform, hosting 577 events/experiences during the period, including 23 street races from the Santander Track&Field Run Series, 14 stages of the Track&Field Open Beach Tennis, 90 T&F Experience events, and 450 classes from the Keep Moving program. The platform reached over 540 thousand users by the end of the quarter, with a growth of 53.4% YoY. Currently, we have over 5.7 thousand trainers connected to the app, providing classes and events for our customer base. Additionally, we are expanding tfmall, our curated sports goods marketplace, with the expectation of bringing in new sellers by the end of the year.

Our Summer 2024 collection, launched on September 14, 2023, has been very well-received by franchisees and customers. It is an invitation to set ourselves in motion, experiencing the season with style and the balance of well-being between body, mind, and soul. Additionally, to strengthen the brand attributes of being extremely gift-worthy and catering to the whole family, we have expanded the Kids line and now offer products starting from size 4. In December, we will also launch the Teen Line, targeting children and teenagers as they begin to develop their own style, aiming to build customer loyalty from an early age. The Beach Tennis line has also introduced new clothing pieces designed to facilitate and enhance

performance on the court, with fresh and lightweight fabrics that aid in mobility, and cuts that assist in heat exchange and range of motion.

To further strengthen the company's ESG front, we are directing our efforts towards implementing initiatives that will contribute to advancing this agenda, in line with our voluntary commitments. Throughout the third quarter, we completed our study on the carbon market and conducted a workshop with the Sustainability Committee. We continued the work of identifying climate risks and opportunities, allowing us to have a greater understanding and clarity on how we can address or adapt to the changes that are already happening and those that are yet to come.

Finally, we continue working diligently to strengthen our well-being ecosystem, focusing on our growth plan and process and operational efficiency, while reinforcing our TFSports events and experiences platform. Once again, we express our gratitude to our employees, our Board of Directors, franchisees, and suppliers for their engagement and partnership, and to our shareholders for the trust they have placed in us.

MANAGEMENT

Sell Out

Sell out billed per channel (R\$ thousand)	3Q23	3Q22	Chg. 3Q23/ 3Q22	9M23	9M22	Chg. 9M23/ 9M22
Franchises	187,588	154,343	21.5%	509,836	423,296	20.4%
Company-operated stores	101,597	84,040	20.9%	282,254	234,194	20.5%
E-commerce	4,858	5,759	-15.6%	11,638	17,758	-34.5%
Total Sell Out	294,042	244,142	20.4%	803,728	675,248	19.0%

Sell out captured per channel (R\$ thousand)	3Q23	3Q22	Chg. 3Q23/ 3Q22	9M23	9M22	Chg. 9M23/ 9M22
Franchises	178,219	149,050	19.6%	485,901	410,283	18.4%
Company-operated stores	91,454	75,252	21.5%	256,293	215,435	19.0%
E-commerce	24,369	19,841	22.8%	61,533	49,530	24.2%
Total Sell Out	294,042	244,142	20.4%	803,728	675,248	19.0%

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\$294.0 million in 3Q23, which corresponds to a total growth of 20.4% compared to the same period in 2022, and 15.2% in the same store sales concept.

During the third quarter, we observed a more challenging month of July due to the school break and the start of the promotional period by several fashion retailers. However, this was completely neutralized by the months of August and September, which saw sell-out growth exceeding 20% YoY. In general, we attribute the good performance reported during 3Q23 to several factors, the main ones being: (i) Father's Day, whose excellent result once again reaffirms our positioning as a "giftable" brand; (ii) the excellent sales performance observed during our winter sale, which is traditionally held in August/September in contrast to other retailers (which allocate their promotional periods in July); and (iii) the start of sales of the Summer 24 collection in the second half of September.

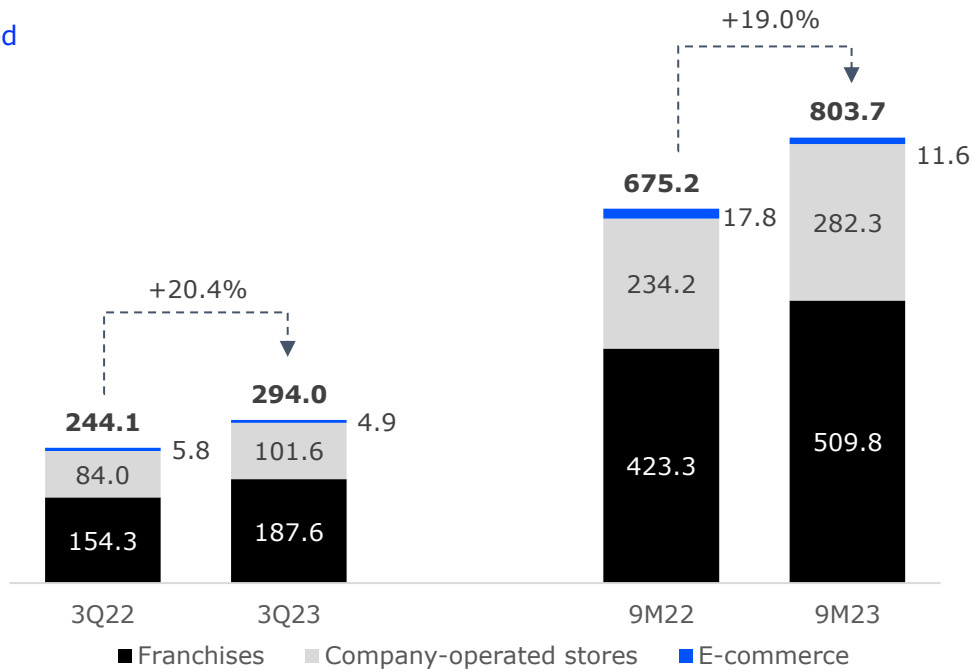
Additionally, it is worth highlighting that this quarter's performance was again driven by the results reported by stores renovated for the new concept, both company-owned and franchises, which grew their sales by +34.3% and +33.8%, respectively. The growth of these stores was mainly driven by an increase in the number of tickets, resulting from new customers, and an increase in the frequency of purchases by customers belonging to the base.

Our e-commerce (+22.8% vs. 3Q22 in the captured vision) continues to grow at a pace above physical channels and gaining share in the Company's business mix, positively reflecting the improvements implemented over the previous year - with a focus on improving our consumer's experience in this channel, in addition to efficiency gains in SEO (organic search) and performance media.

We emphasize that this channel's 15.6% drop in invoiced sell out is a reflection of the advancement of omnichannel, in which sales captured through the website continue to be increasingly invoiced and delivered by physical stores and not by our Distribution Center – resulting in a lower delivery time for the customer and lower shipping costs.

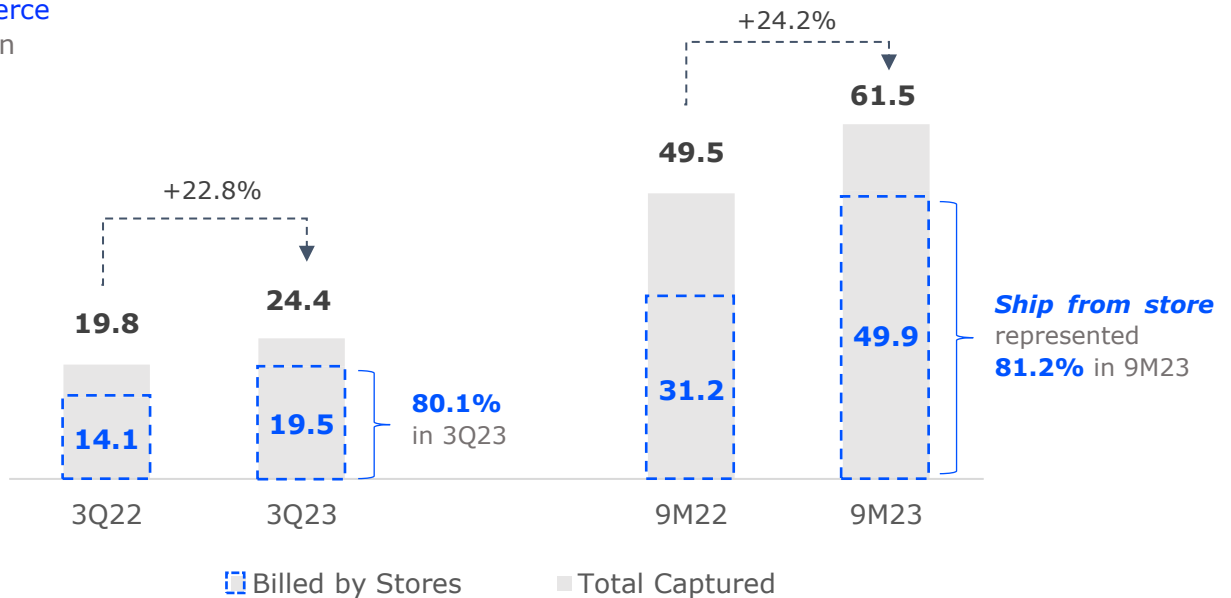
Sell Out Billed

R\$ million



E-commerce

R\$ million



Digital Channels and Omnichannel Platform



We continue to observe positive results from ship from store initiatives – in which physical stores function as mini distribution centers – and pick up in store – collection of orders placed online in physical stores – expanding the omnichannel concept to the entire network. At the end of the quarter, we reached a total of 343 stores, with 333 operating in both modalities, bringing greater convenience to our customers. Of digital revenue in the quarter, 80% was generated through the ship from store modality.

The physical store network is increasingly integrated with the incorporation of new functionalities, such as the comprehensive seller, an initiative that currently allows 22 stores to act as mini distribution centers, making their stocks available in the e-commerce window and delivering products throughout the national territory. Furthermore, we recently started the second

wave of omnichannel, which is now mainly focused on the infinite shelf (pilot in 193 stores).

Another initiative is social selling, which represented 51% of the sell-out in 3Q23. Within this criterion, we consider sales made through sending payment links and delivering the product to the customer's specified address, the conversion of sales in physical stores originating from WhatsApp contacts (influenced sales), as well as products sold during customer demonstrations. These initiatives have been crucial in boosting sales in stores, increasing the sales team's productivity, and raising our average transaction value.

Complementing the implementation of all these initiatives in our network, we have an optimized logistics operation, enabling the delivery of products sold within a maximum of 2 business days. This super express delivery continued to represent around ~78% of all deliveries in 3Q23.



Table | Summary of Indicators

	3Q23	3Q22	Chg. 3Q23 / 3Q22	9M23	9M22	Chg. 9M23 / 9M22
Net Revenue (R\$ thousands)	9,881	9,032	9.4%	27,976	19,197	45.7%
User on the App (thousand)*	540.1	352.1	53.4%	540.1	352.1	53.4%
Registration in street races/Experiences (thousand)	64.3	54.1	18.8%	160.9	143.6	12.0%
Number of Trainers (thousand)*	5.7	2.6	120.1%	5.7	2.6	120.1%

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

Net revenue in 3Q23 totaled R\$9.9 million, an increase of 9.4% compared to the same period of the previous year. Adjusted EBITDA for the quarter was negative by R\$ 2.1 million and, in the nine months, negative by R\$ 1.7 million, mainly impacted by the increase in expenses during the quarter in order to embrace the platform's growth that we envision for the coming quarters.

In operational terms, our TFSports app has shown constant growth in the number of registered users, reaching more than 540 thousand in 3Q23 (+53.4% compared to 3Q22). In addition to offering sporting events, experiences, and classes from the Keep Moving program, the application also connects more than 5.7 thousand trainers, who offer paid or free classes to our customer base.





In the third quarter of 2023, 450 Keep Moving classes were held, with more than 9.6 thousand enrolled. We organized 23 street races of the Santander Track&Field Run Series (61 in 9M23) and we hope to hold, by the end of 2023, a total of 80 races. The Track&Field Open Beach Tennis had 14 stages nationwide, and we organized 90 T&F Experience events, which are in-person classes led by specialized trainers in different modalities such as Kayak, Yoga, Bike, Fight, Tennis, Beach Tennis, Hawaiian Canoe, Functional, Paddle Sports, Kangoo Jump, Bike Indoor, among others. It is worth highlighting that more than half of the franchisee groups already organize events on our platform.

Regarding tfmall – a curated marketplace in the wellness segment – we currently have 6 sellers that we believe have a high synergy with our brand (Apple, Samsung, Garmin, Saucony, Hoka, and Manduka), and we expect to end the year 2023 with the addition of more sellers to our platform.

In summary, for the final months of 2023, we will continue to focus on accelerating the platform and consolidating TFSports as one of the world's largest platforms for organizing experiences related to a healthy and active lifestyle.

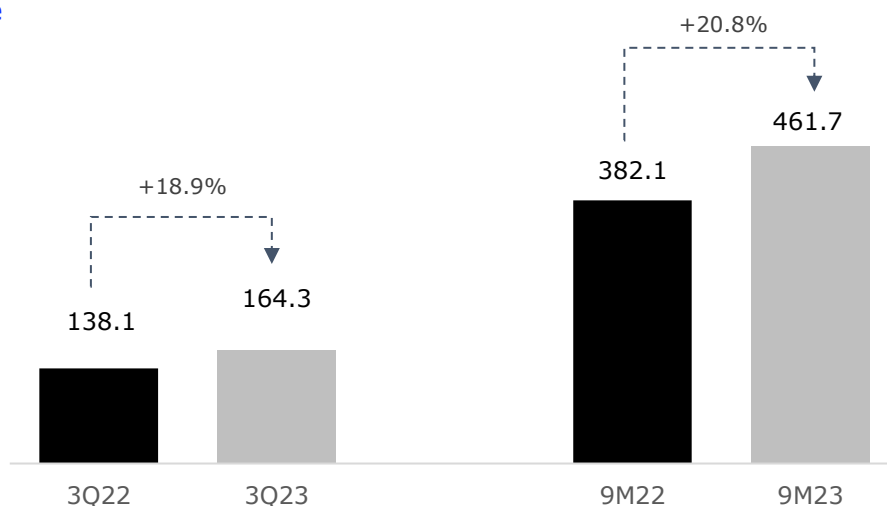


Net Revenue

Net Revenue (R\$ thousand)	3Q23	3Q22	Chg. 3Q23/ 3Q22	9M23	9M22	Chg. 9M23/ 9M22
Goods for Franchises	44,431	37,420	18.7%	130,425	105,656	23.4%
Royalties	29,082	23,978	21.3%	78,941	63,970	23.4%
Retail (Own Network)	79,828	66,676	19.7%	221,212	189,291	16.9%
TFSports	9,881	9,031	9.4%	27,975	19,197	45.7%
Others	1,056	1,042	1.3%	3,189	4,000	-20.3%
Total Net Revenue (R\$ thousand)	164,278	138,147	18.9%	461,743	382,114	20.8%

In the third quarter, our net revenue amounted to R\$164.3 million, marking an 18.9% increase compared to the same period in 2022. This growth was well-distributed across our own stores, royalties, and goods sold to franchisees.

Net Revenue
R\$ million



Firstly, the royalties channel demonstrated a strong performance, experiencing a 21.3% YoY growth, reaching R\$29.1 million compared to R\$24.0 million in 3Q22. This accounted for 17.7% of the total net revenue for the period. This impressive result can be attributed to increased merchandise sales to franchisees in previous months, leading to improved sell out rates within the franchise channel in 3Q23.

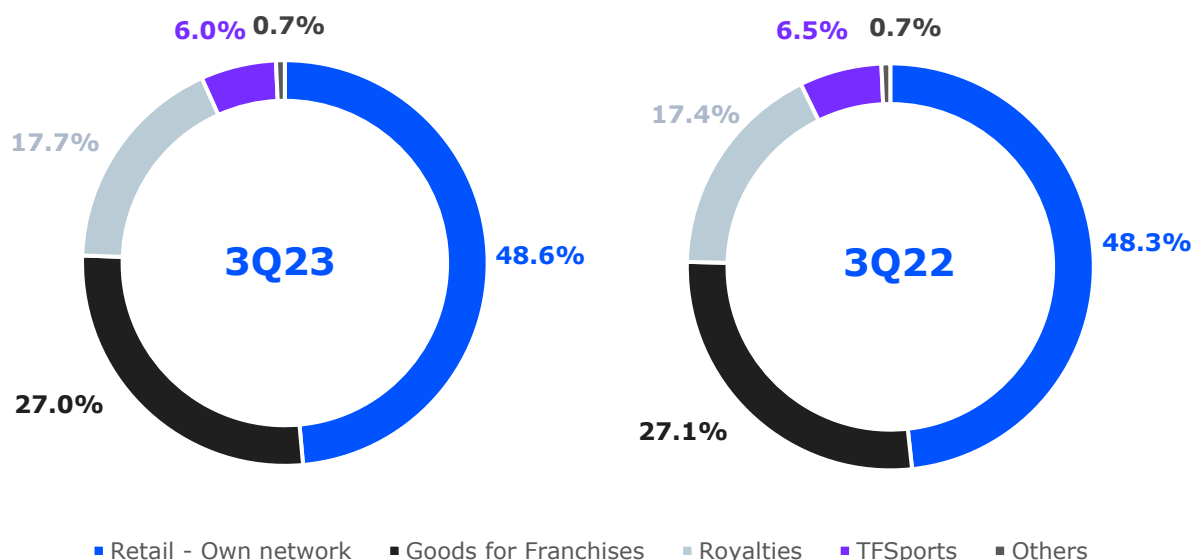
Secondly, the own chain retail channel also exhibited growth, with a notable 19.7% YoY increase, reaching R\$79.8 million compared to R\$66.7 million in 3Q22. This channel represented 48.6% of the total net revenue. The success of our own stores can be attributed to the positive impact of our revamped stores, the successful winter sale held in August/September, and the launch of our new collection in the latter half of September.

Lastly, it is essential to highlight the merchandise channel for franchises, which experienced an 18.7% YoY growth. This channel accounted for 27.1% of the total net revenue for the period. Its strong performance was driven by the high acceptance of

the Summer 24 collection by franchisees and promising sales prospects for the upcoming months.

Net Revenue Breakdown

%



Gross Profit

Gross Profit (R\$ thousand)	Gross Profit		Chg. 3Q23/ 3Q22	Gross Margin		Chg. 9M23/ 9M22
	3Q23	3Q22		9M23	9M22	
Gross Profit	94,376	79,099	19.3%	266,584	217,881	22.4%
Gross Margin	57.4%	57.3%	0.1 p.p.	57.7%	57.0%	0.7 p.p.

Gross profit for the quarter totaled R\$ 94.4 million, an increase of 19.3% compared to 3Q22, with a margin of 57.4%, slightly higher than the same quarter last year (57.3%). This performance reflected the faster growth in royalty revenues and company-owned stores, as well as an increase of the margins in stores and the sale of merchandise to franchisees. It is worth mentioning that one of the reasons for the increase in product margin is the internalization of part of the production of strategic fabrics, leading to a reduction in COGS (cost of goods sold).

Adjusted Operating Expenses

Adjusted Net Revenue	3Q23	3Q22	Chg. 3Q23/3Q22	9M23	9M22	Chg. 9M23/9M22
General Adjusted Net Revenue	164,278	138,147	18.9%	461,743	382,288	20.8%
Operating Expenses (R\$ thousand)	3Q23	3Q22	Chg. 3Q23/3Q22	9M23	9M22	Chg. 9M23/9M22
Sales	30,685	27,580	11.3%	87,769	76,920	14.1%
% With Sales over General NR	18.7%	20.0%	-1.3 p.p.	19.0%	20.1%	-1.1 p.p.
General and Administrative	26,656	21,595	23.4%	73,840	60,817	21.4%
% G&A over General NR	16.2%	15.6%	0.6 p.p.	16.0%	15.9%	0.1 p.p.
Operating Expenses	57,341	49,175	16.6%	161,609	137,737	17.3%
%Total Operating Expenses wo/ General NR	34.9%	35.6%	-0.7 p.p.	35.0%	36.0%	-1.0 p.p.
Other operating revenues (expenses)	-34	-249	-86.3%	-1,377	-2,929	-53.0%
Total Operating Expenses (Revenue) without depreciation	57,307	48,926	17.1%	160,232	134,808	18.9%
%Total Operating Expenses wo/ General NR	34.9%	35.4%	-0.5 p.p.	34.7%	35.3%	-0.6 p.p.
Depreciation	2,401	1,512	58.8%	6,647	3,956	68.0%
Total Operating Expenses (Revenue) with depreciation	59,707	50,438	18.4%	166,878	138,764	20.3%
%Total Operating Expenses wo/ General NR	36.3%	36.5%	-0.2 p.p.	36.1%	36.3%	-0.2 p.p.

In the third quarter, adjusted operating expenses accounted for 34.9% of net sales, showing a decrease from the 35.4% recorded in the same period last year (-0.5 p.p YoY). This trend continued over the nine-month period, with a year-on-year decrease of 0.6 p.p., highlighting the Company's effective cost management strategy and its ability to reduce expenses relative to net revenue.

Regarding selling expenses, once again, we observed a decrease in the proportion relative to net sales (-1.3 p.p. YoY) both in the comparison between 3Q23 and 3Q22 and in the cumulative nine-month period. This reduction in selling expenses was primarily due to (i) the increased representation of franchise sales within the total network, which helped dilute the impact of retail-owned expenses on the company's overall revenue, and (ii) the postponement of some expenditures to the fourth quarter. We are currently evaluating the necessity of these expenses, especially those related to marketing initiatives.

The slight increase in administrative expenses as a percentage of net sales for the quarter (+0.6 p.p. YoY) is due to the reinforcement of certain corporate structures that were implemented to cope with the company's growth.

EBITDA

EBITDA (R\$ thousand)	3Q23	3Q22	Chg. 3Q23/ 3Q22	9M23	9M22	Chg. 9M23/ 9M22
Net Income	27,164	24,485	10.9%	79,082	61,732	28.1%
(+) Income Tax and Social Security	4,692	3,920	19.7%	13,873	17,508	-20.8%
(+) Net Financial Result	3,051	1,143	166.8%	8,592	3,167	171.3%
(+) Depreciation and amortization	6,374	4,691	35.9%	18,378	12,999	41.4%
EBITDA	41,280	34,239	20.6%	119,925	95,406	25.7%
EBITDA Margin	25.1%	24.8%	0.3 p.p.	26.0%	25.0%	1.0 p.p.
(+) IFRS-16 Adjustment	-5,246	-4,344	20.8%	-15,463	-12,354	25.2%
(+) Non-Recurring Adjustment*	808	205	n.m.	1,891	-73	n.m.
Adjusted EBITDA	36,842	30,101	22.4%	106,354	82,980	28.2%
Adjusted EBITDA Margin	22.4%	21.8%	0.6 p.p.	23.0%	21.7%	1.3 p.p.

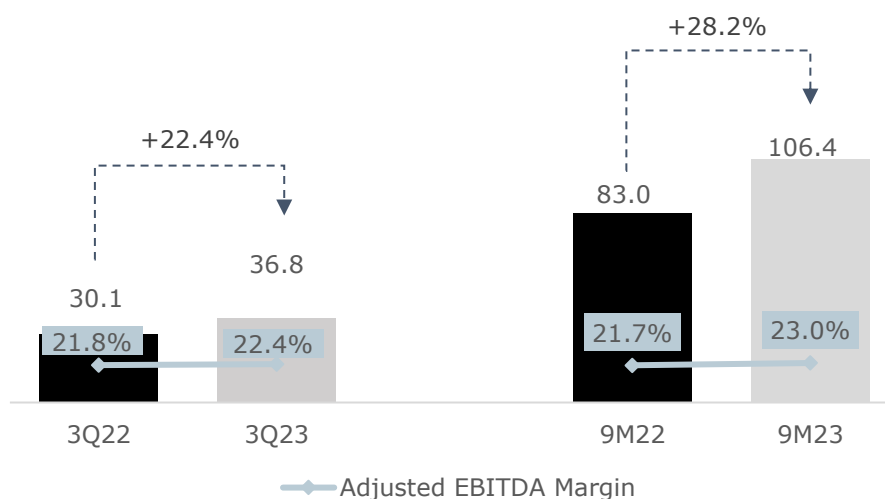
* Non-Recurring Adjustment breakdown is on page 22.

The EBITDA reached R\$ 41.3 million in the quarter, showing a growth of 20.6% compared to 3Q22, with an EBITDA margin of 25.1% (vs. 24.8% in 3Q22). This increase was a result of reduced expenses relative to net sales and the expansion of net revenue witnessed during the quarter.

Excluding the effects of IFRS-16 and non-recurring expenses, the adjusted EBITDA amounted to R\$ 36.8 million in 3Q23, with a margin of 22.4% (+0.6 p.p. vs. 3Q22) and a growth of 22.4% compared to the previous year.

Adjusted EBITDA

R\$ million



Financial Result

Financial Result (R\$ thousand)	3Q23	3Q22	Chg. 3Q23/ 3Q22	9M23	9M22	Chg. 9M23/ 9M22
Financial Revenues	2,780	3,244	-14.3%	6,983	8,063	-13.4%
Financial Expenses	-5,831	-4,387	32.9%	-15,575	-11,230	38.7%
<i>IFRS interest</i>	-2,539	-1,813	40.1%	-6,928	-5,691	21.7%
<i>Other Financial Expenses</i>	-3,292	-2,574	27.9%	-8,647	-5,539	56.1%
Financial Result	-3,051	-1,143	166.9%	-8,592	-3,167	171.3%
Net Effect of Adjustments	3,289	1,813	81.5%	8,272	5,654	46.3%
Adjusted Financial Result*	238	670	-64.5%	-320	2,487	-112.9%

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

The Financial Result showed a negative balance of R\$ 3.1 million in the third quarter, primarily due to reduced average cash flow resulting from the investment program. This program mainly focused on store renovations and the development of the TFSports app. These efforts offset the impact of the increased Selic rates on financial revenues and the rise in IFRS-related interest charges.

However, the adjusted financial result was positive at R\$ 238 in the third quarter, due to the exclusion of IFRS-16 effects and non-recurring items.

It's worth noting that the Company ended the quarter once again debt-free and did not engage in any accounts receivable prepayments during the period.

Net Income

Net Income R\$ thousand and %	3Q23	3Q22	Chg. 3Q23/ 3Q22	9M23	9M22	Chg. 9M23/ 9M22
Net Income	27,164	24,485	10.9%	79,082	61,732	28.1%
Net Margin	16.5%	17.7%	-1.2 p.p.	17.1%	16.2%	1.0 p.p.
(+) <i>IFRS-16 Adjustment</i>	982	502	95.6%	2,410	1,809	33.2%
(+) <i>Non-Recurring Adjustment*</i>	983	111	n.m.	2,038	936	117.7%
Adjusted Net Income	29,128	25,099	16.1%	83,530	64,478	29.5%
Adjusted Net Margin	17.7%	18.2%	-0.5 p.p.	18.1%	16.9%	1.2 p.p.

* Non-Recurring Adjustment breakdown is on page 22.

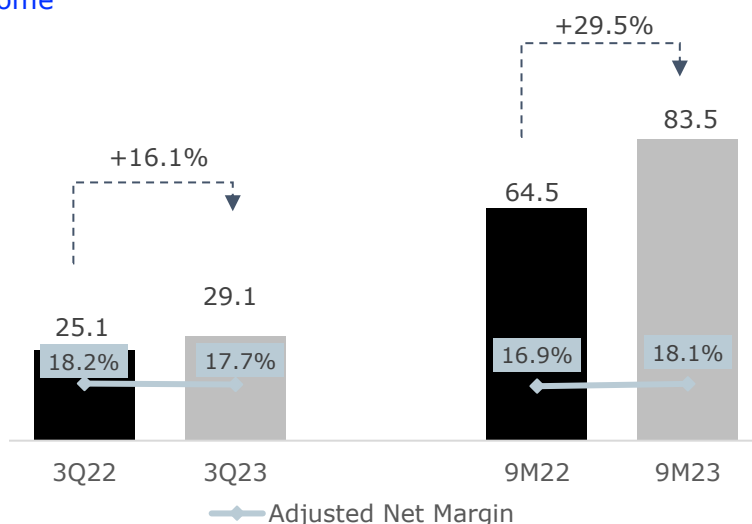
Net profit reached R\$27.2 million in 3Q23, +10.9% compared to R\$24.5 million in 3Q22. The net margin ended the quarter at 16.5%, down 1.2 p.p. compared to 3Q23.

The adjusted net profit, excluding the effects of IFRS-16 application and non-recurring expenses, reached R\$29.1 million in the quarter, reflecting a 16.1% increase compared to the R\$25.1 million reported in 3Q22.

The adjusted net margin for the quarter was 17.7%, showing a slight decrease of 0.5 p.p. compared to the previous year. This decrease is mainly attributed to two factors: (i) an increase in depreciation due to investments made throughout the year, and (ii) a higher representation of income tax on net sales in 3Q23 compared to 3Q22. This tax effect is a result of the recognition of Interest on Capital (IoC), which was fully recognized in the third quarter of 2022 (9M22), while this year it is being recognized quarterly.

In the year-to-date period, the adjusted net profit totaled R\$83.5 million, indicating a significant growth of 29.5% compared to the R\$64.5 million recorded in the first nine months of 2022, with a margin increase of 1.2 p.p.

Adjusted Net Income R\$ million



Cash Flow

Cash Flow (R\$ mil)	9M23	1H23	9M22
Net cash generated (applied) in operating activities	53.3	29.1	35.5
Net cash applied in investing activities	-25.8	-14.5	-23.7
Net cash generated (applied) in financing activities	-41.7	-35.2	-25.2
Increase / Decrease in Cash and Cash Equivalents	-14.2	-20.6	-13.4
Initial Cash Balance	60.5	60.5	66.8
Final Cash Balance	46.3	39.9	53.3

The company ended the period with a net cash balance of R\$46.3 million and cash equivalents (including credit card receivables) of R\$107.8 million.

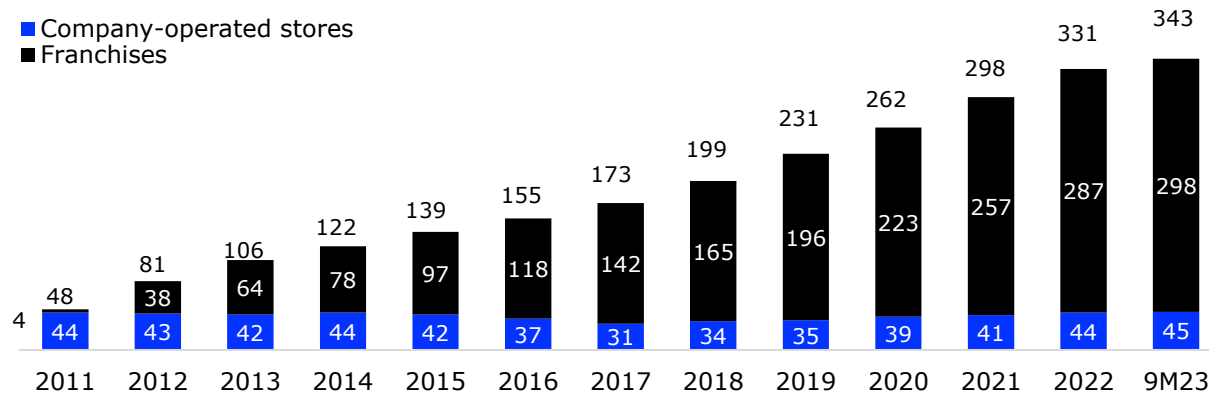
Net cash generation from operating activities was R\$53.3 million, 50.1% above was reported in the same period of the previous year.

The R\$41.7 million referring to the “Financing Activities” line mainly reflects the payment of dividends and interest on capital made in the period.

The investment account increased compared to 1H23 due to the continued acceleration of investments made in store renovations and developments and improvements to the TFSports Platform.

Investments/Expansion

Number of Stores



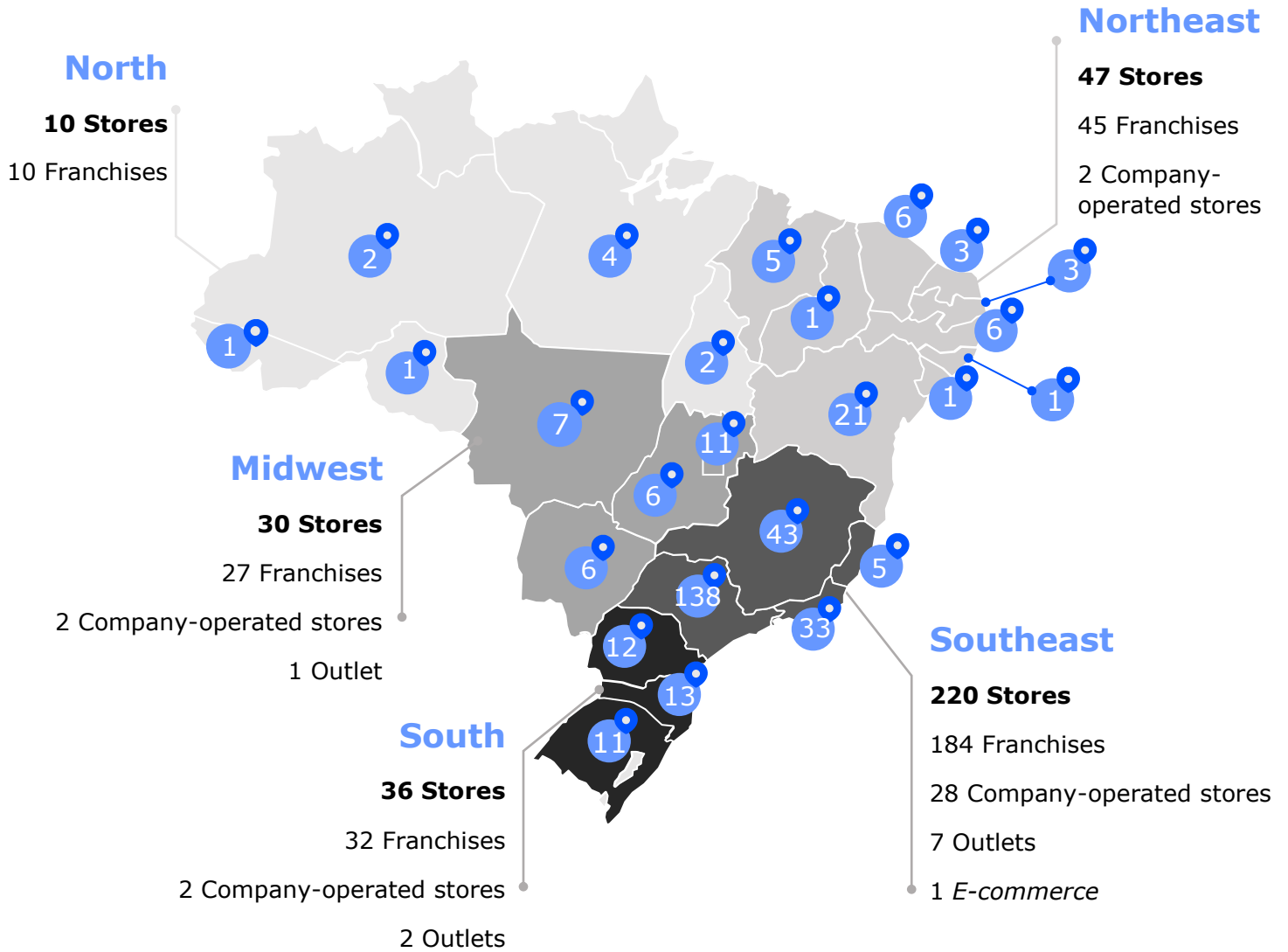
Note: E-commerce considered as 1 Company-operated store.

We ended the period with a total of 343 stores within the network, of which: 35 own stores, 10 outlets and 298 franchises (of which 4 were opened during 3Q23). For the year, we continue to aim at maintaining a similar pace of store openings as in 2022.

All new stores are being opened with elements of the Experience store, with a complete renovation of equipment, visual communication, and better product display. Furthermore, of the 25 stores that we plan to renovate in 2023, 14 have already been completed during 9M23 (4 own stores and 10 franchises).

Additionally, at the beginning of November, we opened another TFC Food & Market, at the Catarina Outlet unit, ending the year with a total of 9 units.

Map of Stores



Annexes

Income Statement for the Period (Excluding IFRS-16 Effect and Non-Recurring Items)

R\$ thousand	3Q23	3Q22	9M23	9M22
NET REVENUE OF SALES AND SERVICES PROVIDED	164,278	138,147	461,743	382,288
Cost of goods sold and services provided	-70,129	-59,120	-195,160	-164,502
GROSS PROFIT	94,148	79,027	266,583	217,787
<i>Gross Margin</i>	57.3%	57.2%	57.7%	57.0%
Operating Expenses	-59,741	-50,687	-168,255	-141,693
Sales	-31,646	-28,183	-90,433	-78,485
General and administrative	-28,096	-22,505	-77,823	-63,208
<i>% Total Operating Expenses over General NR</i>	36.4%	36.7%	36.4%	37.1%
Other operating revenues (expenses)	34	249	1,377	2,929
Total Operating Expenses (revenues)	-59,707	-50,438	-166,878	-138,764
<i>% Total Operating Expenses (revenues) over General NR</i>	36.3%	36.5%	36.1%	36.3%
Adjusted EBITDA	36,842	30,101	106,354	82,980
<i>Adjusted EBITDA Margin</i>	22.4%	21.8%	23.0%	21.7%
Depreciation and Amortization	-2,401	-1,512	-6,647	-3,956
PROFIT BEFORE FINANCIAL RESULT	34,441	28,589	99,707	79,024
FINANCIAL RESULT	238	670	-320	2,487
Financial Revenues	2,780	3,243	6,983	8,024
Financial Expenses	-2,542	-2,574	-7,302	-5,538
OPERATING PROFIT BEFORE IT AND SC	34,679	29,258	99,386	81,510
INCOME TAX AND SOCIAL CONTRIBUTION	-5,551	-4,160	-15,856	-17,033
ADJUSTED NET INCOME FOR THE PERIOD	29,128	25,099	83,530	64,478
<i>Adjusted Net Margin</i>	17.7%	18.2%	18.1%	16.9%

Income Statement for the Period

R\$ thousand	3Q23	3Q22	9M23	9M22
NET REVENUE OF SALES AND SERVICES PROVIDED	164,278	138,147	461,743	382,114
Cost of goods sold and services provided	-69,902	-59,048	-195,159	-164,233
GROSS PROFIT	94,376	79,099	266,584	217,881
<i>Gross Margin</i>	57.4%	57.3%	57.7%	57.0%
Operating Expenses	-59,463	-49,799	-166,080	-138,402
Sales	-31,051	-27,443	-87,942	-76,391
General and administrative	-28,412	-22,356	-78,138	-62,011
<i>% Total Operating Expenses over General NR</i>	36.2%	36.0%	36.0%	36.2%
Other operating revenues (expenses)	-7	248	1,042	2,928
Total Operating Expenses (revenues)	-59,470	-49,551	-165,038	-135,474
<i>% Total Operating Expenses (revenues) over General NR</i>	36.2%	35.9%	35.7%	35.5%
EBITDA	41,280	34,239	119,925	95,406
<i>EBITDA Margin</i>	25.1%	24.8%	26.0%	25.0%
Depreciation and Amortization	-6,374	-4,691	-18,378	-12,999
PROFIT BEFORE FINANCIAL RESULT	34,906	29,548	101,546	82,407
FINANCIAL RESULT	-3,051	-1,143	-8,592	-3,167
Financial Revenues	2,780	3,244	6,983	8,063
Financial Expenses	-5,831	-4,387	-15,575	-11,230
OPERATING PROFIT BEFORE IT AND SC	31,855	28,405	92,954	79,240
INCOME TAX AND SOCIAL CONTRIBUTION	-4,692	-3,920	-13,873	-17,508
NET INCOME FOR THE PERIOD	27,164	24,485	79,082	61,732
<i>Net Margin</i>	16.5%	17.7%	17.1%	16.2%

Impactos do 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 in R\$ thousand	Including IFRS-16 Effect (A)	Excluding IFRS-16 Effect (B)	Difference (A-B)
Assets - Rights of Use	92,237	-	92,237
Liabilities - Leases Payable	101,739	-	101,739

3Q23 Items affected by IFRS-16 in R\$ thousand	Including IFRS-16 Effect (A)	Excluding IFRS-16 Effect (B)	Difference (A-B)
Operating Expenses (excl, Depreciation and Amortization)	-53,096	-58,342	5,246
Depreciation and Amortization Expenses	-6,374	-2,400	-3,974
Financial Result	-3,050	238	-3,288
IRPJ/CSLL	-4,691	-4,976	285
Net Income	27,164	28,146	-982
EBITDA	41,280	36,034	5,246

9M23 Items affected by IFRS-16 in R\$ thousand	Including IFRS-16 Effect (A)	Excluding IFRS-16 Effect (B)	Difference (A-B)
Operating Expenses (excl, Depreciation and Amortization)	-146,660	-162,122	15,462
Depreciation and Amortization Expenses	-18,378	-6,646	-11,732
Financial Result	-8,591	-320	-8,271
IRPJ/CSLL	-13,872	-14,660	788
Net Income	79,082	81,492	-2,410
EBITDA	119,925	104,463	15,462

Non-Recurring Adjustments

Adjusted EBITDA Reconciliation (R\$ thousand)	3Q23	3Q22	9M23	9M22
EBITDA	41,280	34,239	119,925	95,406
IFRS 16	-5,246	-4,344	-15,463	-12,354
CPC 47 Effect - 2021	0	0	0	174
Pre-operational: new DC / TF Joinville	-227	205	-378	584
Reversal of provision for contingency/ terminations of C-Level	94	0	94	-831
Strategic Consulting	494	0	958	0
Import tax restructuring	0	0	377	0
Other non-recurring expenses	141	0	534	0
Reversal of restructured lease - pop-ups	307	0	307	0
Adjusted EBITDA	36,842	30,101	106,354	82,980

Adjusted Net Income Reconciliation (R\$ thousand)	3Q23	3Q22	9M23	9M22
Net Income	27,164	24,485	79,082	61,732
IFRS 16	1,267	648	3,198	2,343
CPC 47 Effect - 2021	0	0	0	174
Pre-operational: new DC / TF Joinville	-227	205	-378	584
Reversal of provision for contingency/ terminations of C-Level	94	0	94	-831
IRPJ/CSLL on Adjustments	-860	-239	-1,984	476
Strategic Consulting	494	0	1,057	0
Import tax restructuring	0	0	535	0
Other non-recurring expenses	890	0	1,620	0
Reversal of restructured lease - pop-ups	307	0	307	0
Adjusted Net Income	29,128	25,099	83,530	64,478

CASH FLOW

R\$ thousand	9M23	9M22
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the year	79,082	61,732
Adjustments to reconcile net income (loss) for the year with net cash from operating activities:		
Depreciation and amortization	20,214	13,449
Inflation adjustment on judicial deposits	-1,456	-1,101
Monetary adjustment of contingency provision	930	0
Current and deferred income tax and social contribution	13,872	17,508
Constitution (Reversal) of projected inventory loss	704	494
Provision (Reversal) for civil, labor and tax risks	-848	-605
Credit losses	383	70
Expected credit losses	-48	-49
Write-off of property, plant, and equipment and intangible assets	10	1
Tax credits from previous periods	0	138
Interest on lease - right of use	6,928	5,690
Inflation adjustment of recoverable taxes	-1,126	-834
Inflation adjustment of taxes payable	1,397	1,105
Inflation adjustment of other obligations	207	174
Variation in operating assets and liabilities:		
Accounts receivable	26,042	26,548
Inventories	-50,663	-53,985
Taxes recoverable	-3,242	4,404
Judicial deposits	1,392	1,975
Other credits	-2,608	-1,345
Suppliers	-12,878	-6,108
Labor and social security obligations	2,308	990
Tax obligations	-10,501	-11,420
Rents payable	-1,552	-1,779
Accounts payables	4,204	-5,698
Advance on events	-2,668	-546
Net cash from operating activities	70,083	50,808
Income tax and social contribution paid	-16,768	-15,277
Net cash generated from operating activities	53,316	35,531
CASH FLOW FROM INVESTING ACTIVITIES		
Gain (Loss) on sale of property, plant, and equipment	19	0
Acquisition of intangible assets	-25,825	-23,740
Net cash used in investing activities	-25,806	-23,740
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	-5,392	-9,881
Interest over capital	-19,630	0
Leases - right of use paid	-16,549	-12,383
Acquisition of own shares	-153	-2,953
Net cash used in financing activities	-41,724	-25,217
EXCHANGE RATE VARIATION ON CASH AND CASH EQUIVALENTS OF SUBSIDIARY ABROAD		
	-1	2
INCREASE (REDUCTION) IN CASH AND CASH EQUIVALENTS	-14,215	-13,424
Initial balance of cash and cash equivalents	60,489	66,771
Final balance of cash and cash equivalents	46,274	53,347

Balance Sheet

R\$ thousand	3Q23	3Q22
ASSETS		
CURRENT		
Cash and cash equivalents	46,274	53,347
Accounts receivable	126,392	98,753
Inventories	254,425	212,129
Taxes recoverable	6,349	5,926
Prepaid expenses and other credits	6,504	3,330
Advances from Suppliers	1,624	1,052
Total current assets	441,568	374,537
NON-CURRENT		
Judicial deposits	474	400
Deferred income tax and social contribution	7,883	8,594
Taxes recoverable	10,790	7,854
Property, Plant & Equipment	140,718	116,307
Intangible Assets	19,828	9,366
Total non-current assets	179,693	142,521
TOTAL ASSETS	621,261	517,058
LIABILITIES AND NET EQUITY		
CURRENT		
Suppliers	47,986	38,466
Labor and social security obligations	29,696	23,274
Tax obligations	17,653	15,759
Leases - right of use payable	18,994	14,629
Rents payable	1,839	1,515
Advance from customers	2,946	1,840
Advance of Events	4,204	2,545
Dividends payable	15,572	8,650
Other obligations	1,239	7,754
Total current liabilities	140,129	114,432
NON-CURRENT		
Suppliers	879	1,927
Leases - right of use payable	81,617	71,907
Provision for civil, labor and tax risks	7,413	8,864
Total non-current liabilities	90,227	84,688
NET EQUITY		
Share capital	192,392	192,392
Treasury shares	-12,278	-2,974
Capital reserve	-12,527	-12,935
Reserve of tax incentives	7,040	5,812
Profit Reserve	153,434	77,852
Other comprehensive income	1,868	1,871
Profit for the Period	60,976	55,920
Total net equity	390,905	317,938
TOTAL LIABILITIES AND NET EQUITY	621,261	517,058

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 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 - 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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<https://www.tfco.com.br/ri/>

Current Quarter 09/30/2023	Common shares - paid-in capital 877251375	Preferred shares - paid-in capital 71992864	Total paid-in capital 949244239	Treasury common shares 0	Treasury preferred shares 4185047	Total treasury shares 4185047	Precision Unit
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Account Code	Account Description	Current Quarter	Prior Year	Precision
1	Total assets	590.763	555.370	Thousand
1.01	Current assets	388.392	364.942	Thousand
1.01.01	Cash and cash equivalents	13.956	16.796	Thousand
1.01.02	Short-term investments	0	0	Thousand
1.01.02.01	Short-term investments measured at fair value through profit or loss	0	0	Thousand
1.01.02.01.01	Trading securities	0	0	Thousand
1.01.02.01.02	Securities designated at fair value	0	0	Thousand
1.01.02.02	Short-term investments measured at fair value through other comprehensive income	0	0	Thousand
1.01.02.03	Short-term investments measured at amortized cost	0	0	Thousand
1.01.03	Trade receivables	108.456	135.298	Thousand
1.01.03.01	Trade receivables	0	0	Thousand
1.01.03.02	Other receivables	0	0	Thousand
1.01.04	Inventories	253.806	204.164	Thousand
1.01.05	Biological assets	0	0	Thousand
1.01.06	Recoverable taxes	6.218	4.784	Thousand
1.01.06.01	Recoverable current taxes	0	0	Thousand
1.01.07	Prepaid expenses	5.956	3.900	Thousand
1.01.07.01	Prepaid expenses and other receivables	4.835	3.388	Thousand
1.01.07.02	Advances to suppliers	1.121	512	Thousand
1.01.08	Other current assets	0	0	Thousand
1.01.08.01	Noncurrent assets available for sale	0	0	Thousand
1.01.08.02	Assets from discontinued operations	0	0	Thousand
1.01.08.03	Other	0	0	Thousand
1.02	Noncurrent assets	202.371	190.428	Thousand
1.02.01	Long-term assets	16.445	15.508	Thousand
1.02.01.01	Short-term investments measured at fair value through profit or loss	0	0	Thousand
1.02.01.01.01	Securities designated at fair value	0	0	Thousand
1.02.01.02	Short-term investments measured at fair value through other comprehensive income	0	0	Thousand
1.02.01.03	Short-term investments measured at amortized cost	0	0	Thousand
1.02.01.04	Trade receivables	0	23	Thousand
1.02.01.04.01	Due from related parties	0	23	Thousand
1.02.01.04.02	Other receivables	0	0	Thousand
1.02.01.05	Inventories	0	0	Thousand

1.02.01.06	Biological assets	0	0	Thousand
1.02.01.07	Deferred taxes	7.883	8.391	Thousand
1.02.01.07.01	Deferred income tax and social contribution	7.883	8.391	Thousand
1.02.01.08	Prepaid expenses	0	0	Thousand
1.02.01.09	Due from related parties	0	0	Thousand
1.02.01.09.01	Due from associates	0	0	Thousand
1.02.01.09.02	Due from subsidiaries	0	0	Thousand
1.02.01.09.03	Due from controlling shareholders	0	0	Thousand
1.02.01.09.04	Due from other related parties	0	0	Thousand
1.02.01.10	Other noncurrent assets	8.562	7.094	Thousand
1.02.01.10.01	Noncurrent assets available for sale	0	0	Thousand
1.02.01.10.02	Assets from discontinued operations	0	0	Thousand
1.02.01.10.03	Escrow deposits	474	410	Thousand
1.02.01.10.04	Recoverable taxes	8.088	6.684	Thousand
1.02.02	Investments	52.221	54.829	Thousand
1.02.02.01	Equity interests	52.221	54.829	Thousand
1.02.02.01.01	Interests in associates	0	0	Thousand
1.02.02.01.02	Interests in subsidiaries	52.221	54.829	Thousand
1.02.02.01.03	Interests in joint ventures	0	0	Thousand
1.02.02.01.04	Other investments	0	0	Thousand
1.02.02.02	Investment property	0	0	Thousand
1.02.03	Property and equipment	130.277	119.315	Thousand
1.02.03.01	Property and equipment in use	43.021	37.275	Thousand
1.02.03.02	Right-of-use leases	87.256	82.040	Thousand
1.02.03.03	Construction in progress	0	0	Thousand
1.02.04	Intangible assets	3.428	776	Thousand
1.02.04.01	Intangible assets	3.428	776	Thousand
1.02.04.01.01	Concession arrangements	0	0	Thousand

Account Code	Account Description	Current Quarter	Prior Year	Precision
2	Total liabilities	590.763	555.370	Thousand
2.01	Current liabilities	114.746	146.437	Thousand
2.01.01	Payroll and related taxes	24.728	23.666	Thousand
2.01.01.01	Payroll and related taxes	0	0	Thousand
2.01.01.02	Payroll and related taxes	24.728	23.666	Thousand
2.01.02	Trade payables	39.028	57.952	Thousand
2.01.02.01	Domestic trade payables	37.810	56.683	Thousand
2.01.02.02	Foreign trade payables	1.218	1.269	Thousand
2.01.03	Taxes payable	12.317	19.424	Thousand
2.01.03.01	Federal taxes payable	12.317	19.424	Thousand
2.01.03.01.01	Income tax and social contribution payable	0	0	Thousand
2.01.03.01.02	Taxes payable	12.317	19.424	Thousand
2.01.03.02	State taxes payable	0	0	Thousand
2.01.03.03	Municipal taxes payable	0	0	Thousand
2.01.04	Borrowings and financing	17.954	14.756	Thousand
2.01.04.01	Borrowings and financing	0	0	Thousand
2.01.04.01.01	In local currency	0	0	Thousand
2.01.04.01.02	In foreign currency	0	0	Thousand
2.01.04.02	Debentures	0	0	Thousand
2.01.04.03	Finance leases	17.954	14.756	Thousand
2.01.04.03.01	Right-of-use leases payable	17.954	14.756	Thousand
2.01.05	Other payables	20.719	30.639	Thousand
2.01.05.01	Due to related parties	1.855	2.418	Thousand
2.01.05.01.01	Due to associates	0	0	Thousand
2.01.05.01.02	Due to subsidiaries	0	0	Thousand
2.01.05.01.03	Due to controlling shareholders	0	0	Thousand
2.01.05.01.04	Due to other related parties	0	0	Thousand
2.01.05.02	Other	18.864	28.221	Thousand
2.01.05.02.01	Dividends and interest on capital payable	15.572	23.683	Thousand
2.01.05.02.02	Mandatory minimum dividends payable	0	0	Thousand
2.01.05.02.03	Payables for share-based payments	0	0	Thousand
2.01.05.02.05	Rents payable	1.699	3.346	Thousand

2.01.05.02.06	Other payables	1.198	983	Thousand
2.01.05.02.07	Advances from customers	395	209	Thousand
2.01.05.02.08	Event advances	0	0	Thousand
2.01.06	Provisions	0	0	Thousand
2.01.06.01	Provision for tax, social security, labor and civil risks	0	0	Thousand
2.01.06.01.01	Provision for tax risks	0	0	Thousand
2.01.06.01.02	Provision for social security and labor risks	0	0	Thousand
2.01.06.01.03	Accrued employee benefits	0	0	Thousand
2.01.06.01.04	Provision for civil risks	0	0	Thousand
2.01.06.02	Other provisions	0	0	Thousand
2.01.06.02.01	Provisions for warranties	0	0	Thousand
2.01.06.02.02	Provisions for restructuring	0	0	Thousand
2.01.06.02.03	Provisions for environmental and decommissioning liabilities	0	0	Thousand
2.01.07	Liabilities on available-for-sale and discontinued noncurrent assets	0	0	Thousand
2.01.07.01	Liabilities on available-for-sale noncurrent assets	0	0	Thousand
2.01.07.02	Liabilities on assets from discontinued operations	0	0	Thousand
2.02	Noncurrent liabilities	85.112	80.605	Thousand
2.02.01	Borrowings and financing	80.474	74.225	Thousand
2.02.01.01	Borrowings and financing	0	0	Thousand
2.02.01.01.01	In local currency	0	0	Thousand
2.02.01.01.02	In foreign currency	0	0	Thousand
2.02.01.02	Debentures	0	0	Thousand
2.02.01.03	Finance leases	80.474	74.225	Thousand
2.02.01.03.01	Right-of-use leases payable	78.446	73.989	Thousand
2.02.01.03.02	Investments - equity deficit	2.028	236	Thousand
2.02.02	Other payables	609	1.586	Thousand
2.02.02.01	Due to related parties	0	0	Thousand
2.02.02.01.01	Due to associates	0	0	Thousand
2.02.02.01.02	Due to subsidiaries	0	0	Thousand
2.02.02.01.03	Due to controlling shareholders	0	0	Thousand
2.02.02.01.04	Due to other related parties	0	0	Thousand
2.02.02.02	Other	609	1.586	Thousand
2.02.02.02.01	Payables for share-based payments	0	0	Thousand

2.02.02.02.02	Advance for future capital increase	0	0	Thousand
2.02.02.02.03	Foreign trade payables	609	1.586	Thousand
2.02.03	Deferred taxes	0	0	Thousand
2.02.03.01	Deferred income tax and social contribution	0	0	Thousand
2.02.04	Provisions	4.029	4.794	Thousand
2.02.04.01	Provision for tax, social security, labor and civil risks	0	0	Thousand
2.02.04.01.01	Provision for tax risks	0	0	Thousand
2.02.04.01.02	Provision for social security and labor risks	0	0	Thousand
2.02.04.01.03	Accrued employee benefits	0	0	Thousand
2.02.04.01.04	Provision for civil risks	0	0	Thousand
2.02.04.02	Other provisions	4.029	4.794	Thousand
2.02.04.02.01	Provisions for warranties	0	0	Thousand
2.02.04.02.02	Provisions for restructuring	0	0	Thousand
2.02.04.02.03	Provisions for environmental and decommissioning liabilities	0	0	Thousand
2.02.04.02.04	Provision for civil, labor and tax risks	4.029	4.794	Thousand
2.02.05	Liabilities on available-for-sale and discontinued noncurrent assets	0	0	Thousand
2.02.05.01	Liabilities on available-for-sale noncurrent assets	0	0	Thousand
2.02.05.02	Liabilities on assets from discontinued operations	0	0	Thousand
2.02.06	Unearned profit and revenue	0	0	Thousand
2.02.06.01	Unearned profit	0	0	Thousand
2.02.06.02	Unearned revenue	0	0	Thousand
2.02.06.03	Unrecognized investment grants	0	0	Thousand
2.03	Equity	390.905	328.328	Thousand
2.03.01	Issued capital	192.392	192.392	Thousand
2.03.02	Capital reserves	-17.765	-19.367	Thousand
2.03.02.01	Share issuance premium	0	0	Thousand
2.03.02.02	Special goodwill reserve on merger	0	0	Thousand
2.03.02.03	Disposal of subscription warrants	0	0	Thousand
2.03.02.04	Granted stock options	0	0	Thousand
2.03.02.05	Treasury shares	-12.278	-12.277	Thousand
2.03.02.06	Advance for future capital increase	0	0	Thousand
2.03.02.07	Stock option plan reserve	0	0	Thousand
2.03.02.08	Loss on transactions involving shares	-12.527	-12.935	Thousand

2.03.02.09	Tax incentive reserve	7.040	5.845	Thousand
2.03.03	Revaluation reserves	0	0	Thousand
2.03.04	Earnings reserves	153.434	153.434	Thousand
2.03.04.01	Legal reserve	9.680	9.680	Thousand
2.03.04.02	Statutory reserve	0	0	Thousand
2.03.04.03	Reserve for contingencies	0	0	Thousand
2.03.04.04	Unrealized earnings reserve	0	0	Thousand
2.03.04.05	Earnings retention reserve	0	0	Thousand
2.03.04.06	Special reserve for undistributed dividends	0	0	Thousand
2.03.04.07	Tax incentive reserve	0	0	Thousand
2.03.04.08	Additional proposed dividends	0	0	Thousand
2.03.04.09	Treasury shares	0	0	Thousand
2.03.04.10	Reserve for investment/expansion	143.754	143.754	Thousand
2.03.05	Retained earnings/accumulated losses	60.976	0	Thousand
2.03.06	Valuation adjustments to equity	0	0	Thousand
2.03.07	Cumulative translation adjustments	0	0	Thousand
2.03.08	Other comprehensive income	1.868	1.869	Thousand

Account Code	Account Description	Current Quarter	Accumulated - Current Year	Quarter - Prior Year	Accumulated - Prior Year	Precision
3.01	Revenue from sales and services	125.561	355.745	105.279	299.548	Thousand
3.02	Cost of sales and services	-61.273	-175.074	-52.214	-149.409	Thousand
3.03	Gross profit	64.288	180.671	53.065	150.139	Thousand
3.04	Operating income (expenses)	-32.961	-88.342	-28.252	-80.857	Thousand
3.04.01	Selling expenses	-33.194	-93.601	-32.223	-87.373	Thousand
3.04.02	General and administrative expenses	-19.817	-55.827	-17.348	-47.957	Thousand
3.04.03	Impairment losses on assets	0	0	0	0	Thousand
3.04.04	Other operating income	-140	1.232	109	2.815	Thousand
3.04.05	Other operating expenses	0	0	0	0	Thousand
3.04.06	Share of profit (loss) of subsidiaries	20.190	59.854	21.210	51.658	Thousand
3.05	Profit (loss) before finance income (costs) and taxes	31.327	92.329	24.813	69.282	Thousand
3.06	Finance income (costs)	-3.679	-10.919	-2.315	-6.802	Thousand
3.06.01	Finance income	1.431	2.798	1.343	2.909	Thousand
3.06.02	Finance costs	-5.110	-13.717	-3.658	-9.711	Thousand
3.07	Profit (loss) before income taxes	27.648	81.410	22.498	62.480	Thousand
3.08	Income tax and social contribution	-484	-2.328	1.987	-748	Thousand
3.08.01	Current	-236	-1.820	0	-2.006	Thousand
3.08.02	Deferred	-248	-508	1.987	1.258	Thousand
3.09	Profit (loss) from continuing operations	27.164	79.082	24.485	61.732	Thousand
3.10	Profit (loss) from discontinued operations	0	0	0	0	Thousand
3.10.01	Profit (loss) from discontinued operations	0	0	0	0	Thousand
3.10.02	Gains (losses) on assets from discontinued operations, net	0	0	0	0	Thousand
3.11	Profit (loss) for the period	27.164	79.082	24.485	61.732	Thousand
3.99	Earnings per share - (Reais /share)					Thousand
3.99.01	Basic earnings per share					Thousand
3.99.01.01	Common shares	0,0175	0,0508	0,0157	0,0395	Thousand
3.99.01.02	Preferred shares	0,1747	0,5085	0,1556	0,3933	Thousand
3.99.02	Diluted earnings per share					Thousand
3.99.02.01	Common shares	0,0175	0,0508	0,0157	0,0395	Thousand
3.99.02.02	Preferred shares	0,1747	0,5085	0,1556	0,3933	Thousand

Account Code	Account Description	Current Quarter	Accumulated - Current Year	Quarter - Prior Year	Accumulated - Prior Year	Precision
4.01	Profit for the period	27.164	79.082	24.485	61.732	Thousand
4.02	Other comprehensive income	1	-1	1	2	Thousand
4.02.01	Gain (loss) on translation of financial statements of foreign subsidiary	1	-1	1	2	Thousand
4.03	Comprehensive income for the period	27.165	79.081	24.486	61.734	Thousand

Account Code	Account Description	Accumulated - Current Year	Accumulated - Prior Year	Precision
6.01	Cash flows from operating activities	-12.389	-17.904	Thousand
6.01.01	Cash provided by operating activities	43.953	27.197	Thousand
6.01.01.01	Depreciation and amortization	16.515	11.244	Thousand
6.01.01.02	Inflation adjustments to escrow deposits	-54	5	Thousand
6.01.01.03	Inflation adjustments to provision for risks	0	0	Thousand
6.01.01.04	Current and deferred income tax and social contribution	2.328	748	Thousand
6.01.01.05	Allowance for (reversal of) projected inventory losses	704	494	Thousand
6.01.01.06	Provision for civil, labor and tax risks	-771	-433	Thousand
6.01.01.07	Credit losses	133	70	Thousand
6.01.01.08	Expected credit losses	-48	-49	Thousand
6.01.01.09	Share of profit (loss) of subsidiaries	-59.854	-51.658	Thousand
6.01.01.10	Write-off of property and equipment items and intangible assets	0	0	Thousand
6.01.01.11	Interest on borrowings	0	0	Thousand
6.01.01.12	Interest on right-of-use leases	6.576	5.565	Thousand
6.01.01.13	Inflation adjustments to recoverable taxes	-875	-834	Thousand
6.01.01.14	Profit for the period	79.082	61.732	Thousand
6.01.01.15	Stock option plan	0	0	Thousand
6.01.01.16	Tax credits from prior periods	0	138	Thousand
6.01.01.17	Write-off of property and equipment items and intangible assets	10	1	Thousand
6.01.01.18	Inflation adjustments to taxes payable	0	0	Thousand
6.01.01.19	Inflation adjustments to other payables	207	174	Thousand
6.01.02	Changes in assets and liabilities	-54.995	-45.003	Thousand
6.01.02.01	Trade receivables	26.757	23.047	Thousand
6.01.02.02	Related parties	0	0	Thousand
6.01.02.03	Inventories	-50.346	-53.756	Thousand
6.01.02.04	Recoverable taxes	-1.963	5.577	Thousand
6.01.02.05	Escrow deposits	-10	869	Thousand
6.01.02.06	Other receivables	-1.667	-960	Thousand
6.01.02.07	Trade payables	-19.391	-8.100	Thousand
6.01.02.08	Payroll and related taxes	1.062	2.473	Thousand
6.01.02.09	Taxes payable	-7.580	-9.291	Thousand
6.01.02.10	Trade payables	-1.648	-1.808	Thousand

6.01.02.11	Due to related parties	-563	-2.310	Thousand
6.01.02.12	Other payables	354	-744	Thousand
6.01.03	Other	-1.347	-98	Thousand
6.01.03.01	Income tax and social contribution paid	-1.347	-98	Thousand
6.02	Net cash provided by investing activities	50.238	26.217	Thousand
6.02.01	Purchase of property and equipment items and intangible assets	-14.034	-17.736	Thousand
6.02.02	Purchase of intangible assets	0	0	Thousand
6.02.03	Capital increase in subsidiary	-8.537	-13.908	Thousand
6.02.04	Profit received from subsidiaries	72.790	57.861	Thousand
6.02.05	Subsidiary acquisition	0	0	Thousand
6.02.06	Sale of property and equipment items	19	0	Thousand
6.03	Net cash provided by financing activities	-40.688	-24.075	Thousand
6.03.01	Dividends paid	-5.392	-9.881	Thousand
6.03.02	Borrowings and financing	0	0	Thousand
6.03.03	Repayment of borrowings and financing	23	433	Thousand
6.03.04	Payment of right-of-use leases	-15.536	-11.674	Thousand
6.03.05	Primary offering of shares	0	0	Thousand
6.03.06	Purchase of own shares	-153	-2.953	Thousand
6.03.07	Interest on capital paid	-19.630	0	Thousand
6.04	Exchange rate changes on cash and cash equivalents	-1	2	Thousand
6.05	Increase (decrease) in cash and cash equivalents	-2.840	-15.760	Thousand
6.05.01	Opening balance of cash and cash equivalents	16.796	26.052	Thousand
6.05.02	Closing balance of cash and cash equivalents	13.956	10.292	Thousand

Account Code	Account Description	Accumulated - Current Year	Accumulated - Prior Year	Precision
7.01	Revenues	462.726	391.917	Thousand
7.01.01	Sales of goods, products and services	461.401	388.091	Thousand
7.01.02	Other income	1.325	3.826	Thousand
7.01.02.01	Other income	1.364	304	Thousand
7.01.02.02	Revenue from the construction of own assets	46	3.543	Thousand
7.01.02.03	Credit loss	-133	-70	Thousand
7.01.02.04	Expected credit losses	48	49	Thousand
7.01.03	Revenue from the construction of own assets	0	0	Thousand
7.01.04	Allowance for/reversal of doubtful debts	0	0	Thousand
7.02	Inputs acquired from third parties	-257.195	-237.290	Thousand
7.02.01	Costs of sales and services	-204.216	-181.949	Thousand
7.02.02	Supplies, power, outside services and other inputs	-52.933	-51.798	Thousand
7.02.03	Impairment losses on assets	-46	-3.543	Thousand
7.02.04	Other	0	0	Thousand
7.03	Gross value added	205.531	154.627	Thousand
7.04	Withholdings	-5.111	-2.644	Thousand
7.04.01	Depreciation, amortization and depletion	-5.111	-2.644	Thousand
7.04.02	Other	0	0	Thousand
7.05	Wealth created by the Company	200.420	151.983	Thousand
7.06	Wealth received in transfer	62.652	54.567	Thousand
7.06.01	Share of profit (loss) of subsidiaries	0	0	Thousand
7.06.02	Finance income	2.798	2.909	Thousand
7.06.03	Other	59.854	51.658	Thousand
7.06.03.01	Share of profit of subsidiaries	59.854	51.658	Thousand
7.07	Total wealth for distribution	263.072	206.550	Thousand
7.08	Wealth distributed	263.072	206.550	Thousand
7.08.01	Personnel	77.377	61.985	Thousand
7.08.01.01	Salaries and wages	64.711	53.045	Thousand
7.08.01.02	Benefits	8.744	6.021	Thousand
7.08.01.03	Severance Pay Fund (FGTS)	3.922	2.919	Thousand
7.08.01.04	Other	0	0	Thousand
7.08.02	Taxes, fees and contributions	70.919	53.270	Thousand

7.08.02.01	Federal	29.639	21.101	Thousand
7.08.02.02	State	41.203	32.135	Thousand
7.08.02.03	Municipal	77	34	Thousand
7.08.03	Lenders and lessors	35.694	29.563	Thousand
7.08.03.01	Interest	0	0	Thousand
7.08.03.02	Rentals	24.992	22.927	Thousand
7.08.03.03	Other	10.702	6.636	Thousand
7.08.03.03.01	Interest and banking expenses	10.702	6.636	Thousand
7.08.04	Shareholders	79.082	61.732	Thousand
7.08.04.01	Interest on capital	16.911	8.650	Thousand
7.08.04.02	Dividends	0	0	Thousand
7.08.04.03	Retained earnings/accumulated losses for the period	62.171	53.082	Thousand
7.08.05	Other	0	0	Thousand

Account Code	Account Description	Paid-in capital	Capital reserves, stock options granted and treasury shares	Earnings reserves	Retained earnings (accumulated losses)	Other comprehensive income	Equity	Precision
5.01	Opening balances	192.392	-19.367	153.434	0	1.869	328.328	Thousand
5.02	Prior-year adjustments	0	0	0	0	0	0	Thousand
5.03	Adjusted opening balances	192.392	-19.367	153.434	0	1.869	328.328	Thousand
5.04	Capital transactions with shareholders	0	407	0	-16.911	-1	-16.505	Thousand
5.04.01	Capital increases	0	0	0	0	0	0	Thousand
5.04.02	Share issuance costs	0	0	0	0	0	0	Thousand
5.04.03	Recognized granted stock options	0	152	0	0	0	152	Thousand
5.04.04	Treasury shares acquired	0	0	0	0	0	0	Thousand
5.04.05	Treasury shares sold	0	0	0	0	0	0	Thousand
5.04.06	Dividends	0	0	0	0	0	0	Thousand
5.04.07	Interest on capital	0	0	0	-16.911	0	-16.911	Thousand
5.04.08	Repurchase of shares	0	-153	0	0	0	-153	Thousand
5.04.09	Gain (loss) on translation of financial statements of foreign subsidiary	0	0	0	0	-1	-1	Thousand
5.04.10	Gain (loss) on disposal of treasury shares	0	408	0	0	0	408	Thousand
5.05	Total comprehensive income	0	0	0	79.082	0	79.082	Thousand
5.05.01	Profit for the period	0	0	0	79.082	0	79.082	Thousand
5.05.02	Other comprehensive income	0	0	0	0	0	0	Thousand
5.05.02.01	Adjustments to financial instruments	0	0	0	0	0	0	Thousand
5.05.02.02	Taxes on adjustments to financial instruments	0	0	0	0	0	0	Thousand
5.05.02.03	Share of comprehensive income of subsidiaries and associates	0	0	0	0	0	0	Thousand
5.05.02.04	Translation adjustments for the period	0	0	0	0	0	0	Thousand
5.05.02.05	Taxes on translation adjustments for the period	0	0	0	0	0	0	Thousand
5.05.03	Reclassifications to profit or loss	0	0	0	0	0	0	Thousand
5.05.03.01	Adjustments to financial instruments	0	0	0	0	0	0	Thousand
5.06	Internal changes in equity	0	1.195	0	-1.195	0	0	Thousand
5.06.01	Recognition of reserves	0	1.195	0	-1.195	0	0	Thousand
5.06.02	Realization of revaluation reserves	0	0	0	0	0	0	Thousand
5.06.03	Taxes on the realization of revaluation reserves	0	0	0	0	0	0	Thousand
5.07	Closing balances	192.392	-17.765	153.434	60.976	1.868	390.905	Thousand

Account Code	Account Description	Paid-in capital	Capital reserves, stock options granted and treasury shares	Earnings reserves	Retained earnings (accumulated losses)	Other comprehensive income	Equity	Precision
5.01	Opening balances	192.392	-12.956	86.502	0	1.869	267.807	Thousand
5.02	Prior-year adjustments	0	0	0	0	0	0	Thousand
5.03	Adjusted opening balances	192.392	-12.956	86.502	0	1.869	267.807	Thousand
5.04	Capital transactions with shareholders	0	-2.953	-8.650	0	2	-11.601	Thousand
5.04.01	Capital increases	0	0	0	0	0	0	Thousand
5.04.02	Share issuance costs	0	0	0	0	0	0	Thousand
5.04.03	Recognized granted stock options	0	0	0	0	0	0	Thousand
5.04.04	Treasury shares acquired	0	0	0	0	0	0	Thousand
5.04.05	Treasury shares sold	0	0	0	0	0	0	Thousand
5.04.06	Dividends	0	0	0	0	0	0	Thousand
5.04.07	Interest on capital	0	0	-8.650	0	0	-8.650	Thousand
5.04.08	Repurchase of shares	0	-2.953	0	0	0	-2.953	Thousand
5.04.09	Gain (loss) on translation of financial statements of foreign subsidiar	0	0	0	0	2	2	Thousand
5.05	Total comprehensive income	0	0	0	61.732	0	61.732	Thousand
5.05.01	Profit for the period	0	0	0	61.732	0	61.732	Thousand
5.05.02	Other comprehensive income	0	0	0	0	0	0	Thousand
5.05.02.01	Adjustments to financial instruments	0	0	0	0	0	0	Thousand
5.05.02.02	Taxes on adjustments to financial instruments	0	0	0	0	0	0	Thousand
5.05.02.03	Share of comprehensive income of subsidiaries and associates	0	0	0	0	0	0	Thousand
5.05.02.04	Translation adjustments for the period	0	0	0	0	0	0	Thousand
5.05.02.05	Taxes on translation adjustments for the period	0	0	0	0	0	0	Thousand
5.05.03	Reclassifications to profit or loss	0	0	0	0	0	0	Thousand
5.05.03.01	Adjustments to financial instruments	0	0	0	0	0	0	Thousand
5.06	Internal changes in equity	0	5.812	0	-5.812	0	0	Thousand
5.06.01	Recognition of reserves	0	5.812	0	-5.812	0	0	Thousand
5.06.02	Realization of revaluation reserves	0	0	0	0	0	0	Thousand
5.06.03	Taxes on the realization of revaluation reserves	0	0	0	0	0	0	Thousand
5.07	Closing balances	192.392	-10.097	77.852	55.920	1.871	317.938	Thousand

Account Code	Account Description	Current Quarter	Prior Year	Precision
1	Total assets	621.261	579.859	Thousand
1.01	Current assets	441.568	427.793	Thousand
1.01.01	Cash and cash equivalents	46.274	60.489	Thousand
1.01.02	Short-term investments	0	0	Thousand
1.01.02.01	Short-term investments measured at fair value through profit or loss	0	0	Thousand
1.01.02.01.01	Trading securities	0	0	Thousand
1.01.02.01.02	Securities designated at fair value	0	0	Thousand
1.01.02.02	Short-term investments measured at fair value through other comprehensive income	0	0	Thousand
1.01.02.03	Short-term investments measured at amortized cost	0	0	Thousand
1.01.03	Trade receivables	126.392	152.769	Thousand
1.01.03.01	Trade receivables	0	0	Thousand
1.01.03.02	Other receivables	0	0	Thousand
1.01.04	Inventories	254.425	204.466	Thousand
1.01.05	Biological assets	0	0	Thousand
1.01.06	Recoverable taxes	6.349	4.938	Thousand
1.01.06.01	Recoverable current taxes	0	0	Thousand
1.01.07	Prepaid expenses	8.128	5.131	Thousand
1.01.07.01	Prepaid expenses and other receivables	6.504	3.883	Thousand
1.01.07.02	Advances to suppliers	1.624	1.248	Thousand
1.01.08	Other current assets	0	0	Thousand
1.01.08.01	Noncurrent assets available for sale	0	0	Thousand
1.01.08.02	Assets from discontinued operations	0	0	Thousand
1.01.08.03	Other	0	0	Thousand
1.02	Noncurrent assets	179.693	152.066	Thousand
1.02.01	Long-term assets	19.147	16.665	Thousand
1.02.01.01	Short-term investments measured at fair value through profit or loss	0	0	Thousand
1.02.01.01.01	Securities designated at fair value	0	0	Thousand
1.02.01.02	Short-term investments measured at fair value through other comprehensive income	0	0	Thousand
1.02.01.03	Short-term investments measured at amortized cost	0	0	Thousand
1.02.01.04	Trade receivables	0	0	Thousand
1.02.01.04.01	Trade receivables	0	0	Thousand
1.02.01.04.02	Other receivables	0	0	Thousand
1.02.01.05	Inventories	0	0	Thousand
1.02.01.06	Biological assets	0	0	Thousand
1.02.01.07	Deferred taxes	7.883	8.422	Thousand

1.02.01.07.01	Deferred income tax and social contribution	7.883	8.422	Thousand
1.02.01.08	Prepaid expenses	0	0	Thousand
1.02.01.09	Due from related parties	0	0	Thousand
1.02.01.09.01	Due from associates	0	0	Thousand
1.02.01.09.03	Due from controlling shareholders	0	0	Thousand
1.02.01.09.04	Due from other related parties	0	0	Thousand
1.02.01.10	Other noncurrent assets	11.264	8.243	Thousand
1.02.01.10.01	Noncurrent assets available for sale	0	0	Thousand
1.02.01.10.02	Assets from discontinued operations	0	0	Thousand
1.02.01.10.03	Escrow deposits	474	410	Thousand
1.02.01.10.04	Recoverable taxes	10.790	7.833	Thousand
1.02.02	Investments	0	0	Thousand
1.02.02.01	Equity interests	0	0	Thousand
1.02.02.01.01	Interests in associates	0	0	Thousand
1.02.02.01.04	Interests in joint ventures	0	0	Thousand
1.02.02.01.05	Other investments	0	0	Thousand
1.02.02.02	Investment property	0	0	Thousand
1.02.03	Property and equipment	140.718	124.453	Thousand
1.02.03.01	Property and equipment in use	48.481	40.131	Thousand
1.02.03.02	Right-of-use leases	92.237	84.322	Thousand
1.02.03.03	Construction in progress	0	0	Thousand
1.02.04	Intangible assets	19.828	10.948	Thousand
1.02.04.01	Intangible assets	19.828	10.948	Thousand
1.02.04.01.01	Concession arrangements	0	0	Thousand
1.02.04.02	Goodwill	0	0	Thousand

Account Code	Account Description	Current Quarter	Prior Year	Precision
2	Total liabilities	621.261	579.859	Thousand
2.01	Current liabilities	140.129	166.436	Thousand
2.01.01	Payroll and related taxes	29.696	27.388	Thousand
2.01.01.01	Payroll and related taxes	0	0	Thousand
2.01.01.02	Payroll and related taxes	29.696	27.388	Thousand
2.01.02	Trade payables	47.986	60.336	Thousand
2.01.02.01	Domestic trade payables	46.768	59.067	Thousand
2.01.02.02	Foreign trade payables	1.218	1.269	Thousand
2.01.03	Taxes payable	0	0	Thousand
2.01.03.01	Federal taxes payable	0	0	Thousand
2.01.03.01.01	Income tax and social contribution payable	0	0	Thousand
2.01.03.02	State taxes payable	0	0	Thousand
2.01.03.03	Municipal taxes payable	0	0	Thousand
2.01.04	Borrowings and financing	18.994	15.767	Thousand
2.01.04.01	Borrowings and financing	0	0	Thousand
2.01.04.01.01	In local currency	0	0	Thousand
2.01.04.01.02	In foreign currency	0	0	Thousand
2.01.04.02	Debentures	0	0	Thousand
2.01.04.03	Finance leases	18.994	15.767	Thousand
2.01.04.03.01	Right-of-use leases payable	18.994	15.767	Thousand
2.01.04.03.02	Investments - equity deficit	0	0	Thousand
2.01.05	Other payables	43.453	62.945	Thousand
2.01.05.01	Due to related parties	0	0	Thousand
2.01.05.01.01	Due to associates	0	0	Thousand
2.01.05.01.03	Due to controlling shareholders	0	0	Thousand
2.01.05.01.04	Due to other related parties	0	0	Thousand
2.01.05.02	Other	43.453	62.945	Thousand
2.01.05.02.01	Dividends and interest on capital payable	15.572	23.683	Thousand
2.01.05.02.02	Mandatory minimum dividends payable	0	0	Thousand
2.01.05.02.03	Payables for share-based payments	0	0	Thousand
2.01.05.02.04	Advances from customers	2.946	845	Thousand
2.01.05.02.05	Taxes payable	17.653	30.192	Thousand

2.01.05.02.06	Rents payable	1.839	3.391	Thousand
2.01.05.02.07	Event advances	4.204	0	Thousand
2.01.05.02.08	Other payables	1.239	4.834	Thousand
2.01.06	Provisions	0	0	Thousand
2.01.06.01	Provision for tax, social security, labor and civil risks	0	0	Thousand
2.01.06.01.01	Provision for tax risks	0	0	Thousand
2.01.06.01.02	Provision for social security and labor risks	0	0	Thousand
2.01.06.01.03	Accrued employee benefits	0	0	Thousand
2.01.06.01.04	Provision for civil risks	0	0	Thousand
2.01.06.02	Other provisions	0	0	Thousand
2.01.06.02.01	Provisions for warranties	0	0	Thousand
2.01.06.02.02	Provisions for restructuring	0	0	Thousand
2.01.06.02.03	Provisions for environmental and decommissioning liabilities	0	0	Thousand
2.01.07	Liabilities on available-for-sale and discontinued noncurrent assets	0	0	Thousand
2.01.07.01	Liabilities on available-for-sale noncurrent assets	0	0	Thousand
2.01.07.02	Liabilities on assets from discontinued operations	0	0	Thousand
2.02	Noncurrent liabilities	90.227	85.095	Thousand
2.02.01	Borrowings and financing	82.745	75.600	Thousand
2.02.01.01	Borrowings and financing	0	0	Thousand
2.02.01.01.01	In local currency	0	0	Thousand
2.02.01.01.02	In foreign currency	0	0	Thousand
2.02.01.02	Debentures	0	0	Thousand
2.02.01.03	Finance leases	82.745	75.600	Thousand
2.02.01.03.01	Right-of-use leases payable	82.745	75.600	Thousand
2.02.02	Other payables	609	1.586	Thousand
2.02.02.01	Due to related parties	0	0	Thousand
2.02.02.01.01	Due to associates	0	0	Thousand
2.02.02.01.03	Due to controlling shareholders	0	0	Thousand
2.02.02.01.04	Due to other related parties	0	0	Thousand
2.02.02.02	Other	609	1.586	Thousand
2.02.02.02.01	Payables for share-based payments	0	0	Thousand
2.02.02.02.02	Advance for future capital increase	0	0	Thousand
2.02.02.02.03	Foreign trade payables	609	1.586	Thousand

2.02.03	Deferred taxes	0	0	Thousand
2.02.03.01	Deferred income tax and social contribution	0	0	Thousand
2.02.04	Provisions	6.873	7.909	Thousand
2.02.04.01	Provision for tax, social security, labor and civil risks	0	0	Thousand
2.02.04.01.01	Provision for tax risks	0	0	Thousand
2.02.04.01.02	Provision for social security and labor risks	0	0	Thousand
2.02.04.01.03	Accrued employee benefits	0	0	Thousand
2.02.04.01.04	Provision for civil risks	0	0	Thousand
2.02.04.02	Other provisions	6.873	7.909	Thousand
2.02.04.02.01	Provisions for warranties	0	0	Thousand
2.02.04.02.02	Provisions for restructuring	0	0	Thousand
2.02.04.02.03	Provisions for environmental and decommissioning liabilities	0	0	Thousand
2.02.04.02.04	Provision for civil, labor and tax risks	6.873	7.909	Thousand
2.02.05	Liabilities on available-for-sale and discontinued noncurrent assets	0	0	Thousand
2.02.05.01	Liabilities on available-for-sale noncurrent assets	0	0	Thousand
2.02.05.02	Liabilities on assets from discontinued operations	0	0	Thousand
2.02.06	Unearned profit and revenue	0	0	Thousand
2.02.06.01	Unearned profit	0	0	Thousand
2.02.06.02	Unearned revenue	0	0	Thousand
2.02.06.03	Unrecognized investment grants	0	0	Thousand
2.03	Consolidated equity	390.905	328.328	Thousand
2.03.01	Issued capital	192.392	192.392	Thousand
2.03.02	Capital reserves	-17.765	-19.367	Thousand
2.03.02.01	Share issuance premium	0	0	Thousand
2.03.02.02	Special goodwill reserve on merger	0	0	Thousand
2.03.02.03	Disposal of subscription warrants	0	0	Thousand
2.03.02.04	Granted stock options	0	0	Thousand
2.03.02.05	Treasury shares	-12.278	-12.277	Thousand
2.03.02.06	Advance for future capital increase	0	0	Thousand
2.03.02.07	Stock option plan reserve	0	0	Thousand
2.03.02.08	Loss on transactions involving shares	-12.527	-12.935	Thousand
2.03.02.09	Tax incentive reserve	7.040	5.845	Thousand
2.03.03	Revaluation reserves	0	0	Thousand

2.03.04	Earnings reserves	153.434	153.434	Thousand
2.03.04.01	Legal reserve	9.680	9.680	Thousand
2.03.04.02	Statutory reserve	0	0	Thousand
2.03.04.03	Reserve for contingencies	0	0	Thousand
2.03.04.04	Unrealized earnings reserve	0	0	Thousand
2.03.04.05	Earnings retention reserve	0	0	Thousand
2.03.04.06	Special reserve for undistributed dividends	0	0	Thousand
2.03.04.07	Tax incentive reserve	0	0	Thousand
2.03.04.08	Additional proposed dividends	0	0	Thousand
2.03.04.09	Treasury shares	0	0	Thousand
2.03.04.10	Reserve for investment/expansion	143.754	143.754	Thousand
2.03.05	Retained earnings/accumulated losses	60.976	0	Thousand
2.03.06	Valuation adjustments to equity	0	0	Thousand
2.03.07	Cumulative translation adjustments	0	0	Thousand
2.03.08	Other comprehensive income	1.868	1.869	Thousand
2.03.09	Noncontrolling interests	0	0	Thousand

Account Code	Account Description	Current Quarter	Accumulated - Current Year	Quarter - Prior Year	Accumulated - Prior Year	Precision
3.01	Revenue from sales and services	164.278	461.743	138.147	382.114	Thousand
3.02	Cost of sales and services	-69.902	-195.159	-59.048	-164.233	Thousand
3.03	Gross profit	94.376	266.584	79.099	217.881	Thousand
3.04	Operating income (expenses)	-59.470	-165.038	-49.551	-135.474	Thousand
3.04.01	Selling expenses	-31.051	-87.942	-27.443	-76.391	Thousand
3.04.02	General and administrative expenses	-28.412	-78.138	-22.356	-62.011	Thousand
3.04.03	Impairment losses on assets	0	0	0	0	Thousand
3.04.04	Other operating income	-7	1.042	248	2.928	Thousand
3.04.05	Other operating expenses	0	0	0	0	Thousand
3.04.06	Share of profit (loss) of subsidiaries	0	0	0	0	Thousand
3.05	Profit (loss) before finance income (costs) and taxes	34.906	101.546	29.548	82.407	Thousand
3.06	Finance income (costs)	-3.051	-8.592	-1.143	-3.167	Thousand
3.06.01	Finance income	2.780	6.983	3.244	8.063	Thousand
3.06.02	Finance costs	-5.831	-15.575	-4.387	-11.230	Thousand
3.07	Profit (loss) before income taxes	31.855	92.954	28.405	79.240	Thousand
3.08	Income tax and social contribution	-4.691	-13.872	-3.920	-17.508	Thousand
3.08.01	Current	-4.412	-13.333	-5.920	-18.825	Thousand
3.08.02	Deferred	-279	-539	2.000	1.317	Thousand
3.09	Profit (loss) from continuing operations	27.164	79.082	24.485	61.732	Thousand
3.10	Profit (loss) from discontinued operations	0	0	0	0	Thousand
3.10.01	Profit (loss) from discontinued operations	0	0	0	0	Thousand
3.10.02	Gains (losses) on assets from discontinued operations, net	0	0	0	0	Thousand
3.11	Consolidated profit (loss) for the period	27.164	79.082	24.485	61.732	Thousand
3.11.01	Attributable to Company's owners	0	0	0	0	Thousand
3.11.02	Attributable to noncontrolling interests	0	0	0	0	Thousand
3.99	Earnings per share - (Reais /share)					Thousand
3.99.01	Basic earnings per share					Thousand
3.99.01.01	Common shares	0,0175	0,0508	0,0157	0,0395	Thousand
3.99.01.02	Preferred shares	0,1747	0,5085	0,1556	0,3933	Thousand
3.99.02	Diluted earnings per share					Thousand
3.99.02.01	Common shares	0,0175	0,0508	0,0157	0,0395	Thousand
3.99.02.02	Preferred shares	0,1747	0,5085	0,1556	0,3933	Thousand

Account Code	Account Description	Current Quarter	Accumulated - Current Year	Quarter - Prior Year	Accumulated - Prior Year	Precision
4.01	Consolidated profit for the period	27.164	79.082	24.485	61.732	Thousand
4.02	Other comprehensive income	1	-1	1	2	Thousand
4.02.01	Gain (loss) on translation of financial statements of foreign subsidia 1		-1	1	2	Thousand
4.03	Consolidated comprehensive income for the period	27.165	79.081	24.486	61.734	Thousand
4.03.01	Attributable to Company's owners	27.165	79.081	24.486	61.734	Thousand
4.03.02	Attributable to noncontrolling interests	0	0	0	0	Thousand

Account Code	Account Description	Accumulated - Current Year	Accumulated - Prior Year	Precision
6.01	Cash flows from operating activities	53.316	35.531	Thousand
6.01.01	Cash provided by operating activities	120.249	97.772	Thousand
6.01.01.01	Profit for the period	79.082	61.732	Thousand
6.01.01.02	Depreciation and amortization	20.214	13.449	Thousand
6.01.01.03	Inflation adjustments to escrow deposits	-1.456	-1.101	Thousand
6.01.01.04	Inflation adjustments to provision for risks	930	0	Thousand
6.01.01.05	Current and deferred income tax and social contribution	13.872	17.508	Thousand
6.01.01.06	(Allowance for) reversal of projected inventory losses	704	494	Thousand
6.01.01.07	Provision for civil, labor and tax risks	-848	-605	Thousand
6.01.01.08	Credit losses	383	70	Thousand
6.01.01.09	Expected credit losses	-48	-49	Thousand
6.01.01.10	Share of profit (loss) of subsidiaries	0	0	Thousand
6.01.01.11	Write-off of property and equipment items and intangible assets	10	1	Thousand
6.01.01.12	Interest on borrowings	0	0	Thousand
6.01.01.13	Interest on right-of-use leases	6.928	5.690	Thousand
6.01.01.14	Inflation adjustments to recoverable taxes	-1.126	-834	Thousand
6.01.01.15	Stock option plan	0	0	Thousand
6.01.01.16	Tax credits from prior periods	0	138	Thousand
6.01.01.17	Inflation adjustments to taxes payable	1.397	1.105	Thousand
6.01.01.18	Inflation adjustments to other payables	207	174	Thousand
6.01.02	Changes in assets and liabilities	-54.369	-41.266	Thousand
6.01.02.01	Trade receivables	26.042	26.548	Thousand
6.01.02.02	Related parties	0	0	Thousand
6.01.02.03	Inventories	-50.663	-53.985	Thousand
6.01.02.04	Recoverable taxes	-3.242	4.404	Thousand
6.01.02.05	Escrow deposits	1.392	1.975	Thousand
6.01.02.06	Other receivables	-2.608	-1.345	Thousand
6.01.02.07	Trade payables	-12.878	-6.108	Thousand
6.01.02.08	Payroll and related taxes	2.308	990	Thousand
6.01.02.09	Taxes payable	-10.501	-11.420	Thousand
6.01.02.10	Trade payables	-1.552	-1.779	Thousand
6.01.02.11	Due to related parties	0	0	Thousand
6.01.02.12	Other payables	-2.667	-546	Thousand
6.01.03	Other	-12.564	-20.975	Thousand
6.01.03.01	Income tax and social contribution paid	-16.768	-15.277	Thousand
6.01.03.02	Event advances	4.204	-5.698	Thousand
6.02	Net cash provided by investing activities	-25.806	-23.740	Thousand
6.02.01	Purchase of property and equipment items and intangible assets	-25.825	-23.740	Thousand
6.02.02	Purchase of intangible assets	0	0	Thousand
6.02.03	Capital increase in subsidiary	0	0	Thousand
6.02.04	Profit received from subsidiaries	0	0	Thousand

6.02.05	Subsidiary acquisition	0	0	Thousand
6.02.06	Sale of property and equipment items	19	0	Thousand
6.03	Net cash provided by financing activities	-41.724	-25.217	Thousand
6.03.01	Dividends paid	-5.392	-9.881	Thousand
6.03.02	Borrowings and financing	0	0	Thousand
6.03.03	Repayment of borrowings and financing	0	0	Thousand
6.03.04	Payment of right-of-use leases	-16.549	-12.383	Thousand
6.03.05	Primary offering of shares	0	0	Thousand
6.03.06	Purchase of own shares	-153	-2.953	Thousand
6.03.07	Interest on capital paid	-19.630	0	Thousand
6.04	Exchange rate changes on cash and cash equivalents	-1	2	Thousand
6.05	Increase (decrease) in cash and cash equivalents	-14.215	-13.424	Thousand
6.05.01	Opening balance of cash and cash equivalents	60.489	66.771	Thousand
6.05.02	Closing balance of cash and cash equivalents	46.274	53.347	Thousand

Account Code	Account Description	Accumulated - Current Year	Accumulated - Prior Year	Precision
7.01	Revenues	577.160	483.746	Thousand
7.01.01	Sales of goods, products and services	575.568	479.659	Thousand
7.01.02	Other income	1.592	4.087	Thousand
7.01.02.01	Other income	1.347	245	Thousand
7.01.02.02	Revenue from the construction of own assets	580	3.863	Thousand
7.01.02.03	Credit loss	-383	-70	Thousand
7.01.02.04	Expected credit losses	48	49	Thousand
7.01.03	Revenue from the construction of own assets	0	0	Thousand
7.01.04	Allowance for/reversal of doubtful debts	0	0	Thousand
7.02	Inputs acquired from third parties	-274.319	-242.749	Thousand
7.02.01	Costs of sales and services	-224.301	-196.773	Thousand
7.02.02	Supplies, power, outside services and other inputs	-49.438	-42.113	Thousand
7.02.03	Impairment losses on assets	-580	-3.863	Thousand
7.02.04	Other	0	0	Thousand
7.03	Gross value added	302.841	240.997	Thousand
7.04	Withholdings	-7.968	-4.336	Thousand
7.04.01	Depreciation, amortization and depletion	-7.968	-4.336	Thousand
7.04.02	Other	0	0	Thousand
7.04.02.01	Share of profit of subsidiaries	0	0	Thousand
7.05	Wealth created by the Company	294.873	236.661	Thousand
7.06	Wealth received in transfer	6.983	8.063	Thousand
7.06.01	Share of profit (loss) of subsidiaries	0	0	Thousand
7.06.02	Finance income	6.983	8.063	Thousand
7.06.03	Other	0	0	Thousand
7.07	Total wealth for distribution	301.856	244.724	Thousand
7.08	Wealth distributed	301.856	244.724	Thousand
7.08.01	Personnel	90.986	70.219	Thousand
7.08.01.01	Salaries and wages	76.761	60.186	Thousand
7.08.01.02	Benefits	9.732	6.660	Thousand
7.08.01.03	Severance Pay Fund (FGTS)	4.493	3.373	Thousand
7.08.01.04	Other	0	0	Thousand
7.08.02	Taxes, fees and contributions	92.941	80.811	Thousand

7.08.02.01	Federal	47.266	45.699	Thousand
7.08.02.02	State	41.347	32.209	Thousand
7.08.02.03	Municipal	4.328	2.903	Thousand
7.08.03	Lenders and lessors	38.847	31.962	Thousand
7.08.03.01	Interest	12.221	8.009	Thousand
7.08.03.02	Rentals	26.626	23.953	Thousand
7.08.03.03	Other	0	0	Thousand
7.08.04	Shareholders	79.082	61.732	Thousand
7.08.04.01	Interest on capital	16.911	8.650	Thousand
7.08.04.02	Dividends	0	0	Thousand
7.08.04.03	Retained earnings/accumulated losses for the period	62.171	53.082	Thousand
7.08.04.04	Noncontrolling interests in retained earnings	0	0	Thousand
7.08.05	Other	0	0	Thousand

Account Code	Account Description	Paid-in capital	Capital reserves, stock options granted and treasury shares	Earnings reserves	Retained earnings (accumulated losses)	Other comprehensive income	Equity	Noncontrolling interests	Consolidated equity	Precision
5.01	Opening balances	192.392	-19.367	153.434	0	1.869	328.328	0	328.328	Thousand
5.02	Prior-year adjustments	0	0	0	0	0	0	0	0	Thousand
5.03	Adjusted opening balances	192.392	-19.367	153.434	0	1.869	328.328	0	328.328	Thousand
5.04	Capital transactions with shareholders	0	407	0	-16.911	-1	-16.505	0	-16.505	Thousand
5.04.01	Capital increases	0	0	0	0	0	0	0	0	Thousand
5.04.02	Share issuance costs	0	0	0	0	0	0	0	0	Thousand
5.04.03	Recognized granted stock options	0	152	0	0	0	152	0	152	Thousand
5.04.04	Treasury shares acquired	0	0	0	0	0	0	0	0	Thousand
5.04.05	Treasury shares sold	0	0	0	0	0	0	0	0	Thousand
5.04.06	Dividends	0	0	0	0	0	0	0	0	Thousand
5.04.07	Interest on capital	0	0	0	-16.911	0	-16.911	0	-16.911	Thousand
5.04.08	Repurchase of shares	0	-153	0	0	0	-153	0	-153	Thousand
5.04.09	Gain (loss) on translation of financial statements of foreign subsidiary	0	0	0	0	-1	-1	0	-1	Thousand
5.04.10	Gain (loss) on the disposal of treasury shares	0	408	0	0	408	408	0	408	Thousand
5.05	Total comprehensive income	0	0	0	79.082	0	79.082	0	79.082	Thousand
5.05.01	Profit for the period	0	0	0	79.082	0	79.082	0	79.082	Thousand
5.05.02	Other comprehensive income	0	0	0	0	0	0	0	0	Thousand
5.05.02.01	Adjustments to financial instruments	0	0	0	0	0	0	0	0	Thousand
5.05.02.02	Taxes on adjustments to financial instruments	0	0	0	0	0	0	0	0	Thousand
5.05.02.03	Share of comprehensive income of associates	0	0	0	0	0	0	0	0	Thousand
5.05.02.04	Translation adjustments for the period	0	0	0	0	0	0	0	0	Thousand
5.05.02.05	Taxes on translation adjustments for the period	0	0	0	0	0	0	0	0	Thousand
5.05.03	Reclassifications to profit or loss	0	0	0	0	0	0	0	0	Thousand
5.05.03.01	Adjustments to financial instruments	0	0	0	0	0	0	0	0	Thousand
5.06	Internal changes in equity	0	1.195	0	-1.195	0	0	0	0	Thousand
5.06.01	Recognition of reserves	0	1.195	0	-1.195	0	0	0	0	Thousand
5.06.02	Realization of revaluation reserves	0	0	0	0	0	0	0	0	Thousand
5.06.03	Taxes on the realization of revaluation reserves	0	0	0	0	0	0	0	0	Thousand
5.07	Closing balances	192.392	-17.765	153.434	60.976	1.868	390.905	0	390.905	Thousand

Account Code	Account Description	Paid-in capital	Capital reserves, stock options granted and treasury shares	Earnings reserves	Retained earnings (accumulated losses)	Other comprehensive income	Equity	Noncontrolling interests	Consolidated equity	Precision
5.01	Opening balances	192.392	-12.956	86.502	0	1.869	267.807	0	267.807	Thousand
5.02	Prior-year adjustments	0	0	0	0	0	0	0	0	Thousand
5.03	Adjusted opening balances	192.392	-12.956	86.502	0	1.869	267.807	0	267.807	Thousand
5.04	Capital transactions with shareholders	0	-2.953	-8.650	0	2	-11.601	0	-11.601	Thousand
5.04.01	Capital increases	0	0	0	0	0	0	0	0	Thousand
5.04.02	Share issuance costs	0	0	0	0	0	0	0	0	Thousand
5.04.03	Recognized granted stock options	0	0	0	0	0	0	0	0	Thousand
5.04.04	Treasury shares acquired	0	0	0	0	0	0	0	0	Thousand
5.04.05	Treasury shares sold	0	0	0	0	0	0	0	0	Thousand
5.04.06	Dividends	0	0	0	0	0	0	0	0	Thousand
5.04.07	Interest on capital	0	0	-8.650	0	0	-8.650	0	-8.650	Thousand
5.04.08	Repurchase of shares	0	-2.953	0	0	0	-2.953	0	-2.953	Thousand
5.04.10	Gain (loss) on translation of financial statements of foreign subsidiary	0	0	0	0	2	2	0	2	Thousand
5.05	Total comprehensive income	0	0	0	61.732	0	61.732	0	61.732	Thousand
5.05.01	Profit for the period	0	0	0	61.732	0	61.732	0	61.732	Thousand
5.05.02	Other comprehensive income	0	0	0	0	0	0	0	0	Thousand
5.05.02.01	Adjustments to financial instruments	0	0	0	0	0	0	0	0	Thousand
5.05.02.02	Taxes on adjustments to financial instruments	0	0	0	0	0	0	0	0	Thousand
5.05.02.03	Share of comprehensive income of associates	0	0	0	0	0	0	0	0	Thousand
5.05.02.04	Translation adjustments for the period	0	0	0	0	0	0	0	0	Thousand
5.05.02.05	Taxes on translation adjustments for the period	0	0	0	0	0	0	0	0	Thousand
5.05.03	Reclassifications to profit or loss	0	0	0	0	0	0	0	0	Thousand
5.05.03.01	Adjustments to financial instruments	0	0	0	0	0	0	0	0	Thousand
5.06	Internal changes in equity	0	5,812	0	-5,812	0	0	0	0	Thousand
5.06.01	Recognition of reserves	0	5,812	0	-5,812	0	0	0	0	Thousand
5.06.02	Realization of revaluation reserves	0	0	0	0	0	0	0	0	Thousand
5.06.03	Taxes on the realization of revaluation reserves	0	0	0	0	0	0	0	0	Thousand
5.07	Closing balances	192.392	-10.097	77.852	55.920	1.871	317.938	0	317.938	Thousand

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TRACK & FIELD CO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

1. GENERAL INFORMATION

a) The Company and its subsidiaries

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

The interim financial information for the nine-month period ended September 30, 2023 comprises the following companies (“Track & Field Group’s Entities”, “Companies”, “Track & Field Group” or “Group”), which are managed as a single economic entity: : (i) Track & Field Co S.A., (ii) Track & Field Franchising Ltda., (iii) TFSports Eventos Esportivos Ltda; (iv) Retail Solutions Assessoria e Consultoria de Merchandising Ltda., (v) Fratex Licenciamento de Marcas Ltda., (vi) The Track & Field Store INC., (vii) TFC Food & Market Ltda (current corporate name of Track % Field Café Ltda) .

As at September 30, 2023, the Company had 343 physical stores (331 as at December 31, 2022), i.e., 45 own stores (44 as at December 31, 2022) and 298 franchise stores in operation (287 as at December 31, 2022), three administrative offices located in the district of Itaim Bibi, city of São Paulo, one product development and manufacturing center in the district of Ipiranga, city of São Paulo, one production unit in the city of Joinville, two distribution centers, i.e., one center in the district of Novo Osasco, in the city of Osasco, and one center in Barueri.

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

2.1. Basis of preparation

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

2.2. Consolidation of the interim financial information

TRACK & FIELD CO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023
(In thousands of Brazilian reais - R\$, unless otherwise stated)

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

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

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

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

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

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

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

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

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

Subsidiaries	Equity interest - %	
	09/30/2023	12/31/2022
Track & Field Franchising Ltda.	100%	100%
TFSports Eventos Esportivos Ltda.	100%	100%
Retail Solutions Assessoria e Consultoria de Merchandising Ltda.	100%	100%
Fratex Licenciamento de Marcas Ltda.	100%	100%
The Track & Field Store, Inc. (i)	100%	100%
TFC Food & Market Ltda.	100%	100%

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

2.3. Statement of compliance

The individual and consolidated interim financial information has been prepared in

TRACK & FIELD CO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

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

2.4. Statement of relevance

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

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

At the meeting held on November 13, 2023, the Board of Directors authorized the completion and disclosure of this interim financial information for the nine-month period.

2.6. Functional and presentation currency

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

2.7. Use of estimates and judgments

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

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

- Note 5 TRADE RECEIVABLES - expected credit losses.
- Note 6 INVENTORIES - estimated inventory losses.
- Note 9 PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS – useful lives and impairment test of assets.
- Note 13 LEASES - definition of the interest rate for calculating the present value of leases.

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

TRACK & FIELD CO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

- Note 14 PROVISION FOR TAX, CIVIL AND LABOR RISKS.
- Note 18 INCOME TAX AND SOCIAL CONTRIBUTION - realization of deferred income tax and social contribution.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in preparing this interim financial information are consistent with those disclosed in note 3 to the financial statements for the year ended December 31, 2022, issued on March 16, 2023, and, therefore, should be read together.

4. CASH AND CASH EQUIVALENTS

	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Cash	119	374	131	394
Banks - checking account	1,046	1,832	2,145	2,167
Short-term investments (*)	12,791	14,590	43,998	57,928
Total	<u>13,956</u>	<u>16,796</u>	<u>46,274</u>	<u>60,489</u>

(*) Short-term investments are represented by automatic investments in prime banks, in DI fund, yielding up to 100% of the Interbank Deposit Certificate (CDI) rate fluctuation, depending on the investment term, subject to an average accumulated rate of 1.07% p.m.

5. TRADE RECEIVABLES

	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Credit card companies	59,623	80,470	61,546	81,069
Trade receivables - franchisees	49,103	55,146	65,116	72,018
Total	108,726	135,616	126,662	153,087
Expected credit losses	(270)	(318)	(270)	(318)
Total	<u>108,456</u>	<u>135,298</u>	<u>126,392</u>	<u>152,769</u>

The aging list of trade receivables is as follows:

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TRACK & FIELD CO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Total current	107,423	134,760	124,621	151,819
Total past-due	1,303	856	2,041	1,268
Total trade receivables	<u>108,726</u>	<u>135,616</u>	<u>126,662</u>	<u>153,087</u>

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

	Parent		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Opening balance	(318)	(266)	(318)	(266)
Additions	(19)	(31)	(19)	(31)
Reversals	67	80	67	80
Closing balance	<u>(270)</u>	<u>(217)</u>	<u>(270)</u>	<u>(217)</u>

6. INVENTORIES

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

	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Finished products	205,944	146,259	206,563	146,561
Production process	16,984	18,663	16,984	18,663
Raw materials	24,834	29,565	24,834	29,565
Imports in transit	8,327	11,256	8,327	11,256
Expected losses	(2,283)	(1,579)	(2,283)	(1,579)
Total	<u>253,806</u>	<u>204,164</u>	<u>254,425</u>	<u>204,466</u>

The variations in expected losses are broken down as follows:

	Parent		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Opening balance	(1,579)	(870)	(1,579)	(870)

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TRACK & FIELD CO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

Addition	(704)	(494)	(704)	(494)
Closing balance	<u>(2,283)</u>	<u>(1,364)</u>	<u>(2,283)</u>	<u>(1,364)</u>

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

7. RECOVERABLE TAXES

	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Income tax and social contribution (a)	8,234	6,474	8,347	6,536
State VAT (ICMS) (b)	3,672	2,824	3,675	2,824
Taxes on revenue (PIS and COFINS) (c)	2,390	2,170	4,998	3,322
Federal VAT (IPI)	10	-	10	-
Service Tax (ISS)	-	-	109	89
Total	<u>14,306</u>	<u>11,468</u>	<u>17,139</u>	<u>12,771</u>
Current assets	6,218	4,784	6,349	4,938
Noncurrent assets	8,088	6,684	10,790	7,833

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

The balance mainly refers to judgment of Matter 962 (Extraordinary Appeal No. 1063.187) by the Federal Supreme Court - STF, according to which "Collecting income tax and social contribution on inflation adjustments at Selic rate of amounts refunded as a result of overpaid taxes is unconstitutional". Considering that the Company filed such lawsuit on 08/04/21 and the STF decision is effective for lawsuits filed through 09/17/21, the Company is eligible to recover amounts improperly paid in the five years preceding the court decision, including the period the dispute was pending. In light of the final and unappealable court decision, as at September 30, 2023, the economic benefit amount was R\$5,672 (R\$4,154 as at December 31, 2022). Tax credits are expected to be utilized over the coming periods as per the documentation that is being filed in November 2023 with the Brazilian Federal Revenue Office.

Moreover, the Company joined the program introduced by Lei do Bem 11196/2005, with an effect on profit or loss for the year amounting to R\$186, whereby entities investing in R&D projects intended for technological innovation are entitled to tax benefits and a relief of income tax and social contribution.

The variations in IRPJ and CSLL credits are as follows:

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TRACK & FIELD CO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

	Parent	Consolidated
Balance as at December 31, 2022	6,474	6,536
Additions	1,244	1,406
Inflation adjustments	864	864
Offsets	(348)	(459)
Balance as at September 30, 2023	<u>8,234</u>	<u>8,347</u>
	Parent	Consolidated
Balance as at December 31, 2021	14,335	14,366
Additions	287	307
Inflation adjustments	810	810
Offsets	(9,262)	(9,262)
Balance as at September 30, 2022	<u>6,170</u>	<u>6,221</u>

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

Year	Parent	Consolidated
1 st year (next 12 months)	2,562	2,576
Next years	5,672	5,771
Total	<u>8,234</u>	<u>8,347</u>

(b) State VAT (ICMS)

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

The variations in ICMS credits are as follows:

	Parent	Consolidated
Balance as at December 31, 2022	2,824	2,824
CIAP additions	1,067	1,067
Operating additions	693	696
CIAP offsets	(912)	(912)
Balance as at September 30, 2023	<u>3,672</u>	<u>3,675</u>

The ICMS credits are expected to be realized as follows:

Year	Parent	Consolidated
1 st year (next 12 months)	2,822	2,825
2 nd year	283	283
3 rd year	283	283
4 th year	284	284

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

TRACK & FIELD CO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

Total	<u>3,672</u>	<u>3,675</u>
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(c) Taxes on revenue (PIS and COFINS)

The balance of PIS and COFINS refers to:

- 1) In the nine-month period of 2023, the Company recorded R\$1,913 (R\$2,135 in 2022) as PIS and COFINS credits on the purchase of property and equipment, which will be used in the 48-month period, pursuant to the prevailing law.
- 2) Tax credit taken under the scope of Law 14148/21, approved on 03/17/2022, which launched the Emergency Program for Recovery of the Events Sector (PERSE). The Program reduced to zero the rates for PIS and COFINS, IRPJ and CSLL for 60 months as of 03/18/2022, which has benefited subsidiary TFSports Eventos Esportivos, a Group company responsible for organizing sports events. PIS and COFINS recorded in profit or loss relating to the period from March to July 2022 total a credit of R\$887, classified in noncurrent assets.

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

Year	Parent	Consolidated
1 st year (next 12 months)	824	829
2 nd year	522	522
3 rd year	522	522
4 th year	522	522
5 th year	-	2,603
Total	<u>2,390</u>	<u>4,998</u>

8. INVESTMENTS IN SUBSIDIARIES

a) Information on investments in subsidiaries:

	09/30/2023									
	Equity interests - %	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Equity	Net revenue	Profit or loss	Investment balance	Share of profit (loss) of subsidiaries
Track & Field Franchising Ltda.	100	24,097	5,107	6,820	3,725	18,659	39,775	28,541	18,659	28,541
TFSports Eventos Esportivos Ltda	100	9,936	5,704	14,264	3,403	(2,027)	28,075	(1,792)	(2,027)	(1,792)

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TRACK & FIELD CO S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023
(In thousands of Brazilian reais - R\$, unless otherwise stated)

Retail Solutions Assessoria e Consultoria de Merchandising Ltda.	100	763	16,396	3,892	15	13,252	1,188	(1,869)	13,252	(1,869)
Fratex Licenciamento de Marcas Ltda	100	19,206	1,967	4,500	-	16,673	48,014	36,365	16,673	36,365
The Track & Field Store INC.	100	30	-	31	-	(1)	-	(47)	(1)	(47)
TFC Food & Market Ltda	100	1,789	2,526	678	-	3,637	1,988	(1,344)	3,637	(1,344)
									<u>50,193</u>	<u>59,854</u>
Assets - Investments									52,221	
Liabilities - Investments - equity deficit									(2,028)	

12/31/2022

	Equity interests - %	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Equity	Net revenue	Profit or loss	Investment balance	Share of profit (loss) of subsidiaries
Track & Field Franchising Ltda.	100	26,408	3,639	14,417	3,212	12,418	46,284	27,554	12,418	27,554
TFSports Eventos Esportivos Ltda	100	3,065	1,220	3,068	1,452	(235)	26,596	313	(235)	313
Retail Solutions Assessoria e Consultoria de Merchandising Ltda.	100	318	10,122	1,000	59	9,381	1,157	(1,023)	9,381	(1,023)
Fratex Licenciamento de Marcas Ltda	100	32,872	2,627	4,701	-	30,798	61,268	47,842	30,798	47,842
The Track & Field Store INC.	100	2	-	3	-	(1)	-	(72)	(1)	(72)
TFC Food & Market Ltda.	100	1,068	1,597	433	-	2,232	1,426	(1,034)	2,232	(1,034)
									<u>54,593</u>	<u>73,580</u>
Assets - Investments									54,829	
Liabilities - Investments - equity deficit									(236)	

b) Variations in investments:

	Track & Field Franchising	TFSports	Retail Solutions	Fratex	The Track & Field Store	TFC Food & Market	Total
Balances as at December 31, 2022	12,418	(235)	9,381	30,798	(1)	2,232	54,593
Currency translation adjustment	-	-	-	-	(1)	-	(1)
Dividends received	(22,300)	-	-	(50,490)	-	-	(72,790)
Advance for future capital increase	-	-	5,740	-	48	2,749	8,537
Share of profit (loss) of subsidiaries	28,541	(1,792)	(1,869)	36,365	(47)	(1,344)	59,854
Balances as at September 30, 2023	<u>18,659</u>	<u>(2,027)</u>	<u>13,252</u>	<u>16,673</u>	<u>(1)</u>	<u>3,637</u>	<u>50,193</u>
Assets - Investments	18,659	-	13,252	16,673	-	3,637	52,221
Liabilities - Investments - equity deficit	-	(2,027)	-	-	(1)	-	(2,028)

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

	Track & Field Franchising	TF Sports	Retail Solutions	Fratex	The Track & Field Store	TFC Food & Market	Total
Balances as at December 31, 2021	31,035	(11,740)	3,406	11,846	8	914	35,469
Currency translation adjustment	-	-	-	-	2	-	2
Dividends received	(30,770)	-	-	(27,091)	-	-	(57,861)
Advance for future capital increase	-	7,110	5,300	-	-	1,451	13,861
Capitalization	-	-	-	-	47	-	47
Share of profit (loss) of subsidiaries	19,963	(471)	(545)	33,497	(58)	(728)	51,658
Balances as at September 30, 2022	<u>20,228</u>	<u>(5,101)</u>	<u>8,161</u>	<u>18,252</u>	<u>(1)</u>	<u>1,637</u>	<u>43,176</u>
Assets - Investments	20,228	-	8,161	18,252	-	1,637	48,278
Liabilities – Investments – equity deficit	-	(5,101)	-	-	(1)	-	(5,102)

9. PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

A) PROPERTY AND EQUIPMENT

	Average annual depreciation rate - %	Parent			
		09/30/2023		12/31/2022	
		Cost of acquisition	Accumulated depreciation	Total	Total
Machinery and equipment	10	16,147	(2,628)	13,519	11,245
Facilities	10	14,514	(6,341)	8,173	8,441
Furniture and fixtures	10	5,974	(2,651)	3,323	2,793
Computers and peripherals	20	6,466	(3,511)	2,955	2,738
Leasehold improvements	(*)	17,835	(10,228)	7,607	9,225
Telephony	20	324	(255)	69	58
Advances for purchase of property and equipment	-	7,375	-	7,375	2,775
Lease – right of use	(**)	132,916	(45,660)	87,256	82,040
Total		<u>201,551</u>	<u>(71,274)</u>	<u>130,277</u>	<u>119,315</u>

	Average annual depreciation rate - %	Consolidated			
		09/30/2023		12/31/2022	
		Cost of acquisition	Accumulated depreciation	Total	Total
Machinery and equipment	10	16,535	(2,689)	13,846	11,402
Facilities	10	14,718	(6,374)	8,344	8,550
Furniture and fixtures	10	7,397	(2,925)	4,472	3,602
Computers and peripherals	20	7,045	(3,802)	3,243	2,909
Leasehold improvements	(*)	21,660	(12,376)	9,284	10,835
Telephony	20	324	(255)	69	58

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

Advances for purchase of property and equipment	-	9,223	-	9,223	2,775
Lease – right of use	(**)	140,940	(48,703)	92,237	84,322
Total		217,842	(77,124)	140,718	124,453

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

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

Based on the earnings recorded for the period ended September 30, 2023 and expected earnings for the year, the Company's Management concluded that there is no indication of the need to record the impairment of its assets. The variations in property and equipment were as follows:

	Parent		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Opening balance	119,315	86,209	124,453	90,124
Additions (*)	27,067	38,133	33,712	39,279
Write-offs	(10)	(958)	(10)	(958)
Depreciation	(16,095)	(11,119)	(17,437)	(12,138)
Closing balance	130,277	112,265	140,718	116,307

(*) As at September 30, 2023, the additions comprise the acquisition of property and equipment of R\$10,452 – Parent and R\$13,719 - Consolidated (R\$20,821 – Parent and R\$21,727 - Consolidated as at September 30, 2022), and increases in lease - right of use, in the amounts of R\$16,615 – Parent and R\$19,993 – Consolidated (R\$17,312 – Parent and R\$17,552 – Consolidated as at September 30, 2022), as stated in note 13.

B) INTANGIBLE ASSETS

	Parent			
	09/30/2023		12/31/2022	
	Cost of acquisition	Accumulated amortization	Total	Total
Points of sale	5,963	(4,765)	1,198	590
Software	3,559	(1,329)	2,230	186
Total	9,522	(6,094)	3,428	776

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

	Consolidated			
	09/30/2023		12/31/2022	
	Cost of acquisition	Accumulated amortization	Total	Total
Points of sale	5,963	(4,765)	1,198	590
Trademarks and patents	72	-	72	72
Software	24,835	(6,277)	18,558	10,286
Total	30,870	(11,042)	19,828	10,948

The variations in intangible assets are broken down as follows:

	Parent		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Opening balance	776	367	10,948	4,975
Additions	3,072	603	11,657	5,702
Amortization	(420)	(125)	(2,777)	(1,311)
Closing balance	3,428	845	19,828	9,366

10. TRADE PAYABLES

	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
<u>Domestic trade payables</u>				
Suppliers of materials and goods	36,013	54,488	43,723	56,872
Suppliers of consumables	843	1,759	2,030	1,759
Suppliers of property and equipment	954	436	1,015	436
Total domestic trade payables	37,810	56,683	46,768	59,067

Foreign trade payables

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

Suppliers of property and equipment	1,827	2,855	1,827	2,855
Total foreign trade payables	<u>1,827</u>	<u>2,855</u>	<u>1,827</u>	<u>2,855</u>
Total	<u>39,637</u>	<u>59,538</u>	<u>48,595</u>	<u>61,922</u>
Current liabilities	39,028	57,952	47,986	60,336
Noncurrent liabilities	609	1,586	609	1,586

The average payment period of domestic trade payables is 56 days (71 days as at December 31, 2022). The balance of foreign trade payables will be settled in installments, as shown in note 24 (c).

11. PAYROLL AND RELATED TAXES

	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Payroll	3,237	4,935	3,675	5,342
Management fees	306	282	521	501
Profit sharing	3,306	4,082	4,688	5,742
Bonuses	1,254	914	1,474	914
Severance pay fund (FGTS)	502	798	576	880
Social security contribution (INSS)	2,295	2,879	2,714	3,188
Withholding income tax (IRRF)	1,313	1,834	1,637	1,835
Accrued vacation pay	8,075	7,909	9,261	8,952
Accrued 13 th salary	4,412	-	5,118	-
Other	28	33	32	34
Total	<u>24,728</u>	<u>23,666</u>	<u>29,696</u>	<u>27,388</u>

12. TAXES PAYABLE

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Income tax (IRPJ) and social contribution (CSLL)	1,227	27	5,335	8,929
State VAT (ICMS)	7,633	14,522	7,655	14,537
Tax on revenue (COFINS)	2,569	3,836	2,907	4,798
Tax on revenue (PIS)	575	852	671	1,060
Other	313	187	1,085	868
Total	<u>12,317</u>	<u>19,424</u>	<u>17,653</u>	<u>30,192</u>

As at September 30, 2023, the decrease primarily derives from the business seasonality, with a major concentration of sales at the end of the year, which affects taxes on sales and taxes payable (ICMS, PIS and COFINS).

13. RIGHT-OF-USE LEASES PAYABLE

Currently, the Group is a party to 50 lease agreements with third parties, of which 42 are related to stores, 4 to the distribution centers, and 4 to the administrative centers. As at December 31, 2022, the Group was a party to 47 lease agreements with third parties, of which 41 are related to stores, 2 to the distribution centers, and 4 to the administrative centers.

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

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

<u>Lease term</u>	<u>Annual rate - %</u>
Up to 5 years	From 10.14% to 16.48%
6 to 10 years	From 10.26% to 18.43%
11 to 16 years	From 11.09% to 20.46%

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

	<u>Parent</u>	<u>Consolidated</u>
Balance as at December 31, 2022	82,040	84,322
Addition of new agreements	13,604	16,918
Remeasurement (*)	3,011	3,075

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NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023

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

Depreciation	(11,399)	(12,078)
Balance as at September 30, 2023	<u>87,256</u>	<u>92,237</u>
	<u>Parent</u>	<u>Consolidated</u>
Balance as at December 31, 2021	72,361	73,890
Addition of new agreements	2,239	2,239
Remeasurement (*)	15,073	15,313
Write-offs	(957)	(957)
Depreciation	<u>(8,601)</u>	<u>(9,114)</u>
Balance as at September 30, 2022	<u>80,115</u>	<u>81,371</u>

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

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

	<u>Parent</u>	<u>Consolidated</u>
Balance as at December 31, 2022	88,745	91,367
Additions	13,604	16,918
Remeasurement (*)	3,011	3,075
Finance charges recognized	6,576	6,928
Principal repayment and interest payment	<u>(15,536)</u>	<u>(16,549)</u>
Balance as at September 30, 2023	<u>96,400</u>	<u>101,739</u>
Current liabilities	17,954	18,994
Noncurrent liabilities	<u>78,446</u>	<u>82,745</u>
Total	<u>96,400</u>	<u>101,739</u>

	<u>Parent</u>	<u>Consolidated</u>
Balance as at December 31, 2021	77,040	78,994
Additions	2,170	2,170
Remeasurement (*)	15,073	15,313
Write-offs	(957)	(957)
Finance charges recognized	5,565	5,690
Principal repayment and interest payment	<u>(11,674)</u>	<u>(12,383)</u>
Balance as at September 30, 2022	<u>87,217</u>	<u>88,827</u>

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

The future commitments arising from effective agreements, considering the fixed amount as at

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

September 30, 2023, are shown below:

	<u>Parent</u>	<u>Consolidated</u>
Up to 1 year	17,954	18,994
2 to 3 years	19,405	19,749
4 to 5 years	24,197	24,903
6 to 7 years	20,287	21,239
Over 7 years	14,557	16,854
Total	<u>96,400</u>	<u>101,739</u>

The variable rentals, determined under short-term leases or leases of low-value assets that were not recognized as rights of use, are recorded in line item “Rentals and common area maintenance fees”, in the total amounts of R\$9,210 in the Parent and R\$9,827 in the consolidated as at September 30, 2023 (R\$9,366 in the Parent and R\$9,714 in the consolidated as at September 30, 2022), as stated in note 20.

The variations in profit or loss accounts as at September 30, 2023 corresponding to right-of-use leases are as follows:

	<u>Parent</u>	<u>Consolidated</u>
Depreciation expenses	11,399	12,078
Expenses on finance charges recognized	6,576	6,928
Total expenses	<u>17,975</u>	<u>19,006</u>

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

Pursuant to the guidance provided by CVM's technical areas in order to provide additional information to investors in the Brazilian market, the comparative balances of lease liabilities, right-of-use assets, finance costs and depreciation expenses for the period/year are presented based on the cash flows including projected inflation rates, as recommended by Circular Letter/CVM/SNC/SEP/02/2019 as at September 30, 2023.

	<u>Parent</u>		<u>Consolidated</u>	
	Balance sheet (without projected inflation rates)	CVM requirement (with projected inflation rates)	Balance sheet (without projected inflation rates)	CVM requirement (with projected inflation rates)
<u>Balance sheet</u>				
Right of use (asset)	87,256	105,656	92,237	142,741
Right-of-use leases (liabilities)	96,400	116,596	101,739	149,788

Profit or loss

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

Depreciation	11,399	12,007	12,078	12,930
Interest	6,576	6,750	6,928	7,303
PIS and COFINS credits on rentals	1,611	1,611	1,611	1,611
Deferred income tax and social contribution	(787)	(787)	(787)	(787)

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

	Right-of-use assets, net		Lease liabilities	
	CPC	CVM	CPC	CVM
	06(02)/IFRS 16	Requirement	06(02)/IFRS 16	Requirement
2023	85,996	104,893	95,498	113,080
2024	64,981	67,265	73,556	75,812
2025	50,282	54,656	59,373	63,809
2026	38,226	43,641	47,004	52,621
2027	27,658	33,146	35,460	41,294
2028	18,485	23,221	24,708	29,872
2029	10,842	14,266	15,211	19,049
2030	4,721	6,568	7,160	9,298
2031	2,803	3,967	4,444	5,823
2032	1,751	2,400	2,843	3,639
2033	1,405	1,955	2,370	3,059
2034	1,230	1,787	2,193	2,911
2035	1,054	1,604	1,992	2,718
2036	878	1,401	1,763	2,473
2037	703	1,178	1,502	2,166
2038	527	931	1,205	1,786
2039	352	655	866	1,320
2040	176	348	480	753
2041	0	1	39	66

	Finance costs		Depreciation expenses	
	CPC	CVM	CPC	CVM
	06(02)/IFRS 16	Requirement	06(02)/IFRS 16	Requirement
2023	2,434	2,434	4,310	4,310
2024	8,745	8,867	16,706	16,981
2025	7,266	7,661	14,699	15,699
2026	5,918	6,509	12,056	13,573
2027	4,653	5,333	10,568	12,544

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2028	3,487	4,160	9,173	11,489
2029	2,394	2,964	7,643	10,061
2030	1,450	1,859	6,121	8,357
2031	775	1,020	1,917	2,874
2032	495	650	1,053	1,720
2033	335	434	345	534
2034	301	398	176	254
2035	276	376	176	266
2036	248	347	176	279
2037	216	311	176	293
2038	180	266	176	309
2039	138	210	176	326
2040	91	142	176	345
2041	37	60	176	368

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

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

	Parent			Consolidated		
	Labor	Tax	Total	Labor (a)	Tax (b)	Total
Balance as at December 31, 2022	5,177	-	5,177	8,180	18,447	26,627

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

Additions	160	-	160	413	829	1,242
Inflation adjustments	-	-	-	-	930	930
Write-offs	(931)	-	(931)	(1,261)	(112)	(1,373)
Balance as at September 30, 2023	4,406	-	4,406	7,332	20,094	27,426
Escrow deposits linked to lawsuits	(377)	-	(377)	(459)	(20,094)	(20,553)
Balance of net contingencies payable as at September 30, 2023	4,029	-	4,029	6,873	-	6,873

	Parent			Consolidated		
	Labor	Tax	Total	Labor (a)	Tax (b)	Total
Balance as at December 31, 2021	6,179	819	6,998	9,706	16,648	26,354
Additions	20	12	32	121	1,861	1,982
Inflation adjustments	-	-	-	-	-	-
Write-offs	(453)	(831)	(1,284)	(968)	(831)	(1,799)
Balance as at September 30, 2022	5,746	-	5,746	8,859	17,678	26,537
Escrow deposits linked to lawsuits	(374)	-	(374)	(425)	(17,594)	(18,019)
Balance of escrow deposits as at September 30, 2022	5,372	-	5,372	8,434	84	8,518

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

(a) Labor claims

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

(b) Tax

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

As part of the lawsuit, the amounts due (R\$20,094 as at September 30, 2023) have been accrued and are being substantially deposited in escrow (R\$20,094). In the opinion of its legal counsel, the likelihood of loss with respect to these amounts is probable.

Labor lawsuits assessed as risk of possible loss

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

As at September 30, 2023, the Company's Management did not consider necessary to recognize a provision for losses on ongoing labor lawsuits in the total amount of R\$723 (R\$647 as at December 31, 2022), for which the likelihood of loss was assessed as possible by its legal counsel.

Escrow deposits

Variations and balances of escrow deposits:

	Parent			Consolidated		
	Labor	Tax	Total	Labor	Tax	Total
Balance as at December 31, 2022	537	256	793	588	18,540	19,128
Additions	19	14	33	96	427	523
Write-offs	(29)	-	(29)	(80)	-	(80)
Inflation adjustments	32	22	54	37	1,419	1,456
Balance as at September 30, 2023	559	292	851	641	20,386	21,027
Escrow deposits linked to lawsuits	(377)	-	(377)	(459)	(20,094)	(20,553)
Balance of escrow deposits as at September 30, 2023	182	292	474	182	292	474

	Parent			Consolidated		
	Labor	Tax	Total	Labor	Tax	Total
Balance as at December 31, 2021	790	737	1,527	841	16,298	17,139
Additions	2	-	2	2	927	929
Write-offs	(317)	(433)	(750)	(317)	(433)	(750)
Inflation adjustments	50	(55)	(5)	50	1,051	1,101
Balance as at September 30, 2022	525	249	774	576	17,843	18,419
Escrow deposits linked to lawsuits	(374)	-	(374)	(425)	(17,594)	(18,019)
Balance of escrow deposits as at September 30, 2022	151	249	400	151	249	400

15. EVENT ADVANCES

As at September 30, 2023, the Company recognized advances from sponsors of sporting competitions not yet held, in the amount of R\$4,204.

16. EQUITY

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

a) Issued capital and share rights

As at September 30, 2023 and December 31, 2022, capital amounts to R\$192,392.

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

09/30/2023 (In thousands of shares)				
	Common shares	Preferred shares	Total shares	%
Company's owners	877,251	14,119	891,370	93.9%
Treasury shares	-	4,185	4,185	0.4%
Outstanding shares	-	53,689	53,689	5.7%
Total	<u>877,251</u>	<u>71,993</u>	<u>949,244</u>	<u>100%</u>

12/31/2022 (In thousands of shares)				
	Common shares	Preferred shares	Total shares	%
Company's owners	877,251	14,107	891,358	93.9%
Treasury shares	-	4,223	4,223	0.4%
Outstanding shares	-	53,663	53,663	5.7%
Total	<u>877,251</u>	<u>71,993</u>	<u>949,244</u>	<u>100%</u>

Preferred shares are entitled to receive dividends 10 times higher than common shares. Accordingly, the amount of profit allocated to the payment of dividends will be divided between common and preferred shares – excluding treasury shares – considering the right to dividend 10 times higher of preferred shares. Therefore, according to the shareholding structure as at September 30, 2023, common shares will receive 56.41% and preferred shares 43.59% of the dividends to be declared:

	In thousands of shares		
	Common shares	Preferred shares	Total
Number of shares	877,251	71,993	949,244
Number of treasury shares	-	(4,185)	(4,185)
Number of outstanding shares	877,251	67,808	945,059
Weighted average number of treasury preferred shares (*)	-	(4,197)	(4,197)
Calculation basis of the percentage rate of dividends	877,251	677,955	1,555,206
% to be applied on the dividends	56.41%	43.59%	100.00%

(*) Excluding treasury shares.

Share repurchase program

The Company's Board of Directors approved on June 30, 2022 the Share Repurchase 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 provides for the purchase of up to 2,750,000 preferred shares at market price and will remain effective for 18 months, up to December 30, 2023.

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As at March 31, 2023, the Company repurchased 14,368 units of preferred shares for R\$153, equivalent to the withholding income tax (IRRF) amount on the first vesting under the Restricted Stock Option Plan with Minimum Performance Goal (see note 17c), pursuant to CPC 10. In 2022, the Company repurchased 1,210,200 units of preferred shares for R\$12,256.

b) Treasury preferred shares

	Number in thousands of shares	Amount (R\$)
Balance as at December 31, 2021 and 2020	3,013	21
Acquisition of preferred shares	1,210	12,256
Balance as at December 31, 2022	4,223	12,277
Granting under the incentive plan – 1 st vesting	(52)	(152)
Share buyback	14	153
Balance as at September 30, 2023	<u>4,185</u>	<u>12,278</u>

As at September 30, 2023, the Company had 4,185 treasury shares (4,223 as at December 31, 2022) at the carrying amount of R\$12,278 (R\$12,277 as at December 31, 2022). The market value of these shares as at September 30, 2023 was R\$13.22 (R\$10.50 as at December 31, 2022).

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

Date	Number of shares	Cost (R\$)	Fair value (R\$)	Gains on transactions (R\$)
03/31/2023	52,224	152	560	408

c) Other comprehensive income

As at September 30, 2023, the balance of R\$1,868 (R\$1,869 as at December 31, 2022) refers to the exchange gain arising from the conversion of the investment held abroad in subsidiary The Track & Field Store INC.

d) Allocation of profit for the year

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

- 5% to the legal reserve.

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

Variations in dividends/interest on capital are as follows:

	Parent and Consolidated
Balance as at December 31, 2021	9,881
Mandatory dividends	5,393
Dividends paid	(9,881)
Interest on capital payable	18,290
Balance as at December 31, 2022	23,683
Interest on capital payable	16,911
Interest on capital paid, net	(16,129)
(-) IRRF paid on interest on capital	(3,501)
Dividends paid	(5,392)
Balance as at September 30, 2023	15,572

e) Interest on capital

The Board of Directors' Meeting of March 28, 2023 resolved to pay interest on capital in the gross amount of R\$5,585. Payment will be made on April 30, 2024, proportionately to the ownership interest of each shareholder, subject to withholding income tax, except for shareholders that are provenly immune or exempt. Shareholders will be entitled to shares in the Company on March 31, 2023 and, beginning April 3, 2023, shares will be traded ex-interest on capital on stock exchange. The gross amount per share for interest on capital is R\$0.00359133254 per common share and R\$0.03591332543 per preferred share.

The Board of Directors' Meeting of June 22, 2023 resolved to pay interest on capital in the gross amount of R\$5,481. Payment will be made on April 30, 2024, proportionately to the ownership interest of each shareholder, subject to withholding income tax, except for shareholders that are provenly immune or exempt. Shareholders will be entitled to shares in the Company on June 27, 2023 and, beginning June 28, 2023, shares will be traded ex-interest on capital on stock exchange. The gross amount per share for interest on capital is R\$0.00352378622 per common share and R\$0.03523786221 per preferred share.

The Board of Directors' Meeting of September 20, 2023 resolved to pay interest on capital in

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the gross amount of R\$5,845. Payment will be made on April 30, 2024, proportionately to the ownership interest of each shareholder, subject to withholding income tax, except for shareholders that are provenly immune or exempt. Shareholders will be entitled to shares in the Company on September 25, 2023 and, beginning September 26, 2023, shares will be traded ex-interest on capital on stock exchange. The gross amount per share for interest on capital is R\$0.003758078382 per common share and R\$0.037580783820 per preferred share.

Approval date	Total approved amount	Amount per preferred share (R\$)	Amount per common share (R\$)	Shareholding position date	Payment date
03/28/2023	5,585	0.03591332543	0.0035913325	03/31/2023	04/30/2024
06/22/2023	5,481	0.03523786221	0.0035237862	06/27/2023	04/30/2024
09/20/2023	5,845	0.03758078382	0.0037580783	09/25/2023	04/30/2024
	16,911				
(-) Withholding income tax (IRRF)	(2,038)				
Total amount payable, net of IRRF	14,873				

* Excluding treasury shares.

f) Capital reserve - stock option grant

The stock option grant balance amounting to R\$1,279 was fully reversed as approved at the Board of Directors' Meeting held on November 11, 2021, since there are no other share-based compensation plans.

g) Tax incentive

The Company is entitled to the State VAT (ICMS) tax incentives on operations involving textile products (article 41 of Appendix III of RICMS/SP - CAT Ordinance 35/17), which are classified as investment grants, pursuant to Supplementary Law 160/2017 that provides for an agreement allowing the States and Federal District to resolve on the transfer of tax credits, either recognized or otherwise, arising from tax or tax financial exemptions, incentives and benefits granted in noncompliance with section "g", item XII, paragraph 2, article 155 of the Federal Constitution and the refund of said tax or tax financial exemptions, incentives and benefits, and amends Law 12973 of May 13, 2014. As at September 30, 2023, the Company recognizes a balance of R\$7,040 (R\$5,845 as at December 31, 2022) corresponding to tax incentive reserve.

h) Basic and diluted earnings per share

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

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

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

	<u>%</u>	<u>09/30/2023</u>	<u>%</u>	<u>09/30/2022</u>
Numerator				
Profit for the period	100%	79,082	100%	61,732
Profit for the period - common shares	56.41%	44,608	56.09%	34,627
Profit for the period - preferred shares	43.59%	34,474	43.91%	27,105
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		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		877,251		877,251
Basic earnings per common share (a/b)		0.0508		0.0395
Diluted earnings per common share (a/c)		0.0508		0.0395
Basic and diluted earnings per common share (in Brazilian reais - R\$)		<u>0.0508</u>		<u>0.0395</u>
Denominator (in thousands of shares)				
Weighted average number of preferred shares		71,993		71,993
Weighted average number of treasury preferred shares		<u>(4,197)</u>		<u>(3,080)</u>
Weighted average number of outstanding preferred shares		67,795		68,913
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		67,795		68,913
Basic earnings per preferred share (a/b)		0.5085		0.3933
Diluted earnings per preferred share (a/c)		0.5085		0.3933
Basic and diluted earnings per preferred share (in Brazilian reais - R\$)		<u>0.5085</u>		<u>0.3933</u>

17. RELATED PARTIES

a) Management compensation

The compensation of Management, Board of Directors and Executive Board totaled R\$5,684 as at September 30, 2023 (R\$5,541 as at September 30, 2022), which is considered a short-term benefit.

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b) Management retention bonuses

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

Variations are broken down as follows:

Balance as at December 31, 2021	142
Provision	179
Payments	<u>(165)</u>
Balance as at December 31, 2022	156
Provision	150
Payments	<u>(194)</u>
Balance as at September 30, 2023	<u><u>112</u></u>

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

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

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

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

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

- a) In case of dismissal, the Participant will be entitled to exercise the Vested Restricted Shares, within 30 days, counted from the dismissal date. All Restricted Shares not yet exercisable ("Unvested Restricted Shares") will be automatically extinguished, by operation of law, regardless of prior notice or indemnity;
- b) In case of dismissal without cause, the Board of Directors shall solely and exclusively decide whether all Restricted Shares that have been granted to Participant, either Vested or Unvested Restricted Shares, will be automatically extinguished;

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- c) In case of dismissal with cause, all Restricted Shares that have been granted, either Vested or Unvested Restricted Shares, will be automatically extinguished, by operation of law, regardless of prior notice or indemnity;
- d) In case of retirement or permanent disability of the Participant, all Vested Restricted Shares can be exercised within 30 days, counted from the retirement or permanent disability date, and all Unvested Restricted Shares can be exercised within their terms and normal Vesting rules, subject to the condition that the Participant does not work in a competitor and any additional conditions established by the Board of Directors; and
- e) In case of the Participant's death, all Unvested Restricted Shares will become exercisable in advance. The Vested or Unvested Restricted Shares will be extended to the heirs and successors, upon legal succession or will, and can be exercised fully or partially by the heirs, successors or spouses of the Participant, for a 12-month period, counted from the death date.

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

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

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

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

Date	Total number of shares	Realized	Unrealized – settlement term		
		March-23	March-23	March-24	March-25
03/22/2022	159,479	-	53,160	53,160	53,159
12/31/2022	159,479	-	53,160	53,160	53,159
09/30/2023	156,660	52,224	-	52,224	52,212

The fair value measurement of the shares is as follows:

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

Date	Total number of shares	Share amount (in Brazilian reais – R\$)	Plan amount (in Brazilian reais – R\$)
03/22/2022	159,479	10.11	1,612,333
12/31/2022	159,479	10.50	1,674,530
09/30/2023	156,660	13.22	2,071,045

In view of a participant’s dismissal, the number of shares decreased by 2,819.

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

The variations are as follows:

	R\$	Shares
Balance as at December 31, 2021	-	-
Provision	758	53,160
Balance as at December 31, 2022	758	53,160
Participant withdrawal	(13)	(936)
Granting - 1 st vesting	(560)	(52,224)
Addition	333	39,177
Balance as at September 30, 2023	518	39,177

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

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

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

Date	Total number of shares	Unrealized – settlement term		
		March-24	March-25	March-26
03/28/2023	188,414	62,805	62,805	62,804
09/30/2023	188,414	62,805	62,805	62,804

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The fair value measurement of the shares is as follows:

Date	Total number of shares	Share amount (in Brazilian reais – R\$)	Plan amount (in Brazilian reais – R\$)
03/28/2023	188,414	10.03	1,889,794
09/30/2023	188,414	13.22	2,490,835

The variations are as follows:

	R\$	Shares
Balance as at December 31, 2022	-	-
Provision	554	41,874
Balance as at September 30, 2023	554	41,874

c.3) Restricted Stock Option Plan with Overcoming Goals

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

d) Related-party balances

	Parent	
	09/30/2023	12/31/2022
Assets		
Rentals receivable	-	23
Total	-	23
Liabilities		
Related parties (i)	1,855	2,418
Total	1,855	2,418

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

Variations and breakdown of intragroup loans

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Subsidiaries	12/31/2022	Additions	(-) Receipts	09/30/2023
TFSports Eventos Esportivos Ltda.	23	128	(151)	-
Track & Field Franchising	-	1,310	(1,310)	-
Total assets	23	1,438	(1,461)	-

Subsidiaries	12/31/2021	Additions	(-) Receipts	09/30/2022
Fratex Licenciamento de Marcas Ltda	113	-	(113)	-
TF Sports Ltda	70	213	(256)	27
TFC Food & Market	-	11	(9)	2
Track & Field Franchising	617	2,064	(2,343)	338
Total assets	800	2,288	(2,721)	367

18. INCOME TAX AND SOCIAL CONTRIBUTION

a) Reconciliation of income tax and social contribution expenses

	Parent		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Profit before income tax and social contribution	81,410	62,480	92,954	79,240
Income tax and social contribution at statutory rates – 34%	(27,679)	(21,243)	(31,604)	(26,942)
Adjustment to reflect the effective rate:				
Share of profit (loss) of subsidiaries	20,350	17,564	-	-
Interest on capital	5,750	2,941	5,750	2,941
Tax benefit (Supplementary Law 160/2017)(*)	406	1,976	406	1,976
Adjustment based on deemed income of subsidiaries (**)	-	-	11,513	5,244
Other permanent additions/deductions	(1,155)	(1,986)	63	(727)
Income tax and social contribution expenses	(2,328)	(748)	(13,872)	(17,508)
Current	(1,820)	(2,006)	(13,333)	(18,825)
Deferred	(508)	1,258	(539)	1,317
Total	(2,328)	(748)	(13,872)	(17,508)
Effective rate	3%	1%	15%	22%

(*) The Company is entitled to the ICMS tax incentives granted on operations involving textile products, which are classified as investment grants, as disclosed in note 16 (g).

(**) Line item “Other permanent additions/deductions” comprises the effects of “Lei do Bem” 11196/2005, as stated in note 7, with profit or loss amounting to R\$186.

b) Deferred income tax and social contribution

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

	Parent		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Provision for labor and tax risks	1,498	1,760	1,498	1,791
Allowance for inventory losses	776	536	776	536
Allowance for expected credit losses	92	108	92	108
Leases - IFRS 16/CPC 06 (R2)	2,500	1,713	2,500	1,713
Tax loss	3,017	4,274	3,017	4,274
Total	<u>7,883</u>	<u>8,391</u>	<u>7,883</u>	<u>8,422</u>

Expected realization of deferred income tax and social contribution assets as at September 30, 2023:

Year	Parent and Consolidated
1 st year (next 12 months)	3,060
2 nd year	1,850
3 rd year	1,890
4 th year	552
5 th year	531
Total	<u>7,883</u>

Variations in deferred income tax and social contribution:

	Parent			09/30/2023
	12/31/2022	Addition	Write-off	
Provision for labor and tax risks	1,760	54	(316)	1,498
Allowance for inventory losses	536	240	-	776
Allowance for expected credit losses	108	28	(44)	92
Leases - IFRS 16/CPC 06 (R2)	1,713	787	-	2,500
Tax loss	4,274	-	(1,257)	3,017
Total	<u>8,391</u>	<u>1,109</u>	<u>(1,617)</u>	<u>7,883</u>

	Parent			09/30/2022
	12/31/2021	Addition	Write-off	
Provision for labor and tax risks	2,379	-	(425)	1,954

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Allowance for inventory losses	296	168	-	464
Allowance for expected credit losses	90	-	(16)	74
Leases - IFRS 16/CPC 06 (R2)	1,345	538	-	1,883
Tax loss	3,167	1,874	(881)	4,160
Total	<u>7,277</u>	<u>2,580</u>	<u>(1,322)</u>	<u>8,535</u>

	Consolidated			
	12/31/2022	Addition	Write-off	09/30/2023
Provision for labor and tax risks	1,791	54	(347)	1,498
Allowance for inventory losses	536	240	-	776
Allowance for expected credit losses	108	28	(44)	92
Leases - IFRS 16/CPC 06 (R2)	1,713	787	-	2,500
Tax loss	4,274	-	(1,257)	3,017
Total	<u>8,422</u>	<u>1,109</u>	<u>(1,648)</u>	<u>7,883</u>

	Consolidated			
	12/31/2021	Addition	Write-off	09/30/2022
Provision for labor and tax risks	2,379	-	(366)	2,013
Allowance for inventory losses	296	168	-	464
Allowance for expected credit losses	90	-	(16)	74
Leases - IFRS 16/CPC 06 (R2)	1,345	538	-	1,883
Tax loss	3,167	1,874	(881)	4,160
Total	<u>7,277</u>	<u>2,580</u>	<u>(1,263)</u>	<u>8,594</u>

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	
09/30/2023	09/30/2022	09/30/2023	09/30/2022

Gross revenue:

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Retail – Own Chain	342,721	287,309	345,047	288,369
Goods for franchises	161,842	133,007	161,842	133,007
Other	4,544	4,623	4,544	4,623
Total gross revenue from sales	<u>509,107</u>	<u>424,939</u>	<u>511,433</u>	<u>425,999</u>
Royalties (i)	3,288	1,693	86,254	71,923
Events	-	-	28,877	20,278
Total gross revenue from services	<u>3,288</u>	<u>1,693</u>	<u>115,131</u>	<u>92,201</u>
<u>Gross revenue deductions:</u>				
ICMS	(69,572)	(58,286)	(69,717)	(58,358)
COFINS (ii)	(29,585)	(24,834)	(32,686)	(29,814)
PIS (ii)	(6,422)	(5,389)	(7,094)	(6,470)
ISS	(77)	(34)	(4,328)	(2,903)
Sales returns (iii)	(50,994)	(38,541)	(50,996)	(38,541)
Total deductions from gross revenue	<u>(156,650)</u>	<u>(127,084)</u>	<u>(164,821)</u>	<u>(136,086)</u>
Net revenue from sales and services	<u><u>355,745</u></u>	<u><u>299,548</u></u>	<u><u>461,743</u></u>	<u><u>382,114</u></u>

- (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\$5,269 for PIS and COFINS, in the period ended September 30, 2023.
- (iii) Refers mainly to the changes of goods.

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. The information on the nature of these expenses recognized in the statement of profit and loss is as follows:

Parent		Consolidated	
09/30/2023	09/30/2022	09/30/2023	09/30/2022

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Acquisition cost of inputs, raw materials and goods for resale	(175,074)	(149,409)	(195,159)	(164,233)
Personnel	(72,832)	(61,304)	(88,827)	(71,324)
Marketing/selling expenses	(5,219)	(10,741)	(8,702)	(10,821)
Depreciation and amortization (i)	(14,685)	(10,794)	(18,384)	(12,999)
Freight	(4,784)	(3,866)	(4,811)	(3,866)
Professional services	(12,092)	(10,800)	(15,314)	(12,614)
Rentals and common area maintenance fees	(9,210)	(9,366)	(9,827)	(9,714)
Commission on credit cards	(6,014)	(4,614)	(6,461)	(4,614)
Expected credit loss	48	49	48	49
Electric power, water and telephone	(1,421)	(1,222)	(1,537)	(1,372)
Taxes and fees	(186)	(191)	(223)	(560)
Royalties	(11,755)	(12,597)	-	-
Other	(11,278)	(9,884)	(12,042)	(10,567)
Total	(324,502)	(284,739)	(361,239)	(302,635)
Classified as:				
Cost of sales and services	(175,074)	(149,409)	(195,159)	(164,233)
Selling expenses	(93,601)	(87,373)	(87,942)	(76,391)
General and administrative expenses	(55,827)	(47,957)	(78,138)	(62,011)
Total	(324,502)	(284,739)	(361,239)	(302,635)

(i) Breakdown of depreciation and amortization:

	Parent		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Depreciation and amortization	(14,685)	(10,794)	(18,384)	(12,999)
Depreciation absorbed in cost	(1,830)	(450)	(1,830)	(450)
Total depreciation and amortization	(16,515)	(11,244)	(20,214)	(13,449)

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:

- Its structure does not include any divisions for managing the different lines of products, markets or sales channels.

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- 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	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Provision for (reversal of) INSS credits	-	(138)	-	(138)
Tax credits arising from ICMS tax incentive (*)	-	2,796	-	2,796
Reversal of (provision for) civil, labor and tax risks	771	433	848	605
Reversal of (allowance for) inventory losses	(704)	(494)	(704)	(494)
Unrealized credit losses	(133)	(70)	(383)	(70)
Gain (loss) on tax credits	(75)	(15)	(75)	(15)
Sale of property and equipment items	9	(1)	9	(1)
Revenue from sales rebates	798	104	857	104
Other income	566	200	490	141
Total	1,232	2,815	1,042	2,928

(*) The Company is entitled to the ICMS tax incentives granted on operations involving textile products, which are classified as investment grants, as disclosed in note 16 (g).

23. FINANCE INCOME (COSTS)

A) FINANCE INCOME

	Parent		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Income from short-term investments	671	632	3,176	4,608
Discounts obtained	748	1,110	750	1,148
Interest receivable	79	337	103	350
Inflation adjustment gains	929	829	2,582	1,935
Other	371	1	372	22
Total	2,798	2,909	6,983	8,063

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B) FINANCE COSTS

	Parent		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Interest on right-of-use leases	(6,576)	(5,565)	(6,928)	(5,690)
Interest payable	(120)	(26)	(128)	(34)
Discounts granted	(5,719)	(3,100)	(5,719)	(3,106)
Banking fees	(314)	(223)	(409)	(479)
Fines	(528)	(52)	(534)	(68)
Inflation adjustment losses	(207)	(174)	(1,604)	(1,279)
Other	(253)	(571)	(253)	(574)
Total	(13,717)	(9,711)	(15,575)	(11,230)

24. FINANCIAL INSTRUMENTS

a) Categories of financial instruments

	Note	Parent		Consolidated	
		09/30/2023	12/31/2022	09/30/2023	12/31/2022
Financial assets					
Amortized cost:					
Cash and cash equivalents	4	13,956	16,796	46,274	60,489
Trade receivables	5	108,456	135,298	126,392	152,769
Related parties	17	-	23	-	-
Total financial assets		122,412	152,117	172,666	213,258
Financial liabilities					
Amortized cost:					
Trade payables	10	39,637	59,538	48,595	61,922
Related parties	17	1,855	2,418	-	-
Rents payable		1,699	3,346	1,839	3,391
Dividends and interest on capital payable	16	15,572	23,683	15,572	23,683
Total financial liabilities		58,763	88,985	66,006	88,996

b) Financial risks

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

c) Exchange rate risk management

Foreign suppliers

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

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advance and 10% is settled within 10 days from the date goods are delivered to the distribution center.

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

- In September 2022, with payment in 36 installments, with a residual balance payable in 18 installments as at September 30, 2023.

	Parent and Consolidated	
	09/30/2023	12/31/2022
Foreign suppliers	1,827	2,855
Foreign exchange exposure, net	1,827	2,855

d) Sensitivity analysis

Foreign exchange risk

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

	Negative scenarios			Scenario I Probable	Positive scenarios	
	Remote III (+50%)	Possible II (+25%)	Possible II (-25%)		Remote III (-50%)	
Rate	7.51	6.26		5.01	3.76	2.50

Transaction	Currency	Account balance (06/30/2023)	Negative scenarios		Scenario I Probable	Positive scenarios	
			Remote III (+50%)	Possible II (+25%)		Possible II (25%)	Remote III (-50%)
Liabilities							
Foreign suppliers	U.S. dollar	1,827	2,741	2,284	1,827	1,370	914
Profit or loss							
Exchange gains						457	914
Exchange losses			914	457	-		
Impact on profit or loss			(914)	(457)	-	457	914
Income tax			311	155	-	(155)	(311)
Total impact			(603)	(301)	-	301	603

Currency: Ptax rate on 09/29/2023

Probable scenario dollar: Source: Bacen Focus 09/29/2023

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

Interest rate risk

The Group does not have any financial assets and financial liabilities exposed to interest rate changes as at September 30, 2023.

e) Credit risk management

Online sales are made at the Company's website and Omnichannel channels, where 80% refers to credit card transactions, and 20% to instant payment (PIX) or cash sales.

As at September 30, 2023, the Company's sales are concentrated on 298 franchisees accounting for 44.7% of sales (44.4% as at September 30, 2022). Sales to franchisees are supported by agreements, purchase orders and other legal instruments deemed necessary and, therefore, transactions are protected to an extent that it may even result in the merger of a franchisee's operations.

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

f) Liquidity risk management

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

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

	Account balance	Contractual cash flow	Parent					Over 5 years
			Up to 1 year	Up to 2 years	Up to 3 years	Up to 4 years	Up to 5 years	
Trade payables	39,637	39,637	39,028	609	-	-	-	-
Rents payable	1,699	1,699	1,699	-	-	-	-	-
Related parties	1,855	1,855	1,855	-	-	-	-	-
Dividends payable	15,572	15,572	15,572	-	-	-	-	-
Leases payable	96,400	130,006	19,732	22,530	19,956	17,330	15,306	35,153

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

	Account balance	Contractual cash flow	Consolidated					Over 5 years
			Up to 1 year	Up to 2 years	Up to 3 years	Up to 4 years	Up to 5 years	
Trade payables	48,595	48,595	47,986	609	-	-	-	-
Rents payable	1,839	1,839	1,839	-	-	-	-	-
Dividends payable	15,572	15,572	15,572	-	-	-	-	-
Leases payable	101,739	139,295	20,902	23,675	20,856	18,230	16,206	39,426

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 adopts an insurance policy that considers mainly the risk concentration and its materiality, taking into consideration the nature of its activities and the advice from insurance consultants. As at September 30, 2023, insurance coverage is as follows:

Items	Type of coverage	Effective date	Insured amount - R\$
Buildings, furniture, machinery, fixtures and inventories of raw materials and finished goods	Property damage and loss of profits	Jul/24	65,000
Buildings, furniture, machinery, fixtures and inventories of raw materials and finished goods	Property damage and loss of profits	Mar/24	121,491
Textile printer	Machinery and equipment	Nov/23	4,753

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26. NON-CASH TRANSACTIONS

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

Classification in the financial statements	Line item	Note	Nature of transaction	09/30/2023	12/31/2022
Assets	Property and equipment		Addition of lease	16,918	6,760
Liabilities	Right-of-use leases payable	13	agreements	16,918	6,760
Assets	Property and equipment		Remeasurement of new	3,075	17,444
Liabilities	Right-of-use leases payable	13	lease agreements	3,075	17,444
Assets	Property and equipment		Write-off of lease	-	957
Liabilities	Right-of-use leases payable	13	agreements	-	957
Assets	Property and equipment		Addition to property and	2,842	3,291
Liabilities	Trade payables	-	equipment payable	2,842	3,291
Liabilities	Payroll and related taxes	11		560	-
Equity	(-) Treasury shares	16	Stock granting – incentive	152	-
Equity	Gains on transactions involving shares		plan	408	-
