

# QUARTERLY INFORMATION

# GRUPO SBF S.A.

*INDIVIDUAL AND CONSOLIDATED  
AS AT 31 MARCH 2023 AND 2022*




GRUPO SBF



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# EARNINGS RELEASE

**1Q23**



GRUPO SBF

EARNINGS  
RELEASE

1Q23

São Paulo, May 08, 2023

Grupo SBF S.A. (B3: SBFG3) announces its first quarter of 2023 results. The financial information for the periods ended March 31, 2023 and 2022 include the parent company Grupo SBF S.A. and its subsidiaries.



Conference Call



May 09, 2023

11:00 a.m. (NY time zone)

12:00 p.m. (Brasília time zone)

04:00 p.m. (London time zone)



Portuguese Webcast



English Web



SBFG

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## HIGHLIGHTS



Gross Revenue of R\$ 1.85 billion in the quarter, growth of +13.3% over 1Q22



Growth of 14.1% in Gross Revenue of Centauro brick-and-mortar stores, reaching R\$ 701.8 million



Fisia's Net Revenue reached R\$ 855.9 million, and increased +3.7 p.p. in gross margin, reaching 43.6%, the highest level since the acquisition by the Group



Grupo SBF's Gross Margin reached 50.0% in 1Q23, the highest margin as a Group since the acquisition of Fisia



Centauro's Gross Margin reached 51.5% in 1Q23, the highest quarterly margin since 2017, accounting for a growth of +2.9 p.p. over 1Q22



Growth of +9.5 p.p. in Fisia's DTC channels sales share, reaching 56.9%



Grupo SBF's adjusted EBITDA margin (ex-IFRS) in 1Q23 reached 9.1%, growth of 1.0 p.p. over 4Q22



51% of Centauro stores are G5 stores, corresponding to 61% of the total sales area



Nike store expansion: 6 Nike Value Store openings in 1Q23



# MESSAGE FROM THE MANAGEMENT

We started the year 2023 focused on increasing the profitability of our operations and keeping our company adaptable to changes in the scenario. During the first quarter of the year, with the growth of DTC channels in Fisia, greater profitability in Centauro's sales and rationalization of expenses for the whole group, our gross revenue grew 13.3%, reaching R\$ 1.85 billion, an increase of 4 pp in gross margin (over 1Q22) and our adjusted EBITDA (ex-IFRS) grew 11.0%, totaling R\$ 133.7 million.

We have made important adjustments at Centauro to increase the gross margin, which reached 51.5%, with the optimization of channels and sales methods, as well as the adjustment of the pricing policy to the needs of the business, the consumer and the market. The margin increase impacts the digital channel's revenue in the short term, but such adjustments prepare us to resume a sustainable growth.

Brick-and-mortar stores continue to be one of Centauro's competitive advantages, since besides providing a superior consumer experience, they also strengthen the online and omnichannel operation. We currently have 223 stores in 26 states, which account for approximately 80% of our revenue in Centauro. We reviewed our portfolio of Centauro stores this quarter - a common adjustment in the retail business. Even with such adjustment, revenue from brick-and-mortar stores in the period increased 14% (over 1Q22, with R\$ 702 million) and we reached Same Store Sales of 16.7%. Furthermore, we continue encouraging the integration of online and offline buyer's journey. This quarter we have focused mainly on the in-store pickup method, which has the highest levels of consumer satisfaction and greater profitability, generating a 10% increase in this method.

We are also continuing the expansion of Fisia's DTC operation. We opened 6 new NVS stores in the first quarter of the year, which, together with the other 17 new stores opened in the last 12 months, account for a 73% increase in our portfolio. Fisia's digital platform also continues to grow with the evolution of the migration of online wholesale sales to 3P, in addition to increasing sales at [nike.com.br](https://nike.com.br). These actions brought not only a growth of 20.8% in revenue, but also an increase of 3.7 pp in Fisia's gross margin, reaching 43.6% in the quarter.

The main business indicators evolved positively. This scenario was not fully reflected in net profit due to the impact of the increase in financial expenses, which were up due to the increase in the interest rate (CDI) and the investments made in working capital and Capex in recent years. The reduction of financial expenses throughout the year, through a more expressive cash generation, is one of our priorities for the coming quarters.



## MESSAGE FROM THE MANAGEMENT

The business results allow us to keep exploring the potential of our long-term vision for Grupo SBF. Advancing is our sport, so we connect with the journey of sportspersons and sports enthusiasts and work to offer products, services and experiences to boost their engagement with sports. The "Centauro Arena", which we have just opened at Ibirapuera Park in São Paulo, is yet another sign of this movement by the company. Centauro Arena is a true "house of sports" offering free experiences and services to society. We also continue to explore the potential of our ventures, in continuous exercises to use the audience to generate sales and increase the recurrence of our business.

We reinforce that our focus for the year for our operations is cash generation with profitability, thus increasing our efficiency. We know that 2023 is a year that will require us to manage macroeconomic challenges. We trust in our team's ability to deliver results with advances in both Centauro and Fisia. We have over 40 years of history and have already faced several complex scenarios. We are prepared to achieve our goals and to adjust to market movements.

**The Management**  
**Grupo SBF**



# GROSS REVENUE AND OPERATING INDICATORS

<b>CENTAURO</b> R\$ thousand	<b>1Q23</b>	<b>1Q22</b>	<b>Δ(%)</b>
<b>Gross Revenue<sup>1 2</sup></b>	<b>879,694</b>	<b>844,451</b>	<b>4.2%</b>
B&M Stores	701,734	614,984	14.1%
Digital Platform	177,959	229,467	-22.4%
<b>Omnichannel Sales (GMV)<sup>3</sup></b>	<b>103,972</b>	<b>133,160</b>	<b>-21.9%</b>
<b>Total Number of Stores – Centauro</b>	<b>223</b>	<b>230</b>	<b>-3.0%</b>
Number of G5 Stores	114	100	14.0%
<b>Sales Area - Centauro (m²)</b>	<b>230,580</b>	<b>235,452</b>	<b>-2.1%</b>
G5 Total Area (m²)	141,657	123,253	14.9%
<b>FISIA</b> R\$ thousand	<b>1Q23</b>	<b>1Q22</b>	<b>Δ(%)</b>
<b>Gross Revenue<sup>1</sup></b>	<b>1,081,532</b>	<b>895,061</b>	<b>20.8%</b>
Wholesale	465,609	470,499	-1.0%
Digital Platform	394,017	276,918	42.3%
Nike Value Store	221,906	147,644	50.3%
<b>Share of DTC sales</b>	<b>56.9%</b>	<b>47.4%</b>	<b>+9.5 p.p.</b>
<b>Total Number of Stores – Nike Value</b>	<b>33</b>	<b>22</b>	<b>50.0%</b>
Sales Area – Nike Value (m²)	37,113	23,020	61.2%
<b>Total Number of Stores – Nike Store</b>	<b>5</b>	<b>0</b>	<b>n.a</b>
Sales Area – Nike Store (m²)	3,144	0	n.a
<b>GRUPO SBF</b> R\$ thousand	<b>1Q23</b>	<b>1Q22</b>	<b>Δ(%)</b>
<b>Total Gross Revenue<sup>1</sup></b>	<b>1,850,123</b>	<b>1,633,108</b>	<b>13.3%</b>
Centauro Gross Revenue <sup>1</sup>	879,694	844,451	4.2%
Fisia Gross Revenue <sup>1</sup>	1,081,532	895,061	20.8%
(+) Intercompany elimination <sup>2</sup>	-111,102	-106,404	
Share of digital sales	30.9%	31.0%	-0.1 p.p.

## SAME STORE SALES (SSS)



<b>2023 x 2022</b>	<b>1Q23</b>	<b>1Q22</b>
<b>SSS (B&amp;M stores + digital)<sup>4</sup></b>	<b>9.1%</b>	<b>37.5%</b>
SSS B&M stores <sup>3</sup>	16.7%	37.9%
GMV Digital (1P + 3P) <sup>5</sup>	-7.8%	36.7%
GMV as % of total sales	26.7%	31.0%



<b>2023 x 2022</b>	<b>1Q23</b>	<b>1Q22</b>
<b>SSS (B&amp;M stores + digital)<sup>4</sup></b>	<b>30.4%</b>	<b>92.9%</b>
SSS B&M stores	8.0%	54.8%
GMV Digital	42.3%	120.3%



(1) Gross revenue, excluding return of goods;

(2) Centauro's digital platform gross revenue adjusted by R\$8.2 million in 1Q22 referring to part of the revenue from services. The adjustment of the same amount was made in the intercompany elimination of the gross revenue;

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

(4) 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. **Our methodology does not exclude from the base stores closed due to the pandemic;**



(5) 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	1Q23	1Q22	Δ(%)
Gross Revenue	1,850,123	1,633,108	13.3%
<b>Net revenue</b>	<b>1,472,122</b>	<b>1,344,627</b>	<b>9.5%</b>
<b>Gross Profit</b>	<b>736,737</b>	<b>621,722</b>	<b>18.5%</b>
<i>Gross Margin</i>	<i>50.0%</i>	<i>46.2%</i>	<i>3.8 p.p</i>
<b>EBITDA</b>	<b>204,924</b>	<b>179,856</b>	<b>13.9%</b>
<i>EBITDA Margin</i>	<i>13.9%</i>	<i>13.4%</i>	<i>0.5 p.p</i>
<b>Net Profit</b>	<b>1,512</b>	<b>17,278</b>	<b>-91.2%</b>
<i>Net Margin</i>	<i>0.1%</i>	<i>1.3%</i>	<i>-1.2 p.p</i>
<b>Adjusted Gross Profit</b>	<b>736,737</b>	<b>619,582</b>	<b>18.9%</b>
<i>Adjusted Gross Margin</i>	<i>50.0%</i>	<i>46.1%</i>	<i>4 p.p</i>
<b>Adjusted EBITDA</b>	<b>205,927</b>	<b>185,390</b>	<b>11.1%</b>
<i>Adjusted EBITDA Margin</i>	<i>14.0%</i>	<i>13.8%</i>	<i>0.2 p.p</i>
<b>Adjusted Net Profit</b>	<b>7,133</b>	<b>30,097</b>	<b>-76.3%</b>
<i>Adjusted Net Profit Margin</i>	<i>0.5%</i>	<i>2.2%</i>	<i>-1.8 p.p</i>
<b>Adjusted EBITDA (ex-IFRS)</b>	<b>133,718</b>	<b>120,475</b>	<b>11.0%</b>
<i>Adjusted EBITDA Margin (ex-IFRS)</i>	<i>9.1%</i>	<i>9.0%</i>	<i>0.1 p.p</i>
<b>Adjusted Net Profit (ex-IFRS)</b>	<b>16,863</b>	<b>38,336</b>	<b>-56.0%</b>
<i>Adjusted Net Profit Margin (ex-IFRS)</i>	<i>1.1%</i>	<i>2.9%</i>	<i>-1.7 p.p</i>

By Business Unit		1Q23	1Q22	Δ(%)
R\$ Thousand				
 CENTAURO	Gross Revenue	879,694	844,451	4.2%
	Net Revenue	704,594	698,577	0.9%
	Gross Profit	362,712	339,122	7.0%
	Gross Margin	51.5%	48.5%	2.9 p.p
 FISIA	Gross Revenue	1,081,532	895,061	20.8%
	Net Revenue	855,916	734,497	16.5%
	Adjusted Gross Profit	372,850	292,506	27.5%
	Adjusted Gross Margin	43.6%	39.8%	3.7 p.p

(1) Centauro's digital platform gross revenue adjusted by R\$8.2 million in 1Q22 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



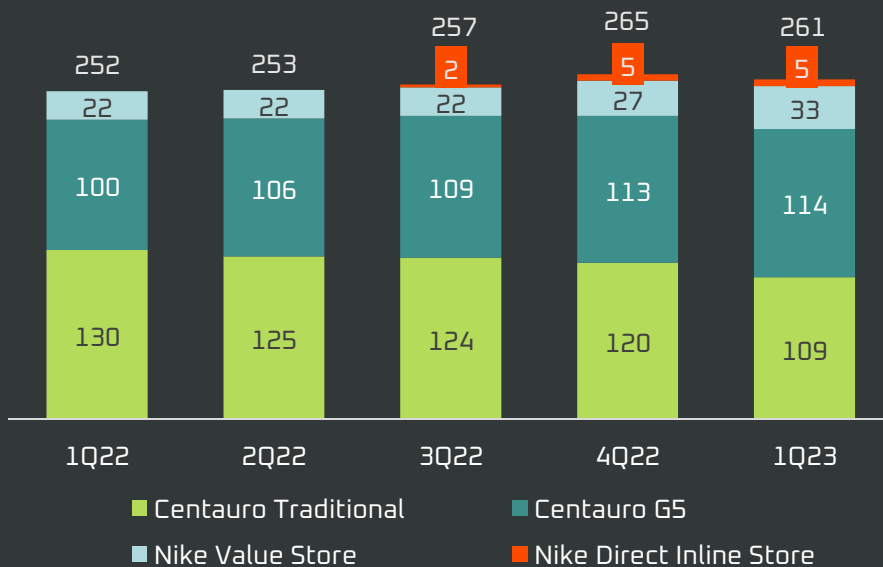
The **adjusted** results presented in this report disregard the non recurring effects, aiming to better represent the economic reality of the business and enable comparison with the Company's historical result.

<b>GRUPO SBF</b> <b>R\$ thousand</b>	<b>1Q23</b>
Stock Option Plan / Non-cash	803
Accounting effects of acquisition - Expenses	-3,935
Cost of stores closures	2,269
Dismissals costs	1,865
<b>Impact of non-recurring effects on EBITDA</b>	<b>1,003</b>
<b>EBITDA</b>	<b>204,924</b>
<b>Adjusted EBITDA</b>	<b>205,927</b>
Adjusted EBITDA Margin	14.0%
<b>EBITDA (ex-IFRS)</b>	<b>132,715</b>
<b>Adjusted EBITDA (ex-IFRS)</b>	<b>133,718</b>
Adjusted EBITDA margin (ex-IFRS)	9.1%
Accounting effects of acquisition - Depreciation and Amortization	4,618
<b>Impact of non-recurring effects on Net Profit</b>	<b>5,621</b>
<b>Net Profit</b>	<b>1,512</b>
<b>Adjusted Net Profit</b>	<b>7,133</b>
Adjusted Net Margin	0.5%
<b>Net Profit (ex-IFRS)</b>	<b>11,242</b>
<b>Adjusted Net Profit (ex-IFRS)</b>	<b>16,863</b>
Adjusted Net Margin (ex-IFRS)	1.1%

# FINANCIAL AND OPERATING PERFORMANCE



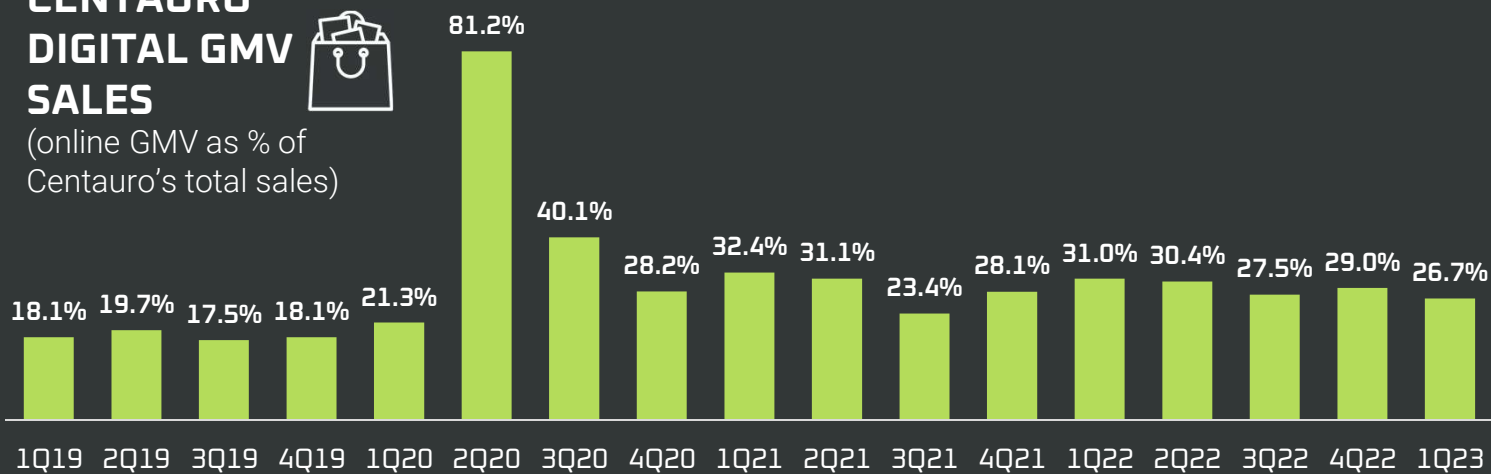
## OUR STORES



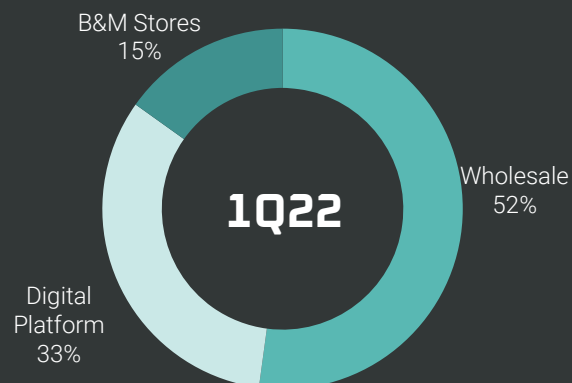
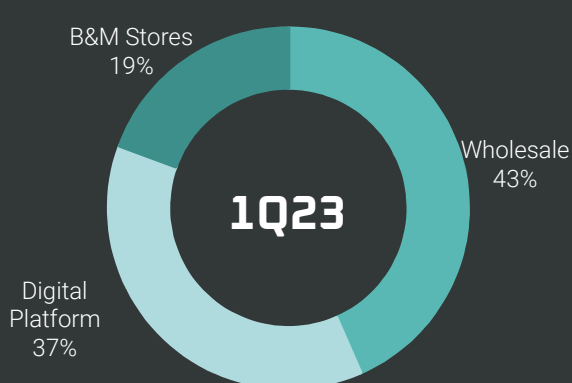
## CENTAURO DIGITAL GMV SALES



(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 1Q22 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	1Q23 adjusted	1Q22 adjusted	Δ(%)
<b>CENTAURO</b>	<b>704,594</b>	<b>698,577</b>	<b>0.9%</b>
B&M Stores	566,498	502,454	12.7%
Digital Platform	138,096	196,123	-29.6%
<b>FISIA</b>	<b>855,916</b>	<b>734,497</b>	<b>16.5%</b>
Wholesale	371,903	382,586	-2.8%
Digital Platform	318,162	240,359	32.4%
B&M Stores	165,851	111,552	48.7%
(+) Intercompany elimination	-88,388	-88,446	
<b>GRUPO SBF</b>	<b>1,472,122</b>	<b>1,344,627</b>	<b>9.5%</b>

## **CENTAURO**

Centauro's net revenue in the first quarter totaled R\$ 704.6 million, an increase of 0.9%, as result of the plan for the year with a focus on increasing profitability. Brick-and-mortar stores reached R\$ 566.5 million in 1Q23 and, despite the optimization of the store portfolio that resulted in the closure of 10 stores in 1Q23, the channel grew 12.7%, mainly explained by the addition of 3 new stores and 11 renovations in the last 12 months, by store operations 100% normalized in 1Q23 over 1Q22 when part of the stores were still operating with restrictions due to the pandemic, and the improvement in the sporting goods global supply chain situation. The availability of marketplace products at the endless aisle continues to contribute to sales growth (7.8% of store sales occurred in endless aisle and 30.8% of these sales were marketplace products).

The decrease recorded in the Digital Platform of -29.6% in net revenue and -7.8% in total online sales (GMV) is due to the channel's profitability strategy, with the implementation of several initiatives that impacted revenue, but were positive for profits, such as the review of ship-from-store rules, reduction in mark-down levels and optimization of performance marketing. In addition to such initiatives, it is worth mentioning that the channel was positively impacted by a higher share of sales in 1Q22, still due to restrictions in brick-and-mortar stores owing to the pandemic, and by the benefit of DIFAL (Tax Rate Difference), which generated a positive impact of R\$ 13.8 million in 1Q22.



# NET REVENUE

## FISIA

Fisia's net revenue totaled R\$ 855.9 million in 1Q23, an increase of 16.5%. The growth was benefited by the increase in DTC channels, a more assertive pricing strategy that we started in the second half of 2022 and by a better allocation and distribution of products in 2023.

The 48.7% growth in the Brick-and-mortar stores channel benefited from the 6 new NVS stores opened in 1Q23 and the 11 stores opened in 2H22, in addition to Same Store Sales of 8% of the channel.

The digital channel grew 32.4%, mainly impacted by the migration of sales of Nike products from the digital platform of other players to 3P. Furthermore, direct sales on [nike.com.br](https://nike.com.br) continue to grow, resulting in a sales increase in the quarter that more than offset the positive effect of R\$ 31.7 million from DIFAL (Tax Rate Difference), which benefited the channel's result in 1Q22.

The wholesale channel was also impacted, but negatively, by the 3P strategy, since digital wholesale clients are now being served directly in their marketplaces through our digital channel.



# GROSS PROFIT

R\$ thousand	1Q23 adjusted	1Q22 adjusted	Δ(%)
<b>CENTAURO</b>			
<b>Gross Profit</b>	<b>362,712</b>	<b>339,122</b>	<b>7.0%</b>
<i>Gross Margin</i>	<i>51.5%</i>	<i>48.5%</i>	<i>2,9 p.p</i>
<b>FISIA</b>			
<b>Gross Profit</b>	<b>372,850</b>	<b>292,506</b>	<b>27.5%</b>
<i>Gross Margin</i>	<i>43.6%</i>	<i>39.8%</i>	<i>3,7 p.p</i>
(+) Intercompany elimination	1,175	-12,045	
<b>GRUPO SBF</b>			
<b>Gross Profit</b>	<b>736,737</b>	<b>619,582</b>	<b>18.9%</b>
<i>Gross Margin</i>	<i>50.0%</i>	<i>46.1%</i>	<i>4 p.p</i>

## **CENTAURO**

In 1Q23, Centauro's gross margin reached 51.5%, an increase of 2.9 percentage points, positively impacted by:

- (i) reduction of mark-downs, mainly in the digital channel, following Centauro's profitability strategy;
- (ii) channel mix, with a greater share of brick-and-mortar sales, which historically have a higher gross margin than the digital channel and;
- (iii) higher marketplace share in the GMV of the digital channel.

It is also worth highlighting that Centauro's gross margin in 1Q22 was positively impacted by the DIFAL (Tax Rate Difference) benefit.

## **FISIA**

Fisia's gross margin reached 43.6% in the quarter, up 3.7 percentage points, once again benefited from the increasing share of DTC channels in sales, which reached 56.5% of Fisia's net revenue and from the new pricing strategy adopted as of 2H22. It is worth highlighting that, as with net revenue, the effects on gross margin were also sufficient to offset the positive effect of DIFAL (Tax Rate Difference) observed in 1Q22.

# OPERATING EXPENSES



R\$ thousand	1Q23 adjusted	1Q22 adjusted	Δ(%)
<b>Operating Expenses</b>	<b>-530,810</b>	<b>-434,192</b>	<b>22.3%</b>
<i>% of Net Revenue</i>	36.1%	32.3%	3,8 p.p
<i>(+) IFRS16 Impact on Expenses</i>	-72,208	-64,917	11.2%
<b>Operating Expenses (ex-IFRS)</b>	<b>-603,018</b>	<b>-499,109</b>	<b>20.8%</b>
<i>% of Net Revenue</i>	41.0%	37.1%	3,8 p.p
Selling Expenses (ex-IFRS)	-489,754	-406,229	20.6%
<i>% of Net Revenue</i>	33.3%	30.2%	3,1 p.p
General and Administrative Expenses (ex-IFRS)	-115,590	-94,505	22.3%
<i>% of Net Revenue</i>	7.9%	7.0%	0,8 p.p
Other net operating income/expenses (ex-IFRS)	2,326	1,626	43.1%



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

Grupo SBF recorded -R\$ 603.0 million in Operating Expenses (ex-IFRS) in 1Q23, an increase of 20.8% over 1Q22.

In the quarter, operating expenses (ex-IFRS) as a % of net revenue reached 41.0%, an increase of 3.8 percentage points, mainly explained by royalties and marketing fees paid to Nike Inc, which resulted in an increase of 1.7 percentage points.

There were three factors that impacted this expense:

- (i) growth in Fisia's sales;
- (ii) higher fees paid for each good purchased, as agreed for in the initial contract with Nike and;
- (iii) increase in inventory in recent months, since fees are paid for purchased goods.

Moreover, the effect of DIFAL (Tax Rate Difference), tax deductions resulted in less expenses dilutions in relation to net revenues, with an estimated impact of 1.3 percentage points.

Another relevant effect is Fisia's channel mix, as DTC channels, despite contributing positively to final profitability due to higher gross margin, have higher expenses than wholesale. Such effect, already excluding the impacts of royalties, accounted for 0.5 percentage points.



# EBITDA

R\$ thousand	1Q23 adjusted	1Q22 adjusted	Δ(%)
<b>Net Income</b>	<b>7,133</b>	<b>30,097</b>	<b>-76.3%</b>
(+) Income tax and social contribution	-16,997	-27,964	-39.2%
(+) Net financial result	-88,423	-46,051	92.0%
(+) Depreciation and amortization	-93,374	-81,278	14.9%
<b>EBITDA</b>	<b>205,927</b>	<b>185,390</b>	<b>11.1%</b>
EBITDA Margin	14.0%	13.8%	0,2 p.p
(+) IFRS16 Impact on Expenses	-72,208	-64,917	11.2%
<b>EBITDA (ex-IFRS)</b>	<b>133,718</b>	<b>120,475</b>	<b>11.0%</b>
EBITDA Margin (ex-IFRS)	9.1%	9.0%	0,1 p.p

Grupo SBF's EBITDA (ex-IFRS) reached R\$ 133.7 million in 1Q23, with an EBITDA margin of 9.1%, in line with the margin recorded in 1Q22.

The EBITDA margin was positively impacted by the improvement in gross margin as a result of the reduction in mark-downs at Centauro and Fisia's migration to DTC, and negatively impacted by the increase in expenses as a percentage of net revenue, which, in turn, was mainly driven by the increase in royalties and marketing fees, as well as by the effects of DIFAL (Tax Rate Difference) in the dilution of expenses in 1Q22.

# FINANCIAL INCOME (LOSS)

R\$ thousand	1Q23 adjusted	1Q22 adjusted	Δ(%)
<b>Net Financial Income/Expenses</b>	<b>-88,423</b>	<b>-46,051</b>	<b>92.0%</b>
(+) Financial Expenses – Right of Use (IFRS)	34,674	29,802	16.4%
<b>Net Financial Income/Expenses (ex-IFRS)</b>	<b>-53,749</b>	<b>-16,249</b>	<b>230.8%</b>

The Company presented a Financial Result (ex-IFRS) of -R\$ 53.7 million in the quarter compared to -R\$ 16.2 million in the 1Q22.

The increase in net financial expenses reflects the increase in the Company's debt, the decrease in the cash position, the increase in interest rates for the period and a lower positive impact of interest on tax credits.

# NET PROFIT



R\$ thousand	1Q23 adjusted	1Q22 adjusted	Δ(%)
<b>Net Profit (Loss)</b>	<b>7,133</b>	<b>30,097</b>	<b>-76.3%</b>
Net Margin	0.5%	2.2%	-1,8 p.p
(+) IFRS16 Impact on Expenses	-72,208	-64,917	11.2%
(+) Depreciation and amortization - Right of Use (IFRS16)	47,680	47,362	0.7%
(+) Financial Expenses – Right of Use (IFRS16)	34,674	29,802	16.4%
(+) Income tax (IFRS16)	-416	-4,009	-89.6%
<b>Net Profit (ex-IFRS)</b>	<b>16,863</b>	<b>38,336</b>	<b>-56.0%</b>
Net Profit Margin (ex-IFRS)	1.1%	2.9%	-1,7 p.p

In 1Q23, Grupo SBF recorded Net Profit (ex-IFRS) of R\$ 16.9 million.

The drop in income is mainly explained by the increase in financial expenses.



# NET WORKING CAPITAL



R\$ thousand	31/03/2023	31/03/2022	Δ(%)
Accounts receivable	1,544,800	1,238,135	24.8%
Taxes and income tax to be offset	411,038	565,835	-27.4%
Inventories	2,008,393	1,168,956	71.8%
Other accounts receivable	120,444	75,986	58.5%
	<b>4,084,675</b>	<b>3,048,912</b>	<b>34.0%</b>
Other accounts payable	238,388	329,033	-27.5%
Resale suppliers	1,023,366	791,271	29.3%
Tax liabilities	204,596	64,701	216.2%
Lease payable	212,459	189,584	12.1%
Labor liabilities	192,053	170,080	12.9%
Other liabilities	155,654	26,994	n.a
	<b>2,026,516</b>	<b>1,571,663</b>	<b>28.9%</b>
<b>Net Working Capital</b>	<b>2,058,159</b>	<b>1,477,249</b>	<b>39.3%</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 an increase in its Net Working Capital compared to 1Q22, from R\$ 1,477.2 million to R\$ 2,058.2 million, a growth of 39.3%. In addition to the natural growth due to the 13.3% increase in gross revenue, this increase is explained by:

- (i) The increase in accounts receivable above revenues, mainly explained by the growth of Fisia's direct-to-consumer operation, which has longer payment terms and;
- (ii) The increase in inventory, reflecting the normalization of Fisia's supply chain and also the result of Centauro's change in strategy towards profitability. We are already carrying out actions in both business units to adjust inventory terms. However, as the supply chain in this market has a cycle of 9 to 12 months, we should see the effects of these actions over the quarters.

The increase in Tax Obligations is explained by provisions for the payment of DIFAL (Tax Rate Difference), still pending the decision of Brazilian Federal Supreme Court (STF) on the matter. This provision is recorded against judicial deposits, under non-current assets.



# MANAGEMENT CASH FLOW

R\$ thousand	1Q23	1Q22	Δ(%)
EBITDA	204,924	179,856	13.9%
Depreciation and Interest Rates IFRS 16	-82,355	-77,164	6.7%
Working Capital Variation <sup>1</sup>	-540,287	-273,298	97.7%
Other	-135,622	57,398	-336.3%
<b>Operating Cash Flow</b>	<b>-553,340</b>	<b>-113,207</b>	<b>388.8%</b>
M&A	0	-12,042	n.a
Other	-55,732	-50,831	9.6%
<b>Cash Flow from Investing Activities</b>	<b>-55,732</b>	<b>-62,873</b>	<b>-11.4%</b>
Debt <sup>2</sup>	312,762	-2,258	n.a
Factoring of Receivables	223,615	0	n.a
Tax Installment Payment	-6,677	-9,851	-32.2%
Dividends	0	0	n.a
Capital	0	0	n.a
<b>Cash Flow from Financing</b>	<b>529,700</b>	<b>-12,109</b>	<b>n.a</b>
<b>Total Cash Variation</b>	<b>-79,372</b>	<b>-188,188</b>	<b>-57.8%</b>



- (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 negative by –R\$ 553.3 million, explained by (i) the normal seasonality of the Company's cash, since purchases made for the fourth quarter are historically paid in the first quarter; and (ii) the effect of payments resulting from inventory growth.

The consumption of cash recorded in Other is again due to changes in the prospects for the consumption of tax credits, with the change of amounts from short to long term.

Cash Flow from Investments was mainly explained by investments in technology and the opening of Nike Value Stores.

The change observed in the Cash Flow from Financing is explained by the new issue of debentures by the company and the factoring of receivables made in the period.



# INDEBTEDNESS

R\$ thousand	31/03/2023 adjusted	31/03/2022 adjusted	Δ(%)
(+) Loans and financing	1,492,282	847,673	76.0%
(-) Cash and cash equivalents	338,939	361,159	-6.2%
<b>(=) Net Debt</b>	<b>1,153,343</b>	<b>486,514</b>	<b>137.1%</b>
(+) Factoring of Receivables	223,615	0	n.a
(+) Tax Installment Payment	105,712	141,895	-25.5%
<b>(=) Adjusted Net Debt</b>	<b>1,482,670</b>	<b>628,409</b>	<b>135.9%</b>
Adj. Net Debt /Adj. EBITDA (LTM)	1.98x	0,73x	1.25x
Adj. Net Debt /Adj. EBITDA (ex-IFRS) (LTM)	3.07x	1,02x	2.05x

The increase in the balance of loans and financing in 1Q23 when compared to the same period in 2022 reflects the new debts raised to finance Company's growth and its investment needs. Factoring of receivables were used to reinforce cash during 1Q23, while the new debenture was not issued.

# INVESTMENTS - CAPEX

R\$ thousand	1Q23	1Q22	Δ(%)
New Stores	12,292	16,356	-24.8%
Stores Refurbishment	2,331	2,481	-6.0%
Technology	29,109	25,233	15.4%
Logistics	7,826	884	n.a
Others	4,174	5,877	-29.0%
<b>Total Investments</b>	<b>55,732</b>	<b>50,831</b>	<b>9.6%</b>

CAPEX in 1Q23 increased 9.6% over 1Q22, explained by the opening of 6 new Nike Value Stores and the acceleration of investments in structuring technology and logistics projects, in addition to investments in the Centauro Arena in Ibirapuera Park, in São Paulo.





# CONSOLIDATED BALANCE SHEET

R\$ thousand	31/03/2023	31/12/2022
<b>Assets</b>	<b>8,244,964</b>	<b>8,470,247</b>
Current	<b>4,199,999</b>	<b>4,526,488</b>
Cash and cash equivalents	338,939	418,311
Accounts receivable	1,321,185	1,711,003
Derivative financial instruments	0	4,169
Recoverable taxes	371,894	525,351
Income tax and social contribution to be offset	39,144	49,055
Inventories	2,008,393	1,737,002
Other accounts receivable	120,444	81,597
<b>Non-current</b>	<b>4,044,965</b>	<b>3,943,759</b>
Taxes to be offset	261,171	146,880
Income tax and social contribution to be offset	95,279	93,055
Loans receivable	10,051	10,036
Deferred tax assets	827,919	841,811
Judicial deposits	318,771	291,673
Other amounts receivable	60,648	67,727
Investments	5,521	5,001
Property and equipment	569,011	571,951
Intangible assets	493,797	487,453
Right of use	1,402,797	1,428,172
<b>Liabilities</b>	<b>8,244,964</b>	<b>8,470,247</b>
Current	<b>2,740,677</b>	<b>2,948,338</b>
Suppliers	1,023,366	1,561,547
Loans and financing	91,701	86,082
Debentures	546,116	191,836
Derivative financial instruments	79,782	39,612
Tax liabilities	201,901	192,684
Income tax and social contribution payable	2,695	32,944
Tax installment payment	43,259	47,030
Labor and social security liabilities	192,053	191,851
Dividends payable	33,085	33,085
Lease payable	212,459	278,072
Other accounts payable	158,606	140,744
Other obligations	155,654	152,851
<b>Non-current</b>	<b>3,129,110</b>	<b>3,112,055</b>
Loans and financing	80,309	81,997
Debentures	774,156	773,647
Tax installment payment	62,453	65,359
Provisions for contingencies	566,962	559,713
Deferred income tax and social contribution	10,065	9,724
Lease payable	1,396,468	1,358,170
Other obligations	103,682	123,874
Other accounts payable	135,015	139,571
<b>Shareholders' equity</b>	<b>2,375,177</b>	<b>2,409,854</b>
Capital stock	1,830,524	1,830,524
Capital reserves	262,331	261,528
Incentive reserves	331,702	331,702
Equity valuation adjustments	-52,149	-15,157
Accumulated losses	2,769	1,257



# CASH FLOW

R\$ thousand	31/03/2023	31/03/2022
<b>Net profit (loss) of the period</b>	<b>18,509</b>	<b>47,001</b>
Adjusted by:		
Depreciation and amortization	103,572	91,013
Interest rates	83,028	59,571
Impairment losses on accounts receivables	1,211	-1,261
Equity Income	-519	226
Share-based payment	803	14,642
Residual cost in the write-off of property & equipment and intangible assets	2,112	520
Write-off of residual leases	-6,707	506
Provision for inventory obsolescence	19,403	24,725
Net recording of provision for contingencies	10,841	925
Lease discounts	0	-6,111
	<b>232,253</b>	<b>231,757</b>
<b>(Increase) decrease in Assets</b>		
Accounts receivable	388,607	88,331
Inventory	-290,794	-151,345
Derivative financial instruments	-32,823	-136,482
Deferred taxes, income tax and social contribution to be offset	46,853	76,114
Judicial deposits	-27,098	-2,954
Other accounts receivable	-31,768	3,290
<b>Increase (decrease) in liabilities</b>		
Suppliers	-536,182	-123,937
Tax liabilities	9,132	-38,352
Tax installment payment	-8,641	-12,332
Derivative financial instruments	40,170	198,599
Contingencies paid	-3,592	-4,644
Labor and social security liabilities	202	12,560
Other accounts payable	13,306	-131,164
Other obligations	-17,389	2,987
<b>Chg. in assets and liabilities:</b>	<b>-450,017</b>	<b>-219,329</b>
Interest rate paid on financing	-913	-1,954
Interest paid on leases	-34,674	-29,802
Income tax and social contribution paid	-33,014	-65,406
<b>Net cash (used in) generated by operating activities</b>	<b>-286,365</b>	<b>-84,734</b>
<b>Cash flow from investing activities</b>		
Additions to property and equipment	-24,205	-26,847
Additions to intangible assets	-31,527	-27,642
Acquisition of interest in associated company - X3M	0	-1,978
Goodwill in the acquisition of interest at X3M	0	-2,813
<b>Net cash (used in) investing activities</b>	<b>-55,732</b>	<b>-59,280</b>
<b>Cash flow from financing activities</b>		
Loans and financing raised	0	1,036
Loans and financing paid	-2,783	-1,917
Issue of debentures	316,458	577
Lease Paid	-50,950	-43,870
<b>Net cash (used in) financing activities</b>	<b>262,725</b>	<b>-44,174</b>
Decrease/Increase of cash and cash equivalents	-79,372	-188,188
Cash and cash equivalents at the beginning of the year	418,311	549,347
Cash and cash equivalents at the end of the year	338,939	361,159



# INCOME STATEMENT

## IFRS

R\$ thousand	1Q23	1Q22	Δ(%)
Net revenue	1,472,122	1,344,627	9.5%
Cost of sales	-735,385	-722,905	1.7%
<b>Gross Profit</b>	<b>736,737</b>	<b>621,722</b>	<b>18.5%</b>
<b>Operating expenses</b>	<b>-531,813</b>	<b>-441,866</b>	<b>20.4%</b>
Selling expenses	-440,901	-344,593	27.9%
Administrative and general expenses	-98,389	-83,761	17.5%
Other net operating income/expenses	7,477	-13,512	155.3%
Depreciation and amortization expenses	-97,992	-86,804	12.9%
<b>Operating Income (Loss)</b>	<b>106,932</b>	<b>93,052</b>	<b>14.9%</b>
Financial income	47,649	71,753	-33.6%
Financial expenses	-136,072	-117,804	15.5%
<b>Net financial income (expenses)</b>	<b>-88,423</b>	<b>-46,051</b>	<b>92.0%</b>
<b>Profit before taxes</b>	<b>18,509</b>	<b>47,001</b>	<b>-60.6%</b>
Income tax and social contribution	-16,997	-29,723	-42.8%
<b>Net income for the period</b>	<b>1,512</b>	<b>17,278</b>	<b>-91.2%</b>

## IFRS adjusted by non-recurring effects

R\$ thousand	1Q23 adjusted	1Q22 adjusted	Δ(%)
Net revenue	1,472,122	1,344,627	9.5%
Cost of sales	-735,385	-725,044	1.4%
<b>Gross Profit</b>	<b>736,737</b>	<b>619,582</b>	<b>18.9%</b>
<b>Operating expenses</b>	<b>-530,810</b>	<b>-434,192</b>	<b>22.3%</b>
Selling expenses	-441,454	-349,716	26.2%
Administrative and general expenses	-98,389	-85,606	14.9%
Other net operating income/expenses	9,033	1,130	n.a
Depreciation and amortization expenses	-93,374	-81,278	14.9%
<b>Operating Income (Loss)</b>	<b>112,553</b>	<b>104,112</b>	<b>8.1%</b>
Financial income	47,649	71,753	-33.6%
Financial expenses	-136,072	-117,804	15.5%
<b>Net financial income (expenses)</b>	<b>-88,423</b>	<b>-46,051</b>	<b>92.0%</b>
<b>Profit before taxes</b>	<b>24,130</b>	<b>58,061</b>	<b>-58.4%</b>
Income tax and social contribution	-16,997	-27,964	-39.2%
<b>Net income for the period</b>	<b>7,133</b>	<b>30,097</b>	<b>-76.3%</b>



## 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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👤 José Salazar

👤 Daniel Regensteiner

👤 Luna Romeu

👤 Nicole Caputo

#### 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

**SMLL B3 | ICON B3 | IGC B3 | IGC-NM B3 | IGCT B3 | ITAG B3 | IBRA B3 | IGPTWB3**



(A free translation of the original in Portuguese)

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

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

### **Introduction**

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We have reviewed the accompanying interim balance sheet of Grupo SBF S.A. ("Company") as at 31 March 2023 and the related statements of income, comprehensive income, the statements of changes in shareholders' equity and cash flow for the quarter then ended, as well as the accompanying consolidated interim balance sheet of Grupo SBF S.A. and its subsidiaries ("Consolidated") as at 31 March 2023 and the related consolidated statements of income, comprehensive income, the consolidated statements of changes in shareholders' equity and cash flow for the quarter 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**

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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**

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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 31 March 2023, and the parent company financial performance for the quarter then ended and its cash flow for the quarter then ended, as well as the consolidated financial performance for the quarter then ended and the consolidated cash flow for quarter then ended, in accordance with CPC 21 and IAS 34

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 are not prepared, in all material respects, in accordance with CPC 21 and IAS 34.



Grupo SBF S.A.

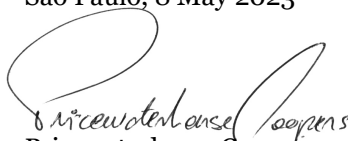
## Other matters

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### Statements of value added

The interim financial statements referred to above include the parent company and consolidated statements of value added for the quarter ended 31 March 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 of 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, 8 May 2023



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

Leandro Mauro Ardito  
Contador CRC 1SP188307/O-0

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



Assets	Note	Parent company		Consolidated	
		03/31/2023	12/31/2022	03/31/2023	12/31/2022
<b>Current assets</b>					
Cash and cash equivalents	4	31.765	34.515	338.939	418.311
Accounts receivable	5	15.697	30.485	1.321.185	1.711.003
Inventory	6	-	-	2.008.393	1.737.002
Derivative financial instruments	7	-	-	-	4.169
Recoverable taxes	8	534	220	371.894	525.351
Recoverable income tax and social contribution	9	-	-	39.144	49.055
Dividends receivable		224.901	235.756	-	-
Other assets		192	248	120.444	81.597
<b>Total current assets</b>		<b>273.089</b>	<b>301.224</b>	<b>4.199.999</b>	<b>4.526.488</b>
<b>Non-current assets</b>					
Recoverable taxes	8	-	-	261.171	146.880
Recoverable income tax and social contribution	9	-	-	95.279	93.055
Loan receivables		10.051	10.036	10.051	10.036
Deferred income tax and social contribution	10	-	-	827.919	841.811
Judicial deposits	11	115	114	318.771	291.673
Other assets		50.842	49.819	60.648	67.727
<b>Total non-current assets</b>		<b>61.008</b>	<b>59.969</b>	<b>1.573.839</b>	<b>1.451.182</b>
Investments	12	2.260.344	2.298.244	5.521	5.001
Property, plant and equipment	15	465	483	569.011	571.951
Intangible assets	16	2.141	2.284	493.797	487.453
Right-of-use	17	-	-	1.402.797	1.428.172
<b>Total non-current assets</b>		<b>2.323.958</b>	<b>2.360.980</b>	<b>4.044.965</b>	<b>3.943.759</b>
<b>Total assets</b>		<b>2.597.047</b>	<b>2.662.204</b>	<b>8.244.964</b>	<b>8.470.247</b>

Liabilities	Note	Parent company		Consolidated	
		03/31/2023	12/31/2022	03/31/2023	12/31/2022
<b>Current liabilities</b>					
Suppliers	16	1.814	1.321	993.052	1.423.376
Suppliers - Drawee Risk	16	-	-	30.314	138.171
Loans and financing	17	-	-	91.701	86.082
Debentures	17	-	-	546.116	191.836
Derivative financial instruments	7	-	-	79.782	39.612
Lease payables	15	-	-	212.459	278.072
Taxes payable	18	186	152	201.901	192.684
Income tax and social contribution payable		-	-	2.695	32.944
Taxes in installments	19	-	-	43.259	47.030
Labor and social security obligations	20	455	430	192.053	191.851
Dividends payable		33.085	33.085	33.085	33.085
Negative investments in subsidiaries	12	16.566	24.213	-	-
Related parties – other accounts payable	21	153	153	-	-
Other accounts payable	22	318	4.077	158.606	140.744
Other liabilities		35.243	34.351	155.654	152.851
<b>Total current liabilities</b>		<b>87.820</b>	<b>97.782</b>	<b>2.740.677</b>	<b>2.948.338</b>
<b>Non-current liabilities</b>					
Loans and financing	17	-	-	80.309	81.997
Debentures	17	-	-	774.156	773.647
Lease payable	15	-	-	1.396.468	1.358.170
Taxes in installments	19	-	-	62.453	65.359
Deferred income tax and social contribution	10	3	3	10.065	9.724
Provision for administrative and judicial risks	11	-	-	566.962	559.713
Other accounts payable	22	135.015	155.822	135.015	139.571
Other liabilities		-	-	103.682	123.874
<b>Total non-current liabilities</b>		<b>135.018</b>	<b>155.825</b>	<b>3.129.110</b>	<b>3.112.055</b>
<b>Shareholders' equity</b>	26				
Capital		1.830.524	1.830.524	1.830.524	1.830.524
Capital reserves		262.331	261.528	262.331	261.528
Profit reserves		331.702	331.702	331.702	331.702
Retained earnings		1.801	-	1.801	-
Equity valuation adjustment		(52.149)	(15.157)	(52.149)	(15.157)
<b>Total shareholders' equity attributable to controlling shareholders</b>		<b>2.374.209</b>	<b>2.408.597</b>	<b>2.374.209</b>	<b>2.408.597</b>
Interest of non-controlling shareholders		-	-	968	1.257
<b>Total shareholders' equity</b>		<b>2.374.209</b>	<b>2.408.597</b>	<b>2.375.177</b>	<b>2.409.854</b>
<b>Total liabilities and shareholders' equity</b>		<b>2.597.047</b>	<b>2.662.204</b>	<b>8.244.964</b>	<b>8.470.247</b>

See the accompanying notes to the quarterly financial information.

**Statements of income**  
**Periods ended 31 March 2023 and 2022**  
*(In thousands of reais)*



	Note	Parent company		Consolidated	
		03/31/2023	03/31/2022	03/31/2023	03/31/2022
Net revenues	25	-	-	1.472.122	1.344.627
Cost of sales and services rendered	26	-	-	(735.385)	(722.905)
<b>Gross income</b>		<b>-</b>	<b>-</b>	<b>736.737</b>	<b>621.722</b>
<b>Operating revenues (expenses)</b>					
Sales expenses	27	(4.444)	-	(506.313)	(408.655)
Impairment loss on accounts receivable		-	-	(1.211)	1.261
Administrative and general expenses	27	-	(7.679)	(128.348)	(107.764)
Other operating expenses, net		(1.800)	(15.304)	5.548	(13.286)
Equity in the income of subsidiaries and associated companies		6.739	40.664	519	(226)
<b>Operational income</b>		<b>495</b>	<b>17.681</b>	<b>106.932</b>	<b>93.052</b>
Financial revenues	28	1.461	463	47.649	71.753
Financial expenses	28	(155)	(506)	(136.072)	(117.804)
<b>Net financial income (loss)</b>		<b>1.306</b>	<b>(43)</b>	<b>(88.423)</b>	<b>(46.051)</b>
<b>Income before taxes</b>		<b>1.801</b>	<b>17.638</b>	<b>18.509</b>	<b>47.001</b>
Income tax and social contribution - current		-	-	(2.680)	(48.749)
Deferred income tax and social contribution	10	-	(2)	(14.317)	19.026
<b>Profit for the period</b>		<b>1.801</b>	<b>17.636</b>	<b>1.512</b>	<b>17.278</b>
Controlling shareholders		1.801	17.636	1.801	17.636
Non-controlling shareholders		-	-	(289)	(358)
		<b>1.801</b>	<b>17.636</b>	<b>1.512</b>	<b>17.278</b>
<b>Net earnings per share attributable to the Group's shareholders</b>					
Basic earnings per share (weighted average)	23			0,01	0,07
Diluted earnings per share (weighted average)	23			0,01	0,07

See the accompanying notes to the quarterly financial information.

**Grupo SBF S.A.**  
**Statements of comprehensive income**  
**Periods ended 31 March 2023 and 2022**  
*(In thousands of reais)*



<b>Profit for the period</b>
<b>Other comprehensive income</b>
Items that can be reclassified to income (loss)
Cash flow hedges
<b>Other comprehensive income</b>
Deferred income tax and social contribution on cash flow hedge
<b>Other comprehensive income, net of taxes</b>
<b>Comprehensive income (loss) for the period</b>
<b>Comprehensive income attributable to:</b>
Controlling shareholders
Non-controlling shareholders
<b>Total comprehensive income</b>

<b>Parent company</b>		<b>Consolidated</b>	
<b>03/31/2023</b>	<b>03/31/2022</b>	<b>03/31/2023</b>	<b>03/31/2022</b>
<b>1.801</b>	<b>17.636</b>	<b>1.512</b>	<b>17.278</b>
(36.992)	(141.602)	(36.992)	(141.602)
<b>(36.992)</b>	<b>(141.602)</b>	<b>-</b>	<b>(141.602)</b>
12.577	48.145	12.577	48.145
<b>(22.614)</b>	<b>(75.821)</b>	<b>(22.903)</b>	<b>(76.179)</b>
<b>(22.614)</b>	<b>(75.821)</b>	<b>(22.903)</b>	<b>(76.179)</b>
(22.614)	(75.821)	(22.614)	(75.821)
-	-	(289)	(358)
<b>(22.614)</b>	<b>(75.821)</b>	<b>(22.903)</b>	<b>(76.179)</b>

See the accompanying notes to these financial statements.

**Grupo SBF S.A.**  
**Statements of changes in shareholders' equity**  
Periods ended 31 March 2023 and 2022  
*(In thousands of reais)*



	Attributable to controlling shareholders										Non-controlling interest	Total shareholders' equity - consolidated
	Capital reserves			Profit reserves					Total			
	Capital	Goodwill in the issue of shares	Share-based payments	Legal reserve	Tax incentive reserve	Statutory reserve	Other comprehensive income	Retained earnings (loss)				
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	
Adjustment to non-controlling interest	-	-	-	-	-	-	-	-	-	(3)	(3)	
Adjustment to financial instruments - Cash flow hedge	-	-	-	-	-	-	(141.602)	-	(141.602)	-	(141.602)	
Share-based payments	-	-	14.642	-	-	-	-	-	14.642	-	14.642	
Net revenue for the period	-	-	-	-	-	-	-	17.636	17.636	(358)	17.278	
Balances at 31 March 2022	1.823.527	154.753	84.856	9.420	64.439	85.911	(125.876)	17.636	2.114.666	284	2.114.950	
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	
Equity valuation adjustment – Cash flow hedge	-	-	-	-	-	-	(36.992)	-	(36.992)	-	(36.992)	
Share-based payments	-	-	803	-	-	-	-	-	803	-	803	
Net income for the period	-	-	-	-	-	-	-	1.801	1.801	(289)	1.512	
Balances at 31 March 2023	1.830.524	154.753	107.578	19.671	126.865	185.166	(52.149)	1.801	2.374.209	968	2.375.177	

See the accompanying notes to the quarterly financial information.

**Grupo SBF S.A.**  
**Statements of cash flow**  
**Periods ended 31 March 2023 and 2022**  
*(In thousands of reais)*



in thousands of reais

		Parent company		Consolidated	
	Notes	03/31/2023	03/31/2022	03/31/2023	03/31/2022
<b>Cash flow from operating activities</b>					
<b>Net income before taxes for the period</b>		1.801	17.638	18.509	47.001
Adjusted by:					
Depreciation and amortization of property, plant and equipment and intangible assets	13 14	161	135	50.216	39.710
Amortization of right-of-use	14 15	-	-	55.717	51.303
Interest on loans and financing	17	-	-	7.627	9.720
Interest on debentures	17	-	-	38.331	16.433
Interest on loan agreements	17	(15)	-	(15)	-
Interest on tax payments in installments	19	-	-	1.964	2.481
Interest on payments in arrears		-	31	362	914
(Reversal) of impairment losses on accounts receivable	5	-	-	1.211	(1.261)
Interest on late payments of taxes		-	-	85	221
Equity in net income of subsidiaries	14	(6.739)	(40.001)	(519)	226
Share-based remuneration	12	803	14.642	803	14.642
Loss on write-off/disposal of property, plant and equipment and intangible assets	13 14	-	-	2.112	520
Residual write-off of leases	15	-	-	(6.707)	506
Provision for inventory obsolescence	6	-	-	19.403	24.725
Lease interest		-	-	34.674	29.802
Lease discounts	15	-	-	-	(6.111)
Net constitution of provision for administrative and judicial risks	11	-	-	10.841	925
		<b>(3.989)</b>	<b>(7.555)</b>	<b>234.614</b>	<b>231.757</b>
<b>Changes in:</b>					
<b>(Increase) decrease in assets</b>					
Accounts receivable	5	14.788	-	388.607	88.331
Inventory	6	-	-	(290.794)	(151.345)
Derivative financial instruments	7	-	-	4.169	(136.482)
Taxes to be offset, IRPJ and CSLL to be offset	8	(314)	(96)	46.853	76.114
Judicial deposits	11	(1)	(3)	(27.098)	(2.954)
Other assets		(967)	(337)	(31.768)	3.290
<b>Increase (decrease) in liabilities</b>					
Suppliers	16	493	(919)	(428.325)	(91.197)
Suppliers - Drawee Risk	16	-	-	(107.857)	(32.740)
Taxes payable	18	34	61	9.132	(38.352)
Scheduling of taxes	19	-	-	(8.641)	(12.332)
Derivative financial instruments	7	-	-	3.178	198.599
Contingencies paid	11	-	-	(3.592)	(4.644)
Labor and social security obligations	20	25	101	202	12.560
Other accounts payable	22	(24.566)	(120.137)	13.306	(131.164)
Other liabilities		892	-	(17.389)	2.987
		<b>(9.616)</b>	<b>(121.330)</b>	<b>(450.017)</b>	<b>(219.329)</b>
<b>Changes in assets and liabilities:</b>					
Income tax and social contribution		-	-	(33.015)	(65.406)
Interest paid on financing	17	-	-	(913)	(1.954)
		<b>(13.605)</b>	<b>(128.885)</b>	<b>(249.331)</b>	<b>(54.932)</b>
<b>Cash used by operating activities</b>					
<b>Cash flow from investing activities</b>					
Additions to property, plant and equipment	13	-	(180)	(26.566)	(26.847)
Increase in intangible assets	14	-	(271)	(31.527)	(27.642)
Subscription warrants		-	(7.250)	-	-
Acquisition of interest in associated company - X3M		-	-	-	(1.978)
Goodwill in the acquisition of interest at X3M		-	-	-	(2.813)
Dividends received		10.855	-	-	-
		<b>10.855</b>	<b>(7.701)</b>	<b>(58.093)</b>	<b>(59.280)</b>
<b>Net cash generated by (used in) investment activities</b>					
<b>Cash flow from financing activities</b>					
Loans and financing obtained	17	-	-	-	1.036
Issue of debentures	17	-	-	316.458	577
Loans and financing paid	17	-	-	(2.782)	(1.917)
Leases paid	15	-	-	(85.624)	(73.672)
Related parties		-	89	-	-
Advance for future capital decrease in subsidiary		-	74.521	-	-
		-	<b>74.610</b>	<b>228.052</b>	<b>(73.976)</b>
<b>Net cash used by (generated in) financing activities</b>					
		<b>(2.750)</b>	<b>(61.976)</b>	<b>(79.372)</b>	<b>(188.188)</b>
<b>Increase in cash and cash equivalents</b>					
<b>Cash and cash equivalents at 1 January</b>	4	34.515	62.088	418.311	549.347
<b>Cash and cash equivalents at 31 March</b>	4	31.765	112	338.939	361.159
<b>Transactions not affecting cash</b>					
Addition to property, plant and equipment and intangible assets		1	2	2.361	1.003
Derivatives		(36.992)	(141.602)	(36.992)	(141.602)

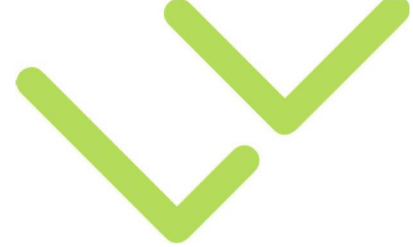
See the accompanying notes to the quarterly financial information.

**Grupo SBF S.A.**  
**Statements of added value**  
**Periods ended 31 March 2023 and 2022**  
*(In thousands of reais)*



	Parent company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
<b>Revenues</b>	-	(665)	<b>1.850.682</b>	<b>1.636.542</b>
Revenue from sales of goods, products and services	-	(665)	1.850.459	1.633.108
Impairment loss on accounts receivable	-	-	(2.621)	1.261
Other revenue	-	-	2.844	2.173
<b>Inputs acquired from third parties</b>	<b>(2.698)</b>	<b>(1.348)</b>	<b>(1.209.534)</b>	<b>(1.117.756)</b>
Cost of products, goods sold and services rendered	-	-	(911.587)	(894.542)
Materials, energy, outsourced services and other	(1.701)	(1.348)	(293.306)	(211.707)
Losses on asset values	(997)	-	(4.641)	(11.507)
<b>Gross added value</b>	<b>(2.698)</b>	<b>(2.013)</b>	<b>641.148</b>	<b>518.786</b>
<b>Depreciation and amortization</b>	(160)	(135)	(106.168)	(91.070)
<b>Net added value generated</b>	<b>(2.858)</b>	<b>(2.148)</b>	<b>534.980</b>	<b>427.716</b>
<b>Amount received through transfers</b>	<b>8.201</b>	<b>41.127</b>	<b>48.168</b>	<b>71.753</b>
Equity in net income of subsidiaries	6.740	40.664	519	-
Financial revenues	1.461	463	47.649	71.753
Other operating revenues	-	-	-	-
<b>Total added value to be distributed</b>	<b>5.343</b>	<b>38.979</b>	<b>583.148</b>	<b>499.469</b>
<b>Distribution of added value</b>				
<b>Personnel</b>	<b>2.091</b>	<b>19.656</b>	<b>162.459</b>	<b>173.172</b>
Direct remuneration	2.095	15.957	120.366	115.716
Benefits	(4)	3.682	30.539	47.643
FGTS	-	17	11.554	9.813
<b>Taxes, rates and contributions</b>	<b>1.249</b>	<b>1.181</b>	<b>227.781</b>	<b>148.919</b>
Federal	1.011	1.023	108.994	85.873
State	-	-	109.984	55.875
Municipal	238	158	8.803	7.171
Deferred taxes	-	-	-	-
<b>Third-party capital remuneration</b>	<b>202</b>	<b>506</b>	<b>191.396</b>	<b>160.100</b>
Financial expenses (interest)	50	31	60.498	53.136
Rentals	-	-	24.025	10.312
Other	152	475	106.873	96.652
<b>Remuneration of own capital</b>	<b>1.801</b>	<b>17.636</b>	<b>1.512</b>	<b>17.278</b>
Retained earnings (accumulated losses)	1.801	17.636	1.801	17.636
Non-controlling interest in retained earnings	-	-	(289)	(358)

See the accompanying notes to the 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 information of Grupo SBF for the period ended 31 March 2023 includes Parent Company Grupo SBF S.A. and its subsidiaries, collectively referred to as "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 5 May 2023.

The list of the Grupo SBF's subsidiaries as at 31 March 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%	100%	-	-	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 retail
VBLOG Logística e Transporte Ltda. ("VBLOG")	100%	100%	-	-	Logistic services
Pine Adm. de Bens e Participações Ltda.	-	100%	-	-	Joint ventures and equity interests
Premier Distribuidora de Vestuário, Calçados, Equipos e Acessórios Ltda. ("Premier")	100%	-	-	100%	Sports commerce
Store Engenharia e Instalações Ltda.	-	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%	100%	Audiovisual production
Acelerados Produtora e Distribuidora Audiovisual S.A. ("Acelerados")	-	-	51%	51%	Audiovisual production
FitDance Entretenimento Ltda. ("Fitdance")	-	-	100%	-	Advertising film production

The key information on each of the subsidiaries included in the Group's consolidated financial information is presented in Note 12.

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





## **2. PREPARATION BASIS**

### **2.1 Statement of conformity (in relation to the IFRS standards and CPC standards)**

The Group's individual and consolidated interim quarterly information for the three-month period ended 31 March 2023, was prepared in accordance with CPC 21 (R1) – Interim Financial Statements and IAS 34 – Interim Financial Reporting, 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 these quarterly information, are consistent with 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 information should be read together with Grupo SBF's individual and consolidated financial statements for the year ended 31 December 2022 (Note 2.4 Significant accounting policies).

All relevant information in individual and consolidated quarterly information, and only them, are being evidenced and correspond 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 26 /IAS 1 – Classification of Liabilities as Current or Non-Current and concept of materiality
- Amendments to CPC 23 / IAS 8 - Definition of Accounting Estimates
- Amendments to CPC 32/IAS 12 – Income Taxes. Deferred tax related to assets and liabilities arising from a single transaction

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

## **3. FINANCIAL RISK MANAGEMENT**

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





## a) Market risks

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

	03/31/2023	12/31/2022
Operational derivatives	(79,782)	(35,443)

## b) Foreign exchange risk

Derives from the possibility of fluctuations in foreign exchange rates of foreign currencies used by the Group mainly to import products from foreign markets. As at 31 March 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 results.

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 31 March 2023, there was a balance to be recorded in other comprehensive income amounting to R\$ 52,149. The gain or loss relating to the non-effective portion (when calculated), is immediately recognized in income (loss). Gains from non-effective portion were determined for the period ended 31 March 2023.

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

Maturities	Hedge instrument		Fair value	Object of hedge	
	Currency	Domestic		Operation	Estimated Maturities
04/05/2023– 02/08/2024	US\$	(1,049,771)	(79,782)	Application for import of goods	04/05/2023–02/08/2024
<b>Total</b>		<b>(1,049,771)</b>	<b>(79,782)</b>		

### Fair value

The table below shows a breakdown of the outstanding derivatives held by the Group as at 31 March 2023, all for the purpose of hedging currency risk on purchases of goods.





Derivative	Principal value	Long or short position	Fair value	Term	Counterparty
Hedge	(266,823)	Purchased	(16,665)	02/08/2024	ABC
Hedge	(259,654)	Purchased	(19,394)	02/08/2024	Bradesco
Hedge	(117,052)	Purchased	(7,376)	02/08/2024	BTG
Hedge	(222,006)	Purchased	(11,511)	02/08/2024	HSBC Brasil
Hedge	(337,483)	Purchased	(22,463)	02/08/2024	Itaú
Hedge	(45,275)	Purchased	(1,769)	02/08/2024	Safra
Hedge	(84,784)	Purchased	(6,817)	02/08/2024	Santander
Hedge	(188,113)	Purchased	(8,222)	02/08/2024	Votorantim
Hedge	22,019	Sold	817	02/08/2024	ABC
Hedge	72,440	Sold	2,235	02/08/2024	Bradesco
Hedge	205,867	Sold	6,546	02/08/2024	BTG
Hedge	34,692	Sold	1,428	02/08/2024	HSBC Brasil
Hedge	97,640	Sold	1,716	02/08/2024	Itaú
Hedge	38,761	Sold	1,693	02/08/2024	Votorantim
<b>Total</b>	<b>(1,049,771)</b>		<b>(79,782)</b>		

### c) 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 loans, financing and debentures, most of which have posted-fixed rates. Financial investments are mainly indexed to the CDI, partially reducing loan risks, financing and debentures.

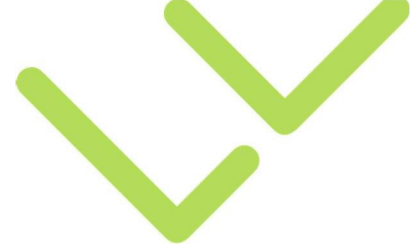
In the interim financial information, the profile of the Group's interest-bearing financial instruments corresponds to:

	Consolidated	
	03/31/2023	12/31/2022
Financial investments	320,918	375,007
Loans and financing	(172,010)	(168,079)
Debentures	(1,320,272)	(965,483)
<b>Total</b>	<b>(1,171,364)</b>	<b>(758,555)</b>

### Sensitivity analysis

The Group's risk arises from operations involving financial investments, loans, financing and debentures pegged to the CDI. As at 31 March 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 (13.75% 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	320,918	49,133	61,416	73,700	36,850	24,567
Loans and financing	(172,010)	(26,335)	(32,919)	(39,503)	(19,751)	(13,168)
Debentures	(1,320,272)	(202,134)	(252,668)	(303,201)	(151,601)	(101,067)

#### d) 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.

The table that provides information regarding the exposure to credit risk and expected credit losses on accounts receivable as at 31 March 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	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Cash and banks	19	554	17,783	43,052
Payment methods	-	-	238	252
Financial investments	31,746	33,961	320,918	375,007
Accounts receivable	-	-	1,321,185	1,711,003
<b>Total</b>	<b>31,765</b>	<b>34,515</b>	<b>1,660,124</b>	<b>2,129,314</b>

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

#### e) 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 31 March 2023, Grupo SBF prepaid R\$ 223 million of its receivables (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 trade accounts payable and other accounts payable. As at 31 March 2023, expected cash flow from 'trade accounts receivable and other receivables' maturing within two months was R\$ 909,905 (R\$ 1,099,029 as at 31 December 2022).

	Consolidated	
	03/31/2023	12/31/2022
Short term liabilities	(2,660,895)	(2,912,895)
Cash and cash equivalents	338,939	418,311
Derivative financial instruments	(79,782)	(35,443)
Accounts receivable	1,321,185	1,711,003
<b>Total</b>	<b>(1,080,553)</b>	<b>(819,024)</b>
<b>Shareholders' equity</b>	<b>2,375,177</b>	<b>2,409,854</b>
<b>Net indebtedness ratio</b>	<b>45%</b>	<b>34%</b>





Short-term obligations represent total current liabilities, net of derivative financial instruments.

### **Exposure to liquidity risk**

We present below the contractual maturities of financial liabilities on the date of 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 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, with only 42.74% being settled on a short-term basis, that is, over the next 12 months, with an approximate average cost of the CDI rate + 1.56% p.a.

<b>31 March 2023</b>							
<b>Non-derivative financial liabilities</b>	<b>Book value</b>	<b>Contractual cash flows</b>	<b>≤ 02 months</b>	<b>02-12 months</b>	<b>01-02 years</b>	<b>02-05 years</b>	<b>&gt; 05 years</b>
Suppliers	993,052	993,052	754,429	238,623	-	-	-
Suppliers - Drawee Risk	30,314	30,314	30,314	-	-	-	-
Loans and financing	172,010	190,041	10,189	93,844	85,847	161	-
Debentures	1,320,272	1,616,136	179,176	455,197	271,925	531,255	178,582
Taxes in installments	105,712	121,629	10,819	42,952	30,550	37,231	78
Lease payables	1,608,927	2,210,848	73,443	262,204	577,864	549,808	747,529
Other accounts payable	293,621	293,621	293,621	-	-	-	-
<b>Total</b>	<b>4,523,908</b>	<b>5,455,641</b>	<b>1,351,991</b>	<b>1,092,820</b>	<b>966,186</b>	<b>1,118,455</b>	<b>926,189</b>

<b>31 December 2022</b>							
<b>Non-derivative financial liabilities</b>	<b>Book value</b>	<b>Contractual cash flows</b>	<b>≤ 02 months</b>	<b>02-12 months</b>	<b>01-02 years</b>	<b>02-05 years</b>	<b>&gt; 05 years</b>
Suppliers	1,423,376	1,423,376	1,207,653	215,723	-	-	-
Suppliers - Drawee Risk	138,171	138,171	119,130	19,041	-	-	-
Loans and financing	168,079	191,291	4,545	99,084	87,103	559	-
Debentures	965,483	1,278,719	28,413	274,656	269,123	528,346	178,181
Taxes in installments	112,389	130,743	11,217	47,771	33,207	37,771	777
Lease payables	1,636,242	2,215,962	53,187	273,997	577,059	498,929	812,790
Other accounts payable	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	
	03/31/2023	12/31/2022
Loans and financing	172,010	168,079
Debentures	1,320,272	965,483
Cash and cash equivalents	(338,939)	(418,311)
<b>Net debt</b>	<b>1,153,343</b>	<b>715,251</b>
Total shareholders' equity	2,375,177	2,409,854
Total capital	3,528,520	3,125,105
<b>Financial leverage index - %</b>	<b>33%</b>	<b>23%</b>

As at 31 March 2023, the Group had consolidated net working capital amounting to R\$ 1,459,322 (R\$ 1,578,150 as at 31 December 2022), that is, a negative change of R\$ 118,828.

As at 31 March 2023, the Group had a pre-tax profit of R\$ 18,509 (a profit of R\$ 47,001 as at 31 March 2022).

## 3.2 Fair value estimate

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

The table below shows a summary of the financial assets and liabilities measured at fair value in the Company's balance sheet, including their level of the fair value hierarchy, between 31 March 2023 and 31 December 2022:

		03/31/2023		
	Fair value hierarchy	Book value	Fair value	Amortized cost
Assets				
Cash and banks (Note 4)	Level 2	17,783	-	17,783
Financial investments (Note 4)	Level 2	320,918	320,918	-
Derivative financial instruments (Note 7)	Level 2	-	-	-
Accounts receivable (Note 5)	Level 2	1,321,185	-	1,321,185
Other assets	Level 2	120,444	-	120,444
Total		1,780,330	320,918	1,459,412
Liabilities				
Loans and financing (Note 17)	Level 2	172,010	-	172,010
Derivative financial instruments (Note 7)	Level 2	79,782	79,782	-
Debentures (Note 17)	Level 2	1,320,272	-	1,320,272
Leases (Note 15)	Level 2	1,608,927	-	1,608,927
Suppliers (Note 16)	Level 2	993,052	-	993,052
Suppliers - Drawee Risk (Note 18)	Level 2	30,314	-	30,314
Taxes in installments (Note 19)	Level 2	105,712	-	105,712
Total		4,310,069	79,782	4,230,287





		12/31/2022		
		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	-
Derivative financial instruments (Note 7)	Level 2	4,169	4,169	-
Accounts receivable (Note 5)	Level 2	1,711,003	-	1,711,003
Other assets	Level 2	149,324	-	149,324
<b>Total</b>		<b>2,282,555</b>	<b>379,176</b>	<b>1,903,379</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 19)	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	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Cash	-	-	2,136	6,514
Banks	19	554	15,647	36,538
Financial investments	31,746	33,961	320,918	375,007
Payment methods	-	-	238	252
<b>Total</b>	<b>31,765</b>	<b>34,515</b>	<b>338,939</b>	<b>418,311</b>

Short-term financial investments which are subject to an immaterial risk of changes in value are represented by bank deposit certificates (CDBs) remunerated at rates that average 76.60% for daily investments (53.75% for daily investments as at 31 December 2022) of the changes in the interbank deposit certificate (CDI) rate.

## 5. ACCOUNTS RECEIVABLE

	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Credit card administrators (a)	-	-	1,091,499	1,557,855
Trade receivables - wholesale	(176)	-	232,332	154,583
Accounts receivable – Related parties (Note 21)	15,873	30,485	-	-
<b>Subtotal</b>	<b>15,697</b>	<b>30,485</b>	<b>1,323,831</b>	<b>1,712,438</b>
Provision for expected loss in accounts receivable	-	-	(2,646)	(1,435)
<b>Total</b>	<b>15,697</b>	<b>30,485</b>	<b>1,321,185</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 believes that it needs immediate cash. As at 31 March 2023, the Group advanced R\$ 223 million of its receivables, which





amount 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 value of commissions on credit assignment transactions without right of recourse was recognized in financial expenses in the statement of income, as shown in Note 28 in the amount R\$ 5,296 as at 31 March 2023.

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

	03/31/2023	03/31/2022
Opening balance	(1,435)	(3,138)
Incorporation	(2,621)	(359)
Reversal	704	-
Write-off	706	2,004
<b>Closing balance</b>	<b>(2,646)</b>	<b>(1,493)</b>

As at 31 March 2023, the provision for expected credit losses was as follows:

	Gross book balance 03/31/2023	(%) Average rate of estimated loss	Provision for expected loss	With recovery issues
Specific reserve	1,986	100.00%	1,986	Yes
Wholesale receivables	232,332	0.28%	660	No
Retail receivables	1,089,513	0.00%	-	No
<b>Total</b>	<b>1,323,831</b>		<b>2,646</b>	

As at 31 March 2022, the provision for expected credit losses was as follows:

	Gross book balance 03/31/2022	(%) Average rate of estimated loss	Provision for expected loss	With recovery issues
Specific reserve	905	100.00%	905	Yes
Wholesale receivables	213,198	0.28%	588	No
Retail receivables	1,001,391	0%	-	No
<b>Total</b>	<b>1,215,494</b>		<b>1,493</b>	

The consolidated aging list is presented below:

Aging	03/31/2023	12/31/2022
Overdue (days):		
≥ 120	5,999	1,468
≥ 90	2,804	3,049
≤ 90	2,060	820
≤ 60	4,255	6,722
≥ 30	7,619	11,674
Falling due (days):		
up to 30	667,161	758,139
31 – 60	242,744	340,890
61 – 90	127,132	198,005
91 – 120	80,792	119,596
121 – 180	99,811	153,007
> 181	83,454	119,068
<b>Total</b>	<b>1,323,831</b>	<b>1,712,438</b>





## 6. INVENTORY - CONSOLIDATED

	03/31/2023	12/31/2022
Goods for resale (stores)	761,903	782,840
Goods for resale (Distribution Centers)	836,164	542,763
Imports in progress	399,033	405,054
Storeroom	11,293	6,345
<b>Total</b>	<b>2,008,393</b>	<b>1,737,002</b>

### Changes in provision for losses

	03/31/2023	03/31/2022
Opening balance	(8,613)	(19,520)
Addition	(19,403)	(24,725)
Effective inventory losses	12,926	24,321
<b>Closing balance</b>	<b>(15,090)</b>	<b>(19,924)</b>

The Group recorded a provision for losses on realization of inventory of goods for resale of R\$ 19,403 as at 31 March 2023 (R\$ 24,725 as at 31 March 2022). The provision of R\$ 15,090 (R\$ 19,924 as at 31 March 2022) classified as a reduction in the balance of goods for resale based on the average historical losses. As at 31 March 2023, the balance referring to effective losses is R\$ 12,926 (R\$ 57,856 as at 31 December 2022 and R\$ 24,321 as at 31 March 2023).

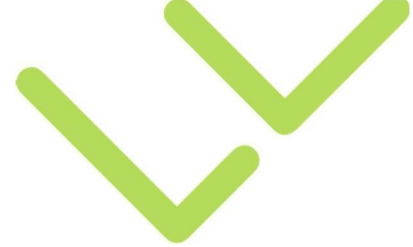
## 7. DERIVATIVE FINANCIAL INSTRUMENTS – CONSOLIDATED

	Consolidated	
	03/31/2023	12/31/2022
Exchange contracts used for hedging – Assets	-	4,169
Exchange contracts used for hedging – Liabilities	(79,782)	(39,612)
<b>Total</b>	<b>(79,782)</b>	<b>(35,443)</b>

Derivatives are only used for economic hedging purposes and not as speculative investments. However, derivatives that do not meet the hedge accounting criteria are classified as “held for trading” for accounting purposes, and measured at fair value through profit or loss.

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

	03/31/2023	12/31/2022
ICMS (a)	451,491	451,422
PIS (b)	25,554	36,150
COFINS (b)	113,176	162,375
IRRF	31,470	11,521
INSS	10,359	10,178
Other	1,015	585
<b>Total</b>	<b>633,065</b>	<b>672,231</b>
<b>Current</b>	<b>371,894</b>	<b>525,351</b>
<b>Non-current</b>	<b>261,171</b>	<b>146,880</b>

(a) VAT (ICMS) credits are substantially generated from the current operations of subsidiaries SBF Comércio and Fisia, and are derived from Tax Substitution ICMS, among others.

(b) ICMS from PIS and COFINS calculation basis: The subsidiaries of Grupo SBF filed lawsuits in 2006 challenging the constitutionality of the inclusion of ICMS in the Social Integration Program (PIS) and Contribution to Social Security Financing (COFINS) calculation basis for the period from 2001 to 2017. These lawsuits received favorable judgments in 2019, when the PIS and COFINS tax credits were recognized. The subsidiary SBF Comércio recognized a gross amount of R\$ 669,363 related to the calculation years from 2004 to 2019. The subsidiary Fisia recognized the amount of R\$ 318,435 related to the calculation years from 2009 to 2017.

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

	Consolidated	
	03/31/2023	12/31/2022
IRPJ/CSLL on SELIC (a)	95,279	93,055
IRPJ/CSLL	39,144	49,055
<b>Total</b>	<b>134,423</b>	<b>142,110</b>
<b>Current</b>	<b>39,144</b>	<b>49,055</b>
<b>Non-current</b>	<b>95,279</b>	<b>93,055</b>

(a) The Group's subsidiaries, SBF Comércio and Fisia, filed a lawsuit during the years 2018 and 2019 challenging the constitutionality of the levying of Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) on amounts related to the SELIC rate received due to undue tax payments.

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

The balance of deferred taxes has the following origin:





	Assets		Liabilities		Net	
	2023	2022	2023	2022	2023	2022
Tax loss and negative basis	409,001	407,935	-	-	409,001	407,935
General provision and contingencies	136,204	124,141	-	-	136,204	124,141
General provision and contingencies (liabilities)	-	-	(8,660)	(8,231)	(8,660)	(8,231)
Provision for inventory	8,126	21,239	-	-	8,126	21,239
Provision for bonuses	14,593	14,593	-	-	14,593	14,593
Depreciation / leases	324,531	314,915	(205,314)	(181,790)	119,217	133,125
Goodwill	71,050	71,050	(61,577)	(61,577)	9,473	9,473
Surplus - FitDance	-	-	(1,405)	(1,493)	(1,405)	(1,493)
Income from inventory	131,305	131,305	-	-	131,305	131,305
<b>Deferred income tax assets (liabilities)</b>	<b>1,094,810</b>	<b>1,085,178</b>	<b>(276,956)</b>	<b>(253,091)</b>	<b>817,854</b>	<b>832,087</b>
<b>Amount subject to offset</b>	<b>(266,891)</b>	<b>(243,367)</b>	<b>266,891</b>	<b>243,367</b>	<b>-</b>	<b>-</b>
<b>Net tax liabilities (assets)</b>	<b>827,919</b>	<b>841,811</b>	<b>(10,065)</b>	<b>(9,724)</b>	<b>817,854</b>	<b>832,087</b>

The Group prepared a technical study to support the realization of these 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*	12/31/2022
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	27,404	6,195	83,446
2029	65,270	-	6,839	72,109
2030	87,262	-	3,617	90,879
2031	71,047	-	133,530	204,577
<b>Total</b>	<b>356,892</b>	<b>297,661</b>	<b>173,366</b>	<b>827,919</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 its benefits:

	2023		2022	
	Base	Tax effect	Base	Tax effect
Accumulated tax losses	562,085	191,109	339,015	115,265
Temporary expenses	67,261	22,869	196,923	66,954
<b>Total unrecognized deferred tax assets</b>	<b>629,346</b>	<b>213,978</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	Tax effect
Tax loss	562,086	191,108
Depreciation / leases	81,107	27,577
General provision and contingencies	(29,318)	(9,968)
General provision and contingencies (liabilities)	(1,388)	(472)
Provision for bonuses	57,064	19,402
Provision for inventory	(12,342)	(4,196)
Goodwill	(27,863)	(9,473)
<b>Deferred unrecognized</b>	<b>629,346</b>	<b>213,978</b>

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

	Grupo SBF S.A (Parent company)		SBF Comércio		Other companies(*)		Consolidated	
2023	Base	Tax effect	Base	Tax effect	Base	Tax effect	Base	Tax effect
Accumulated tax losses	162,139	55,127	254,515	86,535	145,431	49,447	562,085	191,109
Temporary expenses	1,315	447	54,783	18,626	11,163	3,796	67,261	22,869
<b>Total</b>	<b>163,454</b>	<b>55,574</b>	<b>309,298</b>	<b>105,161</b>	<b>156,594</b>	<b>53,243</b>	<b>629,346</b>	<b>213,978</b>

(\*) The companies include NWB, 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)	Goodwill	Balance at 03/31/2023
Tax loss and negative basis	407,935	1,066		409,001
General provision and contingencies	124,141	12,063		127,544
General provision and contingencies (liabilities)	(8,231)	(425)		-
Provision for inventory	21,239	(13,113)		8,126
Provision for bonuses	14,593	-		14,593
Depreciation / leases	133,125	(13,908)		119,217
Goodwill	9,473	-		9,473
Surplus - FitDance	(1,493)	-	88	(1,405)
Income from inventory	131,305	-		131,305
<b>Tax net assets (liabilities)</b>	<b>832,087</b>	<b>(14,321)</b>	<b>88</b>	<b>817,854</b>

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

	Parent company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
<b>Income before taxes</b>	<b>1,801</b>	<b>17,638</b>	<b>18,901</b>	<b>47,001</b>
Combined tax rate	34%	34%	34%	34%
<b>Income tax and social contribution at the combined rate</b>	<b>(612)</b>	<b>(5,997)</b>	<b>(6,426)</b>	<b>(15,980)</b>
<b>Permanent additions:</b>				
Non-deductible expenses	-	(2,637)	(4,238)	(10,627)
<b>Permanent exclusions:</b>				
Tax incentive	-	-	19,863	9,975
Non-taxable revenues	2	1,084	3,151	3,834
<b>Other items:</b>				
Effect of equity in net income of subsidiaries	2,437	14,325	177	-
Unrecognized deferred taxes on losses and temporary differences	(1,827)	(7,104)	(31,759)	(18,069)
Other	-	327	2,235	1,144
<b>Income tax and social contribution</b>	<b>-</b>	<b>(2)</b>	<b>(16,997)</b>	<b>(29,723)</b>
Current	-	-	(2,680)	(48,749)
Deferred	-	(2)	(14,317)	19,026
<b>Effective rate</b>	<b>0%</b>	<b>0%</b>	<b>-90%</b>	<b>-63%</b>



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

### Judicial deposits

Changes in provision for judicial deposits during the period ended 31 March 2023 are stated in the chart below:

	Balance at 01/01/2023	Additions	Write-offs	Reversals	Balance at 03/31/2023
Judicial deposits (a)	235,859	19,458	-	(372)	254,945
Judicial deposits - Yield	52,092	8,291	(35)	(27)	60,321
Court-ordered restrictions - Labor	3,722	3	(120)	(100)	3,505
<b>Total</b>	<b>291,673</b>	<b>27,752</b>	<b>(155)</b>	<b>(499)</b>	<b>318,771</b>

- (a) During the first quarter of 2023, 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 for certain periods and certain states, according to the strategy adopted by the Company.

Changes in provision for judicial deposits during the period ended 31 March 2022 are stated in the chart below:

	Balance at 01/01/2022	Additions	Write-offs	Reversals	Balance at 03/31/2022
Judicial deposits	109,980	-	-	(176)	109,804
Judicial deposits - Yield	34,547	2,603	(13)	(8)	37,129
Court-ordered restrictions - Labor	3,922	1,501	-	(953)	4,470
<b>Total</b>	<b>148,449</b>	<b>4,104</b>	<b>(13)</b>	<b>(1,137)</b>	<b>151,403</b>

### Provision for administrative and judicial risks

Changes in the balance of provision for administrative and judicial risks for the period ended 31 March 2023 are stated in the chart below:

	Balance at 01/01/2023	Additions	Payments	Reversals	Balance at 03/31/2023
Civil / Consumer (a)	11,715	3,278	(1,284)	(5,891)	7,818
Labor (b)	30,425	1,608	(2,308)	(1,052)	28,673
Tax (c)	517,573	14,144	-	(1,246)	530,471
<b>Total</b>	<b>559,713</b>	<b>19,030</b>	<b>(3,592)</b>	<b>(8,189)</b>	<b>566,962</b>

Changes in the balance of provision for administrative and judicial risks for the period ended 31 March 2022 are stated in the chart below:

	Balance at 01/01/2022	Additions	Payments	Reversals	Balance at 03/31/2022
Civil / Consumer (a)	7,868	1,484	(2,719)	(2,210)	4,423
Labor (b)	39,487	2,654	(1,925)	(7,454)	32,762
Tax (c)	572,076	6,659	-	(208)	578,527
<b>Total</b>	<b>619,431</b>	<b>10,797</b>	<b>(4,644)</b>	<b>(9,872)</b>	<b>615,712</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 31 March 2023, the Group has R\$ 7,818 (R\$ 11,715 in December 2022 and R\$ 4,423 in March 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 probable losses amounting to R\$ 73,662 (R\$ 52,631 in December 2022 and R\$ 41,517 in March 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 31 March 2023, the Group has R\$ 28,673 (R\$ 30,425 as at 31 December 2022 and R\$ 32,762 as at 31 March 2022) out of an amount discussed in its portfolio of labor lawsuits, and amount for which no provision was recorded refers to lawsuits with possible or possible loss of R\$ 74,350 (R\$ 70,703 as at 31 December 2022 and R\$ 70,861 as at 31 March 2022), based on previous cases and/or previous court decisions.

### c) Tax lawsuits

As at 31 March 2023, total tax debts classified as probable losses amount to R\$ 530,471 (R\$ 517,573 as at 31 December 2022 and R\$ 578,527 in March 2023).

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

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.

There was a reversal of one of the ICMS cases discussed in São Paulo, amounting to R\$ 59,043, due to the successful outcome of the lawsuit judged by the STJ regarding the statute of limitations.

## Contingent liabilities

### Federal

Federal lawsuits in which the Group is a defendant are classified as representing possible losses of R\$ 476,184 (R\$ 463,973 in December 2022), according to the opinion of the Group's legal advisors, as the defense is based on previous court decisions and established jurisprudence.

Tax	03/31/2023	12/31/2022
FGTS (a)	97,113	95,932
PIS/COFINS/IRPJ and CSLL (b)	97,183	95,380
IRPJ and social contribution (c)	122,174	116,741
PIS / COFINS (d)	33,846	32,664
IOF (e)	8,248	8,072
INSS (f)	97,933	95,968
Other (g)	19,687	19,216
<b>Total</b>	<b>476,184</b>	<b>463,973</b>





- (a) **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 2017, in the amount of R\$ 97,113.
- (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 in the amount of R\$ 39,483 (R\$ 38,875 as at 31 December 2022) due to returns rectified and not yet approved by the Brazilian Federal Revenue Service (RFB). There is also a lawsuit with a value of R\$ 56,145 (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 of R\$ 1,555 (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 of R\$ 43,065 (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 of R\$ 76,189 (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 the amount of R\$ 2,920 related to the payment of IRRF, for which offsets were not approved.
- (d) **PIS/COFINS** - The Company is discussing the amount of R\$ 6,080 (R\$ 5,937 as at 31 December 2022), referring to the calculated differences in PIS/COFINS due to alleged non-payments and a fine for the non-approval of offsetting requests related to the discussion of the tax incentives of the accrual periods from 2009 to 2011, considered as an investment grant and thus possibly deductible from the calculation basis. This challenge was successful at the administrative level. There is also the amount of R\$ 27,766 (R\$ 26,727 as at 31 December 2022) regarding unapproved offsetting during the periods between 2008, 2012 and 2017, due to alleged differences in the statements.
- (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 of R\$ 8,248 (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 of R\$ 2,931 (R\$ 2,880 as at 31 December 2022). The amount of R\$ 95,002 (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, of R\$ 19,687 (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 31 March 2023, in addition to the amounts already provisioned as representing probable losses, the Group has 15.3% (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 of R\$ 329,174 (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\$ 5,047 as at 31 March 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, with an original total amount of 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 31 March 2023, the balance of refundable contingencies is R\$ 34,735 (R\$ 33,823 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.

## 12. INVESTMENTS AND NEGATIVE INVESTMENTS IN SUBSIDIARIES

	03/31/2023	12/31/2022
SBF Comércio de Produtos Esportivos S.A.	2,174,200	2,205,672
VBLOG Logística e transportes Ltda.	24,253	28,122
Network Participações S.A.	61,891	64,450
Premier Dist. de Vest., Calç. Equipos e Acess. Ltda.	(16,566)	(24,213)
<b>Total</b>	<b>2,243,778</b>	<b>2,274,031</b>
<b>Breakdown</b>		
Investments	2,260,344	2,298,244
Negative investments in subsidiaries	(16,566)	(24,213)
<b>Total</b>	<b>2,243,778</b>	<b>2,274,031</b>

### Book value reconciliation

Subsidiaries	Interest in the shareholders' equity	Goodwill generated on acquisition/surplus	Balance at 03/31/2023
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SBF Comércio	2,174,200	-	2,174,200
VBLOG	24,253	-	24,253
Premier	(16,566)	-	(16,566)
Network	6,774	55,117	61,891
<b>Total</b>	<b>2,188,661</b>	<b>55,117</b>	<b>2,243,778</b>

The changes in investments in subsidiaries are as follow:





03/31/2023

Subsidiaries	Interest	Assets	Liabilities	Shareholders' equity	Intercompany income	Investment	Income (loss)	Intercompany income	Equity in net income of subsidiaries
SBF Comércio	100%	6,968,270	4,546,508	2,421,762	(247,562)	2,174,200	(1,815)	7,325	5,510
VBLOG	100%	81,918	60,941	20,977	3,276	24,253	(1,587)	(2,282)	(3,869)
Premier	100%	1,042,393	1,058,959	(16,566)	-	(16,566)	7,647	-	7,647
Network	100%	17,773	10,999	6,774	-	6,774	(2,122)	-	(2,122)
<b>Total</b>		<b>8,110,354</b>	<b>5,677,407</b>	<b>2,432,947</b>	<b>(244,286)</b>	<b>2,188,661</b>	<b>2,123</b>	<b>5,043</b>	<b>7,166</b>

Changes	Balance at 01/01/2023	Other comprehensive income	PPA amortization	Equity in net income of subsidiaries	Balance at 03/31/2023
SBF Comércio	2,205,672	(36,992)	10	5,510	2,174,200
VBLOG	28,122	-	-	(3,869)	24,253
Premier	(24,213)	-	-	7,647	(16,566)
Network	64,450	-	(437)	(2,122)	61,891
<b>Total</b>	<b>2,274,031</b>	<b>(36,992)</b>	<b>(427)</b>	<b>7,166</b>	<b>2,243,778</b>

03/31/2022

Subsidiaries	Interest	Assets	Liabilities	Shareholders' equity	Intercompany income	Investment	Income (loss)	Intercompany income	Equity in net income of subsidiaries
SBF Comércio	99.96%	5,799,306	4,790,412	1,008,894	(164,073)	844,504	(50,785)	(4,887)	(55,651)
VBLOG	99.00%	68,935	50,693	18,242	(3,093)	14,998	1,907	6,361	8,185
Store Engenharia	100%	66,852	353,933	(287,081)	-	(287,081)	(4,475)	-	(4,475)
Pine Participações	100%	-	66,125	(66,125)	-	(66,125)	6,414	-	6,414
Fisia	100%	2,370,255	621,527	1,748,728	-	1,748,728	91,214	-	91,214
Network	100%	9,465	5,003	4,462	-	4,462	(5,023)	-	(5,023)
<b>Total</b>		<b>8,314,813</b>	<b>5,887,693</b>	<b>2,427,120</b>	<b>(167,166)</b>	<b>2,259,486</b>	<b>39,252</b>	<b>1,474</b>	<b>40,664</b>

Changes	Balance at 01/01/2022	AFRC (*)	Other comprehensive income	Amortization	Equity in net income of subsidiaries	Balance at 03/31/2022
SBF Comércio	900,154	-	-	-	(55,651)	844,503
VBLOG	6,813	-	-	-	8,185	14,998
Store Engenharia	(282,606)	-	-	-	(4,475)	(287,081)
Pine Participações	(72,539)	-	-	-	6,414	(66,125)
Fisia	1,854,009	(74,521)	(141,602)	(186)	91,214	1,728,914
Network	65,723	-	-	(477)	(5,023)	60,223
<b>Total</b>	<b>2,471,554</b>	<b>(74,521)</b>	<b>(141,602)</b>	<b>(663)</b>	<b>40,664</b>	<b>2,295,432</b>



### 13. PROPERTY, PLANT AND EQUIPMENT - CONSOLIDATED

	Annual depreciation rate (%)	Cost	Accumulated depreciation	03/31/2023	12/31/2022
Computers and peripherals	20	210,186	(144,104)	66,082	69,437
Machinery, equipment and tools	10	67,600	(44,552)	23,048	22,716
Furniture and fixtures	10	285,313	(132,664)	152,649	142,182
Vehicles	20	2,727	(2,727)	-	-
Leasehold improvements	14	867,985	(556,519)	311,466	319,274
Constructions in progress	(a)	15,766	-	15,766	18,342
<b>Total</b>		<b>1,449,577</b>	<b>(880,566)</b>	<b>569,011</b>	<b>571,951</b>

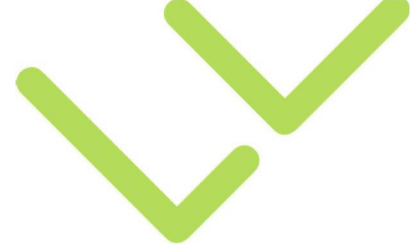
In the period from 1 January to 31 March 2023, the changes in property, plant and equipment are presented in the chart below:

	Balance at 01/01/2023	Additions	Write-offs	Transfers	Balance at 03/31/2023
Computers and peripherals	208,628	1,696	(562)	424	210,186
Machinery, equipment and tools	68,839	1,234	(2,585)	112	67,600
Furniture and fixtures	272,661	3,111	(3,713)	13,254	285,313
Vehicles	2,727	-	-	-	2,727
Leasehold improvements	878,704	-	(17,669)	6,950	867,985
Construction in progress (a)	18,342	18,164	-	(20,740)	15,766
<b>Cost of property, plant and equipment</b>	<b>1,449,901</b>	<b>24,205</b>	<b>(24,529)</b>	<b>-</b>	<b>1,449,577</b>
Computers and peripherals	(139,191)	(5,452)	539	-	(144,104)
Machinery, equipment and tools	(46,123)	(945)	2,516	-	(44,552)
Furniture and fixtures	(130,479)	(5,630)	3,445	-	(132,664)
Vehicles	(2,727)	-	-	-	(2,727)
Leasehold improvements	(559,430)	(14,368)	17,279	-	(556,519)
<b>Depreciation</b>	<b>(877,950)</b>	<b>(26,395)</b>	<b>23,779</b>	<b>-</b>	<b>(880,566)</b>
<b>Total property, plant and equipment (net)</b>	<b>571,951</b>	<b>(2,190)</b>	<b>(750)</b>	<b>-</b>	<b>569,011</b>

- (a) The balance of construction in progress refers to stores that are being built or refurbished. Balances are transferred to the respective accounts as construction work is completed and the stores open.

In the period from 1 January to 31 March 2022, the changes in property, plant and equipment are presented in the chart below:

	Balance at 01/01/2022	Additions	Write-offs	Transfers	Balance at 03/31/2022
Computers and peripherals	171,522	2,304	-	3,082	176,908
Machinery, equipment and tools	66,164	526	(40)	2	66,652
Furniture and fixtures	230,765	327	(1,215)	3,922	233,799
Vehicles	2,727	-	-	-	2,727
Leasehold improvements	747,591	560	(85)	13,803	761,869
Construction in progress (a)	13,362	23,130	-	(20,809)	15,683
<b>Cost of property, plant and equipment</b>	<b>1,232,131</b>	<b>26,847</b>	<b>(1,340)</b>	<b>-</b>	<b>1,257,638</b>
Computers and peripherals	(117,121)	(3,881)	(143)	-	(121,145)
Machinery, equipment and tools	(48,568)	(889)	16	-	(49,441)
Furniture and fixtures	(115,962)	(4,532)	883	-	(119,611)
Vehicles	(2,704)	(7)	-	-	(2,711)
Leasehold improvements	(517,664)	(11,749)	64	-	(529,349)
<b>Depreciation</b>	<b>(802,019)</b>	<b>(21,058)</b>	<b>820</b>	<b>-</b>	<b>(822,257)</b>
<b>Total property, plant and equipment (net)</b>	<b>430,112</b>	<b>5,789</b>	<b>(520)</b>	<b>-</b>	<b>435,381</b>



## 14. INTANGIBLE ASSETS – CONSOLIDATED

	Annual rate of amortization (%)	Cost	Accumulated amortization	03/31/2023	12/31/2022
Goodwill	Pursuant to agreement	18,254	(11,381)	6,873	7,301
Software	20	504,647	(249,184)	255,463	274,526
Brands, rights and patents	10	7,353	(43)	7,310	7,382
Software in progress (a)	-	31,953	-	31,953	472
Distribution agreement	10	164,821	(38,459)	126,362	130,483
Client portfolio	10	4,024	(926)	3,098	3,262
Technology	10	11,327	(2,130)	9,197	9,488
Goodwill due to expected future profitability		53,541	-	53,541	54,539
<b>Total</b>		<b>795,920</b>	<b>(302,123)</b>	<b>493,797</b>	<b>487,453</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 developments of the new platform also migrated and to the systems of the new DC of Fisia subsidiary.

### 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 31 March 2023, the changes in intangible assets are presented in the chart below:

	Balance at 01/01/2023	Additions	Write-offs	Balance at 03/31/2023
Goodwill	18,502	-	(248)	18,254
Software	504,701	46	(100)	504,647
Brands, rights and patents	7,425	-	(72)	7,353
Software in progress	472	31,481	-	31,953
Distribution agreement	164,821	-	-	164,821
Client portfolio	4,024	-	-	4,024
Technology	11,618	-	(291)	11,327
Goodwill due to expected future profitability	54,539	-	(998)	53,541
<b>Cost of intangible assets</b>	<b>766,102</b>	<b>31,527</b>	<b>(1,709)</b>	<b>795,920</b>
Goodwill	(11,201)	(428)	248	(11,381)
Software	(230,175)	(19,108)	99	(249,184)
Brands, rights and patents	(43)	-	-	(43)
Distribution agreement	(34,338)	(4,121)	-	(38,459)
Client portfolio	(762)	(164)	-	(926)
Technology	(2,130)	-	-	(2,130)
<b>Amortization</b>	<b>(278,649)</b>	<b>(23,821)</b>	<b>347</b>	<b>(302,123)</b>
<b>Total net intangible assets</b>	<b>487,453</b>	<b>7,706</b>	<b>(1,362)</b>	<b>493,797</b>





In the period from 1 January to 31 March 2022, the changes in intangible assets are presented in the chart below:

	Balance at 01/01/2022	Additions	Transfers	Balance at 03/31/2022
Goodwill	16,058	-	-	16,058
Software	365,098	4	1,935	367,037
Brands, rights and patents	5,930	-	-	5,930
Software in progress	2,377	27,638	(1,935)	28,080
Distribution agreement	164,821	-	-	164,821
Client portfolio	2,008	-	-	2,008
Technology	11,618	-	-	11,618
Goodwill due to expected future profitability	40,115	2,814	-	42,929
<b>Cost of intangible assets</b>	<b>608,025</b>	<b>30,456</b>	<b>-</b>	<b>638,481</b>

	Balance at 01/01/2022	Additions	Transfers	Balance at 03/31/2022
Goodwill	(11,984)	(287)	-	(12,271)
Software	(171,983)	(13,765)	-	(185,748)
Brands, rights and patents	(187)	175	-	(12)
Distribution agreement	(17,856)	(4,121)	-	(21,977)
Client portfolio	(33)	239	-	206
Technology	(2,152)	(893)	-	(3,045)
<b>Amortization</b>	<b>(204,195)</b>	<b>(18,652)</b>	<b>-</b>	<b>(222,847)</b>

<b>Total net intangible assets</b>	<b>403,830</b>	<b>11,804</b>	<b>-</b>	<b>415,634</b>
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Management concluded that it has no evidence that its assets are non-recoverable, given its operating and financial performance, and concluded that, as at 31 March 2023 and 31 December 2022, there were no material indicators of loss on the recovery of its assets.

## 15. LEASE OPERATIONS - CONSOLIDATED

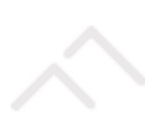
The Group has lease agreements for its administrative headquarters, distribution centers and stores, with average terms ranging between 5 and 25 years, which may have renewal options.

### Number of contracts:

Distribution center	11
Administrative buildings	4
Vehicles	54
Stores	246
<b>Total</b>	<b>315</b>

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 assets

In the period from 1 January to 31 March 2023, the changes in Assets right of use are presented in the chart below:

Assets – Right-of-use	Real estate	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 and remeasurements	85,331	-	85,331
(-) Amortization	(54,686)	(1,031)	(55,717)
(-) Write-offs of contracts	(54,989)	-	(54,989)
<b>Balance at 31 March 2023</b>	<b>1,378,716</b>	<b>24,081</b>	<b>1,402,797</b>

In the period from 1 January to 31 March 2022, the changes in Assets right of use are presented in the chart below:

Assets - Right-of-use	Real estate	Vehicles	Total
<b>Balance at 1 January 2022</b>	<b>1,298,644</b>	<b>30,439</b>	<b>1,329,083</b>
(+/-) New contracts and remeasurements	168,818	(17,574)	151,244
(-) Transfer to property, plant and equipment	-	550	550
(-) Amortization	(50,246)	(980)	(51,226)
<b>Balance at 31 March 2022</b>	<b>1,417,216</b>	<b>12,435</b>	<b>1,429,651</b>

## b. Lease liabilities

In the period from 1 January to 31 March 2023, the changes in lease liabilities are presented in the chart below:

Liabilities - lease payable	Real estate	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 and remeasurements	85,331	-	85,331
Allocation of interest incurred	34,539	135	34,674
(-) Payments of lease liabilities	(85,039)	(585)	(85,624)
(-) Write-offs of contracts	(61,696)	-	(61,696)
<b>Balance at 31 March 2023</b>	<b>1,582,625</b>	<b>26,302</b>	<b>1,608,927</b>
<b>Current</b>	<b>205,198</b>	<b>7,261</b>	<b>212,459</b>
<b>Non-current</b>	<b>1,377,427</b>	<b>19,041</b>	<b>1,396,468</b>

In the period from 1 January to 31 March 2022, the changes in lease liabilities are presented in the chart below:

Liabilities - lease payable	Real estate	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	168,818	(17,574)	151,244
Allocation of interest incurred	31,705	550	32,255
(-) Payments of lease liabilities	(72,692)	(980)	(73,672)
(-) Discounts obtained	(6,112)	-	(6,112)
(-) Write-offs of contracts	833	(795)	38
<b>Balance at 31 March 2022</b>	<b>1,582,774</b>	<b>11,640</b>	<b>1,594,414</b>
<b>Current</b>	<b>184,521</b>	<b>5,063</b>	<b>189,584</b>
<b>Non-current</b>	<b>1,398,253</b>	<b>6,577</b>	<b>1,404,830</b>





### Maturity schedule of lease liabilities

As at 31 March 2023, the Group had the following minimum payment schedule of non-cancellable operating leases:

In years	Real estate	Vehicles	Total
up to 1 year	205,198	7,261	212,459
01 – 05 years	738,808	19,041	757,849
> 05 years	638,619	-	638,619
<b>Group as lessee</b>	<b>1,582,625</b>	<b>26,302</b>	<b>1,608,927</b>

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

In years	Real estate	Vehicles	Total
up to 1 year	184,521	5,063	189,584
01 – 05 years	651,788	6,577	658,365
> 05 years	746,465	-	746,465
<b>Group as lessee</b>	<b>1,582,774</b>	<b>11,640</b>	<b>1,594,414</b>

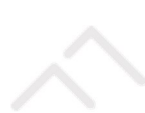
### Variable lease payments

In the period ended 31 March 2023, the Group recognized the amount of R\$ 23,982 (R\$18,463 as at 31 March 2022) referring to expenses related to the payment of variable rents, according to note 27.

### c. Other considerations

In compliance with official letter CVM/ SNC/SEP 02/2019, the comparative balances of the lease liability, right of use, financial expenses and depreciation expenses for the year ended 31 December 2023 are presented considering the estimated flows of future payments, adjusted for inflation.

	2023	2024	2025	2026	>2026
<b>Lease liability</b>					
Accounting – CPC 02 (r2)	212,459	193,545	186,950	185,013	830,960
Flow with inflation projection	225,164	201,558	194,428	192,413	864,199
<b>Change</b>	<b>5.98%</b>	<b>4.14%</b>	<b>4.00%</b>	<b>4.00%</b>	<b>4.00%</b>
<b>Net right-of-use - closing balance</b>					
Accounting – CPC 02 (r2)	1,231,162	990,345	820,366	674,614	537,430
Flow with inflation projection	1,304,785	1,031,345	853,180	701,598	558,927
<b>Change</b>	<b>5.98%</b>	<b>4.14%</b>	<b>4.00%</b>	<b>4.00%</b>	<b>4.00%</b>
<b>Financial expense</b>					
Accounting – CPC 02 (r2)	124,590	108,404	92,194	76,328	209,124
Flow with inflation projection	132,041	112,892	95,882	79,381	217,489
<b>Change</b>	<b>5.98%</b>	<b>4.14%</b>	<b>4.00%</b>	<b>4.00%</b>	<b>4.00%</b>
<b>Depreciation expense</b>					
Accounting – CPC 02 (r2)	219,443	200,143	181,484	167,350	583,258
Flow with inflation projection	232,565	208,429	188,744	174,044	606,588
<b>Change</b>	<b>5.98%</b>	<b>4.14%</b>	<b>4.00%</b>	<b>4.00%</b>	<b>4.00%</b>





## 16. SUPPLIERS AND DRAWEE RISK OPERATIONS - CONSOLIDATED

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

	03/31/2023	12/31/2022
Suppliers of goods for resale	896,542	1,186,330
Suppliers of consumption materials	96,510	237,046
<b>Subtotal</b>	<b>993,052</b>	<b>1,423,376</b>
"Drawee risk" operations (*)	30,314	138,171
<b>Total</b>	<b>1,023,366</b>	<b>1,561,547</b>

(\*) The Group offers its suppliers the option of receipt through a reverse finance operation with a financial institution 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 institution pays 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.

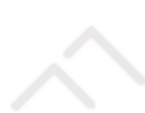
## 17. LOANS, FINANCING AND DEBENTURES - CONSOLIDATED

	03/31/2023	12/31/2022
<b>Current liabilities</b>		
Working capital	83,779	77,232
Debentures	546,116	191,836
Financing of assets	7,922	8,850
	<b>637,817</b>	<b>277,918</b>
<b>Non-current liabilities</b>		
Working capital	77,593	77,809
Debentures	774,156	773,647
Financing of assets	2,716	4,188
	<b>854,465</b>	<b>855,644</b>
<b>Total loans, financing and debentures</b>	<b>1,492,282</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	03/31/2023
Working capital	155,040	-	(356)	(170)	6,564	294	161,372
Financing of assets	13,038	-	(2,426)	(743)	769	-	10,638
<b>Loans and financing</b>	<b>168,078</b>	<b>-</b>	<b>(2,782)</b>	<b>(913)</b>	<b>7,333</b>	<b>294</b>	<b>172,010</b>
Debentures	965,483	316,458	-	-	37,630	701	1,320,272
<b>Total loans, financing and debentures</b>	<b>1,133,561</b>	<b>316,458</b>	<b>(2,782)</b>	<b>(913)</b>	<b>44,963</b>	<b>995</b>	<b>1,492,282</b>

(\*) As at March 15, 2023, in order to strengthen its cash position and finance the growth strategy, the Group 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, issued by the subsidiary Fisla, for public distribution with restricted placement efforts, in the total amount of R\$ 320 million. The agreement will mature in March 2024.





Equity changes in 2023 financial liabilities are as follows:

	01/01/2022	Additions	Payment of principal	Interest payment	Provision for interest	Amortization of funding cost	03/31/2022
Working capital	276,185	-	(554)	(1,435)	9,190	561	283,947
Financing of assets	18,808	1,036	(1,924)	(519)	530	-	17,931
<b>Loans and financing</b>	<b>294,993</b>	<b>1,036</b>	<b>(2,478)</b>	<b>(1,954)</b>	<b>9,720</b>	<b>561</b>	<b>301,878</b>
Debentures	528,785	-	-	-	16,434	576	545,795
<b>Total loans, financing and debentures</b>	<b>823,778</b>	<b>1,036</b>	<b>(2,478)</b>	<b>(1,954)</b>	<b>26,154</b>	<b>1,137</b>	<b>847,673</b>

The terms and conditions of outstanding loans are as follows:

	Currency	% p.a. (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.	235,119	83,779	77,593	236,619	77,232	77,809
Financing of assets	R\$	100% CDI + 5.79-100% CDI +7.31% p.a.	24,565	7,922	2,716	28,043	8,850	4,188
<b>Loans and financing</b>			<b>259,684</b>	<b>91,701</b>	<b>80,309</b>	<b>264,662</b>	<b>86,082</b>	<b>81,997</b>
Debentures	R\$	100% CDI + 2.25 % p.a.	1,350,000	546,116	774,156	1,030,000	191,836	773,647
<b>Total loans, financing and debentures</b>			<b>1,609,684</b>	<b>637,817</b>	<b>854,465</b>	<b>1,294,662</b>	<b>277,918</b>	<b>855,644</b>





As at 31 March 2023, 57.26% of the Group's debt was long term (75.48% as at 31 December 2022). The average annual cost of bank debt was at 15.31% as at 31 March 2023 (14.87% as at 31 December 2022).

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

	1 year	2 years	3 years	> 3 years	Total
Working capital	83,779	77,593	-	-	161,372
Financing of assets	7,922	2,558	158	-	10,638
Debentures	546,116	175,235	265,956	332,965	1,320,272
<b>Total loans, financing and debentures</b>	<b>637,817</b>	<b>255,386</b>	<b>266,114</b>	<b>332,965</b>	<b>1,492,282</b>

## 18. TAX LIABILITIES – CONSOLIDATED

	03/31/2023	12/31/2022
PIS	228	45
COFINS	1,050	247
ICMS	183,626	175,842
ISS	2,985	2,809
IRRF	6,821	11,485
Other	7,191	2,256
<b>Total</b>	<b>201,901</b>	<b>192,684</b>

## 19. TAXES IN INSTALLMENTS - CONSOLIDATED

	03/31/2023	12/31/2022
Scheduling of federal taxes	13,473	16,855
Scheduling of federal taxes	92,239	95,534
<b>Total taxes in installments</b>	<b>105,712</b>	<b>112,389</b>
<b>Current liabilities</b>	<b>43,259</b>	<b>47,030</b>
<b>Non-current liabilities</b>	<b>62,453</b>	<b>65,359</b>

The changes in taxes in installments for the period ended 31 March 2023 and 2022 are shown in the following table:

	2023	2022
<b>Balance at 01/01/2023</b>	<b>112,389</b>	<b>151,746</b>
Adherence to tax installment payment program		
Interest on payments of taxes in installments	1,964	2,481
Installments paid	(8,641)	(12,332)
<b>Balances at 03/31/2023</b>	<b>105,712</b>	<b>141,895</b>





## 20. LABOR AND SOCIAL SECURITY OBLIGATIONS – CONSOLIDATED

	03/31/2023	12/31/2022
Provision for vacation and 13 <sup>th</sup> month's salary	72,987	66,405
Provision for profit sharing	70,267	71,563
Salaries payable	21,677	25,259
Payroll and related charges payable	1,542	1,615
Social security charges	344	348
<b>Labor obligations</b>	<b>166,817</b>	<b>165,190</b>
INSS payable	18,830	18,848
FGTS payable	4,158	5,745
Withholding INSS payable	2,248	2,068
<b>Social security obligations</b>	<b>25,236</b>	<b>26,661</b>
<b>Total labor and social security obligations</b>	<b>192,053</b>	<b>191,851</b>

## 21. RELATED PARTY TRANSACTIONS

### Parent company

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

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

Current assets - Other accounts receivable	12/31/2022	Payment	03/31/2023
Fisia Com. Produtos Esportivos S.A.	30,285	(14,588)	15,697
<b>Total</b>	<b>30,285</b>	<b>(14,588)</b>	<b>15,697</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.

**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).

**Administrative expenses allocation** - The subsidiary SBF Comércio has an expenses sharing agreement between the subsidiaries Premier, VBLOG, Lione, Fisia and Grupo SBF. The contract provisions are reviewed annually. The allocations are based on the expenses actually incurred related to corporate labor, based on criteria which remain consistent over the years.

**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.



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

## Transactions between related parties

	Accounts receivable		Accounts payable	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Grupo SBF S.A	15,873	30,485	(1,142)	(1,351)
SBF Comércio de Produtos Esportivos S.A.	1,058,491	1,721,460	(1,023,219)	(1,799,607)
Premier Distrib. de Vest. Equipos e Acess. Ltda.	893,889	1,548,635	(1,025,398)	(1,663,394)
Fisia Com. Produtos Esportivos S.A.	125,448	219,352	(46,222)	(68,945)
VBLOG Logística e Transporte Ltda.	11,794	38,565	(11,528)	(26,065)
Network Participações S.A.	154	294	-	-
Neotv Prod E Com. De Cont. Audiovisual E Serv Digitais S.A.	1,203	303	-	-
FitDance Entretenimento Ltda.	657	268	-	-
<b>Total</b>	<b>2,107,509</b>	<b>3,559,362</b>	<b>(2,107,509)</b>	<b>(3,559,362)</b>

- (a) The main transactions among related parties upon consolidation 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.

	Purchasing		Sales	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
SBF Comércio de Produtos Esportivos S.A.	(552,611)	(547,482)	469,081	473,698
Premier Distrib. de Vest. Equipos e Acess. Ltda.	(469,081)	(473,698)	474,883	479,496
Fisia Com. Produtos Esportivos S.A.	(3,461)	(8,338)	81,189	76,324
<b>Total</b>	<b>(1,025,153)</b>	<b>(1,029,518)</b>	<b>1,025,153</b>	<b>1,029,518</b>

	Freight and Carriage		Rentals	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
SBF Comércio de Produtos Esportivos S.A.	(18,451)	(11,911)	10	50
VBLOG Logística e Transporte Ltda.	14,069	14,682	740	(34)
Store Engenharia e Instalações Ltda.	-	-	-	(16)
Fisia Com. Produtos Esportivos S.A.	4,382	(2,771)	(750)	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Audiovisual services		Administrative expenses allocation	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Grupo SBF S.A	-	-	-	(360)
SBF Comércio de Produtos Esportivos S.A.	(1,143)	(1,523)	41,508	12,410
Premier Distrib. de Vest. Equipos e Acess. Ltda.	-	-	(4,115)	(285)
VBLOG Logística e Transporte Ltda.	-	-	(9,467)	(5,164)
Lione Comércio de Art. Esportivos Ltda	-	-	-	(52)
Pine Adm. de Bens e Participações Ltda.	-	-	-	(3)
Store Engenharia e Instalações Ltda.	-	-	-	(44)
Fisia Com. Produtos Esportivos S.A.	(599)	-	(27,926)	(6,502)
Network Participações S.A.	462	1,523	-	-
Neotv Prod E Com. De Cont. Audiovisual E Serv Digitais S.A.	599	-	-	-
Acelerados Produtora E Distribuidora Audiovisual S.A.	(2)	-	-	-
FitDance Entretenimento Ltda.	683	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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 March 17, 2008 to March 16, 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.

<b>Payment of rents during the period</b>	<b>03/31/2023</b>	<b>03/31/2022</b>
VBLOG Logística e Transportes	10	9
Premier Distrib. de Vest. Equipos e Acess. Ltda.	16	15
SBF Comércio	5,817	5,514
<b>Total</b>	<b>5,843</b>	<b>5,538</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.

	<b>03/31/2023</b>		<b>03/31/2022</b>	
	<b>Board of Directors</b>	<b>Executive Management</b>	<b>Board of Directors</b>	<b>Executive Management</b>
Salary and Directors' fee	2,337	1,919	2,321	2,766
Profit sharing	-	-	-	2,250
<b>Total</b>	<b>2,337</b>	<b>1,919</b>	<b>2,321</b>	<b>5,016</b>

### **Loan receivable**

As at 13 April 2022, the Group entered into the "private instrument of non-convertible loan agreement and other covenants" amounting to R\$ 10 million on behalf of Onefan, whose payment matures after 1 January 2025, and is guaranteed by the fulfillment of the obligations assumed under the agreement.





## 22. OTHER ACCOUNTS PAYABLE

	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Marketing and communications provision	-	-	31,150	32,082
Freight/storage	-	-	79,305	51,492
Provision for employee benefits	-	-	2,423	10,112
General provision	318	39	17,488	29,478
Utilities and services	-	-	3,742	9,030
Obligations with investments (a)	118,718	139,571	118,718	139,571
Other	16,297	20,289	40,795	8,550
<b>Total</b>	<b>135,333</b>	<b>159,899</b>	<b>293,621</b>	<b>280,315</b>
<b>Current</b>	<b>318</b>	<b>4,077</b>	<b>158,606</b>	<b>140,744</b>
<b>Non-current</b>	<b>135,015</b>	<b>155,822</b>	<b>135,015</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, in the amount of R\$ 118,718 as at 31 March 2023 (R\$ 139,571 as at 31 December 2022) and Grupo NWB, in the amount of R\$ 16,296 (carried out in 2021), which will be settled in accordance with the provisions of the purchase agreements signed between the parties, with details as follow:

### 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.

## 23. CAPITAL AND RESERVES

### a. Capital

The Company's capital as at 31 March 2023 was R\$ 1,830,524 divided into 243,596,138 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 at 31 March 2023 is distributed as follows:

Shareholder	2023	
	Quantity	%
Pacipar Participações Ltda.	95,930,259	39.38%
Nefe Investments, LLC	48,456,001	19.89%
GPCI I - Fundo de Inv. Part	1,185,014	0.49%
Other	98,024,864	40.24%
<b>Total</b>	<b>243,596,138</b>	<b>100.00%</b>



## b. Earnings per share – Consolidated

The basic and diluted earnings per share for the period ended 31 March 2023 and 2022 are as follows:

Basic/diluted currency – Parent Company	2023	2022
Net revenue for the period	1,801	17,636
Weighted average number of common shares	243,596	242,998
<b>Earnings per share – Reais</b>	<b>0.01</b>	<b>0.07</b>
Net revenue for the period	1,801	17,636
Weighted average number of common shares	243,596	242,998
Increase in the number of common shares as a results of stock option plan	9,026	9,502
<b>Diluted earnings per share - R\$</b>	<b>0.01</b>	<b>0.07</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 it has 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 25 to this 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 31 March 2023 they amounted to R\$ 58,342 (R\$ 30,302 in the period ended 31 March 2022). State VAT - ICMS non-recoverable taxes, recorded under cost of sales and services rendered, amounted to R\$ 39 in the period ended 31 March 2023 (R\$ 3 in the period ended 31 March 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 31 March 2023, no reserve was recorded (R\$ 99,255 in the year ended 31 December 2022).





## 24. SHARE-BASED PAYMENT - CONSOLIDATED

Below are the statements of the amounts granted in the Plans, organized per year and updated for the period ended 31 March 2023, as well as a breakdown of the assumptions of each grant made in these plans.

Program	Opening balance at 01/01/2023	Canceled	Closing balance at 03/31/2023
2016 - First program	356,842	-	356,842
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
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 - grant in August 2022	200,000	-	200,000
<b>Total</b>	<b>9,026,026</b>	<b>(1,059,999)</b>	<b>7,966,027</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 and 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	2363.00%	3496.00%	34.96%	67.92%	76.00%	61.72%	47.08%	50.20%	63.72%	60.56%
Risk-free interest rate	1137.00%	596.00%	5.96%	6.25%	6.00%	9.69%	6.00%	12.35%	11.45%	1137.00%
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	5.17 years	5.33 years	5.48 years	8 years	8 years	4.57 years	5 years	1.5 years	5.08 years	4.62 years
IGP-M	NA	400.00%	400.00%	350.00%	370.00%	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>





## 25. NET REVENUES – CONSOLIDATED

	03/31/2023	03/31/2022
<b>Gross operating revenue</b>		
Sale of goods	1,876,627	1,618,886
Provision of services	33,619	21,305
<b>Taxes levied</b>		
Sale of goods	(431,809)	(313,867)
ICMS – Tax incentive (i)	58,342	30,302
Provision of services	(4,534)	(6,044)
<b>Returns</b>		
Sale of goods	(60,123)	(17,359)
Reserves and provision	-	11,404
<b>Net revenue from sales</b>	<b>1,472,122</b>	<b>1,344,627</b>

(i) See Note 23.d on the Company's tax incentives.

### 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:

	03/31/2023	03/31/2022
Retail market (bricks-and-mortar stores)	867,184	687,776
Wholesale	400,106	425,493
E-Commerce	609,337	505,617
<b>Gross revenue</b>	<b>1,876,627</b>	<b>1,618,886</b>

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

	03/31/2023	03/31/2022
Cost of resale of goods	(722,412)	(712,502)
Cost of services rendered	(6,502)	(2,269)
Costs of audiovisual production services	(6,471)	(8,134)
<b>Total</b>	<b>(735,385)</b>	<b>(722,905)</b>

## 27. EXPENSES BY TYPE

<b>Sales expenses</b>	<b>03/31/2023</b>	<b>03/31/2022</b>
Personnel	(140,492)	(126,634)
Depreciation and amortization	(25,001)	(18,159)
Amortization of right-of-use	(43,032)	(44,642)
Third party services	(79,835)	(69,755)
Advertising	(110,174)	(58,116)
Utilities and services	(45,447)	(40,857)
Card commission	(22,172)	(14,800)
Occupation	(22,637)	(18,373)
(-) Lease discounts	-	5,118
Litigation	(310)	253
Other expenses	(17,213)	(22,690)
<b>Total selling expenses</b>	<b>(506,313)</b>	<b>(408,655)</b>



<b>Administrative expenses</b>	<b>03/31/2023</b>	<b>03/31/2022</b>
Personnel	(47,634)	(53,318)
Depreciation and amortization	(25,070)	(18,287)
Amortization of right-of-use	(4,889)	(5,716)
Third party services	(21,430)	(20,162)
Advertising	(3,979)	(1,634)
Utilities and services	(22,582)	(9,265)
Card commission	-	(109)
Occupation	(1,345)	(90)
(-) Lease discounts	-	994
Litigation	2,299	4,369
Other expenses	(3,718)	(4,546)
<b>Total administrative expenses</b>	<b>(128,348)</b>	<b>(107,764)</b>

## 28. FINANCIAL INCOME (LOSS) - CONSOLIDATED

<b>Financial revenues</b>	<b>03/31/2023</b>	<b>03/31/2022</b>
Foreign-exchange income	32,099	51,791
Interest and fines received	517	291
Inflation adjustment of taxes	4,441	8,588
Revenues from financial investments	2,370	8,541
Inflation adjustment of judicial deposits	8,212	2,545
Discounts obtained	10	(3)
<b>Total financial revenues</b>	<b>47,649</b>	<b>71,753</b>

<b>Financial expenses</b>	<b>03/31/2023</b>	<b>03/31/2022</b>
Foreign exchange costs	(34,152)	(46,540)
Interest on leases	(34,674)	(29,802)
Interest on tax payments in installments	(1,964)	(2,481)
Interest on loans, financing	(7,627)	(9,720)
Interest on debentures	(38,331)	(16,433)
Interest on late payments of taxes	(85)	(221)
Bank tariffs and rates	(2,060)	(2,257)
Interest on payments in arrears	(362)	(914)
Taxes on financial operations	(736)	(648)
Interest on discounting of trade notes	(5,296)	-
Other financial expenses	(1,502)	(1,242)
Interest on litigation	(9,283)	(7,546)
<b>Total finance costs</b>	<b>(136,072)</b>	<b>(117,804)</b>

<b>Net financial expenses recognized in the income (loss)</b>	<b>(88,423)</b>	<b>(46,051)</b>
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## 29. INSURANCE COVERAGE

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 31 March 2023, the 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 inventory, as shown below:

Type of risk	Object	Amount of coverage
Vehicles	Vehicle Fleet	R\$ 500
Transport	National transportation	R\$ 13,400,000
Transport	International transportation	US\$ 300,000
Civil liability	Commercial establishments and employer's liability	R\$ 50,000
Civil liability	Directors & Officers	R\$ 100,000
Corporate Insurance	Equipment and loss of 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 31 MARCH 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 provisions 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, and which, among its other duties, must evaluate the quarterly 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 31 March 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 OPINION**

The Audit Committee, in the period of its duties, recommends the approval by the Board of Directors of quarterly information for the period ended as at 31 March 2023.

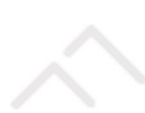
São Paulo, 04 May 2023

#### **Members**

Luiz Alberto Quinta

Luiz Carlos Nannini

Pedro Wagner Pereira Coelho





## **STATEMENT OF THE EXECUTIVE BOARD ON INTERIM QUARTERLY 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 Information for the period ended 31 March 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 reviewed and discussed about the content and opinions expressed in independent auditors' report on Group's Individual and Consolidated Quarterly Information for the period ended 31 March 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, 05 May 2023

Pedro de Souza Zemel - Chief Executive Officer

José Luís Magalhães Salazar - Financial Investor Relation Director

Paula Nader – Chief Marketing Officer

