

GRUPO SBF

QUARTERLY FINANCIAL INFORMATION

# GRUPO SBF S.A.

*INDIVIDUAL AND CONSOLIDATED  
AS AT 09.30.2023*





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# EARNINGS RELEASE

**3Q23**

JUST  
DO  
IT  


FISIA  
DISTRIBUIDORA  
OFICIAL  
NO BRASIL

FISIA  
DISTRIBUIDORA  
OFICIAL  
NO BRASIL

NIKE-COM-BR

GRUPO SBF



GRUPO SBF

EARNINGS  
RELEASE

3Q23 &amp; 9M23



São Paulo, November 13, 2023

Grupo SBF S.A. (B3: SBFG3) announces its third quarter of 2023 results. The financial information for the periods ended September 30, 2023 and 2022 includes the parent company Grupo SBF S.A. and its subsidiaries.



Conference Call



November 14, 2023

09:00 a.m. (NY time zone)  
11:00 p.m. (Brasília time zone)  
02:00 p.m. (London time zone)


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(simultaneous translation into English)

SBFG

B3 LISTED NM

## HIGHLIGHTS



R\$ 1.8 billion in Net Revenue of Grupo SBF in the quarter, an increase of 22.0% over 3Q22



Greater dilution of expenses by Grupo SBF. The Expenses/Net Revenue indicator was 36.9% in the quarter, a reduction of 4.4 pp vs 3Q22 and 4.6 pp vs 2Q23



R\$ 169.4 million of adjusted EBITDA (ex-IFRS), growing 74.2% vs 3Q22, with EBITDA Margin of 9.4%, an increase of 2.8 pp



The adjusted Net Income (ex-IFRS) of Grupo SBF in 3Q23 added up R\$ 70.5 million, growing 52.5% with Net Margin of 3.9%



Operating Cash Flow of R\$ 115.0 million in this quarter, reversing consumption of R\$ 70.7 million in 3Q22



Fisia's Net Revenue reached R\$ 1.1 billion in 3Q23, growing 47.1% vs 3Q22



Since 3Q23, all sales of nike.com.br are made from the new Distribution Center in Extrema, fully operated by Grupo SBF.



# MESSAGE FROM THE MANAGEMENT

After a first semester of 2023 focused on initiatives to increase our operational efficiency, we began to reap the benefits of this strategy in our P&L. Even with the stronger markdown scenario, resulting from our temporary excess inventory, we presented an adjusted Net Income (ex-IFRS) in the third quarter of R\$ 70.5 million (up 52.5% year on year) and our adjusted EBITDA (ex-IFRS) increased 74.2% compared to the same period of the previous year, totaling R\$ 169.4 million.

The growth recorded in EBITDA and Net Income this quarter is mainly due to the dilution of expenses by 4.4 percentage points compared to the third quarter of 2022, and by 4.6 pp compared to the second quarter of 2023. This greater dilution is the result of initiatives to reduce expenses, operational leverage resulting from growth and less pressure on logistics expenses due to the lower inventory levels which, although still high, are beginning to show signs of improvement.

At Centauro, the strategy to grow with market demand and the focus on reducing expenses, as well as the greater channel efficiency, continue to bring positive results. Centauro's SG&A margin was 4.4 percentage points lower in the quarter when compared to the second quarter. We believe that there is still room for additional dilution of expenses and should continue to pursue this strategy in the coming quarters.

We continued our efforts to monetize the digital platform through efficiency initiatives, such as better shipping policies and more efficient investments in performance marketing. After reviewing our omnichannel processes in the first quarter of the year, to make sales in this modality more profitable, we once again turned our attention to delivering an omnichannel experience with increasingly higher quality for our clients, without compromising profitability. Such experience is made possible by the capillarity of our network of 225 stores spread across 26 states. Since the beginning of the year, we have grown again by 8 percentage points the share of customers purchasing on digital channel and collecting from one of our stores - an important indicator of multichannel integration.

At Fisia, we continue working hard on the necessary initiatives to control inventory and improve the performance of all channels. Throughout the quarter, we worked together with retailers and on our liquidation plan on DTC channels to lower inventories and generate cash. Fisia's Net Revenue added up R\$ 1.1 billion, a growth of 47.1% year-on-year, stores reached SSS of 19.9%, digital GMV was 58.3% higher and revenue from the wholesale channel grew 10.3%. Compared to 2Q23, the 15.9% increase in the wholesale channel, operational leverage and the lower pressure from inventories on expenses were important for the dilution of Fisia's expenses, which improved 4.4 percentage points (vs 2Q23).



## MESSAGE FROM THE MANAGEMENT

We completed investments to increase sales through direct-to-consumer (DTC) channels. We opened 19 Nike stores in the last 12 months, from 22 in September 2022 to 43 this quarter. We also completed the migration of the distribution center at Fisia, terminating the agreement with our logistics partner to now have our own operation, which improved our service level, besides being an additional cost reduction factor. This new DC in the city of Extrema, state of Minas Gerais, has 37,000 m<sup>2</sup>, 580 employees in operation and capacity to ship 60 thousand items per day.

Our cash generation efforts also start to present results. After a few quarters of cash consumption above our expectations, mainly caused by the inventory situation, and which generated leverage above the desired level, we recorded a positive Operating Cash Flow this quarter, different from the usual seasonality of the third quarter. Therewith, we also started reducing our leverage, which went from 3.35X in the second quarter to 2.98X in the third quarter. With the usual seasonality of the fourth quarter and reductions in product purchases, the tendency is that this indicator converts to historical levels.

After a challenging beginning of the year, we managed to increase our operational efficiency and profitability. We focused on reducing inventories, expenses and leverage, and we understand that the circumstantial issues that are impacting the year 2023 are being solved. We believe in the strength of our team to boost the sports ecosystem and transform lives. Thus, we celebrate the Great Place To Work® Brasil certification, which places us among the best companies to work for in the country for the second year in a row. For the fourth quarter, the most important of the year, we will continue working on our priority fronts for the year 2023 with a relentless focus on the evolution of our omnichannel platform and the migration to Fisia's DTC.

## The Management Grupo SBF



# GROSS REVENUE AND OPERATING INDICATORS

<b>CENTAURO</b> R\$ thousand	<b>3Q23</b>	<b>3Q22</b>	<b>Δ(%)</b>	<b>9M23</b>	<b>9M22</b>	<b>Δ(%)</b>
<b>Gross Revenue<sup>1</sup></b>	<b>1,106,204</b>	<b>1,089,039</b>	<b>1.6%</b>	<b>2,986,891</b>	<b>2,910,984</b>	<b>2.6%</b>
B&M Stores	883,436	826,628	6.9%	2,353,902	2,147,306	9.6%
Digital Platform	222,767	262,411	-15.1%	632,989	763,678	-17.1%
<b>Omnichannel Sales (GMV)<sup>2</sup></b>	<b>147,342</b>	<b>158,452</b>	<b>-7.0%</b>	<b>395,046</b>	<b>447,750</b>	<b>-11.8%</b>
<b>Total Number of Stores – Centauro</b>	<b>225</b>	<b>233</b>	<b>-3.4%</b>	<b>225</b>	<b>233</b>	<b>-3.4%</b>
Number of G5 Stores	118	109	8.3%	118	109	8.3%
<b>Sales Area - Centauro (m²)</b>	<b>232,691</b>	<b>238,608</b>	<b>-2.5%</b>	<b>232,691</b>	<b>238,608</b>	<b>-2.5%</b>
G5 Total Area (m²)	146,941	136,284	7.8%	146,941	136,284	7.8%
<b>FISIA</b> R\$ thousand	<b>3Q23</b>	<b>3Q22</b>	<b>Δ(%)</b>	<b>9M23</b>	<b>9M22</b>	<b>Δ(%)</b>
<b>Gross Revenue<sup>1</sup></b>	<b>1,324,610</b>	<b>929,354</b>	<b>42.5%</b>	<b>3,557,473</b>	<b>2,827,553</b>	<b>25.8%</b>
Wholesale	462,275	419,049	10.3%	1,326,887	1,392,954	-4.7%
Digital Platform	510,921	322,757	58.3%	1,350,780	928,594	45.5%
Nike Value Store	351,416	187,548	87.4%	879,806	506,005	73.9%
<b>Share of DTC sales</b>	<b>65.1%</b>	<b>54.9%</b>	<b>+10.2 p.p.</b>	<b>62.7%</b>	<b>50.7%</b>	<b>+12.0 p.p.</b>
<b>Total Number of Stores – Nike Value</b>	<b>36</b>	<b>22</b>	<b>63.6%</b>	<b>36</b>	<b>22</b>	<b>63.6%</b>
Sales Area – Nike Value (m²)	40,618	23,020	76.5%	40,618	23,020	76.5%
<b>Total Number of Stores – Nike Store</b>	<b>7</b>	<b>2</b>	<b>250.0%</b>	<b>7</b>	<b>2</b>	<b>250.0%</b>
Sales Area – Nike Store (m²)	4,671	1,270	267.8%	4,671	1,270	267.8%
<b>GRUPO SBF</b> R\$ thousand	<b>3Q23</b>	<b>3Q22</b>	<b>Δ(%)</b>	<b>9M23</b>	<b>9M22</b>	<b>Δ(%)</b>
<b>Total Gross Revenue<sup>1</sup></b>	<b>2,318,076</b>	<b>1,870,444</b>	<b>23.9%</b>	<b>6,108,163</b>	<b>5,346,159</b>	<b>14.3%</b>
Centauro Gross Revenue <sup>1</sup>	1,106,204	1,089,039	1.6%	2,986,891	2,910,984	2.6%
Fisia Gross Revenue <sup>1</sup>	1,324,610	929,354	42.5%	3,557,473	2,827,553	25.8%
(+) Intercompany elimination	-112,737	-147,948		-436,201	-392,378	
Share of digital sales	31.7%	31.3%	+0.4 p.p.	32.5%	31.7%	+0.8 p.p.

## SAME STORE SALES (SSS)



<b>2023 x 2022</b>	<b>3Q23</b>	<b>3Q22</b>	<b>9M23</b>	<b>9M22</b>
<b>SSS</b> (Istore + digital) <sup>3</sup>	<b>2.4%</b>	<b>13.9%</b>	<b>6.3%</b>	<b>23.3%</b>
SSS B&M stores	5.3%	5.9%	9.2%	18.9%
GMV Digital (1P + 3P) <sup>4</sup>	-5.3%	37.7%	-5.9%	33.4%
GMV – as % of total sales	25.2%	27.5%	26.5%	29.5%



<b>2023 x 2022</b>	<b>3Q23</b>	<b>3Q22</b>	<b>9M23</b>	<b>9M22</b>
<b>SSS</b> (NVS + digital) <sup>3</sup>	<b>44,2%</b>	<b>32,1%</b>	<b>35,6%</b>	<b>60,3%</b>
SSS Nike Value Store	19,9%	0,0%	17,3%	20,7%
GMV Digital	58,3%	60,7%	45,5%	93,3%



(1) Gross revenue, excluding return of goods.

(2) Includes goods sold in the 3P modality in the extended inventory of brick-and-mortar stores.

(3) SSS or Same Store Sales means the change in our revenue disregarding the revenue of stores that were closed for renovation or had not been opened in the equivalent months of the two periods analyzed.

(4) GMV or Gross Merchandise Value revenue from the sale of goods from the digital channel, including the marketplace.

# MAIN FINANCIAL INDICATORS



The **adjusted** results presented in this report disregard the non recurring effects, and when marked with (ex-IFRS) they also disregard the impacts of IFRS-16, aiming to better represent the economic reality of the business and enable comparison with the Company's historical result.

Consolidated R\$ thousand	3Q23	3Q22	Δ(%)	9M23	9M22	Δ(%)
Gross Revenue	2,318,076	1,870,444	23.9%	6,108,163	5,346,159	14.3%
<b>Net revenue</b>	<b>1,793,263</b>	<b>1,469,980</b>	<b>22.0%</b>	<b>4,858,530</b>	<b>4,277,614</b>	<b>13.6%</b>
<b>Gross Profit</b>	<b>835,558</b>	<b>704,667</b>	<b>18.6%</b>	<b>2,329,896</b>	<b>1,996,806</b>	<b>16.7%</b>
Gross Margin	46.6%	47.9%	-1.3 p.p	48.0%	46.7%	1.3 p.p
<b>EBITDA</b>	<b>271,633</b>	<b>143,262</b>	<b>89.6%</b>	<b>625,559</b>	<b>476,682</b>	<b>31.2%</b>
EBITDA Margin	15.1%	9.7%	5.4 p.p	12.9%	11.1%	1.7 p.p
<b>Net Profit</b>	<b>72,700</b>	<b>14,985</b>	<b>385.2%</b>	<b>41,631</b>	<b>63,936</b>	<b>-34.9%</b>
Net Margin	4.1%	1.0%	3 p.p	0.9%	1.5%	-0.6 p.p
<b>Adjusted Gross Profit</b>	<b>831,600</b>	<b>704,667</b>	<b>18.0%</b>	<b>2,322,465</b>	<b>1,994,666</b>	<b>16.4%</b>
Adjusted Gross Margin	46.4%	47.9%	-1.6 p.p	47.8%	46.6%	1.2 p.p
<b>Adjusted EBITDA</b>	<b>239,799</b>	<b>161,043</b>	<b>48.9%</b>	<b>605,662</b>	<b>501,197</b>	<b>20.8%</b>
Adjusted EBITDA Margin	13.4%	11.0%	2.4 p.p	12.5%	11.7%	0.7 p.p
<b>Adjusted Net Profit</b>	<b>55,348</b>	<b>34,298</b>	<b>61.4%</b>	<b>47,388</b>	<b>100,750</b>	<b>-53.0%</b>
Adjusted Net Profit Margin	3.1%	2.3%	0.8 p.p	1.0%	2.4%	-1.4 p.p
<b>Adjusted EBITDA (ex-IFRS)</b>	<b>169,436</b>	<b>97,250</b>	<b>74.2%</b>	<b>395,516</b>	<b>308,356</b>	<b>28.3%</b>
Adjusted EBITDA Margin (ex-IFRS)	9.4%	6.6%	2.8 p.p	8.1%	7.2%	0.9 p.p
<b>Adjusted Net Profit (ex-IFRS)</b>	<b>70,516</b>	<b>46,235</b>	<b>52.5%</b>	<b>86,467</b>	<b>136,015</b>	<b>-36.4%</b>
Adjusted Net Profit Margin (ex-IFRS)	3.9%	3.1%	0.8 p.p	1.8%	3.2%	-1.4 p.p

By Business Unit R\$ Thousand	3Q23	3Q22	Δ(%)	9M23	9M22	Δ(%)
<b>CENTAURO</b> Gross Revenue	1,106,204	1,089,039	1.6%	2,986,891	2,910,984	2.6%
<b>Net Revenue</b>	<b>882,733</b>	<b>868,724</b>	<b>1.6%</b>	<b>2,390,240</b>	<b>2,356,264</b>	<b>1.4%</b>
<b>Gross Profit</b>	<b>415,733</b>	<b>406,798</b>	<b>2.2%</b>	<b>1,189,393</b>	<b>1,143,732</b>	<b>4.0%</b>
Gross Margin	47.1%	46.8%	0.3 p.p	49.8%	48.5%	1.2 p.p
<b>FISIA</b> Gross Revenue	1,324,610	929,354	42.5%	3,557,473	2,827,553	25.8%
<b>Net Revenue</b>	<b>1,057,657</b>	<b>719,244</b>	<b>47.1%</b>	<b>2,819,552</b>	<b>2,237,293</b>	<b>26.0%</b>
<b>Adjusted Gross Profit</b>	<b>441,851</b>	<b>310,137</b>	<b>42.5%</b>	<b>1,188,984</b>	<b>887,796</b>	<b>33.9%</b>
Adjusted Gross Margin	41.8%	43.1%	-1.3 p.p	42.2%	39.7%	2.5 p.p

(1) Centauro's digital platform gross revenue adjusted by R\$ in 3Q22 referring to part of the revenue from services. The adjustment of the same amount was made in the intercompany elimination of the gross revenue.





# NON-RECURRING ADJUSTMENTS



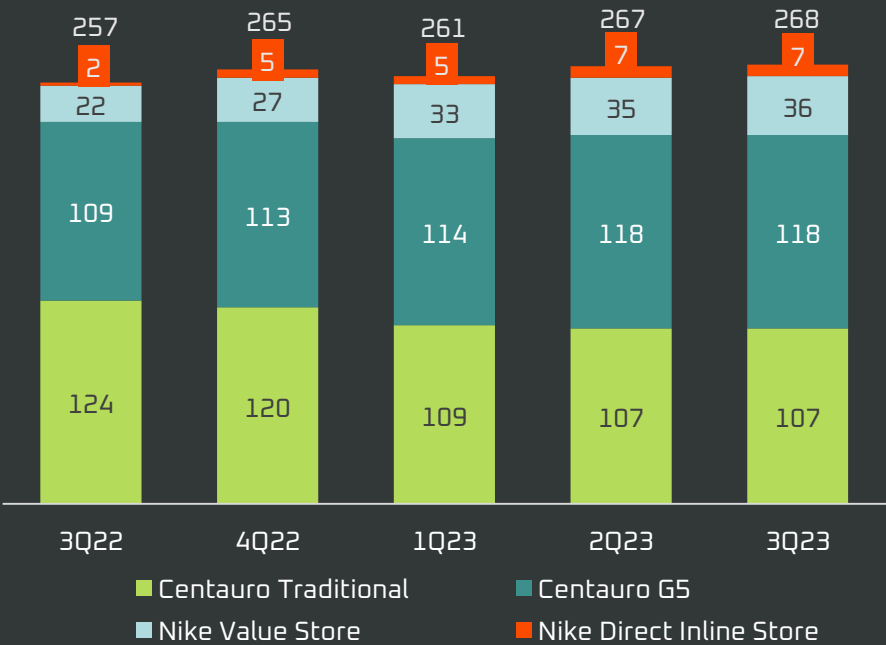
The **adjusted** results presented in this report disregard the non recurring effects, aiming to better represent the economic reality of the business and enable comparison with the Company's historical result.

GRUPO SBF R\$ Thousand	3Q23	9M23
Extemporaneous credits - Cost of Sales	-3,958	-7,431
Stock Option Plan / Non-cash	5,016	10,555
Accounting effects of acquisition – Expenses	-3,935	-11,805
Cost of stores closures	0	2,269
Layoffs costs	0	6,377
Tax credits, debits and provision – expenses	-28,957	-19,863
<b>Impact of non-recurring effects on EBITDA</b>	<b>-31,834</b>	<b>-19,897</b>
<b>EBITDA</b>	<b>271,633</b>	<b>625,559</b>
<b>Adjusted EBITDA</b>	<b>239,799</b>	<b>605,662</b>
Adjusted EBITDA Margin	13.4%	12.5%
<b>EBITDA (ex-IFRS)</b>	<b>201,271</b>	<b>415,413</b>
<b>Adjusted EBITDA (ex-IFRS)</b>	<b>169,436</b>	<b>395,516</b>
Adjusted EBITDA margin (ex-IFRS)	9.4%	8.1%
Accounting effects of acquisition - Depreciation and Amortization	4,618	13,855
Financial Result on Tax Credits, Debts and Provisions	-2,012	-1,049
Income Tax and Social Contribution	11,875	12,847
<b>Impact of non-recurring effects on Net Profit</b>	<b>-17,352</b>	<b>5,757</b>
<b>Net Profit</b>	<b>72,700</b>	<b>41,631</b>
<b>Adjusted Net Profit</b>	<b>55,348</b>	<b>47,388</b>
Adjusted Net Margin	3.1%	1.0%
<b>Net Profit (ex-IFRS)</b>	<b>87,868</b>	<b>80,710</b>
<b>Adjusted Net Profit (ex-IFRS)</b>	<b>70,516</b>	<b>86,467</b>
Adjusted Net Margin (ex-IFRS)	3.9%	1.8%

# FINANCIAL AND OPERATING PERFORMANCE

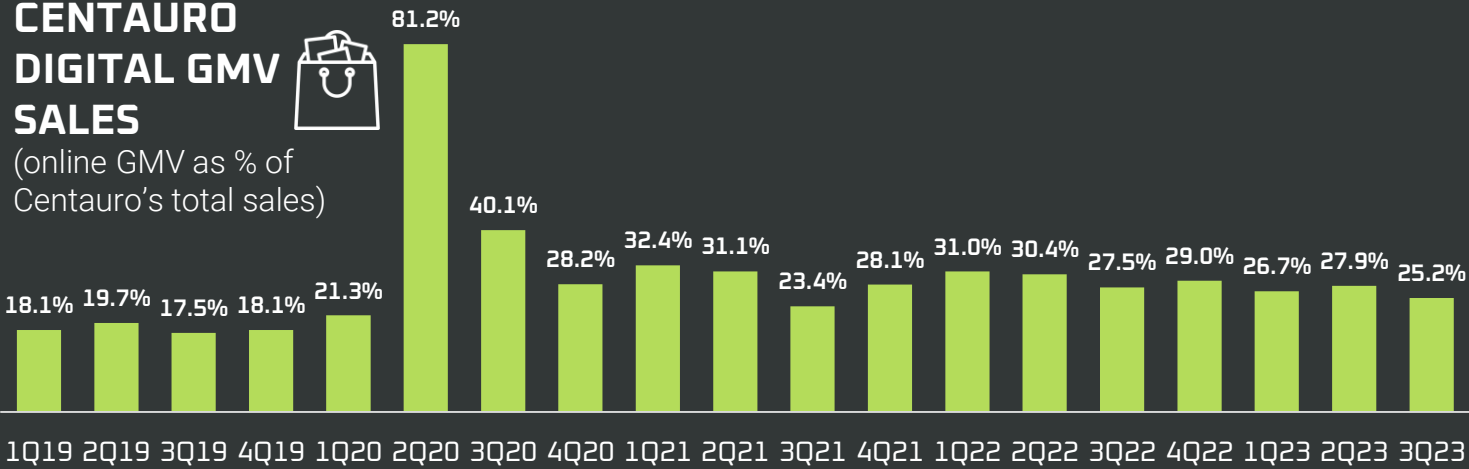


## OUR STORES

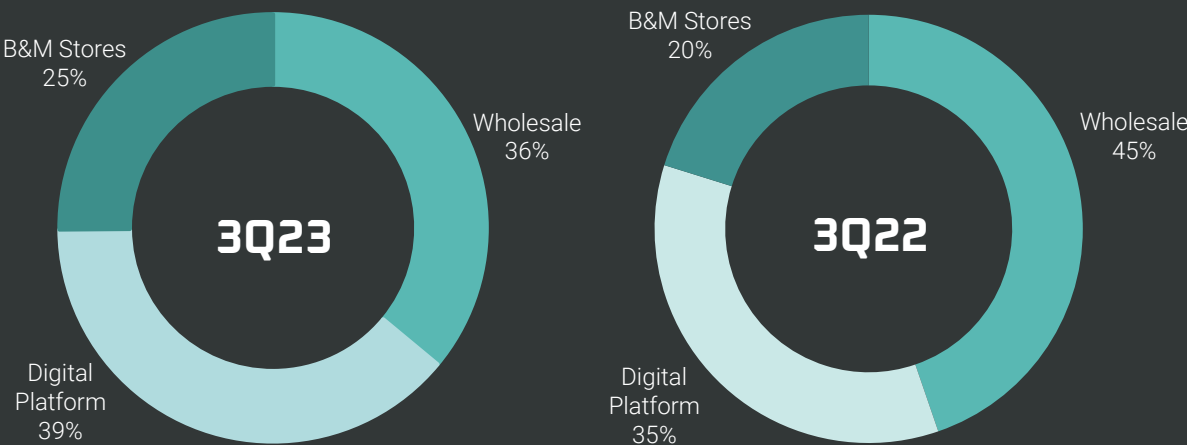


## CENTAURO DIGITAL GMV SALES

(online GMV as % of Centauro’s total sales)



## FISIA NET REVENUE BY CHANNEL







# FINANCIAL PERFORMANCE

- > As indicated throughout this report, the results will be explained **disregarding the impact of IFRS 16** on Operating Expenses, EBITDA, Financial Result and Net Profit, both for the period of 2023 and 2022. With this adjustment, it is possible to analyze the Company considering the Rental Expense as an Operating Expense.
- > The **adjusted** results presented in this report disregard the non-recurring effects listed on **page 07**. For the first quarter of 2022, the effects are presented in our 3Q22 earnings release.
- > The tables for Net Revenue and Gross Profit are presented by business unit. The other tables are presented in the consolidated view of Grupo SBF.



# NET REVENUE

R\$ thousand	3Q23 adjusted	3Q22 adjusted	Δ(%)	9M23 adjusted	9M22 adjusted	Δ(%)
<b>CENTAURO</b>	<b>882,733</b>	<b>868,724</b>	<b>1.6%</b>	<b>2,390,240</b>	<b>2,356,264</b>	<b>1.4%</b>
B&M Stores	704,239	665,307	5.9%	1,890,379	1,751,580	7.9%
Digital Platform	178,494	203,417	-12.3%	499,861	604,684	-17.3%
<b>FISIA</b>	<b>1,057,657</b>	<b>719,244</b>	<b>47.1%</b>	<b>2,819,552</b>	<b>2,237,293</b>	<b>26.0%</b>
Wholesale	381,040	321,736	18.4%	1,077,755	1,113,492	-3.2%
Digital Platform	410,862	252,293	62.9%	1,077,938	739,600	45.7%
B&M Stores	265,755	145,216	83.0%	663,858	384,202	72.8%
(+) Intercompany elimination	-147,128	-117,989		-351,262	-315,943	
<b>GRUPO SBF</b>	<b>1,793,263</b>	<b>1,469,980</b>	<b>22.0%</b>	<b>4,858,530</b>	<b>4,277,614</b>	<b>13.6%</b>

## **CENTAURO**

Centauro's net revenue in the second quarter added up R\$ 882.7 million, an increase of 1.6% compared to 3Q22. Revenue grew 1.4% YTD, totaling R\$ 2.4 billion, as a result of this year's plan with focus on profitability.

Brick-and-mortar stores reached R\$ 704.2 million in 3Q23, growing 5.9% vs 3Q22, with SSS of 5.3%. Growth was positively impacted by the performance of high-end stores and the apparel category. On the other hand, revenue was negatively affected by competition that was still discounted due to the high inventory levels in the market and the profitability actions adopted by the company throughout 1S23, such as the closure of 10 unprofitable stores.

The digital platform presented a drop of -12.3% in revenue and -5.3% in GMV. As in the B&M channel, the more discounted competitive market and the profitability strategy negatively impacted the growth of the digital channel. Profitability actions, such as reducing investments in performance marketing and shipping, resulted in a revenue drop but an increase in the channel's profitability.





# NET REVENUE

## FISIA

Fisia's net revenue added up R\$ 1.1 million in 3Q23, an increase of 47.1% when compared to 3Q22, and R\$ 2.8 billion year-to-date, growing 26.0% compared to the same period of the previous year.

The wholesale channel grew 18.4% vs 3Q22, mainly impacted by a comparison basis affected by the impacts of ERP migration last year. The channel continues to be impacted by a high inventory level in the market this year. However, we highlight the sequential improvement of 17.3% compared to 2Q23. As expenses in this channel are predominantly fixed, said growth is healthy for Fisia's operational leverage and contributes to the recovery of the EBITDA Margin comparing to the last quarter.

The growth in the brick-and-mortar store channel of 83.0% can be explained mainly by the opening of 19 Nike stores in the last 12 months. In the quarter, Same Store Sales (SSS) of NVS was 19.9%, benefiting from the discount policy implemented with the purpose of selling the excess inventory and due to the evolution of the operational processes of the stores.

The digital channel grew 62.9% in 3Q23. In addition to the migration of sales of Nike products from the market's digital platforms to the 3P sales modality, which continues benefiting the channel's growth, 1P sales continue to grow organically and continue to be favored by the more aggressive pricing strategy this quarter, also aiming at inventory outflow.





# GROSS PROFIT

R\$ thousand	3Q23 adjusted	3Q22 adjusted	Δ(%)	9M23 adjusted	9M22 adjusted	Δ(%)
<b>CENTAURO</b>						
<b>Gross Profit</b>	<b>415,733</b>	<b>406,798</b>	<b>2.2%</b>	<b>1,189,393</b>	<b>1,143,732</b>	<b>4.0%</b>
<i>Gross Margin</i>	<i>47.1%</i>	<i>46.8%</i>	<i>0.3 p.p</i>	<i>49.8%</i>	<i>48.5%</i>	<i>1.2 p.p</i>
<b>FISIA</b>						
<b>Gross Profit</b>	<b>441,851</b>	<b>310,137</b>	<b>42.5%</b>	<b>1,188,984</b>	<b>887,796</b>	<b>33.9%</b>
<i>Gross Margin</i>	<i>41.8%</i>	<i>43.1%</i>	<i>-1.3 p.p</i>	<i>42.2%</i>	<i>39.7%</i>	<i>2.5 p.p</i>
(+) Intercompany elimination	-25,985	-12,269		-55,912	-36,862	
<b>GRUPO SBF</b>						
<b>Gross Profit</b>	<b>831,600</b>	<b>704,667</b>	<b>18.0%</b>	<b>2,322,465</b>	<b>1,994,666</b>	<b>16.4%</b>
<i>Gross Margin</i>	<i>46.4%</i>	<i>47.9%</i>	<i>-1.6 p.p</i>	<i>47.8%</i>	<i>46.6%</i>	<i>1.2 p.p</i>



In 3Q23, Centauro's Gross Margin reached 47.1%, up 0.3 percentage points. In 9M23, Centauro's Gross Margin reached 49.8%, up 1.2 percentage points.

After recent quarters with record Gross Margins, Centauro increased the markdowns applied this quarter once again. Unlike 3Q22, when discounts were widespread aiming to increase revenue, the strategy in 3Q23 was to focus on products with lower turnover, helping to improve inventory quality, which was below desired levels after the adjustments made in 1S23.

We highlight that, even with the reduction in Gross Margin compared to 2Q23, the optimization of Centauro's Operating Expenses that we carried out throughout 1S23 resulted in a sequential improvement in Centauro's Contribution Margin.

## FISIA

Fisia's Gross Margin reached 41.8% in the quarter, a drop of 1.3 percentage points comparing to 3Q22 and in line with the 2Q23 margin. We continue adopting the markdown policy initiated last quarter, as part of the plan to reduce inventory levels. We estimate that such discounts impacted the quarter's Gross Margin by -3.9 percentage points. This impact was partially offset by the 10 percentage point increase in the share of sales in DTC channels, which operate with a significantly higher gross margin than the wholesale channel.





# OPERATING EXPENSES

R\$ thousand	3Q23 adjusted	3Q22 adjusted	Δ(%)	9M23 adjusted	9M22 adjusted	Δ(%)
<b>Operating Expenses</b>	<b>-591,801</b>	<b>-543,624</b>	<b>8.9%</b>	<b>-1,716,803</b>	<b>-1,493,469</b>	<b>15.0%</b>
<i>% of Net Revenue</i>	<i>33.0%</i>	<i>37.0%</i>	<i>-4 p.p</i>	<i>35.3%</i>	<i>34.9%</i>	<i>0.4 p.p</i>
<i>(+) IFRS16 Impact on Expenses</i>	<i>-70,362</i>	<i>-63,792</i>	<i>10.3%</i>	<i>-210,146</i>	<i>-192,840</i>	<i>9.0%</i>
<b>Operating Expenses (ex-IFRS)</b>	<b>-662,163</b>	<b>-607,415</b>	<b>9.0%</b>	<b>-1,926,950</b>	<b>-1,686,310</b>	<b>14.3%</b>
<i>% of Net Revenue</i>	<i>36.9%</i>	<i>41.3%</i>	<i>-4.4 p.p</i>	<i>39.7%</i>	<i>39.4%</i>	<i>0.2 p.p</i>
Selling Expenses (ex-IFRS)	-583,064	-531,438	9.7%	-1,666,142	-1,417,439	17.5%
<i>% of Net Revenue</i>	<i>32.5%</i>	<i>36.2%</i>	<i>-3.6 p.p</i>	<i>34.3%</i>	<i>33.1%</i>	<i>1.2 p.p</i>
General and Administrative Expenses (ex-IFRS)	-89,153	-82,211	8.4%	-285,545	-279,237	2.3%
<i>% of Net Revenue</i>	<i>5.0%</i>	<i>5.6%</i>	<i>-0.6 p.p</i>	<i>5.9%</i>	<i>6.5%</i>	<i>-0.7 p.p</i>
Other net operating income/expenses (ex-IFRS)	<b>10,055</b>	<b>6,234</b>	<b>61.3%</b>	<b>24,738</b>	<b>10,367</b>	<b>138.6%</b>



\*Operating expenses are presented net of Depreciation and Amortization Expenses.

After a first semester of adjustments in operations, we started to capture the benefits of these adjustments in our SG&A in 3Q23, therefore, the Grupo SBF presented -R\$ 662.2 million in Operating Expenses (ex-IFRS) in 3Q23, a drop of 4.4 percentage points as a % of net revenue. In the year to date, the increase was 14.3%, adding up -R\$ 1.9 billion.

The main adjustments made throughout the 1st semester were:

- (i) Staff reduction in all areas of the company
- (ii) Renegotiation of contracts with suppliers
- (iii) Profitability increase on Centauro's digital channel
- (iv) Closing, at the beginning of the year, of unprofitable stores
- (v) Reduction of investments in marketing

In addition, the company's 18.0% growth in the period enabled an important dilution of our fixed expenses. Comparing to 2Q23, we observed a dilution of 4.6 percentage points in expenses. This dilution can be explained by:

- (i) Operational leverage caused by the growth of brick-and-mortar store channels (both Centauro and Fisia) and wholesale;
- (ii) Reduction of pressures caused by inventory increases in Fisia, especially the advance payment of royalties (payment of royalties is made upon receipt of goods and not in sales, which causes royalty expense pressure in scenarios with sequential increase in inventory levels, as has occurred in recent quarters). With the expected normalization of Fisia's inventory level, we believe that the negative pressure in this account has reached its peak.



# EBITDA

R\$ thousand	3Q23 adjusted	3Q22 adjusted	Δ(%)	9M23 adjusted	9M22 adjusted	Δ(%)
<b>Net Income</b>	<b>55,348</b>	<b>34,298</b>	<b>61.4%</b>	<b>47,388</b>	<b>100,750</b>	<b>-53.0%</b>
(+) Income tax and social contribution	4,667	31,180	-85.0%	-9,715	17,727	-154.8%
(+) Net financial result	-90,689	-72,705	24.7%	-261,344	-172,097	51.9%
(+) Depreciation and amortization	-98,430	-85,221	15.5%	-287,216	-246,077	16.7%
<b>EBITDA</b>	<b>239,799</b>	<b>161,043</b>	<b>48.9%</b>	<b>605,662</b>	<b>501,197</b>	<b>20.8%</b>
EBITDA Margin	13.4%	11.0%	2.4 p.p	12.5%	11.7%	0.7 p.p
(+) IFRS16 Impact on Expenses	-70,363	-63,792	10.3%	-210,147	-192,840	9.0%
<b>EBITDA (ex-IFRS)</b>	<b>169,436</b>	<b>97,250</b>	<b>74.2%</b>	<b>395,516</b>	<b>308,356</b>	<b>28.3%</b>
EBITDA Margin (ex-IFRS)	9.4%	6.6%	2.8 p.p	8.1%	7.2%	0.9 p.p

The Group's EBITDA (ex-IFRS) reached R\$ 169.4 million in 3Q23, with an EBITDA Margin of 9.4%, an increase of 2.8 percentage points compared to the margin presented in 3Q22. In the nine-month period, EBITDA grew 28.3%, totaling R\$ 395.5 million, and the margin, which added up 8.1%, had an increase of 0.9 percentage points compared with the same period of the previous year.

The EBITDA margin was positively impacted by the expense reduction initiatives, the operational leverage generated in the period and the Fisia migration to DTC channels, and was partially offset by the negative effects caused by Fisia's high inventory level, mainly markdowns and increase in logistics expenses, as well as an increase in the royalty rate.

# FINANCIAL INCOME (LOSS)

R\$ thousand	3Q23 adjusted	3Q22 adjusted	Δ(%)	9M23 adjusted	9M22 adjusted	Δ(%)
<b>Net Financial Income/Expenses</b>	<b>-90,689</b>	<b>-72,705</b>	<b>24.7%</b>	<b>-261,344</b>	<b>-172,097</b>	<b>51.9%</b>
(+) Financial Expenses – Right of Use (IFRS)	33,901	32,000	5.9%	101,117	92,362	9.5%
<b>Net Financial Income/Expenses (ex-IFRS)</b>	<b>-56,788</b>	<b>-40,705</b>	<b>39.5%</b>	<b>-160,227</b>	<b>-79,735</b>	<b>100.9%</b>

The Company presented a Financial Result (ex-IFRS) of -R\$ 56.8 million in the quarter compared to -R\$ 40.7 million in the 3Q22. Year-to-date, the financial result was -R\$ 160.2 million, a change of 100.9% when compared to the nine month-period of 2022. The increase in financial expenses is mainly due to the increase in the company's debt in the period.





# NET PROFIT

R\$ thousand	3Q23 adjusted	3Q22 adjusted	Δ(%)	9M23 adjusted	9M22 adjusted	Δ(%)
<b>Net Profit (Loss)</b>	<b>55,348</b>	<b>34,298</b>	<b>61.4%</b>	<b>47,388</b>	<b>100,750</b>	<b>-53.0%</b>
Net Margin	3.1%	2.3%	0.8 p.p	1.0%	2.4%	-1.4 p.p
(+) IFRS16 Impact on Expenses	-70,363	-63,792	10.3%	-210,147	-192,840	9.0%
(+) Depreciation and amortization - Right of Use (IFRS16)	52,871	43,732	20.9%	152,049	135,744	12.0%
(+) Financial Expenses – Right of Use (IFRS16)	33,901	32,000	5.9%	101,117	92,362	9.5%
(+) Income tax (IFRS16)	-1,240	-1	n.a	-3,941	0	n.a
<b>Net Profit (ex-IFRS)</b>	<b>70,516</b>	<b>46,235</b>	<b>52.5%</b>	<b>86,467</b>	<b>136,015</b>	<b>-36.4%</b>
Net Profit Margin (ex-IFRS)	3.9%	3.1%	0.8 p.p	1.8%	3.2%	-1.4 p.p

In 3Q23, Grupo SBF recorded Net Income (ex-IFRS) of R\$ 70.5 million, a 52.5% growth over 3Q22. Year-to-date, we recorded Net Income (ex-IFRS) of R\$ 86.5 million, a drop of 36.4% compared to 9M22. The quarter's result is mainly explained by a greater dilution of operating expenses. In the year to date, we still observed a worsening of the Net Income, mainly due to the effects caused by the growth in inventory levels, both in margin and in expenses, and by the increase in financial expenses resulting from the increase in Net Debt.



# NET WORKING CAPITAL

R\$ thousand	30/09/2023 Adjusted	30/09/2022 adjusted	Δ(%)
Accounts receivable	1,580,537	1,300,045	21.6%
Taxes and income tax to be offset	459,888	462,720	-0.6%
Inventories	1,959,912	1,489,632	31.6%
Other accounts receivable	109,294	81,231	34.5%
	<b>4,109,631</b>	<b>3,333,628</b>	<b>23.3%</b>
Other accounts payable	225,385	138,810	62.4%
Resale suppliers	811,701	919,548	-11.7%
Tax liabilities	258,773	143,704	80.1%
Lease payable	194,776	205,217	-5.1%
Labor liabilities	164,454	191,546	-14.1%
Other liabilities	99,072	53,034	86.8%
	<b>1,754,161</b>	<b>1,651,859</b>	<b>6.2%</b>
<b>Net Working Capital</b>	<b>2,355,470</b>	<b>1,681,769</b>	<b>40.1%</b>

☰ The Net Working Capital concept adopted is based on calculating the difference between Current Liabilities and Current Assets, excluding Cash, Debt and Installment Payment of Taxes and including Factoring of Receivables.

Grupo SBF recorded a 40.1% increase in its Net Working Capital compared to 3Q22, totaling R\$ 2.4 billion. The change is mainly explained by the R\$ 470.3 million increase in inventory, which will be discussed below.

## Inventory

- (i) Change in the company's strategy to a greater focus on profitability: the slowdown in purchases to fit that strategy is observed later due to 9-12 month supply chain lead time in our market; this mismatch between reduced revenue and reduced purchases generates a temporary increase in inventory;
- (ii) Global supply chain normalization: this chain came from 2 years of delays and cancellations due to the pandemic and its normalization led to an inventory overshoot in the global market;
- (iii) Worse performance in wholesale sales: resulted in the accumulation in our inventory of the goods purchased by Fisia to supply this channel.

Also contributed to the increase in working capital: (i) The increase in the level of accounts receivable by 21.6% , in line with the increase in revenues recorded in the period and; (ii) the drop in the level of suppliers, which is related to the lower level of purchases in the 3Q compared to the 2Q. The increase in tax obligations is explained by the provision for the payment of DIFAL (Tax Rate Differential), while we wait for the decision of the Federal Supreme Court (STF) on the matter. This provision is recorded against judicial deposits, under non-current assets.

We have been working on several fronts to normalize working capital, which is temporarily high due to the inventory status. The key actions are:


- (i) Reduction in purchases of future collections - as the lead time for our purchases is 9 to 12 months, the purchase reductions at the end of 2022 started taking effect in this 3Q and should increase in intensity in the next quarter;
- (ii) Temporary increase in markdowns to increase inventory turnover and accelerate the reduction of excess inventory;
- (iii) One-time negotiation of additional payment terms with suppliers to mitigate the accumulation of receipts caused by the normalization of the supply chain.

Although we expect a more pronounced effect in the 4Q, mainly due to the reduction in purchases and the seasonality of sales, we have already observed a reduction of R\$ 120.9 million in the inventory level compared to 2Q23. It is worth highlighting that we have a low fashion impact in our market, therefore there is little need for markdowns to turn old collections. Our markdown is mainly driven by the inventory quantity and not by its quality.



# MANAGEMENT CASH FLOW

R\$ thousand	3Q23	3Q22	Δ(%)	9M23	9M22	Δ(%)
EBITDA	271,633	143,262	89.6%	625,559	476,682	31.2%
Depreciation and Interest Rates IFRS 16	-86,771	-75,732	14.6%	-253,166	-228,107	11.0%
Working Capital Variation <sup>1</sup>	-191,396	-86,895	120.3%	-837,598	-477,818	75.3%
Other	121,484	-51,355	336.6%	42,633	-24,610	273.2%
<b>Operating Cash Flow</b>	<b>114,950</b>	<b>-70,719</b>	<b>262.5%</b>	<b>-422,572</b>	<b>-253,852</b>	<b>66.5%</b>
M&A	0	-5,992	n.a	0	-37,669	n.a
Other	-59,250	-63,392	-6.5%	-208,866	-188,498	10.8%
<b>Cash Flow from Investing Activities</b>	<b>-59,250</b>	<b>-69,384</b>	<b>-14.6%</b>	<b>-208,866</b>	<b>-226,167</b>	<b>-7.6%</b>
Debt <sup>2</sup>	255,701	-2,202	n.a	395,660	240,319	64.6%
Factoring of Receivables	-283,167	0	n.a	24,840	0	n.a
Tax Installment Payment	-5,847	-8,273	-29.3%	-11,753	-31,335	-62.5%
Dividends	-33,085	0	n.a	-33,085	-28,637	15.5%
Capital	348	0	n.a	348	6,914	-95.0%
<b>Cash Flow from Financing</b>	<b>-66,050</b>	<b>-10,475</b>	<b>n.a</b>	<b>376,010</b>	<b>187,261</b>	<b>100.8%</b>
<b>Total Cash Variation</b>	<b>-10,350</b>	<b>-150,578</b>	<b>-93.1%</b>	<b>-255,428</b>	<b>-292,758</b>	<b>-12.8%</b>

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 (1) Factoring of receivables and installment payment of taxes are classified as cash flow from financing;  
 (2) Includes net amount between payment and new debt funding.

Operating Cash Flow was positive by R\$ 115.0 million, an improvement of R\$ 185.7 million compared to 3Q22, when it was negative by R\$ 70.7 million. This positive flow, unlike the normal seasonality for the period, is the result of actions taken throughout the year to reduce leverage, mainly the reduction in merchandise purchases. Said actions should continue to take effect in the next quarter. Cash consumption in CGL and generation in "Others" is the result of an accounting effect of allocation of the foreign exchange hedge of Fisia's purchases.

Cash Flow from Investments is mainly explained by investments in openings and renovations of Grupo SBF stores (Centauro G5, Nike Value and Nike Direct InLine), besides investments in structuring technology and logistics projects (Fisia new distribution center) and its decrease in relation to 3Q23 is also a result of the actions made to decrease the leverage.

We issued new debts in the quarter with maturities between 3 and 5 years, finalizing the funding needs for the year and already anticipating maturities at the beginning of 2024. Thus, there was no need to renew the sales of receivables made in the previous quarter and we were able to let them mature.





# INDEBTEDNESS

R\$ thousand	30/09/2023 adjusted	30/09/2022 adjusted	Δ(%)
(+) Loans and financing	1,695,996	1,178,336	43.9%
(-) Cash and cash equivalents	162,883	256,589	-36.5%
<b>(=) Net Debt</b>	<b>1,533,113</b>	<b>921,747</b>	<b>66.3%</b>
(+) Factoring of Receivables	24,840	0	n.a
(+) Tax Installment Payment	100,636	120,411	-16.4%
<b>(=) Adjusted Net Debt</b>	<b>1,658,589</b>	<b>1,042,158</b>	<b>59.1%</b>
Adj. Net Debt /Adj. EBITDA (LTM)	1.99x	1.35x	0.64x
Adj. Net Debt /Adj. EBITDA (ex-IFRS) (LTM)	2.98x	2.01x	0.97x

The increase in the balance of loans and financing in the 3Q23 in relation to the same period in 2022, reflects the new debt raised to finance Company's growth and temporary cash needs caused by the inventory situation. Despite the positive operating cash generation in 3Q23, we observed an increase in Net Debt of R\$40 million when compared to 2Q23, caused by interest accrued on the balance of this debt and for the payment of dividends during the quarter.

Leverage, although still above the levels we consider appropriate for the Company, is already showing signs of improvement and should continue reducing with the company's normal seasonality and the actions taken throughout the year to generate cash.

# INVESTMENTS - CAPEX

R\$ thousand	3Q23	3Q22	Δ(%)	9M23	9M22	Δ(%)
New Stores	7,807	14,586	-46.5%	40,061	45,635	-12.2%
Stores Refurbishment	2,889	2,205	31.0%	9,755	21,912	-55.5%
Technology	26,357	27,459	-4.0%	92,413	83,010	11.3%
Logistics	13,858	5,090	172.3%	47,168	11,127	323.9%
Others	8,339	14,052	-40.7%	19,469	26,814	-27.4%
<b>Total Investments</b>	<b>59,250</b>	<b>63,392</b>	<b>-6.5%</b>	<b>208,866</b>	<b>188,498</b>	<b>10.8%</b>

CAPEX in 3Q23 recorded a decrease of 6.5% compared to 3Q22 and an increase of 10.8% in 9M23. The changes are explained by a concentration of store openings throughout the first semester of 2023, while in 2022 most stores were opened in the second semester, and by investments in technology and logistics structural projects (new Fisia distribution center opened this quarter).



# CONSOLIDATED BALANCE SHEET

R\$ thousand	30/09/2023	31/12/2022
<b>Assets</b>	<b>8,232,827</b>	<b>8,470,247</b>
Current	<b>4,247,674</b>	<b>4,526,488</b>
Cash and cash equivalents	162,883	418,311
Accounts receivable	1,555,167	1,711,003
Derivative financial instruments	530	4,169
Recoverable taxes	410,321	525,351
Income tax and social contribution to be offset	49,567	49,055
Inventories	1,959,912	1,737,002
Other accounts receivable	109,294	81,597
<b>Non-current</b>	<b>3,985,153</b>	<b>3,943,759</b>
Taxes to be offset	213,820	146,880
Income tax and social contribution to be offset	56,909	93,055
Loans receivable	10,064	10,036
Deferred tax assets	748,784	841,811
Judicial deposits	388,747	291,673
Other amounts receivable	57,065	67,727
Investments	5,169	5,001
Property and equipment	601,626	571,951
Intangible assets	516,418	487,453
Right of use	1,386,551	1,428,172
<b>Liabilities</b>	<b>8,232,827</b>	<b>8,470,247</b>
Current	<b>2,479,608</b>	<b>2,948,338</b>
Suppliers	811,701	1,561,547
Loans and financing	97,671	86,082
Debentures	591,687	191,836
Derivative financial instruments	66,277	39,612
Tax liabilities	247,010	192,684
Income tax and social contribution payable	11,763	32,944
Tax installment payment	36,073	47,030
Labor and social security liabilities	164,454	191,851
Dividends payable	16	33,085
Lease payable	194,776	278,072
Other accounts payable	159,108	140,744
Other obligations	99,072	152,851
<b>Non-current</b>	<b>3,291,171</b>	<b>3,112,055</b>
Loans and financing	185,008	81,997
Debentures	821,630	773,647
Tax installment payment	64,563	65,359
Provisions for contingencies	579,952	559,713
Deferred income tax and social contribution	10,710	9,724
Lease payable	1,428,012	1,358,170
Other obligations	105,651	123,874
Other accounts payable	95,645	139,571
<b>Shareholders' equity</b>	<b>2,462,048</b>	<b>2,409,854</b>
Capital stock	1,830,872	1,830,524
Capital reserves	272,083	261,528
Incentive reserves	331,702	331,702
Equity valuation adjustments	-15,205	-15,157
Accumulated losses	42,596	1,257



# CASH FLOW

Em R\$ mil	30/09/2023	30/09/2022
<b>Profit before taxes</b>	<b>64,193</b>	<b>44,810</b>
Adjusted by:		
Depreciation and amortization	309,695	253,261
Interest rates	279,183	212,168
Impairment losses on accounts receivables	1,469	1,441
Equity Income	-168	-87
Share-based payment	10,555	29,005
Income (loss) from write-off of property, plant and equipment and intangible assets	34,254	3,835
Write-off of residual leases	-7,438	0
Provision for inventory obsolescence	53,347	28,008
Net recording of provision for contingencies	38,438	27,256
Lease discounts	-1,133	-10,199
	<b>782,395</b>	<b>589,498</b>
<b>(Increase) decrease in Assets</b>		
Accounts receivable	154,367	9,791
Inventory	-276,257	-475,007
Derivative financial instruments	3,639	12,210
Deferred taxes, income tax and social contribution to be offset	174,629	73,668
Judicial deposits	-97,074	-84,782
Other accounts receivable	-17,035	-5,520
<b>Increase (decrease) in liabilities</b>		
Suppliers	-751,949	3,509
Tax liabilities	52,642	34,885
Tax installment payment	-18,419	-34,281
Derivative financial instruments	18,784	24,666
Contingencies paid	-18,199	-12,777
Labor and social security liabilities	-27,397	33,851
Other accounts payable	-15,556	-189,029
Other obligations	-82,008	21,276
<b>Chg. in assets and liabilities:</b>	<b>-899,833</b>	<b>-587,540</b>
Interest rate paid on financing	-20,112	-22,102
Interest rate paid on debentures	-104,736	-35,220
Income tax and social contribution paid	-33,078	-92,067
<b>Net cash (used in) generated by operating activities</b>	<b>-275,364</b>	<b>-147,431</b>
<b>Cash flow from investing activities</b>		
Additions to property and equipment	-110,104	-111,373
Additions to intangible assets	-120,312	-87,583
Acquisition of NETWORK Participações	0	-7,617
Aquisição de controlada líquido do caixa recebido - FitDance	0	-9,636
Aquisição de participação em coligada - X3M	0	-4,792
<b>Net cash (used in) investing activities</b>	<b>-230,416</b>	<b>-221,001</b>
<b>Cash flow from financing activities</b>		
Loans and financing raised	194,248	2,536
Loans and financing paid	586,848	496,132
Issue of debentures	-260,588	-201,027
Lease Paid	-237,419	-189,883
Capital increase	348	6,997
Loans receivable	0	-10,444
Dividends paid	-33,085	-28,637
<b>Net cash (used in) financing activities</b>	<b>250,352</b>	<b>75,674</b>
Decrease/Increase of cash and cash equivalents	-255,428	-292,758
Cash and cash equivalents at the beginning of the year	418,311	549,347
Cash and cash equivalents at the end of the year	162,883	256,589





# INCOME STATEMENT

## IFRS

R\$ thousand	3Q23	3Q22	Δ(%)	9M23	9M22	Δ(%)
Net revenue	1,793,263	1,469,980	22.0%	4,858,530	4,277,614	13.6%
Cost of sales	-957,705	-765,313	25.1%	-2,528,634	-2,280,808	10.9%
<b>Gross Profit</b>	<b>835,558</b>	<b>704,667</b>	<b>18.6%</b>	<b>2,329,896</b>	<b>1,996,806</b>	<b>16.7%</b>
<b>Operating expenses</b>	<b>-563,925</b>	<b>-561,405</b>	<b>0.4%</b>	<b>-1,704,337</b>	<b>-1,520,124</b>	<b>12.1%</b>
Selling expenses	-489,316	-468,971	4.3%	-1,459,969	-1,233,305	18.4%
Administrative and general expenses	-83,675	-89,450	-6.5%	-269,264	-267,695	0.6%
Other net operating income/expenses	9,066	-2,984	n.a	24,896	-19,124	230.2%
Depreciation and amortization expenses	-103,048	-89,910	14.6%	-301,071	-259,775	15.9%
<b>Operating Income (Loss)</b>	<b>168,585</b>	<b>53,352</b>	<b>216.0%</b>	<b>324,488</b>	<b>216,907</b>	<b>49.6%</b>
Financial income	71,578	44,331	61.5%	201,535	203,111	-0.8%
Financial expenses	-160,255	-117,036	36.9%	-461,830	-375,208	23.1%
<b>Net financial income (expenses)</b>	<b>-88,677</b>	<b>-72,705</b>	<b>22.0%</b>	<b>-260,295</b>	<b>-172,097</b>	<b>51.2%</b>
<b>Profit before taxes</b>	<b>79,908</b>	<b>-19,353</b>	<b>n.a</b>	<b>64,193</b>	<b>44,810</b>	<b>43.3%</b>
Income tax and social contribution	-7,209	34,338	-121.0%	-22,562	19,126	-218.0%
<b>Net income for the period</b>	<b>72,700</b>	<b>14,985</b>	<b>385.2%</b>	<b>41,631</b>	<b>63,936</b>	<b>-34.9%</b>

## IFRS adjusted by non-recurring effects

R\$ thousand	3Q23 adjusted	3Q22 adjusted	Δ(%)	9M23	9M22	Δ(%)
Net revenue	1,793,263	1,469,980	22.0%	4,858,530	4,277,614	13.6%
Cost of sales	-961,663	-765,313	25.7%	-2,536,065	-2,282,948	11.1%
<b>Gross Profit</b>	<b>831,600</b>	<b>704,667</b>	<b>18.0%</b>	<b>2,322,465</b>	<b>1,994,666</b>	<b>16.4%</b>
<b>Operating expenses</b>	<b>-591,801</b>	<b>-543,624</b>	<b>8.9%</b>	<b>-1,716,803</b>	<b>-1,493,469</b>	<b>15.0%</b>
Selling expenses	-518,181	-468,040	10.7%	-1,491,905	-1,241,431	20.2%
Administrative and general expenses	-83,675	-81,829	2.3%	-257,075	-261,919	-1.8%
Other net operating income/expenses	10,055	6,245	61.0%	32,177	9,881	225.6%
Depreciation and amortization expenses	-98,430	-85,221	15.5%	-287,216	-246,077	16.7%
<b>Operating Income (Loss)</b>	<b>141,369</b>	<b>75,822</b>	<b>86.4%</b>	<b>318,446</b>	<b>255,120</b>	<b>24.8%</b>
Financial income	69,566	44,331	56.9%	199,523	203,111	-1.8%
Financial expenses	-160,255	-117,036	36.9%	-460,867	-375,208	22.8%
<b>Net financial income (expenses)</b>	<b>-90,689</b>	<b>-72,705</b>	<b>24.7%</b>	<b>-261,344</b>	<b>-172,097</b>	<b>51.9%</b>
<b>Profit before taxes</b>	<b>50,680</b>	<b>3,117</b>	<b>n.a</b>	<b>57,102</b>	<b>83,023</b>	<b>-31.2%</b>
Income tax and social contribution	4,667	31,180	-85.0%	-9,715	17,727	-154.8%
<b>Net income for the period</b>	<b>55,348</b>	<b>34,298</b>	<b>61.4%</b>	<b>47,388</b>	<b>100,750</b>	<b>-53.0%</b>

GRUPO SBF



## ABOUT GRUPO SBF

Grupo SBF is a sports company founded in 1981 and until 2020 operated in the Brazilian market through Centauro, the largest sporting goods retailer in Brazil and Latin America and the first omnichannel retailer in Brazil, with e-commerce and brick-and-mortar operations fully integrated since 2018. In December 2020, a new business unit joined Grupo SBF: FISIA, the exclusive representative of Nike in Brazil (products distribution, Nike stores and e-commerce operations). In February 2021, a new acquisition was made: NWB, the largest digital producer of sports content in Brazil. Also in 2021, we started SBF Ventures to speed up our ecosystem consolidation. In 2022, we invested in Onefan, our “super-app” for soccer team club fans, which allows the clubs to offer exclusive services and experiences. We also acquired X3M, specialized in organizing races and sporting events, and FitDance, the largest dance platform in Brazil. At Grupo SBF, we believe that sport transforms lives, and we wake up every day to boost sports in Brazil.

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- 👤 Daniel Regensteiner
- 👤 Luna Romeu
- 👤 Luísa Milan
- 👤 Joao Marques



### Disclaimer

The assumptions contained in this report relating to the business outlook, projections and results and the growth potential of the Company constitute mere forecasts and were based on management's expectations in relation to the future of the Company. These expectations are highly dependent on changes in the market and in the overall economic performance of the country, the industry and the international market; therefore, they are subject to changes.





GRUPO SBF





## **Report on review of parent company and consolidated interim financial statements**

To the Board of Directors and Stockholders  
Grupo SBF S.A.

### **Introduction**

We have reviewed the accompanying interim statement of balance sheets of Grupo SBF S.A. ("Company") as at 30 September 2023 and the related statements of income and comprehensive income for the quarter and nine-month period then ended, and the statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the accompanying consolidated interim statement of balance sheets of Grupo SBF S.A. and its subsidiaries ("Consolidated") as at 30 September 2023 and the related consolidated statements of income and comprehensive income for the quarter and nine-month period then ended, and the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended, and explanatory notes.

Management is responsible for the preparation and fair presentation of these parent company and consolidated interim financial statements in accordance with the accounting standard CPC 21 - "Interim Financial Reporting", of the Brazilian Accounting Pronouncements Committee (CPC), and International Accounting Standard (IAS) 34 - "Interim Financial Reporting", of the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on these interim financial statements based on our review.

### **Scope of review**

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", and ISRE 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", respectively). A review of interim 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 Brazilian and International 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 interim information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim financial statements referred to above do not present fairly, in all material respects, the financial position of Grupo SBF S.A. and of Grupo SBF S.A. and its subsidiaries as at 30 September 2023, and the parent company financial performance for the quarter and nine-month period then ended and its cash flows for the nine-month period then ended, as well as the consolidated financial performance for the quarter and nine-month period then ended and the consolidated cash flows for the nine-month period then ended, in accordance with CPC 21 and IAS 34.



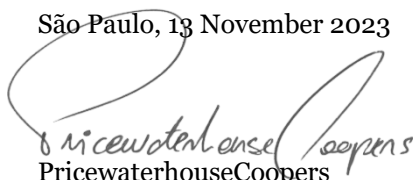
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## **Other matters**

### **Statement of value added**

The interim financial statements referred to above include the parent company and consolidated statements of value added for the nine-month period ended 30 September 2023. These statements are the responsibility of the Company's management and are presented as supplementary information. These statements have been subjected to review procedures performed together with the review of the interim financial statements for the purpose concluding whether they are reconciled with the interim financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard 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 have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and that they are consistent with the parent company and consolidated interim financial statements taken as a whole.

São Paulo, 13 November 2023

  
PricewaterhouseCoopers  
Auditores Independentes Ltda.  
CRC 2SP000160/O-5

DocuSigned by:  
  
Signed By: LEANDRO MAURO ARDITO:15700965895  
CPF: 15700965895  
Signing Time: 04 de dezembro de 2023 | 09:36 BRT

  
Leandro Mauro Ardito  
Contador CRC 1SP188307/O-0

**Grupo SBF S.A.**  
**Balance sheets at 30 September 2023 and 31 December 2022**  
*(In thousands of reais)*



Assets	Note	Parent company		Consolidated	
		09/30/2023	12/31/2022	09/30/2023	12/31/2022
<b>Current assets</b>					
Cash and cash equivalents	4	244	34.515	162.883	418.311
Accounts receivable	5	16.425	30.485	1.555.167	1.711.003
Inventory	6	-	-	1.959.912	1.737.002
Derivative financial instruments	7	-	-	530	4.169
Recoverable taxes	8	599	220	410.321	525.351
Recoverable income tax and social contribution	9	-	-	49.567	49.055
Dividends receivable		183.319	235.756	-	-
Other assets	10	1.388	248	109.294	81.597
<b>Total current assets</b>		<b>201.975</b>	<b>301.224</b>	<b>4.247.674</b>	<b>4.526.488</b>
<b>Non-current assets</b>					
Recoverable taxes	8	-	-	213.820	146.880
Recoverable income tax and social contribution	9	-	-	56.909	93.055
Loan receivables	22	10.064	10.036	10.064	10.036
Deferred income tax and social contribution	11	-	-	748.784	841.811
Judicial deposits	12	117	114	388.747	291.673
Other assets	10	54.802	49.819	57.065	67.727
<b>Total non-current assets</b>		<b>64.983</b>	<b>59.969</b>	<b>1.475.389</b>	<b>1.451.182</b>
Investments	12	2.339.163	2.298.244	5.169	5.001
Property, plant and equipment	14	431	483	601.626	571.951
Intangible assets	15	1.856	2.284	516.418	487.453
Right-of-use	16	-	-	1.386.551	1.428.172
<b>Total non-current assets</b>		<b>2.406.433</b>	<b>2.360.980</b>	<b>3.985.153</b>	<b>3.943.759</b>
<b>Total assets</b>		<b>2.608.408</b>	<b>2.662.204</b>	<b>8.232.827</b>	<b>8.470.247</b>

Liabilities and shareholders' equity	Note	Parent company		Consolidated	
		09/30/2023	12/31/2022	09/30/2023	12/31/2022
<b>Current liabilities</b>					
Accounts payable	17	1.366	1.321	770.832	1.423.376
Accounts payable - reverse factoring operation	17	-	-	40.869	138.171
Loans and financing	18	-	-	97.671	86.082
Debentures	18	-	-	591.687	191.836
Derivative financial instruments	7	-	-	66.277	39.612
Lease payables	16	-	-	194.776	278.072
Taxes payable	19	266	152	247.010	192.684
Income tax and social contribution payable		-	-	11.763	32.944
Taxes in installments	20	-	-	36.073	47.030
Labor and social security obligations	21	3.131	430	164.454	191.851
Dividends payable		16	33.085	16	33.085
Negative investment in subsidiaries	12	-	24.213	-	-
Related parties - other accounts payable	22	156	153	-	-
Other accounts payable	23	517	4.077	159.108	140.744
Other liabilities	24	35.660	34.351	99.072	152.851
<b>Total current liabilities</b>		<b>41.112</b>	<b>97.782</b>	<b>2.479.608</b>	<b>2.948.338</b>
<b>Non-current liabilities</b>					
Loans and financing	18	-	-	185.008	81.997
Debentures	18	-	-	821.630	773.647
Lease payables	16	-	-	1.428.012	1.358.170
Taxes in installments	20	-	-	64.563	65.359
Deferred income tax and social contribution	11	3	3	10.710	9.724
Provision for administrative and judicial risks	12	-	-	579.952	559.713
Other accounts payable	23	105.651	155.822	105.651	139.571
Other liabilities	24	-	-	95.645	123.874
<b>Total non-current liabilities</b>		<b>105.654</b>	<b>155.825</b>	<b>3.291.171</b>	<b>3.112.055</b>
<b>Shareholders' equity</b>					
Capital stock	25	1.830.872	1.830.524	1.830.872	1.830.524
Capital reserves		272.083	261.528	272.083	261.528
Legal profit reserve		331.702	331.702	331.702	331.702
Retained earnings		42.190	-	42.190	-
Equity valuation adjustment		(15.205)	(15.157)	(15.205)	(15.157)
		<b>2.461.642</b>	<b>2.408.597</b>	<b>2.461.642</b>	<b>2.408.597</b>
<b>Shareholders' equity attributable to controlling shareholders</b>					
Non-controlling interest in shareholders' equity of subsidiaries		-	-	406	1.257
<b>Total shareholders' equity</b>		<b>2.461.642</b>	<b>2.408.597</b>	<b>2.462.048</b>	<b>2.409.854</b>
<b>Total liabilities and shareholders' equity</b>		<b>2.608.408</b>	<b>2.662.204</b>	<b>8.232.827</b>	<b>8.470.247</b>

See the accompanying notes to this quarterly financial information.



**Grupo SBF S.A.**  
**Statements of income**  
**Periods ended 30 September 2023 and 2022**  
*(In thousands of reais)*



	Note	Parent company				Consolidated			
		07/01/2023 – 09/30/2023	01/01/2023 – 09/30/2023	07/01/2022 – 09/30/2022	01/01/2022 – 09/30/2022	07/01/2023 – 09/30/2023	01/01/2023 – 09/30/2023	07/01/2022 – 09/30/2022	01/01/2022 – 09/30/2022
Net revenues	27	-	-	-	-	1.793.263	4.858.530	1.469.980	4.277.614
Cost of sales and services rendered	28	-	-	-	-	(957.705)	(2.528.634)	(765.313)	(2.280.808)
Gross profit		-	-	-	-	835.558	2.329.896	704.667	1.996.806
Operating revenues (expenses)									
Sales expenses	29	-	-	-	-	(564.025)	(1.669.549)	(532.901)	(1.418.127)
(Reversal) of impairment losses on accounts receivable		-	-	-	-	1.944	(1.469)	(1.523)	(1.441)
General and administrative expenses	29	(2.549)	(10.825)	(2.936)	(15.480)	(113.958)	(359.286)	(113.907)	(341.207)
Other gains (losses), net		-	(6.536)	(9.228)	(29.004)	10.155	24.728	(3.320)	(19.211)
Equity in the income of subsidiaries and associated companies		76.524	57.664	26.845	109.238	(1.089)	168	336	87
Operating income (loss)		73.975	40.303	14.681	64.754	168.585	324.488	53.352	216.907
Financial revenues	30	239	2.379	276	624	71.578	201.535	44.331	203.111
Financial expenses	30	(149)	(491)	(81)	(768)	(160.255)	(461.830)	(117.036)	(375.208)
Net financial income (loss)		90	1.888	195	(144)	(88.677)	(260.295)	(72.705)	(172.097)
Profit (loss) before tax		74.065	42.191	14.876	64.610	79.908	64.193	(19.353)	44.810
Income tax and social contribution - current	11	-	-	-	-	(6.671)	79.074	(12.339)	(97.029)
Income tax and social contribution - deferred	11	(1)	(1)	-	(2)	(537)	(101.636)	46.677	116.155
Net income (loss) for the period		74.064	42.190	14.876	64.608	72.700	41.631	14.985	63.936
The Company’s shareholders		74.064	42.190	14.976	64.608	74.064	42.190	14.876	64.608
Non-controlling shareholders		-	-	-	-	(1.364)	(559)	109	(672)
		74.064	42.190	14.876	64.608	72.700	41.631	14.985	63.936
Net earnings per share attributable to the Group’s shareholders									
Basic earnings per share (weighted average)	25					(0,17)	0,17	0,13	0,20
Diluted earnings per share (weighted average)	25					(0,17)	0,17	0,13	0,20

See the accompanying notes to this quarterly financial information.

**Grupo SBF S.A.**  
**Statements of comprehensive income**  
**Periods ended 30 September 2023 and 2022**  
*(In thousands of reais)*



	Parent company				Consolidated			
	07/01/2023 – 09/30/2023	01/01/2023 – 09/30/2023	07/01/2022 – 09/30/2022	01/01/2022 – 09/30/2022	07/01/2023 – 09/30/2023	01/01/2023 – 09/30/2023	07/01/2022 – 09/30/2022	01/01/2022 – 09/30/2022
<b>Net income for the period</b>	<b>74.064</b>	<b>42.190</b>	<b>14.876</b>	<b>64.608</b>	<b>72.700</b>	<b>41.631</b>	<b>14.985</b>	<b>63.936</b>
<b>Other comprehensive income</b>								
Items that can be reclassified to income (loss)								
Cash flow hedges	36.320	(7.881)	18.653	(6.861)	17.633	(7.881)	18.653	(6.861)
<b>Other comprehensive income</b>	<b>36.320</b>	<b>(7.881)</b>	<b>18.653</b>	<b>(6.861)</b>	<b>17.633</b>	<b>(7.881)</b>	<b>18.653</b>	<b>(6.861)</b>
Deferred income tax and social contribution on cash flow hedge	(12.349)	7.833	(6.342)	2.333	(5.995)	7.833	6.342	2.333
<b>Other comprehensive income, net of taxes</b>	<b>98.035</b>	<b>42.142</b>	<b>27.187</b>	<b>60.080</b>	<b>84.338</b>	<b>41.583</b>	<b>39.980</b>	<b>59.408</b>
<b>Comprehensive income (loss) for the period</b>	<b>98.035</b>	<b>42.142</b>	<b>27.187</b>	<b>60.080</b>	<b>84.338</b>	<b>41.583</b>	<b>39.980</b>	<b>59.408</b>
<b>Comprehensive income attributable to:</b>								
The Company's shareholders	98.035	42.142	27.187	60.080	84.897	42.142	39.871	60.080
Non-controlling shareholders	-	-	-	-	(559)	(559)	109	(672)
<b>Total comprehensive income</b>	<b>98.035</b>	<b>42.142</b>	<b>27.187</b>	<b>60.080</b>	<b>84.338</b>	<b>41.583</b>	<b>39.980</b>	<b>59.408</b>

See the accompanying notes to this quarterly financial information.

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**Grupo SBF S.A.**  
**Statements of changes in shareholders' equity**  
**Periods ended 30 September 2023 and 2022**  
*(In thousands of reais)*

	Attributable to controlling shareholders										Non-controlling interest	Total shareholders' equity (consolidated)
	Capital reserves			Profit reserves					Total			
	Capital stock	Goodwill in the issue of shares	Share-based payments	Legal reserve	Tax incentive reserve	Statutory reserve	Other comprehensive income	Retained earnings				
Balances at 1 January 2022	1.823.527	154.753	70.214	9.420	64.439	85.911	15.726	-	2.223.990	645	2.224.635	
Capital increases	6.997	-	- -	-	-	-	-	-	6.997	-	6.997	
Adjustment to non-controlling interest	-	-	-	-	-	-	-	-	-	(19)	(19)	
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-	1.021	1.021	
Equity income (loss) on cash flow hedge	-	-	-	-	-	-	(6.861)	-	(6.861)	-	(6.861)	
Advance for future capital increase	-	-	-	-	-	-	-	-	-	-	-	
Share-based payments	-	-	29.005	-	-	-	-	-	29.005	-	29.005	
Net revenue for the period	-	-	-	-	-	-	-	64.608	64.608	(672)	63.936	
Balances at 30 September 2022	1.830.524	154.753	99.219	9.420	64.439	85.911	8.865	64.608	2.317.739	975	2.318.714	
Balances at 1 January 2023	1.830.524	154.753	106.775	19.671	126.865	185.166	(15.157)	-	2.408.597	1.257	2.409.854	
Capital increases	348	-	-	-	-	-	-	-	348	-	348	
Adjustment to non-controlling interest	-	-	-	-	-	-	-	-	-	(292)	(292)	
Equity income (loss) on cash flow hedge	-	-	-	-	-	-	(7.881)	-	(7.881)	-	(7.881)	
Equity income (loss) on tax effects in cash flow hedge operations	-	-	-	-	-	-	7.833	-	7.833	-	7.833	
Share-based payments	-	-	10.555	-	-	-	-	-	10.555	-	10.555	
Net income for the period	-	-	-	-	-	-	-	42.190	42.190	(559)	41.631	
Balances at 30 September 2023	1.830.872	154.753	117.330	19.671	126.865	185.166	(15.205)	42.190	2.461.642	406	2.462.048	

See the accompanying notes to this quarterly financial information.

**GRUPO SBT S.A.**  
**Statements of cash flows**  
**Periods ended 30 September 2023 and 2022**  
*(In thousands of reais)*



	Parent company		Consolidated	
	01/01/2023 – 09/30/2023	01/01/2022 – 09/30/2022	01/01/2023 – 09/30/2023	01/01/2022 – 09/30/2022
<b>Cash flow from operating activities</b>				
<b>Income before taxes</b>	<b>42.191</b>	<b>64.610</b>	<b>64.193</b>	<b>44.810</b>
Adjusted by:				
Depreciation and amortization of property, plant and equipment and intangible assets	479	404	136.654	120.195
Depreciation of rights-of-use	-	-	173.041	133.066
Interest on loans and financing	-	-	24.386	27.668
Interest on debentures	-	-	142.388	86.171
Interest on loan agreements	(28)	-	(28)	-
Interest on tax payments in installments	-	-	6.666	2.946
Interest on payments in arrears	-	95	2.971	583
(Reversal) of impairment losses on accounts receivable	-	-	1.469	1.441
Interest on late payments of taxes	-	-	1.684	411
Equity in net income of subsidiaries	(57.664)	(109.247)	(168)	(87)
Share-based remuneration	5.539	29.005	10.555	29.005
Income (loss) from write-off of property, plant and equipment and intangible assets	-	-	34.254	3.835
Residual write-off of leases	-	-	(7.438)	-
Provision for inventory obsolescence	-	-	53.347	28.008
Lease interest	-	-	101.116	94.389
Lease discounts	-	-	(1.133)	(10.199)
Net constitution of provision for administrative and judicial risks	-	-	38.438	27.256
	<b>(9.483)</b>	<b>(15.133)</b>	<b>782.395</b>	<b>589.498</b>
<b>Changes in:</b>				
<b>(Increase) decrease in assets</b>				
Accounts receivable	14.060	(2.083)	154.367	9.791
Inventory	-	-	(276.257)	(475.007)
Derivative financial instruments	-	-	3.639	12.210
Taxes to be offset, IRPJ and CSLL to be offset	(379)	(106)	174.629	73.668
Judicial deposits	(3)	(5)	(97.074)	(84.782)
Other assets	(6.123)	(7.830)	(17.035)	(5.520)
<b>Increase (decrease) in liabilities</b>				
Suppliers	45	100	(654.647)	3.509
Suppliers - Drawee Risk	-	-	(97.302)	-
Taxes payable	114	45	52.642	34.885
Scheduling of taxes	-	-	(18.419)	(34.281)
Derivative financial instruments	-	-	18.784	24.666
Contingencies paid	-	-	(18.199)	(12.777)
Labor and social security obligations	2.701	84	(27.397)	33.851
Other accounts payable	(53.731)	(157.428)	(15.556)	(189.029)
Other liabilities	1.309	-	(82.008)	21.276
<b>Changes in assets and liabilities:</b>	<b>(42.007)</b>	<b>(167.223)</b>	<b>(899.833)</b>	<b>(587.540)</b>
Income tax and social contribution	-	-	(33.078)	(92.067)
Interest paid on financing	-	-	(20.112)	(22.102)
Interest paid on debentures	-	-	(104.736)	(35.220)
<b>Net cash used in operating activities</b>	<b>(51.490)</b>	<b>(182.356)</b>	<b>(275.364)</b>	<b>(147.431)</b>
<b>Cash flow from investing activities</b>				
Additions to property, plant and equipment	-	(468)	(110.104)	(111.373)
Additions to intangible assets	-	(275)	(120.312)	(87.583)
Acquisition of minority interests - Network	-	-	-	(7.617)
Acquisition of subsidiaries net of cash received - FitDance	-	(5.992)	-	(9.636)
Acquisition of interest in associated company - X3M	-	-	-	(4.792)
Dividends received	52.437	166.216	-	-
<b>Net cash generated by (used in) investment activities</b>	<b>52.437</b>	<b>159.481</b>	<b>(230.416)</b>	<b>(221.001)</b>
<b>Cash flow from financing activities</b>				
Loans and financing obtained	-	-	194.248	2.536
Issuance of debentures	-	-	586.848	496.132
Loans and financing paid	-	-	(260.588)	(201.027)
Leases paid	-	-	(237.419)	(189.883)
Capital increases	348	6.997	348	6.997
Related parties	3	(154)	-	-
Advance for future capital increases	-	(10.444)	-	-
Advance for future capital decrease in subsidiary	-	(28.638)	-	-
Paid-up capital in subsidiaries	(2.500)	(6.200)	-	-
Loan receivables	-	-	-	(10.444)
Dividends paid	(33.069)	-	(33.085)	(28.637)
<b>Net cash (used in) generated by financing activities</b>	<b>(35.218)</b>	<b>(38.439)</b>	<b>250.352</b>	<b>75.674</b>
<b>Decrease in cash and cash equivalents</b>	<b>(34.271)</b>	<b>(61.314)</b>	<b>(255.428)</b>	<b>(292.758)</b>
<b>Cash and cash equivalent at 1 January</b>	<b>34.515</b>	<b>62.088</b>	<b>418.311</b>	<b>549.347</b>
<b>Cash and cash equivalents on 30 June</b>	<b>244</b>	<b>774</b>	<b>162.883</b>	<b>256.589</b>
<b>Decrease in cash and cash equivalents</b>	<b>(34.271)</b>	<b>(61.314)</b>	<b>(255.428)</b>	<b>(292.758)</b>
<b>Transactions not affecting cash</b>				
Addition to property, plant and equipment and intangible assets	-	1	868	324
Derivatives	-	(6.861)	(48)	(6.861)

See the accompanying notes to this quarterly financial information.



**Grupo SBF S.A.**  
**Statements of value added**  
**Periods ended 30 September 2023 and 2022**  
*(In thousands of reais)*



	<b>Parent company</b>		<b>Consolidated</b>	
	<b>01/01/2023 – 09/30/2023</b>	<b>01/01/2022 – 09/30/2022</b>	<b>01/01/2023 – 09/30/2023</b>	<b>01/01/2022 – 09/30/2022</b>
<b>Revenues</b>	-	-	<b>6.139.497</b>	<b>5.347.956</b>
Revenue from sales of goods, products and services	-	-	6.113.157	5.339.618
Impairment loss on accounts receivable	-	-	(1.469)	(1.441)
Other revenues	-	-	27.809	9.779
<b>Inputs acquired from third parties</b>	<b>(3.481)</b>	<b>(4.043)</b>	<b>(4.148.264)</b>	<b>(3.631.947)</b>
Cost of products and goods sold and services rendered	-	-	(3.131.808)	(2.818.276)
Materials, energy, outsourced services and other	(2.484)	(4.043)	(986.977)	(775.779)
Losses on asset values	(997)	-	(29.479)	(37.892)
<b>Gross value added</b>	<b>(3.481)</b>	<b>(4.043)</b>	<b>1.991.233</b>	<b>1.716.009</b>
<b>Depreciation and amortization</b>	<b>(479)</b>	<b>(404)</b>	<b>(323.539)</b>	<b>(275.258)</b>
<b>Net value added generated</b>	<b>(3.960)</b>	<b>(4.447)</b>	<b>1.667.694</b>	<b>1.440.751</b>
<b>Amount received through transfers</b>	<b>60.043</b>	<b>109.862</b>	<b>201.703</b>	<b>203.198</b>
Equity in net income of subsidiaries	57.664	109.238	168	87
Financial revenues	2.379	624	201.535	203.111
Other operating revenues	-	-	-	-
<b>Total value added to be distributed</b>	<b>56.083</b>	<b>105.415</b>	<b>1.869.397</b>	<b>1.643.949</b>
<b><u>Distribution of value added</u></b>				
<b>Personnel</b>	<b>11.501</b>	<b>38.248</b>	<b>520.437</b>	<b>544.578</b>
Direct remuneration	9.868	32.581	368.679	358.821
Benefits	1.633	5.667	117.144	157.078
Guarantee Fund for Length of Service—FGTS	-	-	34.614	28.679
<b>Taxes, rates and contributions</b>	<b>1.839</b>	<b>1.708</b>	<b>651.279</b>	<b>510.838</b>
Federal	1.564	1.438	278.355	171.559
State	-	-	347.495	315.987
Municipal	275	270	25.429	23.292
<b>Third-party capital remuneration</b>	<b>553</b>	<b>852</b>	<b>656.050</b>	<b>524.597</b>
Financial expenses (interest)	143	97	184.572	157.477
Rentals	-	-	76.357	56.937
Other	410	755	395.121	310.183
<b>Remuneration of own capital</b>	<b>42.190</b>	<b>64.607</b>	<b>41.631</b>	<b>63.936</b>
Retained earnings (loss for the period)	42.190	64.607	42.190	64.608
Non-controlling interest	-	-	(559)	(672)

See the accompanying notes to this quarterly financial information.

## NOTES TO THE QUARTERLY FINANCIAL INFORMATION

(In thousands of reais)

### 1. OPERATIONS

Grupo SBF S.A. (the "Parent company" or the "Group") is a publicly-held company, domiciled in Brazil and headquartered in the city of São Paulo, São Paulo State. The Group has its shares traded on the Novo Mercado (New Market), in the B3 special securities trading segment, subject to B3's Novo Mercado Regulations, under the ticker "SBFG3".

Quarterly financial information of Grupo SBF for the period ended 30 September 2023 includes parent company Grupo SBF S.A. and its subsidiaries, collectively referred the "Group" or "Grupo SBF".

Grupo SBF is mainly engaged in trading general sports and leisure products (shoes, clothing, entertainment in general, equipment and accessories), from the domestic and foreign markets, the provision of logistics services, audiovisual production, as well as the production of advertising films.

The issue of quarterly financial information was authorized by the Board of Directors during a meeting held as at 10 November 2023.

The list of the Grupo SBF's subsidiaries as at 30 September 2023 and 2022 is presented below:

Subsidiaries	Equity interest				Activity
	DIRECT		INDIRECT		
	2023	2022	2023	2022	
SBF Comércio de Produtos Esportivos S.A. ("SBF Comércio")	100%	99.96%	-	-	Retail business
Fisia Comércio de Produtos Esportivos S.A. ("Fisia")	-	100%	100%	-	Wholesale and retail trade
Lione Comércio de Art. Esportivos Ltda. ("Lione")	-	-	100%	100%	Sports commerce
VBLOG Logística e Transporte Ltda. ("VBLOG")	100%	99.00%	-	-	Logistics services
Pine Adm. de Bens e Participações Ltda. ("Pine")	-	100%	-	-	Joint ventures and interest
Premier Distribuidora de Vestuário, Calçados, Equipotos e Acessórios Ltda. ("Premier")	100%	-	-	100%	Sports commerce
Store Engenharia e Instalações Ltda. ("Store")	-	100%	-	-	Engineering services
Network Participações S.A. ("Network")	100%	100%	-	-	Holding company
Neotv Prod e Com. de Cont. Audiovisual e Serv Digitais S.A. ("NeoTV")	-	-	100%	79.97%	Audiovisual production
Fatality Tv Prod e Com Audiovisual e Serviços Digitais S.A. ("Fatality")	-	-	-	100%	Audiovisual production
Acelerados Produtora e Distribuidora Audiovisual S.A. ("Acelerados")	-	-	51%	51%	Audiovisual production
Falcão Prod E Com De Cont S.A. ("Falcão")	-	-	-	51%	Audiovisual production
FitDance Entretenimento Ltda. ("Fitdance")	-	-	100%	100%	Advertising film production

The key information on each of the subsidiaries included in the Group's consolidated financial information is presented in Note 13.

The Group's accounting policies were consistently applied by the consolidated entities.



## 2. PREPARATION BASIS

### 2.1 Statement of conformity to CPC 21 and IAS 34

The Group's individual and consolidated quarterly financial information for the nine-month period ended 30 September 2023, was prepared in accordance with CPC 21 (R1) – Interim Financial Reporting (IAS 34), issued by the International Accounting Standards Board ("IASB") and presented in accordance with the rules approved and issued by the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários - "CVM").

Accounting practices and policies (which include the principles of measurement, recognition and disclosure of assets and liabilities), in addition to the main accounting judgments and sources of uncertainty about estimates adopted in the preparation of this quarterly financial information, are those adopted and disclosed in the audited annual financial statements for the year ended 31 December 2022, published on 2 March 2023. Therefore, this quarterly financial information should be read together with Grupo SBF's individual and consolidated annual financial statements for the year ended 31 December 2022 (Note 2.4 Significant accounting policies).

All relevant information in individual and consolidated quarterly financial information, and only that, is evidenced and corresponds to that used by Management.

### 2.2 Adoption of new pronouncements, changes and interpretations of pronouncements

In 2023, the Group evaluated the amendments and new interpretations to the CPCs and IFRSs issued by the Accounting Pronouncements Committee (CPC) and IASB, respectively, which are mandatory for accounting periods beginning on or after 1 January 2023. The key changes are:

- Amendments to CPC 23, Accounting Policies, Changes in Accounting Estimates and Errors (IAS 8);
- CPC 26 (R1), Presentation of Financial Statements (IAS 1);
- Amendment to IFRS Practice Statement 2, Making Materiality Judgments, (a guidance document issued by the IASB and not published by the CPC in Brazil), where the concepts of accounting estimates and the application of materiality judgments to accounting policy disclosures were clarified. It also aimed to aid entities to provide more useful accounting policy disclosures, replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies;
- Amendments to CPC 32/IAS 12 – Income Taxes. Deferred tax related to assets and liabilities from a single transaction.

The adoption of these standards did not result in material impacts on the Group's individual and consolidated quarterly financial information.

## 3. FINANCIAL RISK MANAGEMENT

Information regarding general considerations and policies was presented in Grupo SBF's annual financial statements for the year ended 31 December 2022, in Note 5.1, and remained unchanged for the nine-month period ended 30 September 2023.





The Group's activities expose it to financial risks: market risks (including currency and interest rate risk), credit and liquidity risks. The Group's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance by using derivative financial instruments to hedge certain risk exposures. The Group does not use derivative financial instruments for speculation purposes.

#### a) Market risks

To protect the Group's current balance sheet positions from market risks, the following derivative financial instruments are used, comprising the balances presented below as at 30 September 2023 and 31 December 2022:

	09/30/2023	12/31/2022
Operational derivatives – Notional (NDF)	(1,222,949)	(1,644,665)

#### Foreign exchange risk

Derives from the possibility of fluctuations in foreign exchange rates of foreign currencies used by the Group mainly to products from foreign markets. As at 30 September 2023 and 31 December 2022 there was no outstanding loan, financing or debenture in foreign currency for outstanding imports.

The Group has derivative financial instruments that were classified as cash flow hedges and applies hedge accounting, in accordance with CPC 48/IFRS 9 – Financial Instruments. Cash flow hedges provide protection against changes in the cash flow attributable to a particular risk associated with a recognized asset or liability, or with a foreseen transaction that is highly likely and that could affect the result.

The effective portion of the changes in the fair value of derivatives designated and qualified as cash flow hedges is recorded as a component of "other comprehensive income". As at 30 September 2023, a loss was determined, to be recorded in other comprehensive income, in the amount of R\$ 7,881. The gain or loss related to the ineffective portion, when determined, is immediately recognized in profit or loss. Gains from non-effective portion were determined for the period ended 30 September 2023.

Amounts accumulated in "other comprehensive income" are realized in the statement of income in the periods when the hedged item affects the income (loss) (for instance, upon the settlement of hedged item).

Maturities	Hedging instrument		Fair value	Operation	Hedged item	
	Currency	Domestic			Estimated maturities	
07/10/2023–04/26/2024	USD	(1,222,949)	(65,747)	Request for Imports of goods and accounts payable in USD	07/10/2023–04/26/2024	
<b>Total consolidated</b>		<b>(1,222,949)</b>	<b>(65,747)</b>			

#### Fair value

The table below shows a breakdown of the outstanding derivatives held by the Group as at 30 September 2023, all for the purpose of hedging currency risk on purchases of goods.





Derivative	Principal value	Long or short position	Fair value	Maximum maturity period	Counterparty
NDF	(111,425)	Long	(9,785)	06/25/2024	ABC
NDF	(542,193)	Long	(25,669)	06/25/2024	Bradesco
NDF	(200,954)	Long	1,657	06/25/2024	BTG
NDF	(165,665)	Long	(5,239)	06/25/2024	HSBC Brasil
NDF	(328,684)	Long	(2,537)	06/25/2024	Itaú
NDF	(45,275)	Long	(3,702)	06/25/2024	Safra
NDF	(205,725)	Long	(12,694)	06/25/2024	Votorantim
NDF	29,881	Short	(1,405)	06/25/2024	ABC
NDF	79,907	Short	(1,610)	06/25/2024	Bradesco
NDF	108,328	Short	(1,126)	06/25/2024	BTG
NDF	1	Short	-	06/25/2024	HSBC Brasil
NDF	158,855	Short	(3,637)	06/25/2024	Itaú
<b>Total</b>	<b>(1,222,949)</b>		<b>(65,747)</b>		

### Interest rate risk

Relates to the possibility of the Group suffering losses arising from oscillations of interest rates levied on their financial assets and liabilities. The main source of this risk is the Group's leases, loans, financing and debentures, most of which have posted-fixed rates. Financial investments are mainly indexed to the Interbank Deposit Certificate ("CDI"), partially reducing loan risks, financing and debentures.

In the quarterly financial information, the profile of the Group's interest-bearing financial instruments corresponds to:

	Consolidated	
	09/30/2023	12/31/2022
Financial investments (Note 4)	149,507	375,007
Loans and financing (Note 18)	(282,679)	(168,079)
Debentures (Note 18)	(1,413,317)	(965,483)
Lease payables (Note 16)	(1,622,788)	(1,636,242)
<b>Total</b>	<b>(3,169,277)</b>	<b>(2,394,797)</b>

### Sensitivity analysis

The Group's risk arises from operations involving financial investments, loans, financing and debentures pegged to the CDI. As at 30 September 2023, the Group performed sensitivity tests for adverse and favorable interest scenarios (CDI). For the purposes of the sensitivity analysis, the Group used the CDI forecasts in the FOCUS report (12.65% annually). The scenarios consider changes of 25% and 50%, respectively, to the CDI.

			Increase in interest		Decrease in interest	
			Possible (+)	Remote (+)	Possible (-)	Remote (-)
	2023	Probable	25%	50%	-25%	-50%
Financial investments (Note 4)	149,507	18,913	23,641	28,370	14,185	9,457
Loans and financing (Note 18)	282,679	35,759	44,699	53,639	26,819	17,880
Debentures (Note 18)	1,413,317	178,785	223,481	268,178	134,089	89,393

### b) Credit risk

Credit risk represents the possibility of a financial loss of the Group if a client or a counterparty to a financial instrument fails to fulfill its contractual obligations, and arises mainly on retail and wholesale trade accounts receivable, or on financial investments and judicial deposits.

The table that provides information regarding the exposure to credit risk and expected credit losses on accounts receivable as at 30 September 2023 and 31 December 2022 is shown in Note 5.



The book values of financial assets represent the maximum credit exposure. The maximum credit risk exposure as of the date of quarterly financial information was as follows:

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Cash and banks (Note 4)	24	554	12,866	43,052
Payment methods (Note 4)	-	-	510	252
Financial investments – Current (Note 4)	220	33,961	149,507	375,007
Accounts receivable (Note 5)	-	-	1,555,167	1,711,003
Other assets (Note 10)	56,190	50,067	166,359	149,324
Judicial deposits (Note 12)	117	114	388,747	291,673
<b>Total</b>	<b>56,551</b>	<b>84,696</b>	<b>2,273,156</b>	<b>2,570,311</b>

Due to the nature of its business, the Group does not have differentiated levels of credit risk from retail accounts receivable by region or by customer profile, since the main concentration of receivables is on credit cards.

The credit risks of accounts receivable by region and customer profile are analyzed in wholesale sales.

### c) Liquidity risk

Liquidity risk is the risk of the Group may encounter difficulties performing the obligations associated with its financial liabilities that are settled in cash.

The Group maintains contracts for the factoring of receivables that can be used if necessary. As at 30 September 2023, of the total factoring of receivables, and considering the flow of original maturity dates with credit card operators, the Group would still have a total of R\$ 24,839 due, an amount that was fully written off from accounts receivable. As at 31 December 2022, the Group did not have a balance related to the factoring of receivables from credit card companies to be amortized.

The Group also monitors expected the level of cash inflows deriving from trade accounts receivable and other receivables, as well as expected cash outflows related to short-term obligations. As at 30 September 2023, expected cash flow from trade accounts receivable and other receivables maturing within two months was R\$ 1,080,702 (R\$ 1,099,029 as at 31 December 2022).

	Consolidated	
	09/30/2023	12/31/2022
Short term liabilities	(2,479,608)	(2,948,338)
Cash and cash equivalents (Note 4)	162,883	418,311
Derivative financial instruments - Assets (Note 7)	530	4,169
Accounts receivable (Note 5)	1,555,167	1,711,003
<b>Total</b>	<b>(761,028)</b>	<b>(814,855)</b>
<b>Shareholders' equity</b>	<b>2,462,048</b>	<b>2,409,854</b>
<b>Net indebtedness ratio</b>	<b>31%</b>	<b>34%</b>

### Exposure to liquidity risk

We present below the contractual maturities of financial liabilities on the date of quarterly financial information. These amounts are gross and without discounts deducted. They include contractual interest payments and exclude the impact of offsetting agreements.





The Group believes that it will have no problem honoring its short-term maturities. Practically all credit card receivables may be anticipated at the time of sale. Thus all sales, even those involving installment payments, have the potential to be received by means of selling the receivables portfolio.

Most of the loans, financing and debentures are long term, and 40.65% will be settled on a short-term basis, that is, over the next 12 months.

30 September 2023	Book value	Contractual cash flows	≤02 months	02– 12 months	01–0 years	02–05 years	>05 years
<b>Non-derivative financial liabilities</b>							
Suppliers (Note 17)	770,832	770,832	659,385	111,447	-	-	-
Suppliers - Drawee risk (Note 17)	40,869	40,869	29,836	11,033	-	-	-
Loans and financing (Note 18)	282,679	369,117	10,200	123,814	72,425	162,678	-
Debentures (Note 18)	1,413,317	1,724,660	74,372	647,388	496,123	506,777	-
Taxes in installments (Note 20)	100,636	114,199	10,355	33,206	29,192	41,392	54
Lease payables (Note 16)	1,622,788	2,255,770	53,257	274,377	597,619	511,434	819,083
Other accounts payable (Note 23)	270,275	264,759	264,759	-	-	-	-
<b>Total</b>	<b>4,501,396</b>	<b>5,540,206</b>	<b>1,102,164</b>	<b>1,201,265</b>	<b>1,195,359</b>	<b>1,222,281</b>	<b>819,137</b>

31 December 2022	Book value	Contractual cash flows	≤02 months	02– 12 months	01–0 years	02–05 years	>05 years
<b>Non-derivative financial liabilities</b>							
Suppliers (Note 17)	1,423,376	1,423,376	1,207,653	215,723	-	-	-
Suppliers - Drawee risk (Note 17)	138,171	138,171	119,130	19,041	-	-	-
Loans and financing (Note 18)	168,079	191,291	4,545	99,084	87,103	559	-
Debentures (Note 18)	965,483	1,278,719	28,413	274,656	269,123	528,346	178,181
Lease payables (Note 16)	1,636,242	2,215,962	53,187	273,997	577,059	498,929	812,790
Taxes in installments (Note 20)	112,389	130,743	11,217	47,771	33,207	37,771	777
Other accounts payable (Note 23)	280,315	275,669	275,669	-	-	-	-
<b>Total</b>	<b>4,724,055</b>	<b>5,653,931</b>	<b>1,699,814</b>	<b>930,272</b>	<b>966,492</b>	<b>1,065,605</b>	<b>991,748</b>

The inflows/outflows disclosed in the table above represent undiscounted contract cash flow related to financial liabilities that are normally not closed before contract maturity. This disclosure presents the net cash flow amounts for derivatives that are settled in cash based on their net exposure, and the gross cash inflow and outflow for derivatives with gross simultaneous settlement.

### 3.1 Capital management

The Group's objectives in managing its capital are to safeguard its business continuity, and its capacity to offer returns to shareholders and benefits to other stakeholders, as well as maintaining an optimal capital structure to reduce this cost.

Similarly to other industry companies, the Group monitors its capital based on the financial leverage index. This ratio is net debt as a percentage of total capital. Net debt, in turn, corresponds to total loans (including short term and long term loans, as shown in the consolidated balance sheet), less cash and cash equivalents. The total capital is calculated as the sum of shareholders' equity, as shown in the consolidated balance sheet, plus net debt.



	Consolidated	
	09/30/2023	12/31/2022
Loans and financing (Note 18)	282,679	168,079
Debentures (Note 18)	1,413,317	965,483
Cash and cash equivalents (Note 4)	(162,883)	(418,311)
<b>Net debt</b>	<b>1,533,113</b>	<b>715,251</b>
Total shareholders' equity	2,462,048	2,409,854
Total capital	3,995,161	3,125,105
<b>Financial leverage ratio – %</b>	<b>38%</b>	<b>23%</b>

As at 30 September 2023, the Group had consolidated net working capital amounting to R\$ 1,768,066 (R\$ 1,578,150 as at 31 December 2022), that is, a positive change of R\$ 189,916.

As at 30 December 2023, the Group posted a profit before tax of R\$ 64,193 (income of R\$ 44,810 as at 30 September 2022).

### 3.2 Fair value estimate

#### *Fair value vs. book value - Consolidated*

The table below shows briefly the financial assets and liabilities measured at fair value in the Company's balance sheet, including fair value hierarchies as of 30 September 2023 and 31 December 2022:

		Consolidated		
		09/30/2023		
	Fair value hierarchy	Book value	Fair value	Amortized cost
<b>Assets</b>				
Cash and banks (Note 4)	Level 2	12,866	-	12,866
Financial investments (Note 4)	Level 2	149,507	149,507	-
Payment methods (Note 4)	Level 2	510	510	-
Accounts receivable (Note 5)	Level 2	1,555,167	-	1,555,167
Derivative financial instruments (Note 7)	Level 2	530	530	-
<b>Total</b>		<b>1,718,580</b>	<b>150,547</b>	<b>1,568,033</b>
<b>Liabilities</b>				
Suppliers (Note 17)	Level 2	770,832	-	770,832
Suppliers - Drawee risk (Note 17)	Level 2	40,869	-	40,869
Loans and financing (Note 18)	Level 2	282,679	-	282,679
Debentures (Note 18)	Level 2	1,413,317	-	1,413,317
Derivative financial instruments (Note 7)	Level 2	66,277	66,277	-
Leases (Note 16)	Level 2	1,622,788	-	1,622,788
Taxes in installments (Note 20)	Level 2	100,636	-	100,636
<b>Total</b>		<b>4,297,398</b>	<b>66,277</b>	<b>4,231,121</b>





		12/31/2022		
	Fair value hierarchy	Book value	Fair value	Amortized cost
<b>Assets</b>				
Cash and banks (Note 4)	Level 2	43,052	-	43,052
Financial investments (Note 4)	Level 2	375,007	375,007	-
Payment methods (Note 4)	Level 2	252	-	252
Derivative financial instruments (Note 7)	Level 2	4,169	4,169	-
Accounts receivable (Note 5)	Level 2	1,711,003	-	1,711,003
<b>Total</b>		<b>2,133,483</b>	<b>379,176</b>	<b>1,754,307</b>
<b>Liabilities</b>				
Loans and financing (Note 17)	Level 2	168,079	-	168,079
Derivative financial instruments (Note 7)	Level 2	39,612	39,612	-
Debentures (Note 17)	Level 2	965,483	-	965,483
Leases (Note 17)	Level 2	1,636,242	-	1,636,242
Suppliers (Note 18)	Level 2	1,423,376	-	1,423,376
Suppliers - drawee risk (Note 18)	Level 2	138,171	-	138,171
Taxes in installments (Note 20)	Level 2	112,389	-	112,389
<b>Total</b>		<b>4,483,352</b>	<b>39,612</b>	<b>4,443,740</b>

#### 4. CASH AND CASH EQUIVALENTS

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Cash	-	-	3,425	6,514
Banks	24	554	9,441	36,538
Financial investments	220	33,961	149,507	375,007
Payment methods	-	-	510	252
<b>Total</b>	<b>244</b>	<b>34,515</b>	<b>162,883</b>	<b>418,311</b>

Short-term financial investments which are promptly convertible and are subject to an immaterial risk of change in value are represented by bank deposit certificates ("CDB") remunerated at rates that average 90.1% for daily investments (53.75% for daily investments as at 31 December 2022) of the changes in the interbank deposit certificate CDI.

#### 5. ACCOUNTS RECEIVABLE

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Credit card administrators (a)	-	-	1,246,028	1,557,855
Trade notes receivable - wholesale	-	-	311,126	154,583
Accounts receivable - Related parties (Note 21)	16,425	30,485	-	-
<b>Subtotal</b>	<b>16,425</b>	<b>30,485</b>	<b>1,557,154</b>	<b>1,712,438</b>
Provision for expected loss in accounts receivable	-	-	(1,987)	(1,435)
<b>Total</b>	<b>16,425</b>	<b>30,485</b>	<b>1,555,167</b>	<b>1,711,003</b>

(a) Refers to the balance receivable from credit card administrators that are distributed among several credit companies. The Group has sales of receivables transactions from credit card companies with no right of return. Such operations are carried out whenever the Group understands that it needs immediate cash. As at 30 September 2023, the Group has an outstanding amount of R\$ 24,388 of its advanced receivables that was fully written-off from accounts receivable (as at 31 December 2022, the Company did not have a balance in factoring of receivables to be amortized with credit card operators).



The value of commissions on sales of receivables transactions carried out throughout the year without right of recourse was recognized in the financial expenses in the statement of income, as shown in Note 30, amounting to R\$ 16,587, accumulated period of nine months.

Changes in the provision for expected losses are recorded based on the expected credit losses on wholesale sales:

	09/30/2023	09/30/2022
Opening balance	(1,435)	(3,138)
Formation	(5,144)	(1,441)
Reversals	3,483	-
Effective losses	192	-
Write-off	917	3,257
<b>Closing balance</b>	<b>(1,987)</b>	<b>(1,322)</b>

As at 30 September 2023, the provision for expected credit losses is as follows:

	Gross book balance 09/30/2023	(%) Average rate of estimated loss	Provision for expected loss	With recovery issues
Specific reserve	1,297	100.00%	(1,297)	Yes
Wholesale receivables	309,829	0.22%	(690)	No
Retail receivables	1,246,028	0.00%	-	No
<b>Total</b>	<b>1,557,154</b>		<b>(1,987)</b>	

As at 30 September 2022, the provision for expected credit losses is as follows:

	Gross book balance 09/30/2022	(%) Average rate of estimated loss	Provision for expected loss	With recovery issues
Specific reserve	1,037	100.00%	(1,037)	Yes
Wholesale receivables	100,324	0.28%	(285)	No
Retail receivables	1,189,818	0.00%	-	No
<b>Total</b>	<b>1,291,179</b>		<b>(1,322)</b>	

The consolidated aging list is presented below:

Aging	09/30/2023	12/31/2022
Overdue (days):	-	-
>120	4,146	1,468
>90	1,606	3,049
≤90	658	820
≥60	3,445	6,722
≤30	8,249	11,674
Falling due (days):	-	-
≤30	771,254	758,139
31-60	309,449	340,890
61-90	175,760	198,005
91-120	110,968	119,596
121-180	120,216	153,007
181-365	51,403	119,068
<b>Total</b>	<b>1,557,154</b>	<b>1,712,438</b>

## 6. INVENTORY – CONSOLIDATED

The balance of inventory net of a provision for losses is presented below:

	09/30/2023	12/31/2022
Goods for resale (stores)	906,024	782,840
Goods for resale (Distribution Centers)	849,055	542,763
Imports in progress	193,400	405,054
Storeroom	11,433	6,345
<b>Total</b>	<b>1,959,912</b>	<b>1,737,002</b>



## Changes in provision for losses

	09/30/2023	09/30/2022
Opening balance	(8,613)	(15,647)
Addition	(53,347)	(28,008)
Effective inventory losses	43,389	25,459
<b>Closing balance</b>	<b>(18,571)</b>	<b>(18,196)</b>

The Group recorded a provision for losses on realization of inventory of goods for resale amounting to R\$ 53,347 as at 30 September 2023 (R\$ 28,008 as at 30 September 2022). The provision amounting to R\$ 18,571 (R\$ 18,196 as at 30 September 2022) was classified as a reduction in the balance of goods for resale based on the average historical losses. As at 30 September 2023, the balance of effective losses is R\$ 43,389 (R\$ 25,459 as at 30 September 2022).

## 7. DERIVATIVE FINANCIAL INSTRUMENTS – CONSOLIDATED

	Consolidated	
	09/30/2023	12/31/2022
Exchange contracts used for hedge accounting - Assets	530	4,169
Exchange contracts used for hedge accounting - Liabilities	(66,277)	(39,612)
<b>Total</b>	<b>(65,747)</b>	<b>(35,443)</b>

Derivatives are only used for economic hedging and accounting purposes and not as speculative investments.

Tradable derivatives are classified as current assets or liabilities. The total fair value of a hedge derivative is classified as a non-current asset or liability if the remaining time to maturity of the hedged item exceeds 12 months.

## 8. RECOVERABLE TAXES – CONSOLIDATED

	09/30/2023	12/31/2022
ICMS (a)	404,500	451,422
PIS	31,400	36,150
COFINS	140,191	162,375
IRRF	36,526	11,521
INSS	10,624	10,178
Other	900	585
<b>Total</b>	<b>624,141</b>	<b>672,231</b>
<b>Current</b>	<b>410,321</b>	<b>525,351</b>
<b>Non-current</b>	<b>213,820</b>	<b>146,880</b>

- (a) VAT (ICMS) credits are substantially generated in current operations and also derived from Tax Substitution ICMS and CAT Ordinance 17, CAT Ordinance 158 and CAT Ordinance 42, among others. The expected consumption of such credits in the operation is presented below:

	Use
Up to 12 months	222,636
>12 months	181,864
<b>Total</b>	<b>404,500</b>



## 9. RECOVERABLE INCOME TAX AND SOCIAL CONTRIBUTION - CONSOLIDATED

	Consolidated	
	09/30/2023	12/31/2022
IRPJ/CSLL on SELIC	68,687	93,055
IRPJ/CSLL	37,789	49,055
<b>Total</b>	<b>106,476</b>	<b>142,110</b>
<b>Current</b>	<b>49,567</b>	<b>49,055</b>
<b>Non-current</b>	<b>56,909</b>	<b>93,055</b>

## 10. OTHER ASSETS

	Consolidated	
	09/30/2023	12/31/2022
Unearned market fee	50,269	26,984
Indemnifiable litigation	36,864	34,351
Prepaid expenses	35,402	35,638
Unearned insurance premiums	10,098	8,558
Escrow deposit – NWB Acquisition	7,811	7,216
Subscription warrants - One Fan	7,250	7,250
Other receivables	6,859	10,333
Inappropriate IPTU	5,622	-
Advance to suppliers	3,443	967
Advance for employees	2,741	1,221
Advance for customs broker	-	16,806
<b>Total</b>	<b>166,359</b>	<b>149,324</b>
<b>Current</b>	<b>109,294</b>	<b>81,597</b>
<b>Non-current</b>	<b>57,065</b>	<b>67,727</b>

## 11. DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION – CONSOLIDATED

The balance of deferred taxes has the following origin:

	Assets		Liabilities		Net	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Tax loss and negative basis	402,311	407,935	-	-	402,311	407,935
General provision and contingencies	133,288	124,141	(9,481)	(8,231)	123,807	115,910
Provision for inventory	18,048	21,239	-	-	18,048	21,239
Provision for bonuses	16,628	14,593	-	-	16,628	14,593
Depreciation / leases	331,138	314,915	(207,580)	(181,790)	123,558	133,125
Goodwill	71,050	71,050	(61,577)	(61,577)	9,473	9,473
Surplus - FitDance	-	-	(1,229)	(1,493)	(1,229)	(1,493)
Tax credits (exclusion of ICMS from the PIS/COFINS basis) (a)	-	-	(93,660)	-	(93,660)	-
Deferred charges on hedge	7,833	-	-	-	7,833	-
Income from inventory	131,305	131,305	-	-	131,305	131,305
<b>Deferred income tax assets (liabilities)</b>	<b>1,111,601</b>	<b>1,085,178</b>	<b>(373,527)</b>	<b>(253,091)</b>	<b>738,074</b>	<b>832,087</b>
<b>Amount subject to offset</b>	<b>(362,817)</b>	<b>(243,367)</b>	<b>362,817</b>	<b>243,367</b>	<b>-</b>	<b>-</b>
<b>Net tax liabilities (assets)</b>	<b>748,784</b>	<b>841,811</b>	<b>(10,710)</b>	<b>(9,724)</b>	<b>738,074</b>	<b>832,087</b>

(a) Based on the court decision handed down in the second quarter of 2023 that determined that the moment of levying the IRPJ and CSLL on the tax credit was the judgment of offset request and not





the credit registration, the Group recognized a credit of recoverable taxes in the amount of R\$ 90,906 in its financial statements, which was used to offset the IRPJ and CSLL payable on ICMS exclusion tax credits in the PIS and COFINS calculation basis taken in 2019. As a contra entry to the recognized tax credit, the Group recognized a deferred tax liability in the amount of R\$ 93,660 arising from the expected payment of IRPJ and CSLL when the claim for offsetting is judged. The effect on the Group's income (loss) is R\$ 2,754.

The Group prepared a technical study to support the realization of said deferred taxes in the coming years, which is reviewed annually. The main assumptions used in calculating the earnings projection are the projection term, the revenue growth rate and the annual margin gain. In accordance with the accounting policy adopted, the Group recognizes deferred tax assets according to the estimate of future taxable income which is expected to be available in the next nine years.

The estimated realization of deferred tax assets is shown below (consolidated):

Year	SBF Comércio	Fisia	Other companies (*)	09/30/2023
2023	7,305	23,595	3,793	34,693
2024	2,253	38,669	4,103	45,025
2025	12,274	53,194	4,551	70,019
2026	26,136	71,454	5,142	102,732
2027	35,498	83,345	5,596	124,439
2028	49,847	44,362	6,195	100,404
2029	65,270	-	6,839	72,109
2030	64,180	-	1,654	65,834
2031	-	-	133,529	133,529
<b>Total</b>	<b>262,763</b>	<b>314,619</b>	<b>171,402</b>	<b>748,784</b>

(\*) Refers mainly to temporary differences in income on inventory linked to the purchase and sale of intercompany goods. Bearing in mind that this temporary difference is permanent, that is, while there are intercompany operations between the companies of the Group, the Group records the realization of these balances at the end of the ninth year.

### Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items because it is not probable that future taxable income will be available so that the Group can utilize their benefits:

	09/30/2023		12/31/2022	
	Amount	Tax effect	Amount	Tax effect
Accumulated tax losses	666,889	226,742	339,015	115,265
Temporary expenses	91,474	31,101	196,923	66,954
<b>Total unrecognized deferred tax assets</b>	<b>758,363</b>	<b>257,843</b>	<b>535,938</b>	<b>182,219</b>

The tax effects of unrecognized tax assets are shown based on their nature below:

Description	Base	Deferred not formed
Tax loss	666,889	226,742
Depreciation / leases	67,449	22,932
General provision and contingencies	(32,081)	(10,907)
Provision for bonuses	28,933	9,837
Provision for inventory	(11,916)	(4,051)
Income from inventory	39,089	13,290
<b>Deferred not formed</b>	<b>758,363</b>	<b>257,843</b>





Tax loss information at the level of subsidiaries is presented below:

2023	Grupo SBF S.A (Parent company)		SBF Comércio		Other companies(*)		Consolidated	
	Base	Tax effect	Base	Tax effect	Base	Tax effect	Base	Tax effect
Accumulated tax losses	170,674	58,029	325,208	110,571	171,007	58,142	666,889	226,742
Temporary expenses	4,174	1,419	76,391	25,973	10,909	3,709	91,474	31,101
<b>Total</b>	<b>174,848</b>	<b>59,448</b>	<b>401,599</b>	<b>136,544</b>	<b>181,916</b>	<b>61,851</b>	<b>758,363</b>	<b>257,843</b>

(\*) Balance made up of subsidiaries: Network, VBlog and Premier.

## Changes in temporary differences

The reconciliation of the consolidated income tax and social contribution expenses is as follows:

	Balance at 12/31/2022	Recognized in income (loss)	Amortization	Use of current tax	Other comprehensive income	Balance at 09/30/2023
Tax loss and negative basis	407,935	(5,150)	-	(474)	-	402,311
General provision and contingencies	115,910	7,897	-	-	-	123,807
Provision for inventory	21,239	(3,191)	-	-	-	18,048
Provision for bonuses	14,593	2,035	-	-	-	16,628
Depreciation / leases	133,125	(9,567)	-	-	-	123,558
Goodwill	9,473	-	-	-	-	9,473
Surplus - FitDance	(1,493)	-	264	-	-	(1,229)
Tax credits (exclusion of ICMS from the PIS/COFINS basis)	-	(93,660)	-	-	-	(93,660)
Deferred charges on hedge	-	-	-	-	7,833	7,833
Income from inventory	131,305	-	-	-	-	131,305
<b>Net tax assets (liabilities)</b>	<b>832,087</b>	<b>(101,636)</b>	<b>264</b>	<b>(474)</b>	<b>7,833</b>	<b>738,074</b>

The reconciliation of the income tax and social contribution expenses is as follows:

	Parent company		Consolidated	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
<b>Income before taxes</b>	42,191	64,609	64,193	44,810
Combined tax rate	34%	34%	34%	34%
<b>Income tax and social contribution at the combined rate</b>	(14,345)	(21,967)	(21,826)	(15,235)
<b>Permanent additions:</b>				
Non-deductible expenses	-	(6,146)	(12,494)	(17,079)
<b>Permanent exclusions:</b>				
Tax incentive	-	-	70,502	42,058
Non-taxable income	3	4,015	13,600	15,299
<b>Other items:</b>				
Effect of equity in net income of subsidiaries	20,041	38,110	(168)	(29)
Unrecognized deferred taxes on losses and temporary differences	(5,700)	(14,523)	(72,200)	(9,515)
Income tax effect on management bonuses	-	509	538	509
Other	-	-	1,486	3,118
<b>Income tax and social contribution</b>	<b>(1)</b>	<b>(2)</b>	<b>(22,562)</b>	<b>19,126</b>
Current	-	-	79,074	(97,029)
Deferred	(1)	(2)	(101,636)	116,155
<b>Effective rate</b>	<b>0%</b>	<b>0%</b>	<b>-35%</b>	<b>43%</b>

## 12. JUDICIAL DEPOSITS AND PROVISION FOR ADMINISTRATIVE AND LEGAL RISKS – CONSOLIDATED





## Judicial deposits

Changes in provision for judicial deposits and court-ordered restrictions during the period ended 30 September 2023 are stated in the chart below:

	Balance at 01/01/2023	Additions	Write-offs	Reversals	Balance at 09/30/2023
Judicial deposits (a)	235,859	76,824	-	(3,496)	309,187
Judicial deposits - Yield	52,092	24,626	(130)	(62)	76,526
Court-ordered restriction - Labor	3,722	18	(476)	(230)	3,034
<b>Total</b>	<b>291,673</b>	<b>101,468</b>	<b>(606)</b>	<b>(3,788)</b>	<b>388,747</b>

- (a) During FY2022, lawsuits were filed to discuss the application of the annual precedence of Supplementary Law 190/2022, under Article 150, III, 'b' and 'c' of the Federal Constitution of 1988 (CF/88). Furthermore, under Article 166 of the National Tax Code (CTN), to guarantee lawsuits filed by the taxpayer, the subsidiaries of Grupo SBF made judicial deposits and court-ordered restrictions for certain periods and certain states, according to the strategy adopted by the Group.

Changes in provision for judicial deposits during the period ended 30 September 2022 are stated in the chart below:

	Balance at 01/01/2022	Additions	Write-offs	Reversals	Balance at 09/30/2022
Judicial deposits	109,980	75,836	(1,027)	(601)	184,188
Judicial deposits - Yield	34,547	10,017	81	(22)	44,623
Court-ordered restriction - Labor	3,922	5,786	-	(5,123)	4,585
<b>Total</b>	<b>148,449</b>	<b>91,639</b>	<b>(946)</b>	<b>(5,746)</b>	<b>233,396</b>

## Provision for administrative and judicial risks

Changes in provision for administrative and judicial risks for the period ended 30 September 2023 are stated in the chart below:

	Balance at 01/01/2023	Additions	Payments	Reversals	Balance at 09/30/2023
Civil / Consumer (a)	11,715	8,249	(6,407)	(6,651)	6,906
Labor (b)	30,425	8,000	(9,554)	(3,440)	25,431
Tax (c)	517,573	32,370	(2,238)	(90)	547,615
<b>Total</b>	<b>559,713</b>	<b>48,619</b>	<b>(18,199)</b>	<b>(10,181)</b>	<b>579,952</b>

Changes in provision for administrative and judicial risks for the period ended 30 September 2022 are stated in the chart below:

	Balance at 01/01/2022	Additions	Payments	Reversals	Balance at 09/30/2022
Civil / Consumer (a)	7,868	4,840	(5,079)	(2,169)	5,460
Labor (b)	39,487	7,908	(7,134)	(9,099)	31,162
Tax (c)	572,076	28,053	(564)	(2,277)	597,288
<b>Total</b>	<b>619,431</b>	<b>40,801</b>	<b>(12,777)</b>	<b>(13,545)</b>	<b>633,910</b>

### a) Civil/consumer lawsuits

These are lawsuits involving bricks-and-mortar stores and e-commerce consumption transactions, mainly involving product delivery delays or failures, undue charges, and a lack of product inventory, among others. Main situations are product delivery delays or failures, undue charges, and product lacking in inventory, among others.

As at 30 September 2023, the Group has R\$ 6,906 (R\$ 11,715 in December 2022 and R\$ 5,460 in September 2022) out of an amount discussed in its portfolio of consumer lawsuits, and amount for





which no provision was recorded refer to lawsuits with possible or possible loss amounting to R\$ 68,203 (R\$ 52,631 in December 2022 and R\$ 44,235 in September 2022), based on previous cases and/or previous court decisions and on the opinion of Group's legal advisors.

#### b) Labor lawsuits

The main issues being discussed are claims related to working hours, salary equalization, and pain and suffering, among other severance pay matters.

As at 30 September 2023, the Group has R\$ 25,431 (R\$ 30,425 as at 31 December 2022 and R\$ 31,162 in September 2022) out of an amount discussed in its portfolio of labor lawsuits, and the amount for which no provision was recorded refers to lawsuits with possible or possible loss amounting to R\$ 81,628 (R\$ 70,703 as at 31 December 2022 and R\$ 78,022 in September 2022), based on previous cases and/or previous court decisions.

#### c) Tax lawsuits

As at 30 September 2023, total tax debts classified as probable losses amount to R\$ 547,615 (R\$ 517,573 as at 31 December 2022 and R\$ 597,288 in September 2023).

The most significant proceedings involve ICMS charge because São Paulo State tax authority did not recognize the transit of some goods, plus increased fine and interest, which are being discussed today in the administrative and judicial sphere. There are other discussions involving ICMS Tax replacement and ICMS credits in the state of Bahia, as well as federal punitive fines.

In October 2022, the Group paid the tax assessment notice involving the resale of IPI, amounting to R\$ 28,318, for which a provision was initially made in December 2020, through the use of PIS/COFINS credits.

### Contingent liabilities

#### Federal

Federal lawsuits in which the Group is a defendant are classified as possible loss amounting to R\$ 860,223 (R\$ 463,973 in December 2022 and R\$ 452,828 in September 2022), according to evaluation of Group's legal advisors, as defense is based on previous court decisions and doctrine.

Tax	09/30/2023	12/31/2022
Guarantee Fund for Length of Service—FGTS (a)	100,025	95,932
PIS/COFINS/IRPJ and CSLL (b)	217,743	95,380
IRPJ and social contribution (c)	129,326	116,741
PIS / COFINS (d)	244,498	32,664
IOF (e)	8,617	8,072
INSS (f)	141,171	95,968
Other (g)	18,843	19,216
<b>Total</b>	<b>860,223</b>	<b>463,973</b>

**(a) Guarantee Fund for Length of Service - FGTS** - Lawsuit regarding the possible lack of monthly FGTS and rescission fine deposits to employees listed by the Ministry of Labor and Employment for the period from July 2004 to July 2017, amounting R\$ 100,025.

**(b) Social Integration Program - PIS/Contribution to Social Security Financing - COFINS/Corporate Income Tax - IRPJ and Social Contribution on Net Income - CSLL** - There are lawsuits amounting to R\$ 40,730 (R\$ 38,875 as at 31 December 2022) due to returns rectified and not yet approved by the Brazilian Federal Revenue Service (RFB) and R\$ 113,466 for debits included in the special





tax regularization program. There is also a lawsuit amounting to R\$ 61,957 (R\$ 54,966 as at 31 December 2022) arising from the exclusion of amounts in the calendar year of 2014 as tax incentives in the States of Paraíba and Minas Gerais, and the collection of PIS and COFINS credits on inputs considered incorrect by the Federal Revenue Service. The amount R\$ 1,590 (R\$ 1,539 as at 31 December 2022) related to the additional fine is also being challenged.

- (c) **IRPJ and CSLL** – The Group has lawsuits amounting to R\$ 46,713 (R\$ 42,259 as at 31 December 2022), with the most significant amounts being related to the possible non-payment of IRPJ and CSLL resulting from the exclusion of amounts in the calendar years 2009, 2010 and 2011, due to tax incentives and inventory adjustments, which occurred in the periods of 2009 and 2010, in addition to discussions regarding the collection of debts linked to special installment payments, and unapproved offsetting, among other matters. The amount R\$ 79,693 (R\$ 74,482 as at 31 December 2022) is also being discussed due to the possible non-payment of IRPJ and CSLL, due to the exclusion of amounts from the calculation basis in 2015 through tax incentives, in addition to discussions amounting to R\$ 2,920 related to the payment of IRRF, whose offsets were not approved.
- (d) **PIS/COFINS** - The amount R\$ 34,758 (R\$ 32,664 as at 31 December 2022) regarding unapproved offsetting during the periods between 2008, and from 2012 to 2017 has been discussed due to alleged differences in the statements and R\$ 209,740 related to the discussion of PIS/COFINS thesis.

For Grupo SBF's subsidiaries SBF Comércio and Fisia in view of the sentence rendered by the STJ in Special Appeal Resp 1221170/PR, and supported by the opinion of its external legal advisors, the Group evaluated these expenses in terms of the concept of relevance and essentiality for the development of its specific economic activity and appropriated noncumulative PIS and COFINS credits related to the main expenses amounting to R\$ 36,158 (R\$ 33,393 as at 31 December 2022).

- (e) **IOF** - There is a possible non-payment of tax on financial transactions between companies of the same economic group for 2014 and 2015 period amounting to R\$ 8,617 (R\$ 8,072 as at 31 December 2022).
- (f) **INSS** - Discussing the possible non-payment of social security contribution and work disability contribution resulting from environmental occupational risks amounting to R\$ 3,066 (R\$ 2,880 as at 31 December 2022). The amount R\$ 138,105 (R\$ 93,088 as at 31 December 2022) is also challenged, referring to non-approved offsetting and fines, related to credits for social security allowances from 2013 to 2022.
- (g) **Other** - A one-off fine is being challenged due to non-approval of the offsetting request, and a fine related to the IRPJ, CSLL, PIS and II estimates, among other matters, amounting to R\$ 18,843 (R\$ 19,216 as at 31 December 2022).

### State lawsuits

The Group is a party to tax lawsuits in the administrative and legal spheres, related to discussions regarding ICMS. Based on the evaluation of external legal counsel, considering the likelihood of success in each lawsuit, the Group's management decided to establish a provision at an amount sufficient to cover possible losses deriving from final decisions on lawsuits. A provision was duly recorded for legal fees.

As at 30 September 2023, in addition to the amounts already provisioned as representing probable losses, the Group has 15.7% (18.3% as at 31 December 2022) of its portfolio of state tax proceedings classified as representing possible losses by its legal counsel. These are lawsuits for the collection







of the ICMS (DIFAL) rate differential, debits of which are collateralized by judicial deposits in active proceedings, and ICMS lawsuits resulting from the assessment by the State Treasury Secretaries, with the main ones being the States of São Paulo, Paraíba, Minas Gerais, Rio de Janeiro, Bahia, Ceará, Pernambuco, Amazonas, Maranhão amounting to R\$ 364,313 (R\$ 380,944 as at 31 December 2022) and the defense is based on precedent cases and/or favorable jurisprudence.

The most important administrative and judicial proceedings refer to non-payment, credit appropriation or incorrect use of tax, non-compliance or errors in accessory obligations, and the undue transfer of credit balances in the calculations alleged to have been made by the Group by the state finance departments or the state tax entity.

### Municipal lawsuits

The Group also has municipal proceedings which total R\$ 5,237 as at 30 September 2023 (R\$ 4,528 as at 31 December 2022), and are classified as representing possible losses by its external legal counsel. The most significant matter concerns the collection of ISS by the Municipality of Extrema – MG for the periods from 2014 to 2016.


### Refundable contingencies

In the Acquisition Agreement between the Company and subsidiary Fisia, there are labor, tax and civil contingencies classified as possible loss, according to the analysis of the Group's legal advisors, which may be refundable in the case of cash disbursements for these claims. Therefore, under the terms of CPC 15 – "Business Combinations", these contingencies must be provisioned for the purposes of price allocation assumed by the Group as a result of the Fisia operation Acquisition Agreement, totaling the original amount, R\$ 33,660, which will be recorded by the subsidiary until the resolution of this matter. These contingencies are subject to a full indemnity on the balance by Nike Inc., and therefore the indemnifying asset is presented under "Other amounts receivable" at an equal amount. As at 30 September 2023, the balance of refundable contingencies is R\$ 35,660 (R\$ 34,350 as at 31 December 2022). Such contingencies were measured to represent the higher amount between the amount for which this liability would be recognized, pursuant to Technical Pronouncement CPC 25 – "Provision, contingent liabilities and contingent assets", and the amount for which the liability was initially recognized.

## 13. INVESTMENTS AND NEGATIVE INVESTMENTS IN SUBSIDIARIES

	09/30/2023	12/31/2022
SBF Comércio	2,261,421	2,205,672
VBLOG	16,926	28,122
Network	60,736	64,450
Premier	80	(24,213)
<b>Subtotal</b>	<b>2,339,163</b>	<b>2,274,031</b>
<b>Breakdown</b>		
Investments	2,339,163	2,298,244
Negative investments in subsidiaries	-	(24,213)
<b>Total</b>	<b>2,339,163</b>	<b>2,274,031</b>





Changes	Balance at 01/01/2023	Capital increases	Other comprehensive income	Capital contribution	PPA amortization	Equity in net income of subsidiaries	Balance at 09/30/2023
SBF Comércio	2,205,672	-	(48)	5,016	-	50,781	2,261,421
VBLOG	28,122	-	-	-	-	(11,196)	16,926
Premier	(24,213)	-	-	-	-	<b>24,293</b>	80
Network	64,450	2,500	-	-	(1,292)	(4,922)	60,736
<b>Total</b>	<b>2,274,031</b>	<b>2,500</b>	<b>(48)</b>	<b>5,016</b>	<b>(1,292)</b>	<b>58,956</b>	<b>2,339,163</b>

The changes in investments in subsidiaries are as follow:



09/30/2023

Subsidiaries	Interest	Assets	Liabilities	Shareholders' equity	Intercompany income	Investment	Income (loss)	Intercompany income	Equity in net income of subsidiaries
SBF Comércio	100%	6,830,465	4,282,588	2,547,877	(304,178)	2,243,699	82,350	(31,569)	50,781
VBLOG	100%	75,571	56,654	18,917	(261)	18,656	(3,647)	(7,549)	(11,196)
Premier	100%	1,108,080	1,108,000	80	-	80	24,293	-	24,293
Network	100%	18,586	12,112	6,474	-	6,474	(4,922)	-	(4,922)
<b>Total</b>		<b>8,032,702</b>	<b>5,459,354</b>	<b>2,573,348</b>	<b>(304,439)</b>	<b>2,268,909</b>	<b>98,074</b>	<b>(39,118)</b>	<b>58,956</b>

Changes	Balance at 01/01/2023	Capital increases	Other comprehensive income	Capital contribution	PPA amortization	Equity in net income of subsidiaries	Balance at 09/30/2023
SBF Comércio	2,205,672	-	(48)	5,016	-	50,781	2,261,421
VBLOG	28,122	-	-	-	-	(11,196)	16,926
Premier	(24,213)	-	-	-	-	24,293	80
Network	64,450	2,500	-	-	(1,292)	(4,922)	60,736
<b>Total</b>	<b>2,274,031</b>	<b>2,500</b>	<b>(48)</b>	<b>5,016</b>	<b>(1,292)</b>	<b>58,956</b>	<b>2,339,163</b>

09/30/2022

Subsidiaries	Interest	Assets	Liabilities	Shareholders' equity	Intercompany income	Investment	Income (loss)	Intercompany income	Equity in net income of subsidiaries
SBF Comércio	100%	6,380,818	5,310,928	1,069,890	(268,909)	800,981	10,086	(109,259)	(99,173)
VBLOG	100%	96,393	73,984	22,409	(859)	21,550	6,073	8,664	14,737
Store	100%	-	-	-	-	-	(12,734)	-	(12,734)
Pine	100%	-	-	-	-	-	33,537	-	33,537
Fisia	100%	2,631,247	1,074,596	1,556,651	-	1,556,651	188,138	-	188,138
Premier	100%	1,565,867	1,604,873	(39,006)	-	(39,006)	(4)	-	(4)
Network	100%	16,237	6,973	9,264	-	9,264	(12,414)	-	(12,414)
<b>Total</b>		<b>10,690,562</b>	<b>8,071,354</b>	<b>2,619,208</b>	<b>(269,768)</b>	<b>2,349,440</b>	<b>212,682</b>	<b>(100,595)</b>	<b>112,087</b>

Changes	Balance at 01/01/2022	Minority interests	Capital increases	Other comprehensive income	Distribution of dividends	PPA amortization	Equity in net income of subsidiaries	Merger	Balance at 09/30/2022
SBF Comércio	900,154	-	-	-	-	-	(99,173)	-	800,981
VBLOG	6,813	-	-	-	-	-	14,737	-	21,550
Store	(282,606)	-	-	-	-	-	(12,734)	295,340	-
Pine	(72,539)	-	-	-	-	-	33,537	39,002	-
Fisia	1,854,009	-	-	(6,861)	(202,924)	(2,573)	188,138	(295,340)	1,534,449
Premier	-	-	-	-	-	-	(4)	(39,002)	(39,006)
Network	65,723	5,992	6,200	-	-	(267)	(12,414)	-	65,234
<b>Total</b>	<b>2,471,554</b>	<b>5,992</b>	<b>6,200</b>	<b>(6,861)</b>	<b>(202,924)</b>	<b>(2,840)</b>	<b>112,087</b>	<b>-</b>	<b>2,383,208</b>

## 14. PROPERTY, PLANT AND EQUIPMENT - CONSOLIDATED

	Annual depreciation rate (%)	Cost	Accumulated depreciation	09/30/2023	12/31/2022
Computers and peripherals	20	220,513	(154,605)	65,908	69,437
Machinery, equipment and tools	10	72,673	(46,261)	26,412	22,716
Furniture and fixtures	10	308,837	(144,217)	164,620	142,182
Vehicles	20	2,727	(2,727)	-	-
Leasehold improvements	14	921,605	(584,794)	336,811	319,274
Construction in progress	(a)	7,875	-	7,875	18,342
<b>Total</b>		<b>1,534,230</b>	<b>(932,604)</b>	<b>601,626</b>	<b>571,951</b>

In the period from 1 January to 30 September 2023, the changes in property, plant and equipment are presented in the chart below:

	Balance at 01/01/2023	Additions	Write-offs	Transfers between accounts	Balance at 09/30/2023
Computers and peripherals	208,628	2,297	(563)	9,521	220,513
Machinery, equipment and tools	68,839	464	(2,586)	5,956	72,673
Furniture and fixtures	272,661	934	(4,086)	39,328	308,837
Vehicles	2,727	-	-	-	2,727
Leasehold improvements	878,704	583	(17,672)	59,990	921,605
Construction in progress (a)	18,342	104,328	-	(114,795)	7,875
<b>Cost of property, plant and equipment</b>	<b>1,449,901</b>	<b>109,236</b>	<b>(24,907)</b>	<b>-</b>	<b>1,534,230</b>
Computers and peripherals	(139,191)	(15,953)	539	-	(154,605)
Machinery, equipment and tools	(46,123)	(2,654)	2,516	-	(46,261)
Furniture and fixtures	(130,479)	(17,203)	3,465	-	(144,217)
Vehicles	(2,727)	-	-	-	(2,727)
Leasehold improvements	(559,430)	(42,643)	17,279	-	(584,794)
<b>Depreciation</b>	<b>(877,950)</b>	<b>(78,453)</b>	<b>23,799</b>	<b>-</b>	<b>(932,604)</b>
<b>Total property, plant and equipment (net)</b>	<b>571,951</b>	<b>30,783</b>	<b>(1,039)</b>	<b>-</b>	<b>601,626</b>

- (a) The balance of construction in progress refers to projects for new stores and stores that are being refurbished, in addition to the new Fisia DC located in Extrema, inaugurated in 2023. Balances are transferred to the respective accounts as construction work is completed and the stores opened.

In the period from 1 January to 30 September 2022, the changes in property, plant and equipment are presented in the chart below:

	Balance at 01/01/2022	Additions	Write-offs	Transfers between accounts	Acquisition of FitDance	Balance at 09/30/2022
Computers and peripherals	171,522	7,030	(356)	11,449	50	189,695
Machinery, equipment and tools	66,164	1,663	(645)	(5,885)	65	61,362
Furniture and fixtures	230,765	3,459	(2,458)	14,983	3	246,752
Vehicles	2,727	-	-	-	-	2,727
Leasehold improvements	747,591	2,826	(4,517)	45,369	-	791,269
Construction in progress (a)	13,362	96,395	-	(65,916)	-	43,841
<b>Cost of property, plant and equipment</b>	<b>1,232,131</b>	<b>111,373</b>	<b>(7,976)</b>	<b>-</b>	<b>118</b>	<b>1,335,646</b>
Computers and peripherals	(117,121)	(17,460)	(18)	-	-	(134,599)
Machinery, equipment and tools	(48,568)	(2,782)	428	5,262	-	(45,660)
Furniture and fixtures	(115,962)	(12,988)	1,904	(15)	-	(127,061)
Vehicles	(2,704)	(23)	-	-	-	(2,727)
Leasehold improvements	(517,664)	(31,135)	2,108	(5,247)	-	(551,938)
<b>Depreciation</b>	<b>(802,019)</b>	<b>(64,388)</b>	<b>4,422</b>	<b>-</b>	<b>-</b>	<b>(861,985)</b>
<b>Total property, plant and equipment (net)</b>	<b>430,112</b>	<b>46,985</b>	<b>(3,554)</b>	<b>-</b>	<b>118</b>	<b>473,661</b>

## 15. INTANGIBLE ASSETS – CONSOLIDATED

	Annual rate of amortization (%)	Cost	Accumulated amortization	09/30/2023	12/31/2022
Goodwill	Pursuant to agreement	18,254	(12,238)	6,016	7,301
Software	20	507,190	(284,291)	222,899	274,526
Brands, rights and patents	10	7,203	(43)	7,160	7,382
Software in progress	-	97,293	-	97,293	472
Distribution agreement	10	152,459	(34,338)	118,121	130,483
Client portfolio	10	3,533	(762)	2,771	3,262
Technology	10	10,747	(2,130)	8,617	9,488
Goodwill		53,541	-	53,541	54,539
<b>Total</b>		<b>850,220</b>	<b>(333,802)</b>	<b>516,418</b>	<b>487,453</b>

### Breakdown of goodwill

Goodwill identified in acquisitions is allocated to Cash Generating Units (CGUs). A summary of the allocation of goodwill by CGU level is presented below:

NWB	46,850
FitDance	6,691
<b>Total</b>	<b>53,541</b>

In the period from 1 January to 30 September 2023, the changes in intangible assets are presented in the chart below:

	Balance at 01/01/2023	Additions	Write-offs	Balance at 09/30/2023
Goodwill	18,502	-	(248)	18,254
Software (a)	504,701	23,491	(21,002)	507,190
Brands, rights and patents	7,425	-	(222)	7,203
Software in progress (a)	472	96,821	-	97,293
Distribution agreement	164,821	-	(12,362)	152,459
Client portfolio	4,024	-	(491)	3,533
Technology	11,618	-	(871)	10,747
Goodwill	54,539	-	(998)	53,541
<b>Cost of intangible assets</b>	<b>766,102</b>	<b>120,312</b>	<b>(36,194)</b>	<b>850,220</b>
Goodwill	(11,201)	(1,285)	248	(12,238)
Software	(230,175)	(56,916)	2,800	(284,291)
Brands, rights and patents	(43)	-	-	(43)
Distribution agreement	(34,338)	-	-	(34,338)
Client portfolio	(762)	-	-	(762)
Technology	(2,130)	-	-	(2,130)
<b>Amortization</b>	<b>(278,649)</b>	<b>(58,201)</b>	<b>3,048</b>	<b>(333,802)</b>
<b>Total net intangible assets</b>	<b>487,453</b>	<b>62,111</b>	<b>(33,146)</b>	<b>516,418</b>

- (a) The additions refer mainly to the automation developed in the ERP of SBF Comércio and Fisia (migrated in 2022), in addition to the development of the new platform also migrated and to the systems of the new distribution center of subsidiary Fisia.

In the period from 1 January to 30 September 2022, the changes in intangible assets are presented in the chart below:



	Balance at 01/01/2022	Additions	Write-offs	Transfers between accounts	Acquisition of FitDance	Balance at 09/30/2022
Goodwill	16,058	-	(1,952)	-	-	14,106
Software	365,098	1,342	-	1,834	1,153	369,427
Brands, rights and patents	5,930	-	(426)	-	1,996	7,500
Software in progress	2,377	85,782	-	(1,834)	-	86,325
Distribution agreement	164,821	-	-	-	-	164,821
Client portfolio	2,008	-	-	-	2,016	4,024
Technology	11,618	-	-	-	-	11,618
Goodwill	40,115	7,617	-	-	6,692	54,424
<b>Cost of intangible assets</b>	<b>608,025</b>	<b>94,741</b>	<b>(2,378)</b>	<b>-</b>	<b>11,857</b>	<b>712,245</b>
Goodwill	(11,984)	(861)	1,953	-	-	(10,892)
Software	(171,983)	(42,330)	-	-	-	(214,313)
Brands, rights and patents	(187)	-	144	-	-	(43)
Distribution agreement	(17,856)	(12,362)	-	-	-	(30,218)
Client portfolio	(33)	(566)	-	-	-	(599)
Technology	(2,152)	312	-	-	-	(1,840)
<b>Amortization</b>	<b>(204,195)</b>	<b>(55,807)</b>	<b>2,097</b>	<b>-</b>	<b>-</b>	<b>(257,905)</b>
<b>Total net intangible assets</b>	<b>403,830</b>	<b>38,934</b>	<b>(281)</b>	<b>-</b>	<b>11,857</b>	<b>454,340</b>

Management concluded that it has no evidence that its assets are non-recoverable, given its operating and financial performance, and concluded that, as at 30 September 2023 and 31 December 2022, there were no material indicators of loss on the recovery of its assets.

## 16. LEASE OPERATIONS – CONSOLIDATED

The Group has lease agreements for its administrative headquarters, distribution centers and stores, with average terms ranging between 5 and 25 years, which may have renewal options.

The interest rates used to calculate the amounts of the lease assets and liabilities are shown below:

Interval (years)	Monthly rate
01–03	0.61%
03–06	0.67%
06–10	0.74%

### a. Right-of-use

In the period from 1 January to 30 September 2023, the changes in right-of-use were presented in the chart below:

Right-of-use	Properties	Vehicles	Total
<b>Balance at 1 January 2023</b>	<b>1,403,060</b>	<b>25,112</b>	<b>1,428,172</b>
(+) New contracts	189,703	499	190,202
(-) Depreciation	(169,838)	(3,203)	(173,041)
(-) Write-offs of contracts	(58,782)	-	(58,782)
<b>Balance at 30 September 2023</b>	<b>1,364,143</b>	<b>22,408</b>	<b>1,386,551</b>

The additions of new contracts refer mainly to the opening of new Fisia stores and the opening of the new distribution center located in Extrema during the year 2023.



In the period from 1 January to 30 September 2022, the changes in right-of-use asset are presented in the chart below:

Right-of-use	Properties	Vehicles	Total
<b>Opening balance as of 01 January 2022</b>	<b>1,298,644</b>	<b>29,198</b>	<b>1,327,842</b>
(+) New contracts and remeasurements	248,381	-	248,381
(-) Depreciation	(130,425)	(2,641)	(133,066)
(-) Write-offs of contracts	-	(811)	(811)
<b>Balance at 30 September 2022</b>	<b>1,416,600</b>	<b>25,746</b>	<b>1,442,346</b>

## b. Lease payables

In the period from 1 January to 30 September 2023, the changes in lease liabilities are presented in the chart below:

Lease payable	Properties	Vehicles	Total
<b>Balance at 1 January 2023</b>	<b>1,609,490</b>	<b>26,752</b>	<b>1,636,242</b>
(+) New contracts	189,703	499	190,202
(+) Allocation of interest incurred	100,664	452	101,116
(-) Payments of lease liabilities	(233,565)	(3,854)	(237,419)
(-) Discounts obtained	(1,133)	-	(1,133)
(-) Write-offs of contracts	(66,220)	-	(66,220)
<b>Balance at 30 September 2023</b>	<b>1,598,939</b>	<b>23,849</b>	<b>1,622,788</b>
<b>Current</b>	<b>187,781</b>	<b>6,995</b>	<b>194,776</b>
<b>Non-current</b>	<b>1,411,158</b>	<b>16,854</b>	<b>1,428,012</b>

In the period from 1 January to 30 September 2022, the changes in lease liabilities are presented in the chart below:

Lease payable	Properties	Vehicles	Total
<b>Balance at 1 January 2022</b>	<b>1,460,222</b>	<b>30,439</b>	<b>1,490,661</b>
(+/-) New contracts and remeasurements	248,381	-	248,381
(+) Allocation of interest incurred	97,015	1,402	98,417
(-) Payments of lease liabilities	(186,814)	(3,069)	(189,883)
(-) Discounts obtained	(10,199)	-	(10,199)
(-) Write-offs of contracts	-	(811)	(811)
<b>Balance at 30 September 2022</b>	<b>1,608,605</b>	<b>27,961</b>	<b>1,636,566</b>
<b>Current</b>	<b>199,736</b>	<b>5,481</b>	<b>205,217</b>
<b>Non-current</b>	<b>1,408,869</b>	<b>22,480</b>	<b>1,431,349</b>

## Maturity schedule of leases payables

As at 30 September 2023, the Group had the following minimum payment schedule for non-cancellable operating leases:

In years:	Properties	Vehicles	Total
≤01	187,781	6,995	194,776
01-05	749,692	16,854	766,546
>05	661,466	-	661,466
<b>Group as lessee</b>	<b>1,598,939</b>	<b>23,849</b>	<b>1,622,788</b>

As at 31 December 2022, the Group had the following minimum payment schedule for non-cancellable operating leases:



In years:	Properties	Vehicles	Total
≤01	273,477	4,595	278,072
01-05	863,721	22,157	885,878
>05	472,292	-	472,292
<b>Total</b>	<b>1,609,490</b>	<b>26,752</b>	<b>1,636,242</b>

### Variable lease payments

In the period ended 30 September 2023, the Group recognized the amount of R\$ 89,439 (R\$ 53,819 as at 30 September 2022) referring to expenses related to the payment of variable rents, as well as condominium and IPTU not within the scope of CPC 06 (R2) as shown in Note 29 - occupation expenses and lease discounts.

### c. Other considerations

In compliance with official letter CVM / SNC / SEP 02/2019, the comparative balances of the lease liabilities, right of use, financial expenses and depreciation expenses for the period ended 30 September 2023 are presented considering the estimated flows of future payments, adjusted for inflation.

Lease payables	2023	2024	2025	2026	>2026
Accounting – CPC 06 (r2)	194,776	201,674	194,965	195,632	835,741
Flow with inflation projection	204,242	209,499	201,789	202,479	864,989
<b>Changes</b>	<b>4.86%</b>	<b>3.88%</b>	<b>3.50%</b>	<b>3.50%</b>	<b>3.50%</b>
<b>Right-of-use</b>					
Accounting – CPC 06 (r2)	1,386,551	1,154,886	1,039,347	764,515	587,486
Flow with inflation projection	1,453,905	1,199,696	1,075,724	791,273	608,048
<b>Changes</b>	<b>4.86%</b>	<b>3.88%</b>	<b>3.50%</b>	<b>3.50%</b>	<b>3.50%</b>
<b>Financial expenses</b>					
Accounting – CPC 06 (r2)	101,116	173,625	148,140	122,001	50,396
Flow with inflation projection	106,031	180,362	153,325	126,271	52,159
<b>Changes</b>	<b>4.86%</b>	<b>3.88%</b>	<b>3.50%</b>	<b>3.50%</b>	<b>3.50%</b>
<b>Depreciation expenses</b>					
Accounting – CPC 06 (r2)	173,041	314,235	288,523	273,810	368,196
Flow with inflation projection	181,451	326,428	298,621	283,393	381,083
<b>Changes</b>	<b>4.86%</b>	<b>3.88%</b>	<b>3.50%</b>	<b>3.50%</b>	<b>3.50%</b>

## 17. SUPPLIERS AND DRAWEE RISK OPERATIONS - CONSOLIDATED

Refers to suppliers related to resale products, consumption materials and other materials and services.

	09/30/2023	12/31/2022
Suppliers of goods for resale	697,250	1,186,330
Suppliers of consumption materials	73,582	237,046
<b>Subtotal</b>	<b>770,832</b>	<b>1,423,376</b>
"Drawee Risk" Operations (a)	40,869	138,171
<b>Total</b>	<b>811,701</b>	<b>1,561,547</b>

(a) The Group offers its suppliers the option of receipt through a reverse finance operation with financial institutions for the purpose of facilitating administrative procedures for its suppliers to advance receivables related to routine purchases by Group companies. Under this transaction structure, the financial institutions pay suppliers in advance in exchange for a discount and, when contracted between the financial institution and the supplier (the decision to enter into this transaction rests solely and exclusively with the supplier), the Group pays the financial institution the full nominal value of the originating trade note on the maturity date. Therefore, this operation does not significantly change the amount, nature and timing of the liability (including



previously agreed terms, prices and conditions) and the Group is not affected by the financial charges imposed by the financial institution when carrying out a careful analysis of suppliers by category. There are no guarantees provided by the Group.

## 18. LOANS, FINANCING AND DEBENTURES - CONSOLIDATED

	09/30/2023	12/31/2022
<b>Current liabilities</b>		
Working capital	91,534	77,232
Financing of assets	6,137	8,850
<b>Loans and financing</b>	<b>97,671</b>	<b>86,082</b>
Debentures	591,687	191,836
<b>Total current liabilities</b>	<b>689,358</b>	<b>277,918</b>
<b>Non-current liabilities</b>		
Working capital	184,357	77,809
Financing of assets	651	4,188
<b>Loans and financing</b>	<b>185,008</b>	<b>81,997</b>
Debentures	821,630	773,647
<b>Total non-current liabilities</b>	<b>1,006,638</b>	<b>855,644</b>
<b>Total loans and financing</b>	<b>282,679</b>	<b>168,079</b>
<b>Total debentures</b>	<b>1,413,317</b>	<b>965,483</b>
<b>Total loans, financing and debentures</b>	<b>1,695,996</b>	<b>1,133,562</b>

Equity changes in 2023 financial liabilities are as follows:

	01/01/2023	Additions	Payment of principal	Interest payment	Provision for interest	Amortization of funding cost	09/30/2023
Working capital	155,041	194,248	(77,728)	(18,127)	21,559	898	275,891
Financing of assets	13,038	-	(6,194)	(1,985)	1,882	47	6,788
<b>Loans and financing</b>	<b>168,079</b>	<b>194,248</b>	<b>(83,922)</b>	<b>(20,112)</b>	<b>23,441</b>	<b>945</b>	<b>282,679</b>
Debentures	965,483	586,848	(176,666)	(104,736)	138,199	4,189	1,413,317
<b>Total loans and financing and debentures</b>	<b>1,133,562</b>	<b>781,096</b>	<b>(260,588)</b>	<b>(124,848)</b>	<b>161,640</b>	<b>5,134</b>	<b>1,695,996</b>

As at 15 March 2023, in order to strengthen its cash position and finance the growth strategy, the Group, by means of its subsidiary Fisia, contracted with a financial institution for the distribution of the fourth issue of simple, non-convertible, unsecured debentures, with a personal guarantee from the Parent Company, in a single series for public distribution with restricted placement efforts totaling R\$ 320 million. The agreement will start in March 2024.

As at 05 May 2023, with the same purpose and characteristic, the Group, through its subsidiary Fisia, contracted the distribution of the 2<sup>nd</sup> issue of simple debentures, in the total amount of R\$ 100 million, with a financial institution. The contract will be effective as of May 2026.

As at 25 May 2023, with the same purpose and characteristic, the Group, through its subsidiary Fisia, contracted the distribution of the 3<sup>rd</sup> issue of simple debentures, in the total amount of R\$ 74 million, with a financial institution. The contract will be effective as of June 2026. The difference of R\$ 6,045 refers to the funding fee.

As at 14 July 2023, with the purpose of reinforcing cash and financing the growth strategy, the Company, through its subsidiary Fisia, contracted the distribution of the 1<sup>st</sup> issue of bank credit note with Banco do Brasil S.A., in the total amount of R\$ 200 million, maturing on 24 July 2026.



As at 24 July 2023, in order to strengthen its cash position and finance the growth strategy, the Company, by means of its subsidiary Fisia, contracted with banco Votorantim S.A. for the distribution of the fourth issue of simple, non-convertible, unsecured debentures, with a personal guarantee from the Parent Company, in a single series for public distribution with restricted placement efforts totaling R\$ 100 million with maturity date on 24 July 2026.

As at 30 September 2023, 59.4% of the Group's debt was long term (75.48% as at 31 December 2022). The average annual cost of bank debt was at CDI + 2.23% as at 30 September 2023 (14.87% as at 31 December 2022).

### Summary of loans, financing and debentures by maturity:

	01 year	02 years	03 years	>03 years	Total
Working capital	91,534	48,806	48,854	86,697	275,891
Financing of assets	6,137	651	-	-	6,788
Debentures	591,687	389,527	265,620	166,483	1,413,317
<b>Total loans and financing and debentures</b>	<b>689,358</b>	<b>438,984</b>	<b>314,474</b>	<b>253,180</b>	<b>1,695,996</b>





Equity changes in 2022 financial liabilities are as follows:

	01/01/2022	Additions	Payment of principal	Interest payment	Provision for interest	Amortization of funding cost	Acquisition of FitDance	09/30/2022
Working capital	276,185	-	(121,719)	(20,274)	25,829	1,336	400	161,757
Financing of assets	18,808	2,536	(6,106)	(1,828)	1,839	-	-	15,249
<b>Loans and financing</b>	<b>294,993</b>	<b>2,536</b>	<b>(127,825)</b>	<b>(22,102)</b>	<b>27,668</b>	<b>1,336</b>	<b>400</b>	<b>177,006</b>
Debentures	528,785	496,132	(76,667)	(35,220)	86,171	2,129	-	1,001,330
<b>Total loans and financing and debentures</b>	<b>823,778</b>	<b>498,668</b>	<b>(204,492)</b>	<b>(57,322)</b>	<b>113,839</b>	<b>3,465</b>	<b>400</b>	<b>1,178,336</b>

The terms and conditions of outstanding loans are as follows:

	Currency	% (weighted average)	2023			2022		
			Original value	Current book value	Book value - non-current	Original value	Current book value	Book value - non-current
Working capital	R\$	105% CDI p.a. - 100% CDI + 4.29% p.a.	435,059	91,534	184,357	236,619	77,232	77,809
Financing of assets	R\$	100% CDI + 5.79% p.a. at 100% CDI + 7.31 p.a.	21,926	6,137	651	28,043	8,850	4,188
<b>Loans and financing</b>			<b>456,985</b>	<b>97,671</b>	<b>185,008</b>	<b>264,662</b>	<b>86,082</b>	<b>81,997</b>
Debentures	R\$	100% CDI + 2.25 % p.a.	1,624,000	591,687	821,630	1,030,000	191,836	773,647
<b>Total loans and financing and debentures</b>			<b>2,080,985</b>	<b>689,358</b>	<b>1,006,638</b>	<b>1,294,662</b>	<b>277,918</b>	<b>855,644</b>





## 19. TAX LIABILITIES – CONSOLIDATED

	09/30/2023	12/31/2022
PIS	1,126	45
COFINS	5,189	247
ICMS	229,568	175,842
ISS	3,242	2,809
IRRF	7,885	11,485
Other	-	2,256
<b>Total</b>	<b>247,010</b>	<b>192,684</b>

## 20. TAXES IN INSTALLMENTS - CONSOLIDATED

	09/30/2023	12/31/2022
Scheduling of federal taxes	14,522	16,855
Scheduling of federal taxes	86,114	95,534
<b>Total taxes in installments</b>	<b>100,636</b>	<b>112,389</b>
<b>Current liabilities</b>	<b>36,073</b>	<b>47,030</b>
<b>Non-current liabilities</b>	<b>64,563</b>	<b>65,359</b>

The changes in taxes in installments for the period ended 30 September 2023 and 2022 are shown in the following table:

	2023	2022
<b>Balance at 1 January</b>	<b>112,389</b>	<b>151,746</b>
Adherence to tax installment payment program	6,258	1,128
Interest on payments of taxes in installments	6,666	2,946
Installments paid	(24,677)	(35,409)
<b>Balance at 30 September</b>	<b>100,636</b>	<b>120,411</b>

Detailed information about these payments in installments is presented below, as well as the maturities of installments classified within non-current liabilities:

State	Current	Non-current	Grand Total	2023	2024	2025	2026	2027 onwards
RJ	2,636	3,024	5,660	1,167	1,955	1,910	628	-
MG / SP / Other	3,012	5,851	8,863	786	2,793	1,688	1,498	2,098
<b>Total State</b>	<b>5,648</b>	<b>8,875</b>	<b>14,523</b>	<b>1,953</b>	<b>4,748</b>	<b>3,598</b>	<b>2,126</b>	<b>2,098</b>
Ordinary installment payments	22	110	132	5	22	22	22	61
REFIS Law 11941	21,588	55,472	77,060	5,397	21,588	21,588	21,588	6,899
Other	8,815	106	8,921	4,432	4,389	19	19	62
<b>Total Federal</b>	<b>30,425</b>	<b>55,688</b>	<b>86,113</b>	<b>9,834</b>	<b>25,999</b>	<b>21,629</b>	<b>21,629</b>	<b>7,022</b>
<b>Total Installments</b>	<b>36,073</b>	<b>64,563</b>	<b>100,636</b>	<b>11,787</b>	<b>30,747</b>	<b>25,227</b>	<b>23,755</b>	<b>9,120</b>

## 21. LABOR AND SOCIAL SECURITY OBLIGATIONS – CONSOLIDATED

	09/30/2023	12/31/2022
Provision for vacation and 13 <sup>th</sup> month's salary	94,563	66,405
Provision for profit sharing	22,932	71,563
Salaries payable	21,178	25,259
Payroll and related charges payable	1,797	1,615
Social security charges	183	348
<b>Labor obligations</b>	<b>140,653</b>	<b>165,190</b>
INSS payable	16,866	18,848
FGTS payable	3,147	5,745
Withholding INSS payable	3,788	2,068
<b>Social security obligations</b>	<b>23,801</b>	<b>26,661</b>
<b>Total labor and social security obligations</b>	<b>164,454</b>	<b>191,851</b>



## 22. RELATED PARTY TRANSACTIONS

### Parent company

Other credits and other accounts payable refer to current accounts among subsidiaries, without maturity and inflation adjustments, as follows:

The parent company's figures are presented in Note 5, accounts receivable.

Current assets - Accounts receivable	12/31/2022	Merger	Payments	09/30/2023
Fisia	30,485	1,697	(15,600)	16,582
<b>Total</b>	<b>30,485</b>	<b>1,697</b>	<b>(15,600)</b>	<b>16,582</b>

**Purchases and sales of goods and freight** - The subsidiaries SBF Comércio, Premier and Fisia enter into purchase and sale operations to optimize the distribution of goods from the distribution center to stores throughout Brazil. The subsidiary VBLOG is responsible for the transportation of these goods, and also carries out commercial transactions related to the provision of freight services between these Group companies. This transaction is supported by an agreement signed between SBF and VBLOG and Fisia and VBLOG, with an indefinite term and based on specific conditions agreed upon between the parties. In addition to the freight operation, there is also the operation to collect and internalize goods in the General Distribution Center of SBF Comercio, and, to create an efficient collaboration, a long-lasting agreement has been established between SBF and Fisia for the continuous provision of these services.

**Rents** - The subsidiary SBF Comércio subleases the warehouse located in Extrema-MG to the subsidiary VBLOG. The lease term is until 2033, and the transaction value is determined at the market value, based on the area used (in square meters).

The subsidiary VBLOG, acting as a logistics operator, carries out a sublease operation for the companies Fisia and SBF Comércio of the warehouse located in Extrema – MG, a location that carries out part of the operations in Minas Gerais, such as imports, sorting of goods, among others.

**Administrative expenses allocation** - The direct and indirect subsidiaries of Grupo SBF have an expense sharing agreement between the companies Premier, VBLOG, Lione, Fisia and Grupo SBF. The contract provisions are reviewed annually. The apportionments are based on expenses actually incurred.

**Audiovisual services** - The subsidiaries Network, NeoTV and FitDance have a service agreement with the companies SBF Comércio and Fisia for the development of activities in the area of social communication and the use of digital dance teaching platforms.

**Marketplace** - The parent company SBF Comércio, through its e-commerce platform, sells Fisia (Nike) products. Sales incur a take rate, a percentage charged on each product transaction sold.

**Loans** - Inter-group loans refer to loan transactions with a related company, Fisia, with which the Company maintains agreements pursuant to current legislation.

The amounts related to the aforementioned transactions are shown in the table below:



## Transactions between related parties

	Accounts receivable		Accounts payable	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Grupo SBF	16,425	30,485	(160)	(1,351)
SBF Comércio	1,075,513	1,721,460	(1,129,887)	(1,799,607)
Premier	959,671	1,548,635	(1,065,132)	(1,663,394)
Fisia	167,240	219,352	(30,824)	(68,945)
VBLOG	8,837	38,565	(3,081)	(26,065)
Lione	183	-	-	-
Network	525	294	-	-
Neotv	298	303	(11)	-
FitDance	403	268	-	-
<b>Total</b>	<b>2,229,095</b>	<b>3,559,362</b>	<b>(2,229,252)</b>	<b>(3,559,362)</b>

- (a) The main transactions among related parties refer to purchases and sales between the subsidiaries SBF, Premier and Fisia, aiming to optimize the distribution of goods from the distribution center to stores throughout Brazil.

	Advance to suppliers		Advance from clients	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
SBF Comércio	12,658	6,610	-	-
Premier	-	-	(3,300)	(6,610)
Fisia	1,411	-	-	-
VBLOG	-	-	(9,358)	-
Network	-	-	(700)	-
Neotv	-	-	(711)	-
<b>Total</b>	<b>14,068</b>	<b>6,610</b>	<b>(14,068)</b>	<b>(6,610)</b>

	Purchasing		Sales	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
SBF Comércio	(2,016,581)	(1,386,657)	1,724,111	1,200,970
Premier	(1,724,111)	(1,200,970)	1,730,587	1,220,161
Fisia	(20,833)	(15,484)	306,827	181,980
<b>Total</b>	<b>(3,761,525)</b>	<b>(2,603,111)</b>	<b>3,761,525</b>	<b>2,603,111</b>

	Freight and Carriage		Rentals	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
SBF Comércio	(47,946)	(26,630)	29	59
VBLOG	40,005	32,751	2,266	(47)
Store	-	-	(2,296)	(12)
Fisia	7,941	(6,121)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Audiovisual services		Administrative expenses allocation	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Grupo SBF	-	-	6,033	(791)
SBF Comércio	(4,956)	(2,055)	119,599	27,303
Premier	-	-	(11,625)	(626)
VBLOG	-	-	(25,250)	(11,361)
Lione	-	-	-	(114)
Pine	-	-	-	(9)
Store	-	-	-	(98)
Fisia	(2,508)	(1,904)	(88,757)	(14,304)
Network	3,601	2,055	-	-
Neotv	2,508	1,904	-	-
Accelerated	(3)	-	-	-
FitDance	1,358	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>





	Marketplace commission	
	09/30/2023	09/30/2022
SBF Comércio	(19,643)	(13,114)
<b>Total</b>	<b>(19,643)</b>	<b>(13,114)</b>

## Loans

Loans between subsidiaries refer to loan transactions, with which the Companies maintain contracts in accordance with current legislation.

<b>Balance at 1 January 2022</b>	-
Fisia x SBF Comércio loan raising	275,800
Interest accrual	6,103
Principal and interest payments	(55,500)
<b>Balance as of 31 December 2022</b>	<b>226,403</b>
Fisia x SBF Comércio loan raising	28,000
Interest accrual	6,399
Payment of principal	(249,933)
Interest payment	(10,869)
<b>Balance at 30 September 2023</b>	-

## Interest on own capital

At a meeting of the Board of Directors and Extraordinary General Meeting held on 31 March and 10 August 2023, the Group's Management approved the distribution of interest on equity between its subsidiaries Fisia and SBF Comércio, calculated based on the change in long-term interest rate, in the amounts of R\$ 17,093 and R\$ 40,871, respectively. The amounts were deliberated and have already been settled.

Interest on own capital approved on 12/28/2022	92,849
IRRF on interest on own capital	(13,927)
Payment of interest on own capital – Fisia	(3,000)
<b>Balance as of 31 December 2022</b>	<b>75,922</b>
Payment of interest on own capital – Fisia	(75,922)
Interest on own capital approved on 03/31/2023	17,093
IRRF on interest on own capital	(2,564)
Receipt of interest on own capital	(14,529)
Interest on own capital approved on 08/10/2023	40,871
IRRF on interest on own capital	(6,131)
Payment of interest on own capital – Fisia	(34,740)
<b>Balance at 30 September 2023</b>	-

**Rent** - The Company VBF Empreendimentos Ltda. belongs to the shareholder of Companhia Sebastião Vicente Bomfim Filho. Main rented properties are the warehouse used as Distribution Center in Extrema, MG, effective from 17 March 2008 to 16 March 2033, and real estate property located at Rua Hugo D'Antola and used as Administrative Center in São Paulo, SP, effective from 2 June 2005 to 1 June 2025. Both contracts have a clause of automatic renewal for another 20 years. Expenses deriving from rent payments during the period are highlighted below.

These lease transactions have monthly maturity on the fifth business day. Delayed payments are subject to the levying of a fine plus interest of 1% per month and adjusted for inflation based on the IGPM.





**Payment of rents during the period**

	09/30/2023	09/30/2022
VBLOG	30	19
Premier	49	29
SBF Comércio	17,451	11,031
<b>Total</b>	<b>17,530</b>	<b>11,079</b>

**Remuneration of key management personnel**

Administrators are remunerated with salaries, monthly remuneration, and bonuses which are accounted for in the line item "Administrative and general expenses" in the statements of income.

	09/30/2023		09/30/2022	
	Board of Directors	Executive Management	Board of Directors	Executive Management
Salary and Directors' fee	7,148	5,824	4,642	5,138
Profit sharing	-	2,411	-	4,220
<b>Total</b>	<b>7,148</b>	<b>8,235</b>	<b>4,642</b>	<b>9,358</b>

**23. OTHER ACCOUNTS PAYABLE**

	Parent company		Consolidated	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Marketing and communications provision	-	-	11,339	32,082
Provisions for third-party services	-	-	51,503	33,786
Freight/storage	-	-	35,030	17,706
Provision for employee benefits	-	-	3,296	10,112
General provision	517	39	41,231	29,478
Utilities and services	-	-	15,162	9,030
Obligations with investments (a)	105,651	139,571	105,651	139,571
Other	-	20,289	1,547	8,550
<b>Total</b>	<b>106,168</b>	<b>159,899</b>	<b>264,759</b>	<b>280,315</b>
<b>Current</b>	<b>517</b>	<b>4,077</b>	<b>159,108</b>	<b>140,744</b>
<b>Non-current</b>	<b>105,651</b>	<b>155,822</b>	<b>105,651</b>	<b>139,571</b>

- (a) Obligations related to acquisitions of subsidiaries refer to accounts payable related to the acquisition of the subsidiary Fisia carried out in 2020, amounting to R\$ 89,262 as at 30 September 2023 (R\$ 123,443 as at 31 December 2022) and Grupo NWB amounting to R\$ 16,389 (R\$ 16,128 as at 31 December 2022), carried out in 2021, which will be settled in accordance with the provision of the purchase agreements signed between the parties, with details as follows:

**Fisia acquisition - Contingent consideration**

The Group agreed to pay the seller a contingent consideration through the offsetting of taxes already recorded in the accounts by the acquiree before the acquisition, during the exploration period of the distribution agreement. The reduction in the balance refers to payments made to the seller through the offsetting of these taxes.

**Acquisition of NWB**

Accounts payable related to the deferred debt with NWB that can be paid in cash or shares within five years of the acquisition date. Additionally, there are accounts payable deposited as collateral to ensure the possible indemnity obligations of the sellers.

## 24. OTHER LIABILITIES

	Consolidated	
	09/30/2023	12/31/2022
Royalties to be amortized - Fisia acquisition	112,817	155,537
Advance from clients	52,672	89,745
Sponsorships and royalties	9,232	10,081
Gift card	13,961	20,457
Other	6,035	905
	<b>194,717</b>	<b>276,725</b>
<b>Current</b>	<b>99,072</b>	<b>152,851</b>
<b>Non-current</b>	<b>95,645</b>	<b>123,874</b>

## 25. CAPITAL AND RESERVES

### a. Capital

The Company's capital as at 30 September 2023 was R\$ 1,830,872 divided into 243,689,007 nominative and common shares with no par value, while as at 31 December 2022 the capital was R\$ 1,830,524 divided into 243,596,138 common shares with no par value.

Shareholding control of the Group as of 30 September 2023 is distributed as follows:

Shareholder	09/30/2023	
	Quantity	%
Pacipar Participações Ltda.	80,000,000	32.83%
Nefe Investments, LLC	49,641,015	20.37%
GPCP I - Fundo de Inv. Part	18,416,051	7.56%
Other	95,631,941	39.24%
<b>Total</b>	<b>243,689,007</b>	<b>100.00%</b>

### b. Earnings per share – consolidated

The basic and diluted earnings per share for the period ended 30 September 2023 and 2022 are as follows:

Basic/diluted currency – Parent Company	09/30/2023	09/30/2022
Net revenue for the period	42,190	64,608
Weighted average number of common shares	243,616	243,596
<b>Earnings per share - Reais</b>	<b>0.17</b>	<b>0.27</b>
Net revenue for the period	42,190	64,608
Weighted average number of common shares	243,616	243,596
Options exercised, not paid	-	408
Increase in the number of common shares as a results of stock option plan	9,094	9,094
<b>Diluted earnings per share - R\$</b>	<b>0.17</b>	<b>0.26</b>

### c. Legal reserve

The legal reserve is set up annually through the allocation of 5% of net income for the year, and may not exceed 20% of the Company's capital. The purpose of the legal reserve is to guarantee that the capital is paid up, and it may be used solely to offset losses and increase capital.

#### d. Tax incentive reserve

The Group established distribution centers in the States of Paraíba and Minas Gerais, where they have been granted local tax incentives that reduce the amount of sales taxes, effectively increasing the amount of net revenue recognized.

The incentives also determine that the Company is not allowed to claim credits for taxes paid on purchases of products subsequently sold outside those States, so these amounts become non-recoverable taxes, thus increasing costs of sales. Note 27 to this quarterly financial information shows the impact of these incentives on the net revenue.

These incentives have been accounted for in a reduction account in the caption taxes levied on the sale of goods - ICMS and in the period ended 30 September 2023 they amounted to R\$ 207,057 (R\$ 123,400 in the period ended 30 September 2022).

#### e. Statutory reserve

The statutory reserve is recorded after the formation of the legal reserve and the tax incentive reserve, and after the distribution of the dividends proposed by the Board of Directors. The statutory reserve is intended to reinforce the working capital of the Company and its subsidiaries. As at 30 September 2023, no reserve was recorded (R\$ 99,255 in the year ended 31 December 2022).

### 26. SHARE-BASED PAYMENTS – CONSOLIDATED

Below are the statements of the amounts granted in the Plans, organized per year and updated for the period ended 30 September 2023, as well as a breakdown of the assumptions of each grant made in these plans.

Program	Opening balance at 01/01/2023	Exercised	Canceled	Closing balance at 09/30/2023
2016 - First program	356,842	(92,842)	-	264,000
2016 - Second program	1,542,684	-	(96,717)	1,445,967
2019 - First program	3,655,519	-	(593,282)	3,062,237
2019 - First program - Grant in March 2020	42,700	-	-	42,700
2019 - Second program	-	-	-	-
2020 - Second program	330,281	-	-	330,281
2020 - First program	2,550,000	-	(370,000)	2,180,000
2022 - First program	48,000	-	(48,000)	-
2022 - Second program - Grant in March 2022	300,000	-	-	300,000
2022 - Second Program - granted in August 2022	200,000	-	-	200,000
<b>Total</b>	<b>9,026,026</b>	<b>(92,842)</b>	<b>(1,107,999)</b>	<b>7,825,185</b>



Basic assumptions of the plan:	2016 1 <sup>st</sup> program	2016 2 <sup>nd</sup> program	2019 1 <sup>st</sup> program	2019 1 <sup>st</sup> program March 2020	2019 2 <sup>nd</sup> program	2020 1 <sup>st</sup> program	2020 2 <sup>nd</sup> program	2022 1 <sup>st</sup> program	2022 2 <sup>nd</sup> program March 2022	2022 2 <sup>nd</sup> program August 2022
Pricing model	Black & Scholes	Binomial	Binomial	Binomial	Binomial	Binomial	Binomial	Binomial	Binomial	Binomial
Dividend Yield	5.00%	1.31%	1.31%	1.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expected average annual volatility	23.63	34.96	34.96%	67.92%	76.00%	61.72%	47.08%	50.20%	63.72%	60.56%
Risk-free interest rate	11.37	5.96	5.96%	6.25%	6.00%	9.69%	6.00%	12.35%	11.45%	11.37
Strike price	4.00	14.80 restated at IGP-M	14.80 restated at IGP-M	15.44 restated at IGP-M	14.80 restated at IGP-M	25.50 restated at IPCA	26.25	21.39 restated at IPCA	22.28	21.58
Share price not considered	4.81	20.97	20.97	22.35	27.43	29.63	26.36	23.28	21.90	23.27
Expected term for the year IGP-M	5.42 years	4.03 years	4.03 years	4.03 years	N/A	6.25 years	5 years	2.41 years	6.42 years	6.42 years
	NA	4	4	3.5	3.7	NA	NA	NA	NA	NA
<b>Option price on grant date per share</b>	<b>2.05</b>	<b>11.33</b>	<b>10.55</b>	<b>14.49</b>	<b>14.18</b>	<b>11.61</b>	<b>11.61</b>	<b>29.20</b>	<b>21.90</b>	<b>21.39</b>



## 27. CONSOLIDATED NET REVENUES

	09/30/2023	09/30/2022
<b>Gross operating revenue</b>		
Sale of goods	6,211,085	5,296,898
Provision of services	99,575	92,741
<b>Taxes levied</b>		
Sale of goods	(1,442,180)	(1,151,282)
ICMS - Tax incentive (a)	207,057	123,400
Provision of services	(14,469)	(22,641)
<b>Returns</b>		
Sale of goods	(202,538)	(61,502)
<b>Net revenues</b>	<b>4,858,530</b>	<b>4,277,614</b>

(a) See Note 25.d on tax incentives for the Group companies.

### Sales channels

The gross revenue from goods in the retail trade (bricks-and-mortar stores), wholesale (distribution of Nike products) and e-commerce is presented below:

	09/30/2023	09/30/2022
Retail market (bricks-and-mortar stores)	3,098,996	2,458,450
Wholesale	1,028,179	1,035,072
E-Commerce	2,083,910	1,803,376
<b>Gross revenue</b>	<b>6,211,085</b>	<b>5,296,898</b>

## 28. COST OF SALES AND SERVICES RENDERED – CONSOLIDATED

	09/30/2023	09/30/2022
Cost of resale of goods	(2,489,433)	(2,231,018)
Freight and logistics costs	(17,832)	(19,525)
Audiovisual production service cost	(21,369)	(30,265)
<b>Total</b>	<b>(2,528,634)</b>	<b>(2,280,808)</b>

## 29. EXPENSES PER NATURE - CONSOLIDATED

<b>Selling expenses</b>	09/30/2023	09/30/2022
Personnel	(447,004)	(428,431)
Depreciation and amortization	(75,055)	(65,800)
Depreciation of rights-of-use	(135,994)	(120,463)
Third party services	(264,082)	(203,772)
Publicity and Advertising (a)	(385,319)	(302,304)
Utilities and services	(153,875)	(126,390)
Card commission	(76,268)	(48,581)
Occupation	(86,683)	(62,659)
(-) Lease discounts	1,133	8,451
Litigation	2,622	6,063
Other expenses	(49,024)	(74,241)
<b>Total</b>	<b>(1,669,549)</b>	<b>(1,418,127)</b>

(a) Advertising and publicity expenses increased mainly due to royalties and marketing fees paid to Nike Inc.

## General and administrative expenses

	09/30/2023	09/30/2022
Personnel	(139,205)	(160,433)
Depreciation and amortization	(74,631)	(56,466)
Depreciation of rights-of-use	(15,391)	(17,046)
Third party services	(45,790)	(53,992)
Publicity and Advertising	(8,713)	(5,106)
Utilities and services	(62,115)	(37,324)
Occupation	(3,889)	(1,268)
(-) Lease discounts	-	1,657
Litigation	1,824	(554)
Other expenses	(11,376)	(10,675)
<b>Total</b>	<b>(359,286)</b>	<b>(341,207)</b>

## 30. FINANCIAL INCOME (LOSS) - CONSOLIDATED

## Financial revenues

	09/30/2023	09/30/2022
Foreign-exchange income	134,554	124,930
Interest and fines received	1,791	1,107
Interest on loan operations	-	936
Inflation adjustment of taxes	28,194	18,770
Revenues from financial investments	11,309	47,497
Other financial revenues	789	-
Inflation adjustment of judicial deposits	24,405	9,827
Discounts obtained	493	44
<b>Total</b>	<b>201,535</b>	<b>203,111</b>

## Financial expenses

	09/30/2023	09/30/2022
Interest on debentures	(138,200)	(86,171)
Foreign exchange costs	(125,363)	(124,668)
Interest on leases	(101,116)	(94,389)
Interest on litigation	(26,745)	(26,840)
Interest on loans, financing	(23,441)	(27,668)
Interest on sale of receivables	(16,587)	(21)
Bank tariffs and rates	(7,089)	(4,917)
Interest on tax payments in installments	(6,666)	(2,683)
Taxes on interest on own capital	(5,362)	-
Other financial expenses	(5,351)	(4,372)
Interest on payments in arrears	(2,971)	(583)
Interest on late payments of taxes	(1,684)	(411)
Taxes on financial operations	(1,255)	(1,591)
Interest on related parties - loans	-	(894)
<b>Total</b>	<b>(461,830)</b>	<b>(375,208)</b>

## 31. INSURANCE COVERAGE – unaudited

Grupo SBF and its subsidiaries have insurance policies contracted with the main insurance companies in the country, established based on expert guidance considering the nature and amount of the risks involved. As at 30 September 2023, Grupo SBF and its subsidiaries had civil liability and property insurance coverage (basic coverage: fire, lightning, explosions and other coverage of the property insurance policy), as well as for insurance for inventory, as shown below:

Type of risk	Object	Coverage amount
Vehicles	Car fleet	R\$ 500
Transport	National transportation	R\$ 17,549,157
Transport	International transportation	US\$ 301,000
Civil liability	Commercial establishments and employer's liability	R\$ 50,000
Civil liability	Directors & Officers	R\$ 100,000
Business insurance	Equipment and lost profits	R\$ 660,000





\* \* \*

Pedro Zemel  
CEO

José Luís Salazar  
CFO

Patrícia Vieira  
CRC 1SP232718/O-2





## SUMMARIZED REPORT OF AUDIT COMMITTEE'S ACTIVITIES FOR THE FISCAL PERIOD ENDED 30 SEPTEMBER 2023

### 1. HISTORY AND COMPOSITION

The Audit Committee of Grupo SBF S.A. (the "Company") was created and established at a meeting of the Board of Directors held on 15 February 2019 (the "Committee").

The Committee is governed by its Internal Regulations, approved at a meeting of the Board of Directors held on 15 February 2019, and amended on 3 March 2021, which governs its operations, in accordance with the provision contained in the Company's Bylaws, in the Novo Mercado Regulations of B3 S.A. – Brasil, Bolsa, Balcão (the "Novo Mercado Regulations") and in the legislation in force ("Internal Regulations").

The Committee is an advisory body linked to the Board of Directors, to whom it reports, acting independently from the Executive Board, which, among its other duties, must evaluate the quarterly financial information, interim financial statements and financial statements.

The Committee is composed of three members, including at least: (i) one independent board member of the Company, under the terms of the Novo Mercado Regulations; and (ii) one member with recognized experience in corporate accounting matters, under the terms of the regulations in force.

### 2. COMMITTEE'S ACTIVITIES IN THE PERIOD

Under the terms of Internal Regulations, the Audit Committee will meet whenever necessary and no less than four times a year.

In the period ended 30 September 2023, the Audit Committee held a meeting to approve the quarterly results, which were attended by its members, to monitor the evolution of the business during the fiscal year.

### 3. AUDIT COMMITTEE'S OPINION

The Audit Committee, in the period of its duties, recommends the approval by the Board of Directors of quarterly financial information for the period ended as at 30 September 2023.

São Paulo, 09 November 2023

#### Members

Luiz Alberto Quinta

Luiz Carlos Nannini

Pedro Wagner Pereira Coelho





## STATEMENT OF EXECUTIVE BOARD ON THE QUARTERLY FINANCIAL INFORMATION

Chief Executive Officer, Chief Financial Officer and Chief IR Officer

In accordance with item VI of article 25 of CVM Instruction 480, of 7 December 2009 (amended by CVM Instruction 586, dated 8 June 2017) the Executive Board declares that reviewed, discussed and agreed with Group's Quarterly Financial Information for the period ended 30 September 2023 and authorizes the conclusion.

## OPINIONS AND STATEMENTS / STATEMENT OF THE EXECUTIVE OFFICERS ON THE INDEPENDENT AUDITOR'S REPORT

In accordance with item VI of article 25 of CVM Instruction 480, of 7 December 2009 (amended by CVM Instruction 586, dated 8 June 2017) the Executive Board declares that it reviewed and discussed the content and opinions expressed in the independent auditors' report on Group's Individual and Consolidated Quarterly Financial Information for the period ended 30 September 2023, issued on such date.

## STATEMENT OF THE EXECUTIVE BOARD ON THE INDEPENDENT AUDITORS' REPORT

Chief Executive Officer, Chief Financial Officer and Chief IR Officer.

The Executive Board declares that it agrees with the content and opinion expressed in the independent auditor's report on the Group's individual and consolidated financial statements.

São Paulo, 10 November 2023

Pedro de Souza Zemel - Chief Executive Officer

José Luís Magalhães Salazar - Financial Investor Relation Director

Paula Nader – Chief Marketing Officer



**Certificado de Conclusão**

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Juliana Baronian

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BR\_Sao-Paulo-Arquivo-Atendimento-Team

@pwc.com

**Eventos do signatário**

Leandro Mauro Ardito

leandro.ardito@pwc.com

PwC BR

Nível de segurança: E-mail, Autenticação da conta (Nenhuma), Certificado Digital

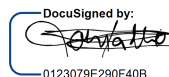
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Concluído	Segurança verificada	04 de dezembro de 2023   09:36
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