

3Q23 RESULTS PRESENTATION

T&F



A man with a beard, shirtless and wearing dark shorts with a colorful stripe, is surfing on a wave. He is in a crouched position, balancing on a surfboard. The wave is breaking to his right, creating white foam. The background is a vast expanse of blue ocean under a clear sky.

DISCLAIMER

This presentation may contain statements and information expressing Track&Field's management expectations, beliefs and forecasts about future events or results. Such statements and information are forward-looking statements only and not guarantees of future performance, subject to risks, uncertainties and factors regarding the Company's operations and business environment. Although Track&Field believes that the expectations and assumptions contained in the statements are reasonable and based on data currently available to its management, we caution investors that forward-looking statements involve risks because they relate to future events and therefore depend on circumstances that may or may not occur, in addition to the risks presented in the disclosure documents, subject to change without notice.

→ MESSAGE FROM
MANAGEMENT

Administration
+
from
+
Message
+

HIGHLIGHTS

SALES GROWTH.

Sell-out with a YoY growth of 20.4% and Same Store Sale growth of 15.2%. It's worth highlighting the growth observed in the revamped stores, both company-operated and franchises, **where reported sell-out growth reached 34.3% and 33.8%, respectively.**

PROFITABILITY.

Adjusted net profit for the quarter was R\$29.1 million, +16.1% vs. 3Q22. In 9M23, adjusted net profit totaled R\$83.5 million, +29.5% compared to the R\$64.5 million recorded in 9M22. **Adjusted EBITDA reached R\$36.8 million in 3Q23,** with a **margin of 22.4%** (+0.6 p.p. vs. 3Q22) and **+22.4% vs. the previous year.**

OMNI PROJECTS.

We continue with the **roll out of the second wave of omnichannel initiatives,** focusing on **advancing the infinite shelf** (in **193 stores** by the end of September). Additionally, our **ship-from-store** and **pick-up-in-store** model, **present in 333 stores,** accounted for **80% of e-commerce sales at the end of the quarter.**

EXPANSION.

In 3Q23, **we inaugurated 4 stores,** closing the period with a total of **343 stores in the network,** and **renovated 5 stores** (totaling **14 renovations for the year**). For the year, we continue with the goal of maintaining a similar pace of store openings to that of 2022.

TFSPORTS.

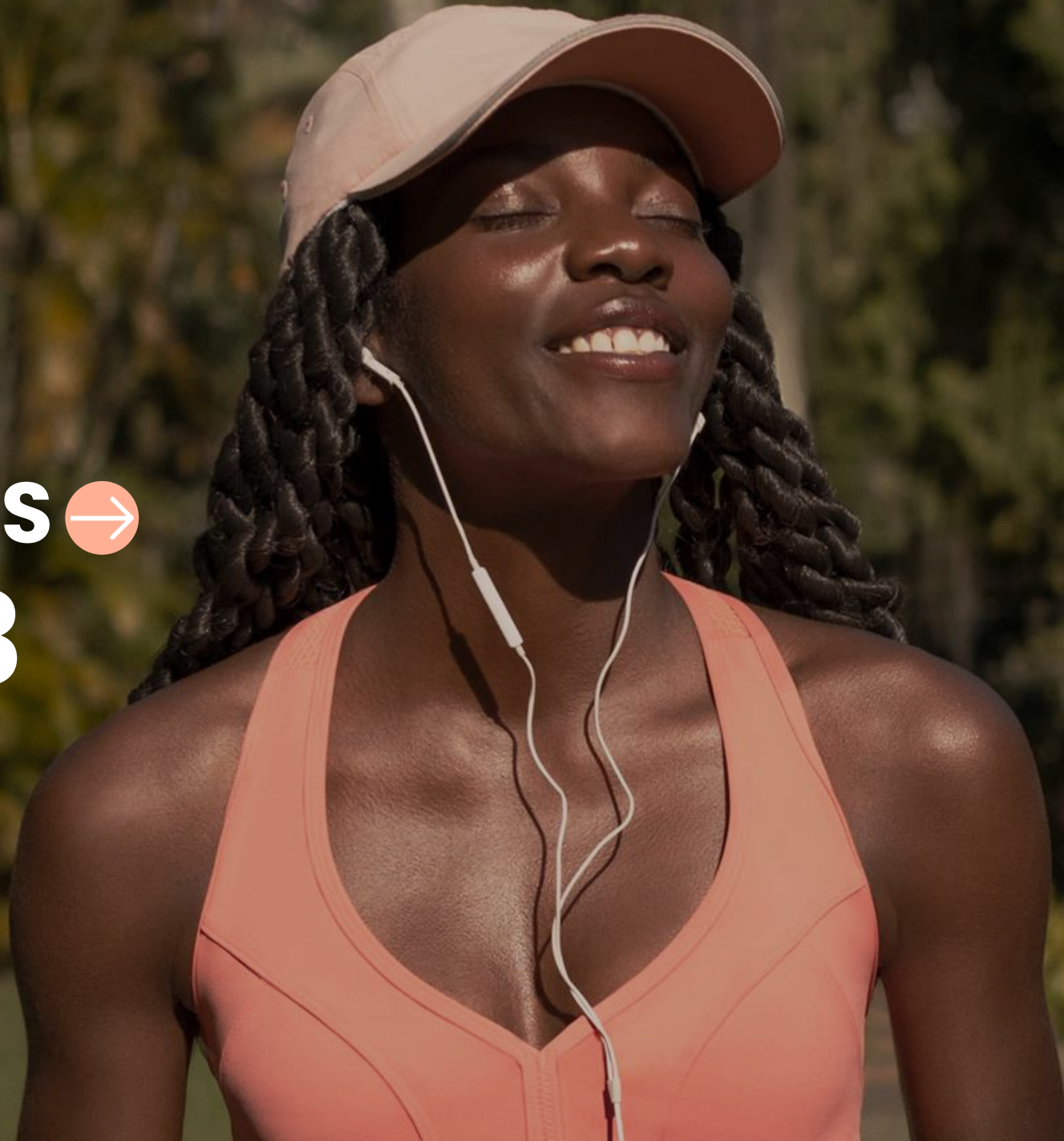
We continue to focus on **accelerating the growth of TFSports.** At the end of the quarter, the platform had over **540 thousand users (+53.4% YoY)** and more than **5.7 thousand registered trainers (+120.1% YoY).** Additionally, our sporting goods marketplace continues to grow, with a robust pipeline of new sellers that will be added soon.

NPS.

Our NPS (*Net Promoter Score*) reached the level of **85.7 points in the quarter.**

Results 3Q23

RESULTS → 3Q23



4 new stores
in 3Q23

**Total of 343
stores**

(45 company-operated
and 298 franchises)

R\$294.0 mn
total **Sell Out**

+20.4%
vs. 3Q22

R\$164.3 mn
Net Revenue

+18.9%
vs. 3Q22

R\$36.8 mn
Adjusted EBITDA

+22.4%
vs. 3Q22

22.4%
Margin
(+0.6 p.p. YoY)

R\$29.1 mn
Adjusted Net
Income

+16.1%
vs. 3Q22

17.7%
Margin
(-0.5 p.p. YoY)

Zero Debt
and no receivables
prepayment

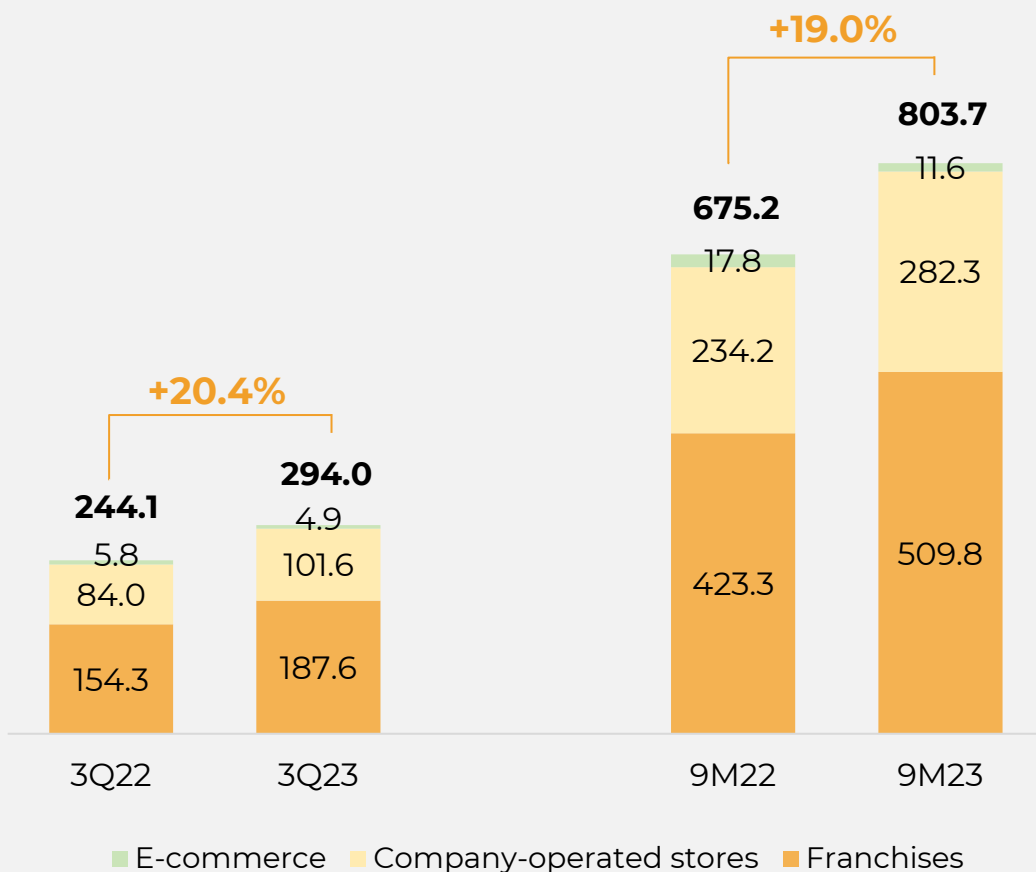
Cash Equivalents of
R\$ 107.8 million
on 09/30/2023

**QUARTER
HIGHLIGHTS**

SELL OUT



R\$294.0 million in 3Q23



Sell out growth of 20.4% YoY and **SSS growth of 15.2%** during the 3Q23 (excluding new store openings).

Positive impact from stores renovated to the new concept, both company-owned and franchises, which saw sales growth of **34.3%** and **33.8%**, respectively.

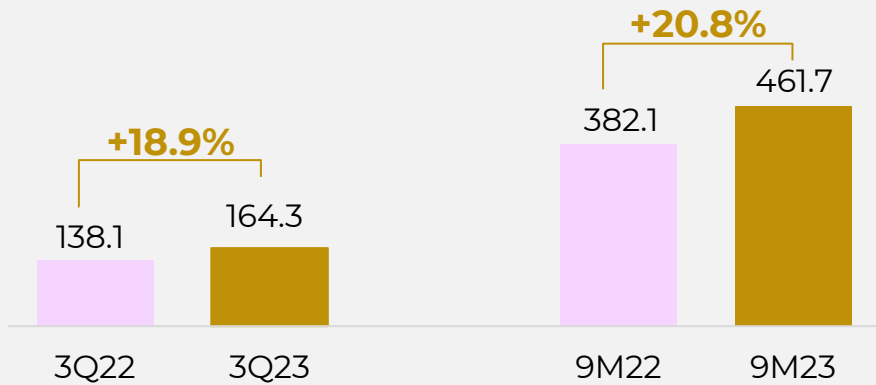
Growth of e-commerce by 22.8% YoY (captured sales view), **surpassing physical channels**, gaining share in the company's business mix.

Omnichannel: we continue with the rollout of the second wave, focused on expanding the **infinite shelf** (in **193 stores** in 3Q23) and attracting new sellers to tfmall.

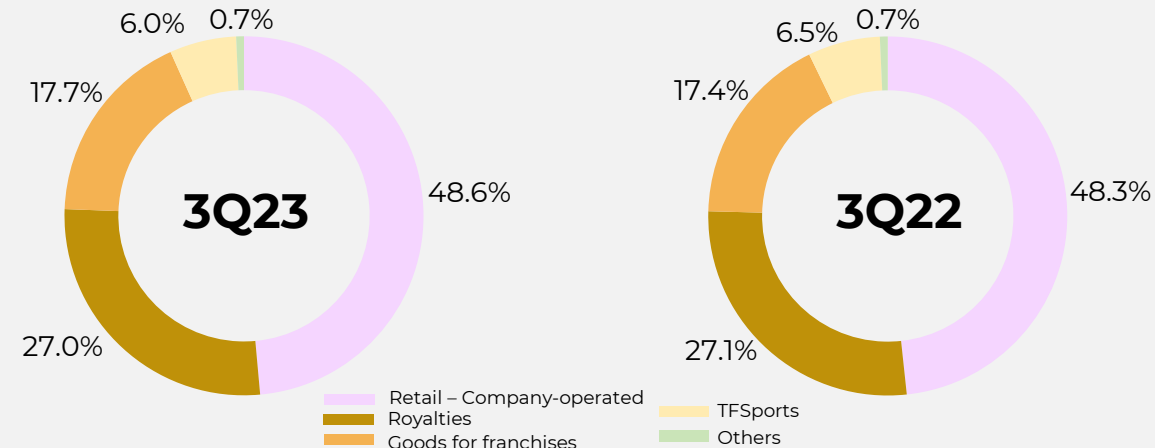
Social Selling: the representativeness of social selling reaching **51% of the sell-out**.

NET REVENUE

Net Revenue | R\$ million



Composition of Net Revenue



Royalty revenue growing +21.3%, reflecting the increase in merchandise sales to franchisees in previous months, resulting in improved sell-out in the franchise channel during 3Q23.

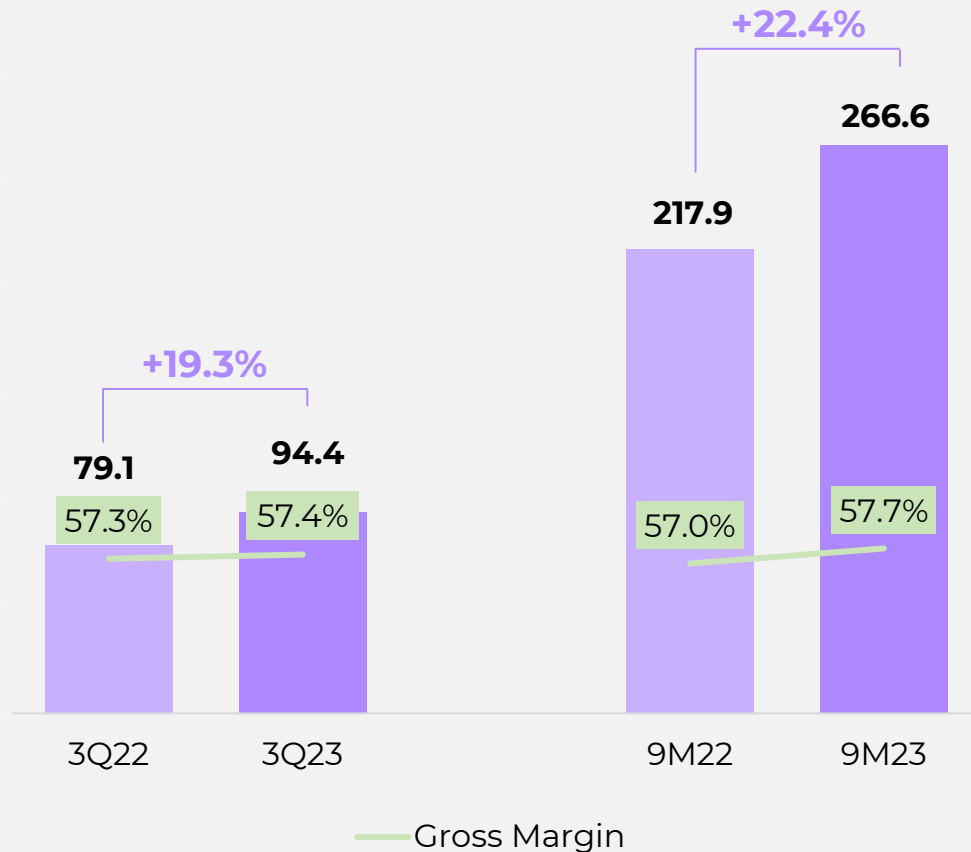
Positive performance of the retail channel (own network), growing 19.7% YoY – due to the impact of renovated stores, promotional period for the winter collection, and the launch of the Summer 24 collection in the second half of September."

The **goods for franchises channel with a growth of 18.7%**, representing 27.0% of the total net revenue for the period - benefited by the high acceptance of the Summer 24 collection by franchisees and positive sales prospects for the upcoming months.

GROSS PROFIT



R\$94.4 million in 3Q23



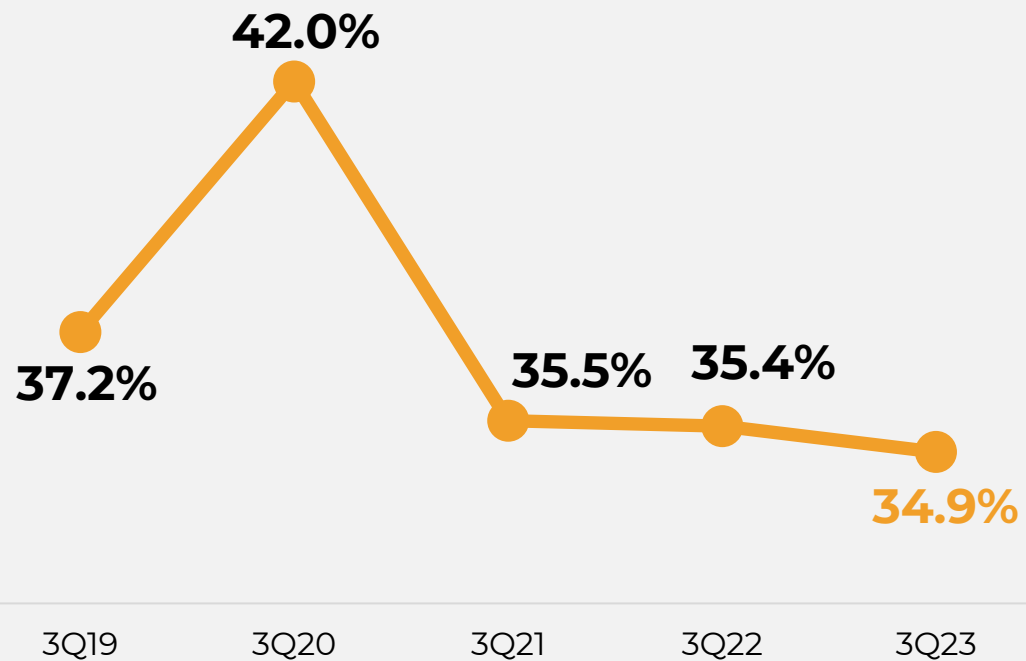
Gross Profit for 3Q23 reported a **growth of 19.3%**, reflecting the growth in sell-out, revenue from royalties, and the maintenance of healthy margins throughout the quarter.

Gross Margin reached 57.4% in the quarter, slightly higher than the margin observed in 3Q22 (57.3%), reflecting the faster **growth in royalty revenues and company-operated stores**, as well as an increase in margin for stores and the sale of merchandise to franchisees.

It is worth noting that **the slight gain in margin** is mainly explained by the **internalization of part of the production of strategic fabrics**, leading to a reduction in COGS.

OPERATING EXPENSES

34.9% of net sales



*Adjusted expenses and excluding depreciation

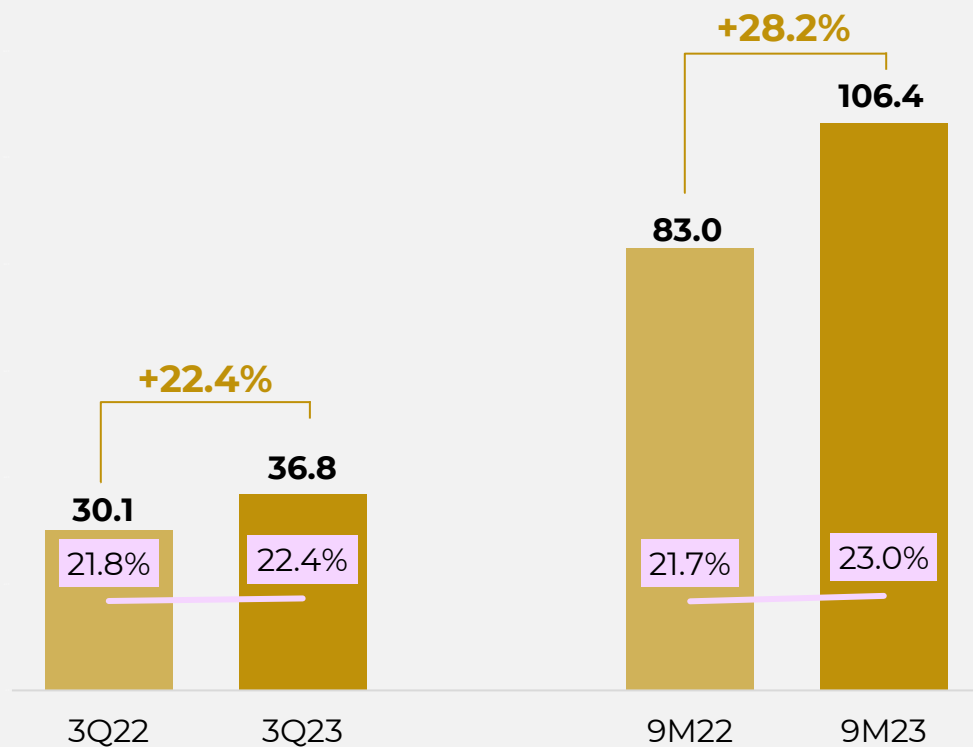
Adjusted operating expenses representing **34.9% of net sales, compared to 35.4% observed in 3Q22 (-0.5 p.p. YoY)**. In 9M23, we also observed a decrease in the level of representation of operating expenses (-0.6 p.p. YoY), **demonstrating the Company's ability to dilute its costs as a proportion of net revenue.**

A higher representation of the franchise channel, diluting the weight of own retail expenses in the total revenue generated by the company.

Year-to-date, there was a **maintenance of the percentage of administrative expenses compared to the previous year (+0.1 p.p. YoY)**, given the reinforcement of certain corporate structures that were implemented to address the company's growth.

EBITDA

R\$ 36.8 million in 3Q23



— EBITDA Margin (adjusted)

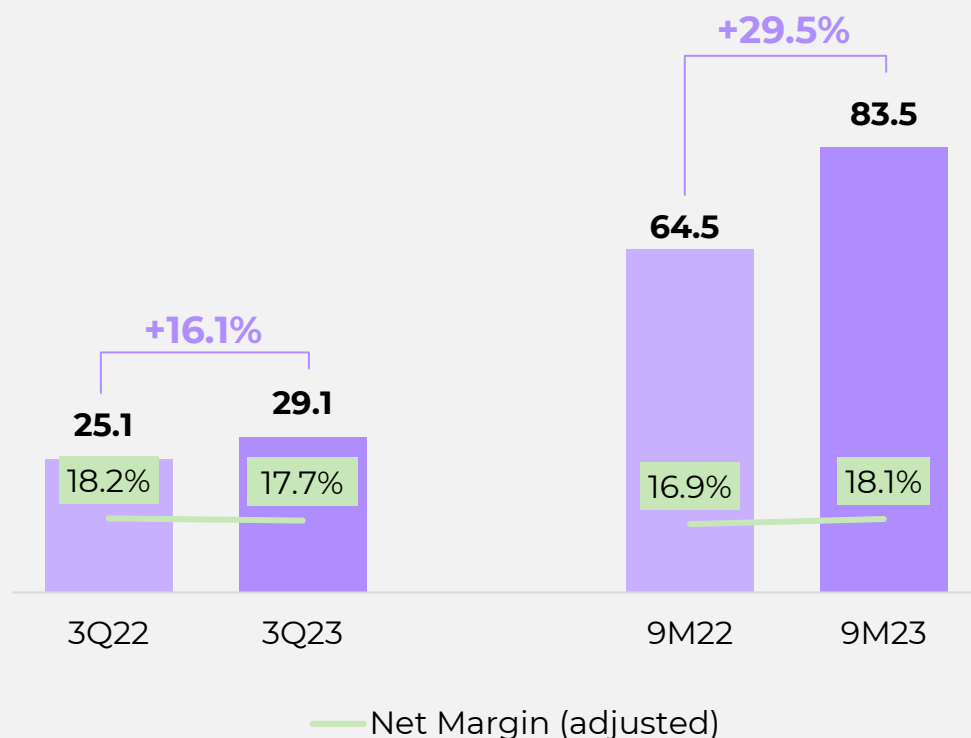
EBITDA totaled **R\$ 41.3 million** in 3Q23 (**margin of 25.1%**), a **YoY increase of 20.6%**, due to the reduction in the level of expenses over net sales and the expansion of net revenue observed during the quarter."

Adjusted EBITDA totaled **R\$ 36.8 million in 3Q23**, **+22.4% vs. 3Q22**, with a margin of 22.4% (+0.6 p.p. vs. 3Q22).

NET INCOME



R\$ 29.1 million in 3Q23





Adjusted Net Profit of **R\$ 29.1 million in 3Q23, +16.1% vs. 3Q22.**

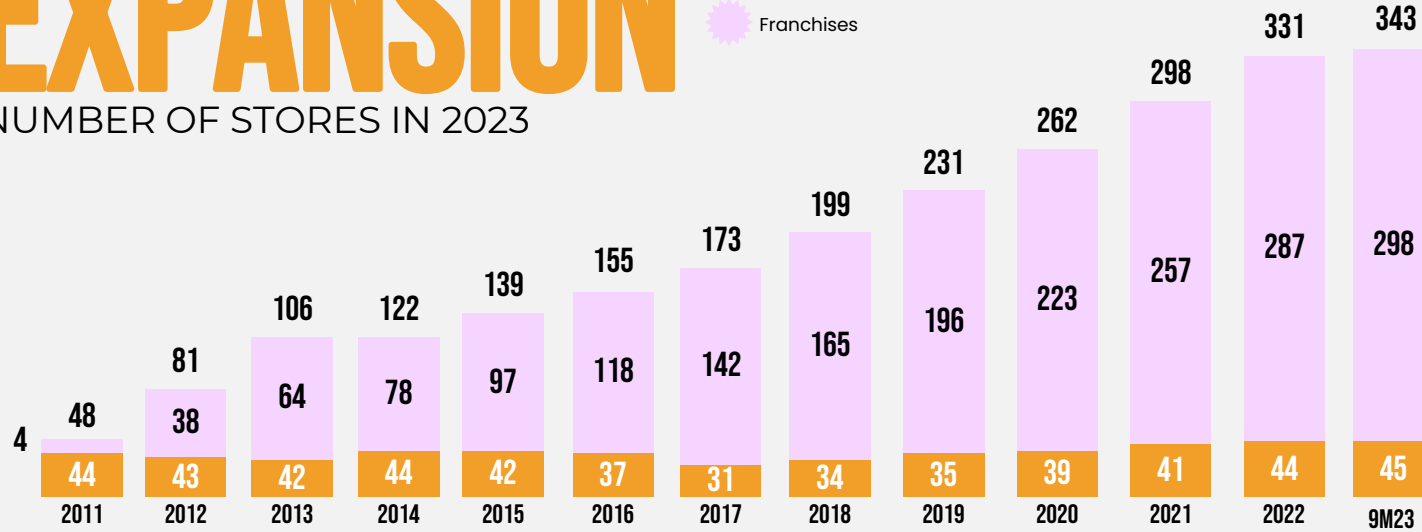
The adjusted net margin reached 17.7% in 3Q23, a slight decrease (-0.5 p.p.) compared to the reported figure for the same period last year.

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 rate over net sales** in 3Q23 compared to 3Q22. This tax rate effect is a result of the **recognition of Interest on Capital (IoC)**, which in 2022 was fully recognized in the third quarter, while this year it is being recognized quarterly.

EXPANSION

NUMBER OF STORES IN 2023

 Company-Operated Stores
 Franchises



Opening of 4 new stores in 3Q23, all of them franchises. As of November 13th, we had a total of 349 stores in the network.

For the year, we continue with the goal of **maintaining a pace of store openings similar to that of 2022.**

Out of the 25 **renovated** stores planned for 2023, **14 have already taken place during the 9M23** (4 operated stores and 10 franchises).





**+ than 540
thousand users**
on 09/30/2023

+53.4%
YoY

+ than 5.7 mil
registered trainers on
09/30/2023

+120.1%
YoY

+ than 900
events held on 3Q23

+66.0%
vs. 3Q22

+ than 2.200
events held on 9M23

+64.4%
vs. 9M22

70.2 thousand
registered for the
platform's events in 3Q23

+26.1%
vs. 3Q22

178.7 thousand
registered for the
platform's events in 9M23

+21.8%
vs. 9M22

R\$ 9.9 mn
Net Revenue in 3Q23

+9.4%
vs. 3Q22

R\$ 28.0 mn
Net Income in 9M23

+45.7%
vs. 9M22



**HIGHLIGHTS
FOR THE PERIOD**

Santander Track & Field

RUNSERIES

23 street races
and
~46 thousand runners
on 3Q23

Track & Field **OPEN**
BEACH TENNIS

14 stages
and
~3,5 thousand players
on 3Q23

Track & Field
EXPERIENCE

90 experiences
and
~5,2 thousand registered
on 3Q23

CONTINUE EM
MOVIMENTO

450 events
and
~9,6 thousand registered
on 3Q23

Trainers' Events

331 events
and
~6,0 thousand registered
on 3Q23

Track
& Field

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