

QUARTERLY INFORMATION

GRUPO SBF S.A.

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



GRUPO SBF

CONTENTS



| | |
|------------------------------------------------------------|-----------|
| Management Report on consolidated results | 3 |
| Report on the review of quarterly information - ITR | 26 |
| Balance sheets | 28 |
| Statements of income | 29 |
| Statements of comprehensive income | 30 |
| Statements of changes in shareholders' equity | 31 |
| Statements of cash flow | 32 |
| Statements of value added | 33 |
| Notes to the quarterly financial information | 34 |



EARNINGS RELEASE

1Q23



GRUPO SBF

EARNINGS RELEASE

1Q23



São Paulo, May 08, 2023

Grupo SBF S.A. (B3: SBF3) 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%



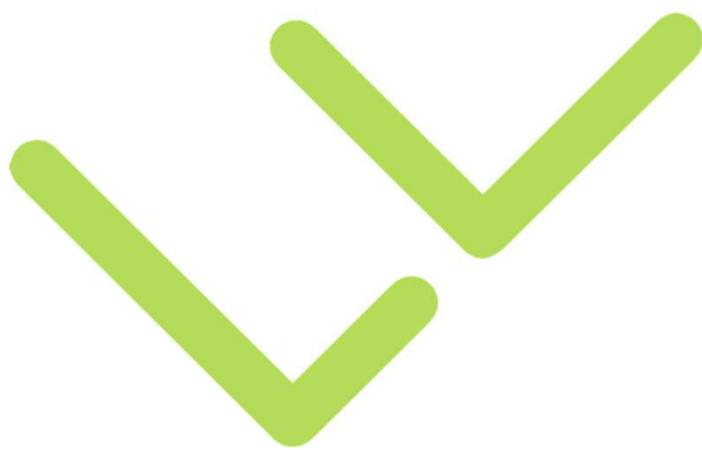
Grupo SBF's adjusted EBITDA margin (ex-IFRS) in 1Q23 reached 9.1%, growth of 1.0 p.p. over 4Q22



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. 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

| CENTAURO R\$ thousand | 1Q23 | 1Q22 | Δ(%) |
|----------------------------------------------|------------------|------------------|------------------|
| Gross Revenue^{1 2} | 879,694 | 844,451 | 4.2% |
| B&M Stores | 701,734 | 614,984 | 14.1% |
| Digital Platform | 177,959 | 229,467 | -22.4% |
| Omnichannel Sales (GMV)³ | 103,972 | 133,160 | -21.9% |
| Total Number of Stores – Centauro | 223 | 230 | -3.0% |
| Number of G5 Stores | 114 | 100 | 14.0% |
| Sales Area - Centauro (m²) | 230,580 | 235,452 | -2.1% |
| G5 Total Area (m ²) | 141,657 | 123,253 | 14.9% |
| FISIA R\$ thousand | 1Q23 | 1Q22 | Δ(%) |
| Gross Revenue¹ | 1,081,532 | 895,061 | 20.8% |
| Wholesale | 465,609 | 470,499 | -1.0% |
| Digital Platform | 394,017 | 276,918 | 42.3% |
| Nike Value Store | 221,906 | 147,644 | 50.3% |
| Share of DTC sales | 56.9% | 47.4% | +9.5 p.p. |
| Total Number of Stores – Nike Value | 33 | 22 | 50.0% |
| Sales Area – Nike Value (m ²) | 37,113 | 23,020 | 61.2% |
| Total Number of Stores – Nike Store | 5 | 0 | n.a |
| Sales Area – Nike Store (m ²) | 3,144 | 0 | n.a |
| GRUPO SBF R\$ thousand | 1Q23 | 1Q22 | Δ(%) |
| Total Gross Revenue¹ | 1,850,123 | 1,633,108 | 13.3% |
| Centauro Gross Revenue ¹ | 879,694 | 844,451 | 4.2% |
| Fisia Gross Revenue ¹ | 1,081,532 | 895,061 | 20.8% |
| (+) Intercompany elimination ² | -111,102 | -106,404 | |
| Share of digital sales | 30.9% | 31.0% | -0.1 p.p. |

SAME STORE SALES (SSS)



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



| 2023 x 2022 | 1Q23 | 1Q22 |
|---------------------------------------------------|--------------|--------------|
| SSS (B&M stores + digital)⁴ | 30.4% | 92.9% |
| 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% |
| Net revenue | 1,472,122 | 1,344,627 | 9.5% |
| Gross Profit | 736,737 | 621,722 | 18.5% |
| <i>Gross Margin</i> | <i>50.0%</i> | <i>46.2%</i> | <i>3.8 p.p</i> |
| EBITDA | 204,924 | 179,856 | 13.9% |
| <i>EBITDA Margin</i> | <i>13.9%</i> | <i>13.4%</i> | <i>0.5 p.p</i> |
| Net Profit | 1,512 | 17,278 | -91.2% |
| <i>Net Margin</i> | <i>0.1%</i> | <i>1.3%</i> | <i>-1.2 p.p</i> |
| Adjusted Gross Profit | 736,737 | 619,582 | 18.9% |
| <i>Adjusted Gross Margin</i> | <i>50.0%</i> | <i>46.1%</i> | <i>4 p.p</i> |
| Adjusted EBITDA | 205,927 | 185,390 | 11.1% |
| <i>Adjusted EBITDA Margin</i> | <i>14.0%</i> | <i>13.8%</i> | <i>0.2 p.p</i> |
| Adjusted Net Profit | 7,133 | 30,097 | -76.3% |
| <i>Adjusted Net Profit Margin</i> | <i>0.5%</i> | <i>2.2%</i> | <i>-1.8 p.p</i> |
| Adjusted EBITDA (ex-IFRS) | 133,718 | 120,475 | 11.0% |
| <i>Adjusted EBITDA Margin (ex-IFRS)</i> | <i>9.1%</i> | <i>9.0%</i> | <i>0.1 p.p</i> |
| Adjusted Net Profit (ex-IFRS) | 16,863 | 38,336 | -56.0% |
| <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 R\$ Thousand | 1Q23 | 1Q22 | Δ(%) |
| 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% |
| <i>Gross Margin</i> | <i>51.5%</i> | <i>48.5%</i> | <i>2.9 p.p</i> |
| 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% |
| <i>Adjusted Gross Margin</i> | <i>43.6%</i> | <i>39.8%</i> | <i>3.7 p.p</i> |



(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



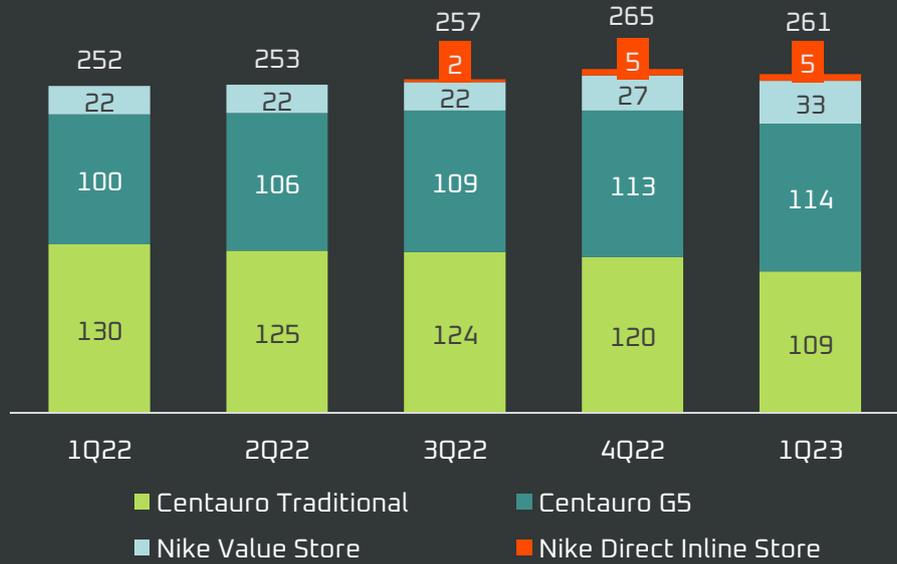
The **adjusted** results presented in this report disregard the non recurring effects, aiming to better represent the economic reality of the business and enable comparison with the Company's historical result.

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

FINANCIAL AND OPERATING PERFORMANCE



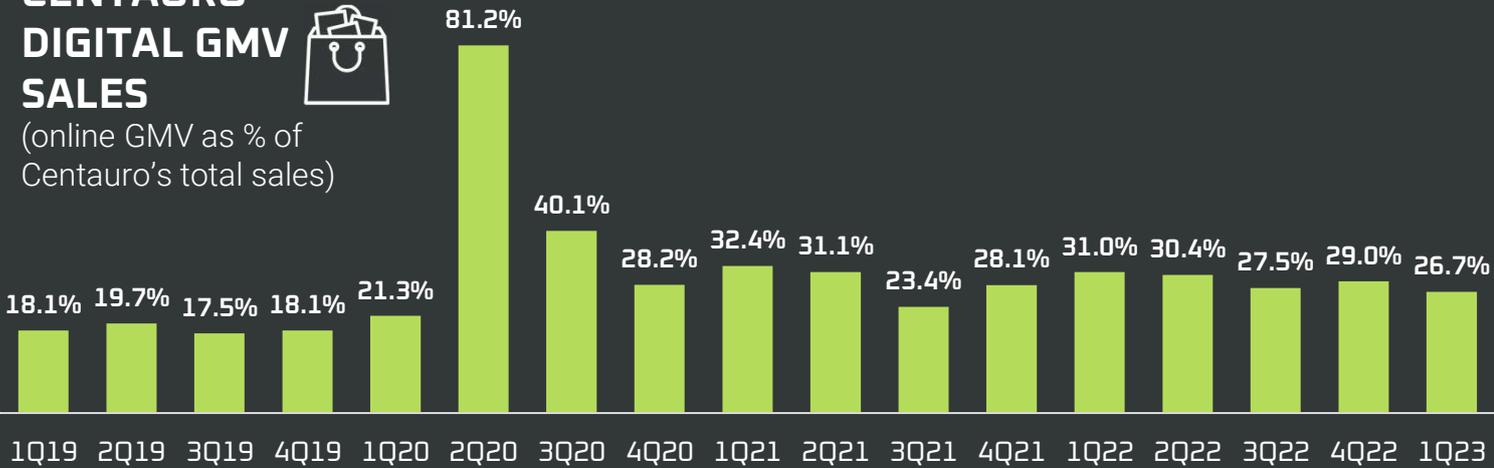
OUR STORES



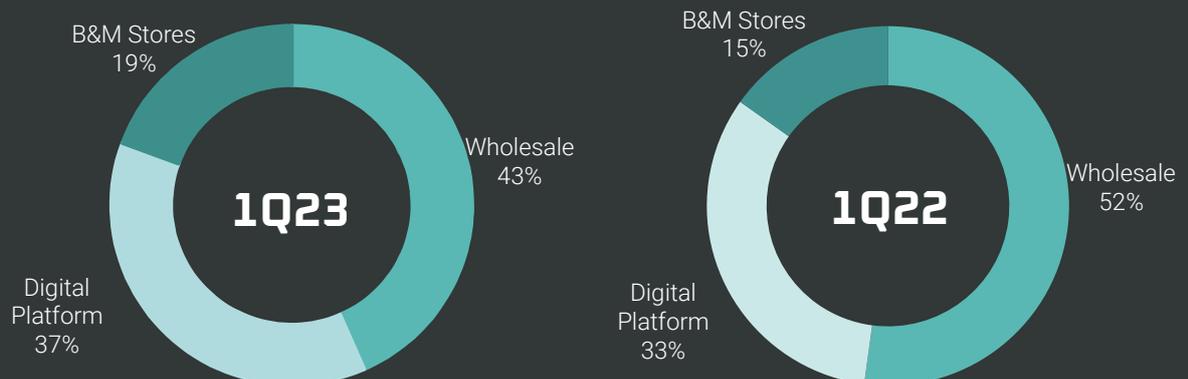
CENTAURO DIGITAL GMV SALES



(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(%) |
|------------------------------|------------------|------------------|--------------|
| CENTAURO | 704,594 | 698,577 | 0.9% |
| B&M Stores | 566,498 | 502,454 | 12.7% |
| Digital Platform | 138,096 | 196,123 | -29.6% |
| FISIA | 855,916 | 734,497 | 16.5% |
| 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 | |
| GRUPO SBF | 1,472,122 | 1,344,627 | 9.5% |

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

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(%) |
|-----------------------------------------------|-----------------|-----------------|--------------|
| Operating Expenses | -530,810 | -434,192 | 22.3% |
| <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% |
| Operating Expenses (ex-IFRS) | -603,018 | -499,109 | 20.8% |
| <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(%) |
|----------------------------------------|----------------|----------------|---------------|
| Net Income | 7,133 | 30,097 | -76.3% |
| (+) 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% |
| EBITDA | 205,927 | 185,390 | 11.1% |
| EBITDA Margin | 14.0% | 13.8% | 0,2 p.p |
| (+) IFRS16 Impact on Expenses | -72,208 | -64,917 | 11.2% |
| EBITDA (ex-IFRS) | 133,718 | 120,475 | 11.0% |
| 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(%) |
|------------------------------------------------|----------------|----------------|---------------|
| Net Financial Income/Expenses | -88,423 | -46,051 | 92.0% |
| (+) Financial Expenses – Right of Use (IFRS) | 34,674 | 29,802 | 16.4% |
| Net Financial Income/Expenses (ex-IFRS) | -53,749 | -16,249 | 230.8% |

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(%) |
|-----------------------------------------------------------|------------------|------------------|---------------|
| Net Profit (Loss) | 7,133 | 30,097 | -76.3% |
| 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% |
| Net Profit (ex-IFRS) | 16,863 | 38,336 | -56.0% |
| 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% |
| | 4,084,675 | 3,048,912 | 34.0% |
| 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 |
| | 2,026,516 | 1,571,663 | 28.9% |
| Net Working Capital | 2,058,159 | 1,477,249 | 39.3% |

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 ¹ | -540,287 | -273,298 | 97.7% |
| Other | -135,622 | 57,398 | -336.3% |
| Operating Cash Flow | -553,340 | -113,207 | 388.8% |
| M&A | 0 | -12,042 | n.a |
| Other | -55,732 | -50,831 | 9.6% |
| Cash Flow from Investing Activities | -55,732 | -62,873 | -11.4% |
| Debt ² | 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 |
| Cash Flow from Financing | 529,700 | -12,109 | n.a |
| Total Cash Variation | -79,372 | -188,188 | -57.8% |

-  (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% |
| (=) Net Debt | 1,153,343 | 486,514 | 137.1% |
| (+) Factoring of Receivables | 223,615 | 0 | n.a |
| (+) Tax Installment Payment | 105,712 | 141,895 | -25.5% |
| (=) Adjusted Net Debt | 1,482,670 | 628,409 | 135.9% |
| 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% |
| Total Investments | 55,732 | 50,831 | 9.6% |

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 |
|-------------------------------------------------|-------------------|-------------------|
| Assets | 8,244,964 | 8,470,247 |
| Current | 4,199,999 | 4,526,488 |
| 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 |
| Non-current | 4,044,965 | 3,943,759 |
| 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 |
| Liabilities | 8,244,964 | 8,470,247 |
| Current | 2,740,677 | 2,948,338 |
| 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 |
| Non-current | 3,129,110 | 3,112,055 |
| 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 |
| Shareholders' equity | 2,375,177 | 2,409,854 |
| 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 |
|------------------------------------------------------------------------------|-----------------|-----------------|
| Net profit (loss) of the period | 18,509 | 47,001 |
| 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 |
| | 232,253 | 231,757 |
| (Increase) decrease in Assets | | |
| 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 |
| Increase (decrease) in liabilities | | |
| 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 |
| Chg. in assets and liabilities: | -450,017 | -219,329 |
| 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 |
| Net cash (used in) generated by operating activities | -286,365 | -84,734 |
| Cash flow from investing activities | | |
| 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 |
| Net cash (used in) investing activities | -55,732 | -59,280 |
| Cash flow from financing activities | | |
| 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 |
| Net cash (used in) financing activities | 262,725 | -44,174 |
| 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% |
| Gross Profit | 736,737 | 621,722 | 18.5% |
| Operating expenses | -531,813 | -441,866 | 20.4% |
| 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% |
| Operating Income (Loss) | 106,932 | 93,052 | 14.9% |
| Financial income | 47,649 | 71,753 | -33.6% |
| Financial expenses | -136,072 | -117,804 | 15.5% |
| Net financial income (expenses) | -88,423 | -46,051 | 92.0% |
| Profit before taxes | 18,509 | 47,001 | -60.6% |
| Income tax and social contribution | -16,997 | -29,723 | -42.8% |
| Net income for the period | 1,512 | 17,278 | -91.2% |

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% |
| Gross Profit | 736,737 | 619,582 | 18.9% |
| Operating expenses | -530,810 | -434,192 | 22.3% |
| 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% |
| Operating Income (Loss) | 112,553 | 104,112 | 8.1% |
| Financial income | 47,649 | 71,753 | -33.6% |
| Financial expenses | -136,072 | -117,804 | 15.5% |
| Net financial income (expenses) | -88,423 | -46,051 | 92.0% |
| Profit before taxes | 24,130 | 58,061 | -58.4% |
| Income tax and social contribution | -16,997 | -27,964 | -39.2% |
| Net income for the period | 7,133 | 30,097 | -76.3% |



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

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

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

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.



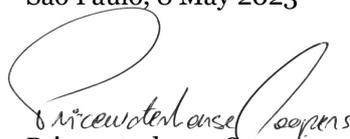
Grupo SBF S.A.

Other matters

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 |
| Current assets | | | | | |
| 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 |
| Total current assets | | 273.089 | 301.224 | 4.199.999 | 4.526.488 |
| Non-current assets | | | | | |
| 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 |
| Total non-current assets | | 61.008 | 59.969 | 1.573.839 | 1.451.182 |
| 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 |
| Total non-current assets | | 2.323.958 | 2.360.980 | 4.044.965 | 3.943.759 |
| Total assets | | 2.597.047 | 2.662.204 | 8.244.964 | 8.470.247 |

| Liabilities | Note | Parent company | | Consolidated | |
|----------------------------------------------------------------------------|------|------------------|------------------|------------------|------------------|
| | | 03/31/2023 | 12/31/2022 | 03/31/2023 | 12/31/2022 |
| Current liabilities | | | | | |
| 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 |
| Total current liabilities | | 87.820 | 97.782 | 2.740.677 | 2.948.338 |
| Non-current liabilities | | | | | |
| 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 |
| Total non-current liabilities | | 135.018 | 155.825 | 3.129.110 | 3.112.055 |
| Shareholders' equity | 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) |
| Total shareholders' equity attributable to controlling shareholders | | 2.374.209 | 2.408.597 | 2.374.209 | 2.408.597 |
| Interest of non-controlling shareholders | | - | - | 968 | 1.257 |
| Total shareholders' equity | | 2.374.209 | 2.408.597 | 2.375.177 | 2.409.854 |
| Total liabilities and shareholders' equity | | 2.597.047 | 2.662.204 | 8.244.964 | 8.470.247 |

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) |
| Gross income | | - | - | 736.737 | 621.722 |
| Operating revenues (expenses) | | | | | |
| 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) |
| Operational income | | 495 | 17.681 | 106.932 | 93.052 |
| Financial revenues | 28 | 1.461 | 463 | 47.649 | 71.753 |
| Financial expenses | 28 | (155) | (506) | (136.072) | (117.804) |
| Net financial income (loss) | | 1.306 | (43) | (88.423) | (46.051) |
| Income before taxes | | 1.801 | 17.638 | 18.509 | 47.001 |
| Income tax and social contribution - current | | - | - | (2.680) | (48.749) |
| Deferred income tax and social contribution | 10 | - | (2) | (14.317) | 19.026 |
| Profit for the period | | 1.801 | 17.636 | 1.512 | 17.278 |
| Controlling shareholders | | 1.801 | 17.636 | 1.801 | 17.636 |
| Non-controlling shareholders | | - | - | (289) | (358) |
| | | 1.801 | 17.636 | 1.512 | 17.278 |
| Net earnings per share attributable to the Group's shareholders | | | | | |
| 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)



| | Parent company | | Consolidated | |
|----------------------------------------------------------------|-----------------|------------------|-----------------|------------------|
| | 03/31/2023 | 03/31/2022 | 03/31/2023 | 03/31/2022 |
| Profit for the period | 1.801 | 17.636 | 1.512 | 17.278 |
| Other comprehensive income | | | | |
| Items that can be reclassified to income (loss) | | | | |
| Cash flow hedges | (36.992) | (141.602) | (36.992) | (141.602) |
| Other comprehensive income | (36.992) | (141.602) | (36.992) | (141.602) |
| Deferred income tax and social contribution on cash flow hedge | 12.577 | 48.145 | 12.577 | 48.145 |
| Other comprehensive income, net of taxes | (22.614) | (75.821) | (22.903) | (76.179) |
| Comprehensive income (loss) for the period | (22.614) | (75.821) | (22.903) | (76.179) |
| Comprehensive income attributable to: | | | | |
| Controlling shareholders | (22.614) | (75.821) | (22.614) | (75.821) |
| Non-controlling shareholders | - | - | (289) | (358) |
| Total comprehensive income | (22.614) | (75.821) | (22.903) | (76.179) |

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 | Retained earnings (loss) | | | |
| | Capital | Goodwill in the issue of shares | Share-based payments | Legal reserve | Tax incentive reserve | Statutory reserve | Other comprehensive income | | | | | |
| 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)



| | Notes | Parent company | | Consolidated | |
|--------------------------------------------------------------------------------------|-------|-----------------|------------------|------------------|------------------|
| | | 03/31/2023 | 03/31/2022 | 03/31/2023 | 03/31/2022 |
| Cash flow from operating activities | | | | | |
| Net income before taxes for the period | | 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 |
| | | (3.989) | (7.555) | 234.614 | 231.757 |
| Changes in: | | | | | |
| (Increase) decrease in assets | | | | | |
| 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 |
| Increase (decrease) in liabilities | | | | | |
| 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 |
| Changes in assets and liabilities: | | (9.616) | (121.330) | (450.017) | (219.329) |
| Income tax and social contribution | | - | - | (33.015) | (65.406) |
| Interest paid on financing | 17 | - | - | (913) | (1.954) |
| Cash used by operating activities | | (13.605) | (128.885) | (249.331) | (54.932) |
| Cash flow from investing activities | | | | | |
| 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 | - | - | - |
| Net cash generated by (used in) investment activities | | 10.855 | (7.701) | (58.093) | (59.280) |
| Cash flow from financing activities | | | | | |
| 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 | - | - |
| Net cash used by (generated in) financing activities | | - | 74.610 | 228.052 | (73.976) |
| Increase in cash and cash equivalents | | (2.750) | (61.976) | (79.372) | (188.188) |
| Cash and cash equivalents at 1 January | 4 | 34.515 | 62.088 | 418.311 | 549.347 |
| Cash and cash equivalents at 31 March | 4 | 31.765 | 112 | 338.939 | 361.159 |
| Transactions not affecting cash | | | | | |
| 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 |
| Revenues | - | (665) | 1.850.682 | 1.636.542 |
| 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 |
| Inputs acquired from third parties | (2.698) | (1.348) | (1.209.534) | (1.117.756) |
| 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) |
| Gross added value | (2.698) | (2.013) | 641.148 | 518.786 |
| Depreciation and amortization | (160) | (135) | (106.168) | (91.070) |
| Net added value generated | (2.858) | (2.148) | 534.980 | 427.716 |
| Amount received through transfers | 8.201 | 41.127 | 48.168 | 71.753 |
| Equity in net income of subsidiaries | 6.740 | 40.664 | 519 | - |
| Financial revenues | 1.461 | 463 | 47.649 | 71.753 |
| Other operating revenues | - | - | - | - |
| Total added value to be distributed | 5.343 | 38.979 | 583.148 | 499.469 |
| Distribution of added value | | | | |
| Personnel | 2.091 | 19.656 | 162.459 | 173.172 |
| Direct remuneration | 2.095 | 15.957 | 120.366 | 115.716 |
| Benefits | (4) | 3.682 | 30.539 | 47.643 |
| FGTS | - | 17 | 11.554 | 9.813 |
| Taxes, rates and contributions | 1.249 | 1.181 | 227.781 | 148.919 |
| Federal | 1.011 | 1.023 | 108.994 | 85.873 |
| State | - | - | 109.984 | 55.875 |
| Municipal | 238 | 158 | 8.803 | 7.171 |
| Deferred taxes | - | - | - | - |
| Third-party capital remuneration | 202 | 506 | 191.396 | 160.100 |
| Financial expenses (interest) | 50 | 31 | 60.498 | 53.136 |
| Rentals | - | - | 24.025 | 10.312 |
| Other | 152 | 475 | 106.873 | 96.652 |
| Remuneration of own capital | 1.801 | 17.636 | 1.512 | 17.278 |
| 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 | Operation | Object of hedge | |
|---------------------------|------------------|--------------------|-----------------|------------------------------------|-----------------------|--|
| | Currency | Domestic | | | 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 | |
| Total | | (1,049,771) | (79,782) | | | |

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 |
| Total | (1,049,771) | | (79,782) | | |

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) |
| Total | (1,171,364) | (758,555) |

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 |
| Total | 31,765 | 34,515 | 1,660,124 | 2,129,314 |

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 |
| Total | (1,080,553) | (819,024) |
| Shareholders' equity | 2,375,177 | 2,409,854 |
| Net indebtedness ratio | 45% | 34% |





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.

| 31 March 2023 | Book value | Contractual cash flows | ≤ 02 months | 02-12 months | 01-02 years | 02-05 years | > 05 years |
|---------------------------------------------|------------------|------------------------|------------------|------------------|----------------|------------------|----------------|
| Non-derivative financial liabilities | | | | | | | |
| 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 | - | - | - | - |
| Total | 4,523,908 | 5,455,641 | 1,351,991 | 1,092,820 | 966,186 | 1,118,455 | 926,189 |

| 31 December 2022 | Book value | Contractual cash flows | ≤ 02 months | 02-12 months | 01-02 years | 02-05 years | > 05 years |
|---------------------------------------------|------------------|------------------------|------------------|----------------|----------------|------------------|----------------|
| Non-derivative financial liabilities | | | | | | | |
| 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 | - | - | - | - |
| Total | 4,724,055 | 5,653,931 | 1,699,814 | 930,272 | 966,492 | 1,065,605 | 991,748 |

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) |
| Net debt | 1,153,343 | 715,251 |
| Total shareholders' equity | 2,375,177 | 2,409,854 |
| Total capital | 3,528,520 | 3,125,105 |
| Financial leverage index - % | 33% | 23% |

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:

| | Fair value hierarchy | 03/31/2023 | | |
|-------------------------------------------|----------------------|------------------|----------------|------------------|
| | | 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 |
| Assets | | | | |
| 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 |
| Total | | 2,282,555 | 379,176 | 1,903,379 |
| Liabilities | | | | |
| 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 |
| Total | | 4,483,352 | 39,612 | 4,443,740 |

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 |
| Total | 31,765 | 34,515 | 338,939 | 418,311 |

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 | - | - |
| Subtotal | 15,697 | 30,485 | 1,323,831 | 1,712,438 |
| Provision for expected loss in accounts receivable | - | - | (2,646) | (1,435) |
| Total | 15,697 | 30,485 | 1,321,185 | 1,711,003 |

- (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 |
| Closing balance | (2,646) | (1,493) |

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 |
| Total | 1,323,831 | | 2,646 | |

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 |
| Total | 1,215,494 | | 1,493 | |

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 |
| Total | 1,323,831 | 1,712,438 |





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 |
| Total | 2,008,393 | 1,737,002 |

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 |
| Closing balance | (15,090) | (19,924) |

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) |
| Total | (79,782) | (35,443) |

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 |
| Total | 633,065 | 672,231 |
| Current | 371,894 | 525,351 |
| Non-current | 261,171 | 146,880 |

- (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 |
| Total | 134,423 | 142,110 |
| Current | 39,144 | 49,055 |
| Non-current | 95,279 | 93,055 |

- (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 |
| Deferred income tax assets (liabilities) | 1,094,810 | 1,085,178 | (276,956) | (253,091) | 817,854 | 832,087 |
| Amount subject to offset | (266,891) | (243,367) | 266,891 | 243,367 | - | - |
| Net tax liabilities (assets) | 827,919 | 841,811 | (10,065) | (9,724) | 817,854 | 832,087 |

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 |
| Total | 356,892 | 297,661 | 173,366 | 827,919 |

(*) 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 |
| Total unrecognized deferred tax assets | 629,346 | 213,978 | 535,938 | 182,219 |





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) |
| Deferred unrecognized | 629,346 | 213,978 |

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

| 2023 | Grupo SBF S.A (Parent company) | | SBF Comércio | | Other companies(*) | | Consolidated | |
|------------------------|--------------------------------|---------------|----------------|----------------|--------------------|---------------|----------------|----------------|
| | Base | Tax effect | Base | Tax effect | Base | Tax effect | Base | Tax effect |
| Accumulated tax losses | 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 |
| Total | 163,454 | 55,574 | 309,298 | 105,161 | 156,594 | 53,243 | 629,346 | 213,978 |

(*) 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 |
| Tax net assets (liabilities) | 832,087 | (14,321) | 88 | 817,854 |

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 |
| Income before taxes | 1,801 | 17,638 | 18,901 | 47,001 |
| Combined tax rate | 34% | 34% | 34% | 34% |
| Income tax and social contribution at the combined rate | (612) | (5,997) | (6,426) | (15,980) |
| Permanent additions: | | | | |
| Non-deductible expenses | - | (2,637) | (4,238) | (10,627) |
| Permanent exclusions: | | | | |
| Tax incentive | - | - | 19,863 | 9,975 |
| Non-taxable revenues | 2 | 1,084 | 3,151 | 3,834 |
| Other items: | | | | |
| 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 |
| Income tax and social contribution | - | (2) | (16,997) | (29,723) |
| Current | - | - | (2,680) | (48,749) |
| Deferred | - | (2) | (14,317) | 19,026 |
| Effective rate | 0% | 0% | -90% | -63% |





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 |
| Total | 291,673 | 27,752 | (155) | (499) | 318,771 |

- (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 |
| Total | 148,449 | 4,104 | (13) | (1,137) | 151,403 |

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 |
| Total | 559,713 | 19,030 | (3,592) | (8,189) | 566,962 |

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 |
| Total | 619,431 | 10,797 | (4,644) | (9,872) | 615,712 |





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 |
| Total | 476,184 | 463,973 |





- (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) |
| Total | 2,243,778 | 2,274,031 |
| Breakdown | | |
| Investments | 2,260,344 | 2,298,244 |
| Negative investments in subsidiaries | (16,566) | (24,213) |
| Total | 2,243,778 | 2,274,031 |

Book value reconciliation

| Subsidiaries | Interest in the shareholders' equity | Goodwill generated on acquisition/surplus | Balance at 03/31/2023 |
|--------------|--------------------------------------|-------------------------------------------|-----------------------|
|--------------|--------------------------------------|-------------------------------------------|-----------------------|





| | | | |
|--------------|------------------|---------------|------------------|
| 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 |
| Total | 2,188,661 | 55,117 | 2,243,778 |

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) |
| Total | | 8,110,354 | 5,677,407 | 2,432,947 | (244,286) | 2,188,661 | 2,123 | 5,043 | 7,166 |

| 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 |
| Total | 2,274,031 | (36,992) | (427) | 7,166 | 2,243,778 |

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) |
| Total | | 8,314,813 | 5,887,693 | 2,427,120 | (167,166) | 2,259,486 | 39,252 | 1,474 | 40,664 |

| 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 |
| Total | 2,471,554 | (74,521) | (141,602) | (663) | 40,664 | 2,295,432 |





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 |
| Total | | 1,449,577 | (880,566) | 569,011 | 571,951 |

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 |
| Cost of property, plant and equipment | 1,449,901 | 24,205 | (24,529) | - | 1,449,577 |
| 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) |
| Depreciation | (877,950) | (26,395) | 23,779 | - | (880,566) |
| Total property, plant and equipment (net) | 571,951 | (2,190) | (750) | - | 569,011 |

(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 |
| Cost of property, plant and equipment | 1,232,131 | 26,847 | (1,340) | - | 1,257,638 |
| 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) |
| Depreciation | (802,019) | (21,058) | 820 | - | (822,257) |
| Total property, plant and equipment (net) | 430,112 | 5,789 | (520) | - | 435,381 |





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 |
| Total | | 795,920 | (302,123) | 493,797 | 487,453 |

- (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 |
| Total | 53,541 |

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 |
| Cost of intangible assets | 766,102 | 31,527 | (1,709) | 795,920 |
| 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) |
| Amortization | (278,649) | (23,821) | 347 | (302,123) |
| Total net intangible assets | 487,453 | 7,706 | (1,362) | 493,797 |





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 |
| Cost of intangible assets | 608,025 | 30,456 | - | 638,481 |
| | | | | |
| | 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) |
| Amortization | (204,195) | (18,652) | - | (222,847) |
| | | | | |
| Total net intangible assets | 403,830 | 11,804 | - | 415,634 |

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 |
| Total | 315 |

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 |
|----------------------------------------|------------------|---------------|------------------|
| Balance at 1 January 2023 | 1,403,060 | 25,112 | 1,428,172 |
| (+/-) New contracts and remeasurements | 85,331 | - | 85,331 |
| (-) Amortization | (54,686) | (1,031) | (55,717) |
| (-) Write-offs of contracts | (54,989) | - | (54,989) |
| Balance at 31 March 2023 | 1,378,716 | 24,081 | 1,402,797 |

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 |
|-----------------------------------------------|------------------|---------------|------------------|
| Balance at 1 January 2022 | 1,298,644 | 30,439 | 1,329,083 |
| (+/-) New contracts and remeasurements | 168,818 | (17,574) | 151,244 |
| (-) Transfer to property, plant and equipment | - | 550 | 550 |
| (-) Amortization | (50,246) | (980) | (51,226) |
| Balance at 31 March 2022 | 1,417,216 | 12,435 | 1,429,651 |

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 |
|----------------------------------------|------------------|---------------|------------------|
| Balance at 1 January 2023 | 1,609,490 | 26,752 | 1,636,242 |
| (+/-) 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) |
| Balance at 31 March 2023 | 1,582,625 | 26,302 | 1,608,927 |
| Current | 205,198 | 7,261 | 212,459 |
| Non-current | 1,377,427 | 19,041 | 1,396,468 |

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 |
|----------------------------------------|------------------|---------------|------------------|
| Balance at 1 January 2022 | 1,460,222 | 30,439 | 1,490,661 |
| (+/-) 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 |
| Balance at 31 March 2022 | 1,582,774 | 11,640 | 1,594,414 |
| Current | 184,521 | 5,063 | 189,584 |
| Non-current | 1,398,253 | 6,577 | 1,404,830 |





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 |
| Group as lessee | 1,582,625 | 26,302 | 1,608,927 |

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 |
| Group as lessee | 1,582,774 | 11,640 | 1,594,414 |

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 |
|-------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Lease liability | | | | | |
| 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 |
| Change | 5.98% | 4.14% | 4.00% | 4.00% | 4.00% |
| Net right-of-use - closing balance | | | | | |
| 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 |
| Change | 5.98% | 4.14% | 4.00% | 4.00% | 4.00% |
| Financial expense | | | | | |
| 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 |
| Change | 5.98% | 4.14% | 4.00% | 4.00% | 4.00% |
| Depreciation expense | | | | | |
| 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 |
| Change | 5.98% | 4.14% | 4.00% | 4.00% | 4.00% |





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 |
| Subtotal | 993,052 | 1,423,376 |
| "Drawee risk" operations (*) | 30,314 | 138,171 |
| Total | 1,023,366 | 1,561,547 |

(*) 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 |
|----------------------------------------------|------------------|------------------|
| Current liabilities | | |
| Working capital | 83,779 | 77,232 |
| Debentures | 546,116 | 191,836 |
| Financing of assets | 7,922 | 8,850 |
| | 637,817 | 277,918 |
| Non-current liabilities | | |
| Working capital | 77,593 | 77,809 |
| Debentures | 774,156 | 773,647 |
| Financing of assets | 2,716 | 4,188 |
| | 854,465 | 855,644 |
| Total loans, financing and debentures | 1,492,282 | 1,133,562 |

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 |
| Loans and financing | 168,078 | - | (2,782) | (913) | 7,333 | 294 | 172,010 |
| Debentures | 965,483 | 316,458 | - | - | 37,630 | 701 | 1,320,272 |
| Total loans, financing and debentures | 1,133,561 | 316,458 | (2,782) | (913) | 44,963 | 995 | 1,492,282 |

(*) 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 Fisia, 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 |
| Loans and financing | 294,993 | 1,036 | (2,478) | (1,954) | 9,720 | 561 | 301,878 |
| Debentures | 528,785 | - | - | - | 16,434 | 576 | 545,795 |
| Total loans, financing and debentures | 823,778 | 1,036 | (2,478) | (1,954) | 26,154 | 1,137 | 847,673 |

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 |
| Loans and financing | | | 259,684 | 91,701 | 80,309 | 264,662 | 86,082 | 81,997 |
| Debentures | R\$ | 100% CDI + 2.25 % p.a. | 1,350,000 | 546,116 | 774,156 | 1,030,000 | 191,836 | 773,647 |
| Total loans, financing and debentures | | | 1,609,684 | 637,817 | 854,465 | 1,294,662 | 277,918 | 855,644 |





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 |
| Total loans, financing and debentures | 637,817 | 255,386 | 266,114 | 332,965 | 1,492,282 |

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 |
| Total | 201,901 | 192,684 |

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 |
| Total taxes in installments | 105,712 | 112,389 |
| Current liabilities | 43,259 | 47,030 |
| Non-current liabilities | 62,453 | 65,359 |

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

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





20. LABOR AND SOCIAL SECURITY OBLIGATIONS – CONSOLIDATED

| | 03/31/2023 | 12/31/2022 |
|------------------------------------------------------------|----------------|----------------|
| Provision for vacation and 13 th 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 |
| Labor obligations | 166,817 | 165,190 |
| INSS payable | 18,830 | 18,848 |
| FGTS payable | 4,158 | 5,745 |
| Withholding INSS payable | 2,248 | 2,068 |
| Social security obligations | 25,236 | 26,661 |
| Total labor and social security obligations | 192,053 | 191,851 |

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 |
| Total | 30,285 | (14,588) | 15,697 |

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 | - | - |
| Total | 2,107,509 | 3,559,362 | (2,107,509) | (3,559,362) |

- (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 |
| Total | (1,025,153) | (1,029,518) | 1,025,153 | 1,029,518 |

| | 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) | - |
| Total | - | - | - | - |

| | 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 | - | - | - |
| Total | - | - | - | - |





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.

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

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.

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

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 |
| Total | 135,333 | 159,899 | 293,621 | 280,315 |
| Current | 318 | 4,077 | 158,606 | 140,744 |
| Non-current | 135,015 | 155,822 | 135,015 | 139,571 |

- (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% |
| Nefele Investments, LLC | 48,456,001 | 19.89% |
| GPCP I - Fundo de Inv. Part | 1,185,014 | 0.49% |
| Other | 98,024,864 | 40.24% |
| Total | 243,596,138 | 100.00% |





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 |
| Earnings per share – Reais | 0.01 | 0.07 |
| 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 |
| Diluted earnings per share - R\$ | 0.01 | 0.07 |

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 |
| Total | 9,026,026 | (1,059,999) | 7,966,027 |



| Basic assumptions of the plan: | 2016 1 st program | 2016 2 nd program | 2019 1 st program | 2019 1 st program March 2020 | 2019 2 nd program | 2020 1 st program | 2020 2 nd program | 2022 1 st program | 2022 2 nd program March 2022 | 2022 2 nd 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 |
| Option price on grant date per share | 2.05 | 11.33 | 10.55 | 14.49 | 14.18 | 11.61 | 11.61 | 29.20 | 21.90 | 21.39 |



25. NET REVENUES – CONSOLIDATED

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

(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 |
| Gross revenue | 1,876,627 | 1,618,886 |

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) |
| Total | (735,385) | (722,905) |

27. EXPENSES BY TYPE

| | 03/31/2023 | 03/31/2022 |
|-------------------------------|------------------|------------------|
| Sales expenses | | |
| 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) |
| Total selling expenses | (506,313) | (408,655) |



| Administrative expenses | 03/31/2023 | 03/31/2022 |
|--------------------------------------|-------------------|-------------------|
| 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) |
| Total administrative expenses | (128,348) | (107,764) |

28. FINANCIAL INCOME (LOSS) - CONSOLIDATED

| Financial revenues | 03/31/2023 | 03/31/2022 |
|-------------------------------------------|-------------------|-------------------|
| 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) |
| Total financial revenues | 47,649 | 71,753 |

| Financial expenses | 03/31/2023 | 03/31/2022 |
|------------------------------------------|-------------------|-------------------|
| 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) |
| Total finance costs | (136,072) | (117,804) |

| | | |
|---------------------------------------------------------------|-----------------|-----------------|
| Net financial expenses recognized in the income (loss) | (88,423) | (46,051) |
|---------------------------------------------------------------|-----------------|-----------------|



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

