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GLOSSARY

EGMExtraordinary General MeetingAEGMAnnual and Extraordinary General MeetingAGMAnnual General MeetingB3B3 S.A. – Brasil, Bolsa, BalcãoCDBBank Deposit CertificateCDIInterbank Deposit CertificateCOFINSContribution for Social Security FinancingCompany or SmartfitSmartfit Escola de Ginástica e Dança S.A.
AEGM Annual and Extraordinary General Meeting AGM Annual General Meeting B3 B3 S.A. – Brasil, Bolsa, Balcão CDB Bank Deposit Certificate CDI Interbank Deposit Certificate COFINS Contribution for Social Security Financing Company or Smartfit Smartfit Escola de Ginástica e Dança S.A.
AGM Annual General Meeting B3 B3 S.A. – Brasil, Bolsa, Balcão CDB Bank Deposit Certificate CDI Interbank Deposit Certificate COFINS Contribution for Social Security Financing Company or Smartfit Smartfit Escola de Ginástica e Dança S.A.
CDB Bank Deposit Certificate CDI Interbank Deposit Certificate COFINS Contribution for Social Security Financing Company or Smartfit Smartfit Escola de Ginástica e Dança S.A.
CDI Interbank Deposit Certificate COFINS Contribution for Social Security Financing Company or Smartfit Smartfit Escola de Ginástica e Dança S.A.
CDI Interbank Deposit Certificate COFINS Contribution for Social Security Financing Company or Smartfit Smartfit Escola de Ginástica e Dança S.A.
COFINS Contribution for Social Security Financing Company or Smartfit Smartfit Escola de Ginástica e Dança S.A.
Company or Smartfit Smartfit Escola de Ginástica e Dança S.A.
Covenants Contractual Commitment Clauses
CPC Accounting Pronouncements Committee
CSLL Social Contribution on Net Income
CVM Securities and Exchange Commission of Brazil
Dec/21 or 12/31/2021 Financial Information as of and for the Year Ended December 31, 2021
EBITDA Earnings Before Interest, Taxes, Depreciation and Amortization
Group Smartfit and its subsidiaries
HVLP High Value / Low Price
IAS International Accounting Standards
IASB International Accounting Standards Board
IGV General Sales Tax
INSS Contributions to the National Institute of Social Security
IPCA Amplified Consumer Price Index
IPO Initial Public Offering
IRPJ Corporate Income Tax
ITR Quarterly financial information
IFRS International Financial Reporting Standards
IRRF Withholding Income Tax
IRPJ Corporate Income Tax
JCP Interest on Capital
Joint venture A joint arrangement whereby the parties have joint control of the arrangement
March/22 or 03/31/2022 Financial Information as of and for the three-month period ended March 31, 2022
LALUR Taxable Income Control Register
LF Financial bills
LFT Financial Treasury Bills
Note Note to the Financial Statements
PIS Social Integration Program
R\$ Reais – Official currency in Brazil
TIIE "Tasa de Interés Interbancaria de Equilibrio" in Mexico
CGU Cash Generating Unit



smart <mark>fit</mark>



CONDENSED BALANCE SHEETS As at March 31, 2022 (In thousands of Brazilian reais - R\$)

		Par	ent	Consolidated	
	Notes	03/31/2022	12/31/2021	03/31/2022	12/31/2021
ASSETS					
Current assets					
Cash and cash equivalents	6	319,346	340,929	1,611,654	1,957,828
Investments in financial assets	7	2,505,079	2,700,545	1,880,750	1,761,801
Trade receivables	9	111,104	104,413	217,716	195,777
Other receivables	10	189,139	141,627	254,110	254,547
Total current assets		3,124,668	3,287,514	3,964,230	4,169,953
Noncurrent assets					
Investments in financial assets	7	5,375	3,910	27,289	3,910
Derivative financial instruments	8	4,895	7,027	4,895	7,027
Other receivables	10	107,847	105,646	169,887	169,098
Deferred tax assets	18	-	-	142,866	150,081
Investments in subsidiaries and joint ventures	11	2,188,612	2,318,853	135,607	127,228
Right-of-use assets	14	1,001,502	1,015,072	2,660,112	2,810,405
Property and equipment	12	1,035,296	1,051,793	2,635,397	2,697,012
Intangible assets	13	122,592	121,179	1,385,494	1,519,758
Total noncurrent assets		4,466,119	4,623,480	7,161,547	7,484,519
TOTAL ASSETS		7,590,787	7,910,994	11,125,777	11,654,472
Current liabilities Trade payables Other liabilities Borrowings Lease liabilities Deferred revenue Current liabilities Noncurrent liabilities Other liabilities Borrowings Lease liabilities Deferred revenue Deferred tax liabilities Deferred tax liabilities Deferved tax li	15 16 14 20 15 16 14 20 18 8	52,262 128,097 133,546 165,255 89,000 - 568,160 16,462 1,997,289 887,891 1,274 - 14,242	82,069 135,291 99,488 159,825 88,207 - 564,880 16,984 2,003,502 907,901 1,478 - 13,987	174,468 153,527 482,947 383,917 215,533 7,593 1,417,985 19,389 3,022,993 2,480,296 1,357 7,173 14,242	200,936 161,560 488,720 389,837 180,561 7,303 1,428,917 12,899 3,101,775 2,631,222 1,561 8,275 13,987
	<u> </u>	14,242 5,939	,	28,319	26,544
Provisions	17		5,757	· · · · · ·	,
Total noncurrent liabilities TOTAL LIABILITIES AND EQUITY		2,923,097 3,491,257	<u>2,949,609</u> 3,514,489	5,573,769 6,991,754	<u>5,796,263</u> 7,225,180
		-,,	-,,•	-,,	-,,
EQUITY	19				
Share capital		2,970,443	2,970,443	2,970,443	2,970,443
Capital reserves		2,289,516	2,285,690	2,289,516	2,285,690
Accumulated losses		(1,377,300)	(1,286,401)	(1,377,300)	(1,286,401)
Other comprehensive income		216,871	426,773	216,871	426,773
Equity attributable to the owners of the Company		4,099,530	4,396,505	4,099,530	4,396,505
Noncontrolling interests		-	-	34,493	32,787
TOTAL EQUITY		4,099,530	4,396,505	4,134,023	4,429,292
TOTAL LIABILITIES AND EQUITY		7,590,787	7,910,994	11,125,777	11,654,472





CONDENSED STATEMENTS OF PROFIT AND LOSS AND COMPREHENSIVE INCOME

Three-month period ended March 31, 2022 (In thousands of Brazilian reais - R\$)

		Parent		Consolidated		
	Notes	03/31/2022	03/31/2021	03/31/2022	03/31/2021	
INCOME STATEMENTS						
Operating revenue	20	227,596	153,988	621,988	371,740	
Costs	21	(203,076)	(158,441)	(457,265)	(358,786)	
Gross profit (loss)		24,520	(4,453)	164,723	12,954	
Selling expenses	21	(44,039)	(24,417)	(76,686)	(45,203)	
General and administrative expenses	21	(49,749)	(29,795)	(88,057)	(54,743)	
Other operating income (expenses), net	21	(4,689)	3,681	(11,174)	2,242	
Share of profit (loss) of investees	11	(8,856)	(84,643)	646	(9,987)	
Operating profit (loss) before finance income (costs)		(82,813)	(139,627)	(10,548)	(94,737)	
Finance income	22	87,220	16.565	102.764	48,411	
Finance costs	22	(95,306)	(39,626)	(180,011)	(118,420)	
Finance income (costs), net	22	(8,086)	(23.061)	(77,247)	(70,009)	
		(0,000)	(,)	(,=)	(10,000)	
Loss before income tax and social contribution		(90,899)	(162,688)	(87,795)	(164,746)	
Income tax and social contribution	18	-	(2,938)	(2,723)	(1,559)	
LOSS FOR THE PERIOD		(90,899)	(165,626)	(90,518)	(166,305)	
Profit (loss) for the period attributable to: Owners of the Company				(90,899)	(165,626)	
Noncontrolling interests				381	(679)	
				001	(010)	
Loss per share attributable to owners of the Company:						
Basic and diluted	23	(0.16)	(0.35)	(0.16)	(0.35)	
COMPREHENSIVE INCOME STATEMENTS						
Loss for the period		(90,899)	(165,626)	(90,518)	(166,305)	
Items that may be subsequently reclassified to profit or loss		(,,	(, ,	(,,	(, ,	
Gains and losses arising from the translation of financial statements of						
foreign operations	11	(209,902)	95,861	(211,168)	95,995	
TOTAL OTHER COMPREHENSIVE INCOME		(209,902)	95,861	(211,168)	95,995	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(300,801)	(69,765)	(301,686)	(70,310)	
Comprehensive income for the period attributable to:				(200.904)	(60.705)	
Owners of the Company				(300,801)	(69,765)	
Noncontrolling interests				(885)	(545)	

The accompanying notes are an integral part of this interim financial information.

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CONDENSED STATEMENTS OF CHANGES IN EQUITY

Three-month period ended March 31, 2022

(In thousands of Brazilian reais - R\$)

	Three-month period ended March 31, 2022								
		Capital reserves			•	Equity attributable to			
	Share capital	Capital reserve	Equity instruments	Transactions with shareholders	Accumulated losses	Other comprehensive income	Owners of the Company	Noncontrolling interests	Total equity
CHANGES IN EQUITY									
At December 31, 2021	2,970,443	2,221,696	99,841	(35,847)	(1,286,401)	426,773	4,396,505	32,787	4,429,292
Profit (loss) for the period	-	-	-	-	(90,899)	-	(90,899)	381	(90,518)
Other comprehensive income	-	-	-	-	-	(209,902)	(209,902)	(1,266)	(211,168)
Total comprehensive income for the period	-	-	-	-	(90,899)	(209,902)	(300,801)	(885)	(301,686)
Capital increase	_	-	_	_	_	-	-	4,960	4,960
Share-based payments ⁽¹⁾	-	3,826	-	-	-	-	3,826	1	3,827
Distribution of dividends	-	-	-	-	-	-		(2,370)	(2,370)
Transactions with shareholders recognized directly								, , , , ,	() /
in equity	-	3,826	-	-	-	-	3,826	2,591	6,417
At March 31, 2022	2,970,443	2,225,522	99,841	(35,847)	(1,377,300)	216,871	4,099,530	34,493	4,134,023

	Three-month period ended March 31, 2021								
		Capital reserves Equity attributable to							
	Share capital	Capital reserve	Equity instruments	Transactions with shareholders	Accumulated losses	Other comprehensive income	Owners of the Company	Noncontrolling interests	Total equity
CHANGES IN EQUITY									
At December 31, 2020	325,443	2,237,382	99,841	(25,196)	(651,820)	460,486	2,446,136	22,665	2,468,801
Profit (loss) for the period	-	-	-	-	(165,626)	-	(165,626)	(679)	(166,305)
Other comprehensive income	-	-	-	-	-	95,861	95,861	134	95,995
Total comprehensive income for the period	-	-	-	-	(165,626)	95,861	(69,765)	(545)	(70,310)
Capital increase	-	64,343	-	-	-	-	64,343	-	64,343
Transactions with shareholders recognized directly in equity	-	64,343	-	-	-	-	64,343	-	64,343
At March 31, 2021	325,443	2,301,725	99,841	(25,196)	(817,446)	556,347	2,440,714	22,120	2,462,834

(1) See note 26.



CONDENSED STATEMENTS OF CASH FLOWS Three-month period ended March 31, 2022

(In thousands of Brazilian reais - R\$)

		Parent		Consol	Consolidated		
	Notes	03/31/2022	03/31/2021	03/31/2022	03/31/2021		
CASH FLOW FROM OPERATING ACTIVITIES		(00,000)	(405.000)	(00.540)	(100.005)		
Loss for the period Adjustments to reconcile loss for the period to net cash used in		(90,899)	(165,626)	(90,518)	(166,305)		
operating activities:							
Income tax and social contribution	18	_	2,938	2,723	1,559		
Depreciation and amortization	12,13,14	91,057	75,365	210,134	193,008		
Allowance for expected credit losses	9	-	182	378	390		
Share of profit (loss) of investees	11	8,856	84,643	(646)	9,987		
Write-off of intangible assets, property and equipment, and leases		14,996	224	18,112	8,086		
Interest on borrowings	22	67,807	15,925	96,197	44,360		
Interest on leases	22	21,208	18,345	64,847	56,159		
Discounts obtained on leases	22	(468)	(9,967)	(3,250)	(39,788)		
Income from financial investments	22	(69,800)	(2,840)	(77,915)	(3,420)		
Gain (loss) on derivative financial instruments	22	2,387	-	2,387	-		
Foreign exchange gains (losses) and other finance income (costs)		(15,463)	1,858	(12,467)	5,887		
Share-based payment plan	26	3,434	-	3,827			
Provisions	17	182	(254)	1,775	(388)		
Deferred revenue		589	(3,300)	34,768	6,804		
Changes in operating assets and liabilities:		000	(0,000)	01,100	0,001		
Trade receivables		(6,691)	(13,188)	(22,317)	(30,621)		
Other receivables		(41,706)	(17,583)	(32)	(55,828)		
Trade payables		(28,875)	(26,873)	(28,255)	4,483		
Other liabilities		18,830	15,339	24,243	4,418		
Cash generated by (used in) operating activities		24,556	(24,812)	223,991	38,791		
Interest paid on borrowings	16	,			,		
Interest paid on leases	10	(9,276)	(1,665)	(27,222)	(12,288)		
Income tax and social contribution paid	14	(21,046)	(14,826)	(63,574)	(40,243)		
Net cash generated by (used in) operating activities		-	- (44 202)	(11,637)	(2,042)		
Net cash generated by (used in) operating activities		(54,878)	(41,303)	121,558	(15,782)		
CASH FLOW FROM INVESTING ACTIVITIES							
Additions to property and equipment	12	(45,214)	(10,679)	(212,088)	(54,254)		
Additions to property and equipment	13	(2,922)	(498)	(6,536)	(1,263)		
Direct initial costs of right-of-use assets	13	(7,500)	(490)	(7,500)	(1,203)		
Loans from third parties	14	(2,474)	-	(2,521)	-		
Financial investments		263,801	(910)	(64,413)	(12,753)		
Acquisition of subsidiaries, net of cash received		203,001	(54,542)	(04,413)	(54,542)		
Capital increase in subsidiaries and joint venture	11	(94,222)		-			
Related parties	11	(94,222)	(33,319)	(4,419) 2,201	(2,569) (16,660)		
Net cash generated by (used in) investing activities		111,466	(777)				
Net cash generated by (used in) investing activities		111,400	(100,725)	(295,276)	(142,041)		
CASH FLOW FROM FINANCING ACTIVITIES							
Capital increase, net of transaction costs		-	64,343	4,960	64,343		
Proceeds from borrowings	16	_	-	107,111	36		
Repayments of borrowings	16	(31,935)	(21,737)	(111,923)	(32,010)		
Payment of lease	14	(39,623)	(27,161)	(98,672)	(60,359)		
Payables to shareholders		(00,020)	497	(00,012)	(782)		
Acquisition of noncontrolling interests		(6,613)		(6,613)	(702)		
Net cash generated by (used in) financing activities		(78,171)	15,942	(105,137)	(28,772)		
		(70,171)	10,042	(100,107)	(20,112)		
DECREASE IN CASH AND CASH EQUIVALENTS		(21,583)	(126,086)	(278,855)	(186,595)		
		(21,000)	(120,000)	(210,000)	(100,000)		
CHANGES IN CASH AND CASH EQUIVALENTS							
Opening balance		340,929	621,099	1,957,828	1,019,611		
Exchange differences on cash and cash equivalents		-	-	(67,319)	30,107		
Closing balance		319,346	495,013	1,611,654	863,123		
DECREASE IN CASH AND CASH EQUIVALENTS		(21,583)	(126,086)	(278,855)	(186,595)		
		(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,,***,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(
NON-CASH TRANSACTIONS							
Additions of right-of-use assets	14	33,217	22,141	131,241	23,356		
Transfers between property and equipment, intangible assets, and right-		- ,	,		-,		
of-use assets	12,13,14	4	2,220	6,907	1,299		
Dividends receivable from subsidiaries	11	F F 20					
	11	5,530	-	-	-		







CONDENSED STATEMENTS OF VALUE ADDED Three-month period ended March 31, 2022 (In thousands of Brazilian reais - R\$)

		Par	ent	Consolidated		
	Notes	03/31/2022	03/31/2021	03/31/2022	03/31/2021	
WEALTH CREATED						
REVENUES			/==			
Service revenue	20	261,215	176,962	669,490	403,991	
Allowance for expected credit losses, net of reversals	9	-	(182)	(378)	(390)	
Other operating income		(4,689)	3,681	(11,174)	2,555	
INPUTS PURCHASED FROM THIRD PARTIES		(07.040)	(54.000)	(4.4.4.004)	(00.044)	
Cost of sales and services		(67,240)	(51,288)	(144,621)	(86,344)	
Materials, electric power, outside services and others		(16,551)	(9,690)	(28,303)	(19,255)	
Advertising materials, marketing, promotion funds and others related to sales		(44,040)	(24,236)	(69,779)	(45,132)	
50105		(44,040)	(24,200)	(03,113)	(43,132)	
GROSS VALUE ADDED		128,695	95,247	415,235	255,425	
RETENTIONS						
Depreciation and amortization	12,13,14	(91,057)	(75,365)	(210,134)	(193,008)	
	12,10,14	(31,007)	(10,000)	(210,104)	(193,000)	
WEALTH CREATED BY THE COMPANY		37,638	19,882	205,101	62,417	
		01,000	10,002	200,101	02,417	
WEALTH RECEIVED IN TRANSFER						
Share of profit (loss) of investees	11	(8,856)	(84,643)	646	(9,987)	
Finance income	22	87,220	16,565	102,764	48,411	
		,	,	,	,	
TOTAL WEALTH FOR DISTRIBUTION		116,002	(48,196)	308,511	100,841	
WEALTH DISTRIBUTED						
PERSONNEL						
Salaries and wages		52,773	29,053	111,158	67,727	
Benefits		4,742	4,452	9,395	7,619	
Social security costs		3,589	2,260	5,769	4,601	
		- ,	,	-,	,	
TAXES, FEES AND CONTRIBUTIONS:						
Federal		20,231	15,879	40,489	24,333	
State		3	3	234	164	
Municipal		9,671	6,545	13,072	8,542	
LENDERS AND LESSORS:						
Interest	22	95,306	39,626	180,011	118,420	
Leases		20,586	19,612	38,901	35,740	
SHAREHOLDERS:						
Owners' share of losses		(90,899)	(165,626)	(90,899)	(165,626)	
		(90,099)	(100,020)	(90,899)		
Noncontrolling interests' share of losses		-	-	301	(679)	
WEALTH DISTRIBUTED		116,002	(48,196)	308,511	100,841	





NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At March 31, 2022

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

1. GENERAL INFORMATION

Smartfit ("Company") is a company incorporated and based in Brazil, with its registered office at Avenida Paulista 1.294, 2° andar, Bela Vista, São Paulo/SP. The Company is registered with the Securities and Exchange Commission of Brazil (CVM) and its shares were listed for trading on B3 on July 14, 2021 under ticker symbol "SMFT3". The Company is controlled by members of the Corona family, Pátria Private Equity Co-Investment Smartfit Partners Fund – FIP, both companies controlled by investment funds managed by Pátria Investimentos Ltda. ("Pátria").

The Company is the leader in the gym market in Latin America, with the mission of democratizing the access to high quality fitness, quality of life and well-being. Through company owned operations and franchised units, the Company is present in fourteen countries, namely Brazil, Mexico, Colombia, Chile, Peru, Argentina, Paraguay, Panama, Costa Rica, Dominican Republic, Ecuador, Guatemala, El Salvador and Honduras, operating in the HVLP segment with the brand "Smart Fit", in the Premium segment with the brands "Bio Ritmo" and "O2", among others, and in the digital fitness segment with the brand "Queima Diária" and other digital services. The business segments are defined in note 24 and the main subsidiaries and joint ventures are disclosed in note 11.

COVID-19 AND GOING CONCERN

Gyms are still subject to restrictions imposed by local public bodies. However, the decrease in the number of COVID-19 cases and the high level of immunization rates of the population have led the authorities of certain regions, such as the cities of São Paulo and Rio de Janeiro and the state of Mexico, to discontinue the requirement to use masks in gyms beginning in March 2022.

The Group has resumed its expansion plans, advancing in the construction of new clubs and continuing to maintain its clubs in operation. As at March 31, 2022, the Group continues to operate with 100% of its units open, with a total of 1,090 units in operation (1,065 at December 31, 2021), with a solid cash position.

At this time, the Group continues to adopt certain measures and still benefits from measures implemented in previous phases of the COVID-19 pandemic in order to contain non-essential operating expenses and cash outflows, as well as to maintain adequate cash levels for its operations, such as:

- Renegotiation of payment terms and discounts with suppliers.
- Renegotiation with property owners, with a focus on obtaining discounts on monthly rents of units.
- Reduction of expenditures with utilities, cleaning and marketing.
- Fundraising and capital contributions, as well as renegotiations of debts, which ensured the maintenance of a solid cash position.

The Company's Management continues to monitor the developments of the COVID-19 pandemic in order to properly reflect any impacts in the condensed interim financial information, in compliance with Circular Letter/CVM/SNC/SEP/ 02/2020, 03/2020 and CVM Ruling 859/2020. No events or conditions that would materially impact the Group's ability to continue as a going concern or that would materially modify the measurement of its assets or liabilities in the condensed interim financial information have been identified.

2. BASIS OF PREPARATION AND PRESENTATION OF THE CONDENSED FINANCIAL INFORMATION

BASIS OF PREPARATION

The condensed interim financial information for the three-month period ended March 31, 2022 ("condensed interim financial statements") is being presented in accordance with IAS 34 "Interim Financial Reporting" issued by IASB and with technical pronouncement CPC 21 (R1) "Interim Financial Reporting", and does not include all information required for annual financial statements. Therefore, this interim financial information should be read in conjunction with the annual financial statements for December 31, 2021 ("annual financial statements"), prepared in accordance with the IFRS issued by IASB and the set of standards issued by CPC. Furthermore, it is also presented consistently with the standards issued by CVM applicable to the preparation of Quarterly Information ("ITR") and with the provisions of the Brazilian Corporate Law.

This condensed interim financial information was not audited. All significant information in the condensed interim financial information, and only this information, is being disclosed and corresponds to the information used in managing the Company's activities. The Company's management estimates that this interim financial information includes all adjustments required to present fairly the results of each period in a manner consistent with the results of the audited annual financial statements. The results for the three-month period ended March 31, 2022 do not necessarily reflect the proportion of the Group's results for the entire year.

The condensed interim financial information was concluded and authorized for issue by the Company's Board of Directors on May 11, 2022.

GENERAL ACCOUNTING POLICIES

The significant accounting policies adopted in preparing this condensed interim financial information are presented and summarized in the respective notes to the annual financial statements and were consistently applied.

There have been no changes in the accounting practices adopted in preparing this condensed interim financial information in relation to those presented in the annual financial statements.





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FUNCTIONAL AND PRESENTATION CURRENCY

The condensed interim financial information is being presented in thousands of Brazilian reais (R\$), which is the Company's functional currency. The functional currency of foreign subsidiaries and joint ventures is the local currency of each jurisdiction in which they operate, the currency in Mexico is the Mexican pesos; in Colombia the Colombian pesos; in Peru the Peruvian sol; in Chile the Chilean pesos; in Argentina the Argentine pesos; in Paraguay the Guarani; Panama (referring to Sporty Panama SA) and United States of America (FitMaster LLC) in US dollars.

For purposes of presenting this condensed interim financial information, the assets and liabilities of the Group's foreign operations are translated using the exchange rates prevailing at the end of the period. The results are translated at the monthly average exchange rates for the period, unless the rates fluctuate significantly during the period, in which case the exchange rates at the date of the transaction will be used. The exchange variations arising from these transactions are recognized in other comprehensive income and accumulated in a separate component in equity.

FOREIGN CURRENCY-DENOMINATED TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency of the Company and each of its subsidiaries and joint ventures using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency are translated into reais using the exchange rates prevailing at the end of the reporting period. Foreign exchange gains and losses resulting from the settlement of these transactions and the translation of monetary assets and liabilities denominated in foreign currency are recognized in profit or loss, as finance income or costs.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial information requires that Management uses estimates and exercises judgment in the process of applying the Group's accounting policies. These estimates are based on Management's experience and knowledge, information available at the reporting date and other factors, including expectations of future events that are considered to be reasonable under normal circumstances. Changes in the facts and circumstances may cause these estimates to be reviewed. Actual future results may differ from these estimates.

NEW AND REVISED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFETIVE

The following standards, which became effective on January 1, 2022, had no significant impact to the Group:

Standard	Description
Amendments to IAS 16	Property, Plant and Equipment – Proceeds Before Intended Use
Amendments to IFRS 3	References to the Conceptual Framework
Amendments to IAS 37	Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to IFRS Standards 2018-2020	Amendments to IFRS 1 – First Time Adoption of International Financial Reporting Standards, IFRS 9 – Financial Instruments, IFRS 16 – Leases, and IAS 41 - Agriculture

The Group has not early adopted the following revised IFRS, already issued but not yet effective:

Standard	Description	Effective for annual periods beginning on or after
IFRS 10 - Consolidated	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	No definition
Financial Statements and IAS		
28 (amendments)		
Amendments to IAS 1	Classification of Liabilities as Current or Noncurrent	01/01/2023
Amendments to IAS 8	Definition of Accounting Estimates	01/01/2023
Amendments to IAS 1 and IFRS Practice Statement	Disclosure of Accounting Policies	01/01/2023
	Defensed Texasleted to Accede and Lickilities existing forms - Clinate Texasleting	04/04/0000
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01/01/2023

Management is assessing potential impacts and, at this time, except for amendments to IAS 12, whose potential impacts are under assessment by the Group, the adoption of the aforementioned standards are not expected to have a significant impact on the Group's financial information in future periods.

SEASONAL INTERIM OPERATIONS

According to its business model, the Company has no seasonal operations.

3. ACQUISITIONS AND SALES

There were no significant acquisitions or sales in the three-month period ended March 31, 2022.

4. FINANCIAL RISK MANAGEMENT

The main financial risks that could have a significant adverse impact on the Group's strategy, performance, results of operations and financial situation are described below. The risks listed below are not presented in a particular order of relative importance or probability of occurrence.

The sensitivity analyses to market risk below are based on variations in one of the factors while all of the others remain constant. In practice, this is unlikely to occur and changes in several factors may be correlated; for example, changes in interest rates and foreign exchange rates.

The sensitivity analysis provides only a limited overview, at a given point in time. The actual impact on the Group's financial instruments may vary significantly in relation to the impact presented in the sensitivity analysis.









MARKET RISK MANAGEMENT

The market risk to which the Group is exposed consists of the possibility of valuation of financial assets or liabilities, as well as of certain expected cash flows being negatively impacted by changes in interest rates, foreign exchange rates or other price variables.

We present below a description of the risks mentioned above, as well as a breakdown of the extent to which the Group is exposed and an analysis of the sensitivity to changes in each of the relevant market variables.

FOREIGN EXCHANGE RISK MANAGEMENT

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will vary as a result of changes in exchange rates. The Group's exposure to foreign exchange risk mainly arises from its operating activities (when revenues or expenses are denominated in a currency other than the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Company and its Brazilian subsidiaries are not exposed to significant foreign exchange risks for transactions carried out in currencies other than the Brazilian real, as the amounts of transactions in other currencies are not material.

The Company is exposed to foreign exchange risk on its investments in foreign subsidiaries and joint ventures, mainly in its operations in Mexico, Colombia, Chile, Peru, Panama, Argentina and Paraguay due to the transactions carried out in currencies other than the local currency of these countries. Management believes that these are long-term investments and monitors the operational return on these investments and any short-term foreign currency fluctuations will not have immediate financial impacts for the Company. In addition, Management believes that the interest rate risk is limited, since all revenues (and nearly all expenses) are incurred in the local currency in the country in which the Group operates. Therefore, there is no significant exposure to fluctuations in foreign currency.

INTEREST RATE RISK MANAGEMENT

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in the market interest rates. The Group's exposure to interest rate risk mainly arises from its long-term obligations subject to variable interest rates.

The Company raises borrowings in local currency with the financial institutions, at fixed and variable interest rates, among which there is the CDI, to cover the cash requirements for financial investments and customer financing. Concurrently, the Company makes financial investments linked to CDI, aiming at partially offsetting the impacts in profit or loss. Additionally, foreign subsidiaries also have borrowings in their local currencies, mainly at variable rates for Mexico and Colombia and fixed rates for Chile and Peru. The Group's main borrowings are described in note 16.

The sensitivity analyses below have been established based on interest rate exposures at the reporting date. A 10% increase or decrease represents management's assessment of a reasonably possible change in interest rates. A positive number below would indicate an increase in results (finance income) and a negative number would indicate a decrease in results (finance costs). If interest rates were 10% higher/lower, with no changes in other variables, the effects would be as follows:

	Impact on	profit or loss
	10%	10%
	increase	decrease
PARENT		
Interest rate sensitivity		
Variable interest	7,503	(7,503)
CONSOLIDATED		
Interest rate sensitivity		
Variable interest	6,229	(6,229)

As part of its portfolio of assets (disclosed in note 7), the exclusive investment funds hold an LF security contracted at IPCA in the amount of R\$121,069 at March 31, 2022 for which the fund allocated a derivative financial instrument to hedge the total exposure, which resulted in the indexation to CDI. The mark-to-market, in the amount of R\$1,884, is recognized in finance income (costs), and the Group has not applied hedge accounting for this instrument.

PRICE RISK MANAGEMENT

Investments in shares of listed companies are subject to market price risk arising from uncertainties regarding the future values of such equity investments. The Group manages the share price risk through an ongoing monitoring of the changes in prices in order to identify significant movements.

The Group holds investments in shares of Sports World, SAB de CV, a company listed on the Mexican Stock Exchange. The table below details the effect that a 10% variation in the prices of this company's shares would have on the Group's results:.

	Impact on	profit or loss
	10%	10%
	increase	decrease
CONSOLIDATED		
Price sensitivity		
Shares of listed company	1,062	(1,062)





LIQUIDITY RISK MANAGEMENT

Liquidity risk refers to the inability to have the necessary resources to meet obligations in the short, medium and long term.

The Group manages the liquidity risk by continuously monitoring budgeted and actual cash flows, combining the maturity profiles of financial assets and operating liabilities, and maintaining adequate cash reserves. Because of the dynamics of its business, the Group maintains borrowing flexibility by maintaining bank credit facilities with some financial institutions.

The table below shows the maturity of the financial liabilities contracted by the Group:

	Maturity			
	Between			
	Between	1 and 2	Over	
	0 and 1 year	years	2 years	Total
PARENT				
At March 31, 2022				
Trade payables	52,262	-	-	52,262
Other liabilities	128,097	16,462	-	144,559
Borrowings ⁽¹⁾	339,320	286,645	2,591,386	3,217,351
Lease liabilities ⁽¹⁾	247,321	229,570	927,901	1,404,792
Derivative financial instruments	-	-	14,242	14,242
Total	767,000	532,677	3,533,529	4,833,206
CONSOLIDATED				
At March 31, 2022				
Trade payables	174,468	-	-	174,468
Other liabilities	153,527	19,389	-	172,916
Borrowings ⁽¹⁾	734,016	670,110	3,337,043	4,741,169
Lease liabilities ⁽¹⁾	678,314	651,136	1,844,597	3,174,047
Derivative financial instruments	-	-	14,242	14,242
Total	1,740,325	1,340,635	5,195,882	8,276,842

(1) Includes interest to be accrued.

As at March 31, 2022, there are guarantees granted by the Group by means of letters of guarantee from independent financial institutions related to the payment of lease agreements and several accounts payable in the amount of R\$64,610 (R\$65,952 at December 31, 2021).

Fund raising may contain operational and financial covenants. Generally, financial covenants are related to the liquidity level in respect of the ratio of cash and cash equivalents and short-term debt, and to the gearing ratio in respect of the ratio of net debt and EBITDA accumulated for the last 12 months (see note 16).

CREDIT RISK MANAGEMENT

Credit risk is the risk that the counterparty to a business transaction will fail to fulfill an obligation under a financial instrument or customer contract, which would lead to the recognition of losses. The operations of the Group comprise the provision of services related to physical fitness activities. Services are legally supported by agreements and other legal instruments that may be necessary. The Group is exposed to credit risk for cash and cash equivalents held with financial institutions and for the position of receivables generated in trading transactions. The carrying amounts of these financial instruments, as disclosed in notes 6, 9 and 10, represent the Group's maximum credit exposure.

For the balances of cash and cash equivalents and financial investments, in order to minimize the credit risk, the Group presents investment strategies in meetings of the Board of Directors, which are restricted to banking relationships in validated financial institutions. In these meetings, monetary limits and risk concentration are also established, which are regularly updated. The Group's exclusive investment funds contain a portfolio based mainly on federal government securities.

For the balances of trade receivables, the credit risk is mitigated by the fact that a large part of the sales are made using as means of payment the credit card, and are substantially securitized with the credit card companies. The Group assesses the concentration of risk related to trade receivables as write-offs, since its customers are located in several jurisdictions/countries.

On the other hand, the Group's business model with recurring collection reduces the risk of losses and, in case of non-payment by the members, the access to the units is blocked, and is reinstated only in the discharge of the amounts pending payment. With this operating model, the Group does not record trade receivables (and its revenue) for the members while they do not regularize the plan and return to using the gym. For this reason, the amounts provisioned for expected credit losses are not material.

We present below trade receivables arising from contracts with customers, by maturity:

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Customer list by late payment range				
Current	110,102	103,570	215,590	194,026
Past due:				
Up to 30 days	128	120	392	353
From 31 to 60 days	149	140	476	428
From 61 to 90 days	154	145	436	392
From 91 to 180 days	642	604	1,992	1,793
From 181 to 360 days	739	695	1,977	1,779
More than 361 days	867	816	2,257	2,032
Total	112,781	106,090	223,120	200,803





Other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, the Group expects these amounts to be received on maturity.

The Group has no guarantee for trade receivables and other receivables.

CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders and to maintain an adequate capital structure to reduce the cost of capital.

The Group's capital structure consists of cash and cash equivalents (note 6), investments in financial assets (note 7), trade receivables (note 9), other receivables (note 10), trade payables, other liabilities (note 15), borrowings (note 16) and equity (note 19).

Management reviews the Company's capital structure and its ability to settle liabilities on a periodic basis and timely monitors the average term of receivables and payables, taking the necessary actions to maintain them at levels considered adequate for financial management purposes.

Management does not use derivative instruments to hedge against this risk.

5. FINANCIAL INSTRUMENTS BY CATEGORY

FAIR VALUE HIERARCHY OF THE FINANCIAL INSTRUMENTS

The determination of fair value is disclosed in note 5 to the annual financial statements.

The tables below present the Group's financial assets measured at fair value at March 31, 2022 and their allocation to the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
PARENT				
Assets				
Investments in financial assets				
Exclusive investment funds and other financial investments	-	2,436,065	-	2,436,065
Other receivables				
N2B loan	-	-	16,404	16,404
Derivative financial instruments				
Smartfit call option - MB Negócios Digitais	-	-	4,895	4,895
Total	-	2,436,065	21,299	2,457,364
Liabilities				
Other liabilities				
Contingent consideration – Just Fit	-	-	(25,045)	(25,045)
Derivative financial instruments				
Sale obligation of noncontrolling interest – MB Negócios Digitais	-	-	(14,242)	(14,242)
Total	-	-	(39,287)	(39,287)
CONSOLIDATED				
Assets				
Cash and cash equivalents				
Repurchase agreements	-	450,540	-	450,540
Investments in financial assets				
Exclusive investment funds and other financial investments	-	1,801,323	-	1,801,323
Shares in publicly-held company	10,616	-	-	10,616
Other receivables				
N2B loan	-	-	16,404	16,404
Derivative financial instruments				
Smartfit call option - MB Negócios Digitais	-	-	4,895	4,895
Total	10,616	2,251,863	21,299	2,283,778
Liabilities		· · ·		· · ·
Other liabilities				
Contingent consideration – Just Fit	-	-	(25,045)	(25,045)
Derivative financial instruments			· · ·	
Sale obligation of noncontrolling interest – MB Negócios Digitais	-	<u>-</u>	(14,242)	(14,242)
Total	-		(39,287)	(39,287)





CHANGES IN LEVEL 3 ASSETS AND LIABILITIES

	Parent		Consolidated	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Financial instruments - Level 3				
At December 31, 2020	12,098	(14,178)	12,098	(14,178)
Purchases	3,732	(40,016)	3,732	(40,016)
Complement to acquisition price of subsidiary - MB Negócios Digitais	-	(13,000)	-	(13,000)
Write-off of fair value of purchase and sale obligation - SmartEXP	-	5,756	-	5,756
Gains and losses recognized in profit or loss	5,070	7,435	5,070	7,435
At December 31, 2021	20,900	(54,003)	20,900	(54,003)
Purchases	2,500	-	2,500	-
Gains and losses recognized in profit or loss	(2,101)	14,716	(2,101)	14,716
At March 31, 2022	21,299	(39,287)	21,299	(39,287)

In the three-month period ended March 31, 2022, there were no transfers between the different hierarchies used to determine the fair value of the Group's financial instruments.

When quoted prices are not available in an active market, fair values (especially derivative instruments) are based on recognized valuation methods. The Group uses various valuation models to measure Level 3 instruments, the details of which are presented in the following table:

Description	Price model/method	Assumptions	Fair value hierarchy
Smartfit call option - MB Negócios Digitais	Option pricing model	Acquisition value of Smartfit interest, projection of MB and market indicators: EBITDA, share value, volatility of EBITDA and share value, correlation between EBITDA and share value, interest rate and CDI.	Level 3
Sale obligation of noncontrolling interest – MB Negócios Digitais	Option pricing model	Acquisition value of Smartfit interest, projection of MB and market indicators: EBITDA, volatility of EBITDA and share value, correlation between EBITDA and share value, interest rate and CDI.	Level 3
N2B loan	Discounted cash flow	Projected future result in the N2B business, discounted with a specific WACC for this transaction.	Level 3
Contingent consideration – Just Fit	Multiple amount	Projected gross profit of the acquired units in the 12 months following the quarter in which Smart Fit's IPO was held.	Level 3

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES MEASURED AT AMORTIZED COST

The balance of "Borrowings" is monetarily adjusted based on market indexes (CDI), contractual rates (note 16) and variable interest according to market conditions and, therefore, the fair value is R\$2,183,048 in Parent and R\$3,563,810 in Consolidated.

The fair value of cash and cash equivalents, trade receivables, other receivables, trade payables, and other liabilities does not differ significantly from their carrying amount.

6. CASH AND CASH EQUIVALENTS

BREAKDOWN OF BALANCES

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Cash and cash equivalents				
Cash and banks	10,008	6,084	231,734	244,327
CDB ⁽¹⁾	309,338	314,084	929,132 (4	⁴⁾ 952,415
Non-exclusive investment funds	-	20,761	-	20,760
Repurchase agreements ⁽²⁾	-	-	450,540	735,456
Other financial investments ⁽³⁾	-	-	248	4,870
Total	319,346	340,929	1,611,654	1,957,828

They are remunerated at a weighted average rate of 101.30% of the CDI (102.90% in Dec/21) and managed by independent financial institutions. The maturities are variable, however, they (1) are highly liquid, with no loss of remuneration upon redemption.

Includes repurchase agreements that are part of the portfolio of the exclusive investment funds mentioned in note 7. These refer to transactions involving the purchase of securities with (2) repurchase commitment by issuers of the securities, which are classified in Parent under the line item Investments in financial assets in the line "Exclusive investment funds", and are remunerated mainly at a rate of 100.00% of the CDI (97,20% in Dec/21).

These are distributed into subsidiaries Latamgym Mexico with an average annual rate of 4.51% (3.55% in Dec/21), Sporty City Colombia with an average annual rate of 3.78% (2.26% in (3) Dec/21), and Latamfit Chile with an average annual rate of 0.65% (0.63% in Dec/21). Includes the consolidated balance of the CDBs that compose the portfolio of the Santo Amaro exclusive investment fund remunerated at a weighted average rate of 82.47% of the CDI

(4) (86,39% in Dec/21). The maturities are variable, however, they are highly liquid, with no loss of remuneration upon redemption.







7. INVESTMENTS IN FINANCIAL ASSETS

BREAKDOWN OF BALANCES

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Investments in financial assets				
CDB ⁽¹⁾	74,389	72,636	75,525	78,573
Non-exclusive investment funds ⁽²⁾	21,336	15,756	21,336	16,015
Exclusive investment funds ⁽³⁾	2,409,354	2,612,153	-	-
Government securities ⁽⁴⁾	-	-	1,237,421	1,207,304
Financial bills ⁽⁵⁾	-	-	537,191	417,835
Interests in publicly-held company	-	-	10,616	17,478
Other financial investments	5,375	3,910	25,950	28,506
Total	2,510,454	2,704,455	1,908,039	1,765,711
Current	2,505,079	2,700,545	1,880,750	1,761,801
Noncurrent	5,375	3,910	27,289	3,910

(1) Includes R\$74,389 of guarantees related to debentures, as established in the contract (see note 16). These are remunerated at a rate of 99.50% the CDI (99.50% in Dec/21) and managed by independent financial institutions.

These refer to guarantees related to debentures, as established in the contract (see note 16). Refers to the non-exclusive fixed income investment fund Soberano, At March 31, 2022, the (2)portfolio was distributed mainly into government securities (LFT), CDB and repurchase agreements, with weighted average rate of 98.15% of the CDI (98.25% in Dec/21).

Refer to the private credit exclusive fixed income investment funds Átila RF CP FI remunerated at a weighted average rate of 106.09% of the CDI (104,57% in Dec/21) and Santo Amaro RF CP remunerated at a weighted average rate of 100.62% of the CDI (99,95% in Dec/21). These funds were established for the sole purpose of the Parent's participation. In the Parent, (3) the amounts of the quotas held by the Company are presented under the line item Investments in financial assets in the line Exclusive investment funds. In Consolidated, the financial investment of the funds was fully consolidated into this condensed interim financial information, in accordance with CVM Instruction 408/04, and their balances were presented by each financial component.

Represented by government securities (LFT) remunerated at SELIC + rate between 0.09% and 0.10% (SELIC + rate between 0.09% and 0.10% in dec/21) for the securities of Santo Amaro (4)

and Atila funds remunerated at a weighted average rate of 100.43% of the CDI (98,60% in Dec/21). Refer to securities by private credit issuers of Atila fund remunerated at a rate of 104.65% to 128.39% of the CDI (108,30% to 133,13% in Dec/21) and Santo Amaro fund remunerated at a (5) rate of 100% of the CDI + 1.10% (100% of the CDI + 1,10% in Dec/21).

8. DERIVATIVE FINANCIAL INSTRUMENTS

BREAKDOWN OF BALANCES

	Pa	Parent		lidated
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Derivative financial investments				
Assets				
Smartfit call option - MB Negócios Digitais	4,895	7,027	4,895	7,027
Total	4,895	7,027	4,895	7,027
Liabilities				
Sale obligation of noncontrolling interest – MB Negócios Digitais	14,242	13,987	14,242	13,987
Total	14,242	13,987	14,242	13,987

9. TRADE RECEIVABLES

BREAKDOWN OF BALANCES

	Parent		Consolidated	
	03/31/2021	12/31/2021	03/31/2022	12/31/2021
Trade receivables				
Trade receivables arising from contracts with customers ⁽¹⁾	112,781	106,090	223,120	200,803
Allowance for expected credit losses	(1,677)	(1,677)	(5,404)	(5,026)
Total	111,104	104,413	217,716	195,777

(1) Trade receivables refer to recurring amounts from gym and corporate customers, promotions and recurring debt, receivables from the sales of gym plans, substantially distributed by the main card operators in Brazil and international card operators, and to the recognition of amounts of Smartfit's Smart and Black plans. The annual fees are generally charged in the second and third month after the enrollment of new members





10. OTHER RECEIVABLES

BREAKDOWN OF BALANCES

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Other receivables				
Related parties ⁽¹⁾	139,491	95,042	20,040	22,997
Security deposits ⁽²⁾	239	239	29,650	33,025
Loans to third parties ⁽³⁾	19,102	16,628	39,085	36,564
Taxes recoverable ⁽⁴⁾	47,733	44,897	190,844	201,618
Escrow deposits ⁽⁵⁾	58,793	58,756	68,092	67,883
Prepaid expenses	23,588	6,868	41,900	22,545
Others	8,040	24,843	34,386	39,013
Total	296,986	247,273	423,997	423,645
Current	189,139	141,627	254,110	254,547
Noncurrent	107,847	105,646	169,887	169,098

(1) See note 25.

(2) (3) In Consolidated, refers substantially to security deposits for lease contracts in Mexico. Includes the loan with N2B Nutrição Empresarial Ltda. ("N2B", a startup that operates in the nutrition industry) in the amount of R\$16,404, indexed to the positive IPCA variation, with maturity in February 2025, which will entitle Smartfit to hold a 64.4% interest in N2B in the event of conversion of this loan into common shares. Refers to the proposal for investment in N2B in order to support the provision of complementary fitness services for the expansion, development and provision of licenses to access the Smartnutri platform. This platform offers a package of features, such as a daily meal registration schedule, scanner that recognizes processed foods, chat with nutritionists, monitoring of body composition, personalized meal suggestions and food recognition by photo, among others.

In Consolidated, includes mainly PIS/COFINS of R\$10,971 (R\$10,360 in Dec/21), IRPJ/CSLL of R\$30,356 (R\$31,283 in Dec/21) and IGV of R\$45,753 (R\$110,461 in Dec/21). These are related to administrative and judicial proceedings, mainly in the tax (IRRF withholdings) and social security areas (INSS contributions). (4)

(5)

11. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES

BREAKDOWN OF BALANCES

	03/31/2022		period ended 31, 2022	12/31/2021		period ended 31, 2021
	Investment balance	Share of profit (loss) of investees	Other comprehensive income	Investment balance	Share of profit (loss) of investees	Other comprehensive income
PARENT						
Subsidiaries						
Latamgym SAPI de CV	961,391	(12,610)	(142,474)	1,054,955	(40,634)	61,924
Sporty City SAS	437,490	5,763	(37,399)	468,957	(9,199)	1,530
Latamfit Chile SPA	209,849	(322)	(18,359)	228,529	(10,558)	20,322
Smartfit Peru SAC	18,265	(10,530)	(4,217)	33,000	(18,059)	1,211
MB Negócios Digitais S.A.	115,959	5,152	(93)	116,430	7,259	-
ADV Esporte e Saúde Ltda.	48,149	(1,899)	-	34,248	(432)	-
Other subsidiaries	252,531	4,534	(10,264)	245,567	(8,941)	10,761
Joint ventures						
FitMaster LLC	44,153	329	-	39,406	(1,061)	-
Sporty Panamá SA	91,454	727	2,904	87,823	(3,018)	113
Total	2,179,241	(8,856)	(209,902)	2,308,915	(84,643)	95,861
Included in assets	2,188,612			2,318,853		
Included in liabilities ¹	(9,371)			(9,938)		
CONSOLIDATED						
Joint ventures						
FitMaster LLC	44,153	329	-	39,405	(1,061)	-
Sporty Panamá SA	91,454	727	2,904	87,823	(3,018)	22,302
Total Pass SA de CV	(3,321)	(410)	469	(3,380)	(5,908)	-
Total	132,286	646	3,373	123,848	(9,987)	22,302
Included in assets	135,607			127,228		
Included in liabilities ¹	(3,321)			(3,380)		

(1) See note 15.





CHANGES FOR THE PERIOD

	Parent	Consolidated
Investments in subsidiaries and joint ventures		
At December 31, 2020	2,192,814	123,716
Capital increases	378,981	15,860
Acquisition of subsidiary – Just Fit	40,016	-
Acquisition of shares – ADV	2,699	-
Write-off of purchase and sale obligation - SmartEXP	(5,756)	(5,756)
Complement to acquisition price of subsidiary - MB Negócios Digitais	15,136	-
Monetary adjustment of capital contribution – MB Negócios Digitais	68	-
Share-based payments in subsidiaries	1,858	-
Share of profit (loss) of investees	(283,282)	(14,996)
Other comprehensive income in subsidiaries	(3,554)	-
FX effects	(30,159)	4,937
Others	94	87
At December 31, 2021	2,308,915	123,848
Capital increase ⁽¹⁾	94,222	4,419
Dividends ⁽²⁾	(5,530)	-
Share-based payments in subsidiaries	392	-
Share of profit (loss) of investees	(8,856)	646
Other comprehensive income in subsidiaries	(4,158)	-
FX effects	(205,744)	3,373
At March 31, 2022	2,179,241	132,286

At March 31, 2022, in Parent, this refers mainly to the capital increase in subsidiaries Smartfit Argentina (R\$108), Latangym Mexico (R\$61,309), Smartfit Paraguay (R\$7,886), Biomorum (R\$2,900), ADV (R\$15,800), Just Fit (R\$1,800) and in the joint venture FitMaster (R\$4,419).
 Dividends receivable from subsidiary.

SUMMARIZED AGGREGATED FINANCIAL INFORMATION ON JOINT VENTURES

	03/31/2022	12/31/2021
BALANCE SHEETS		
Current assets	45,097	2,484
Noncurrent assets	315,555	120,836
Total assets	360,652	123,320
Current liabilities	64,650	1,872
Noncurrent liabilities	98,967	21,152
Total liabilities	163,617	23,024
_Total equity	197,035	100,296

	Three-month period ended	
	03/31/2022	03/31/2021
STATEMENT OF PROFIT AND LOSS		
Operating revenue	25,879	5,467
Costs and expenses	(21,692)	(21,688)
Operating profit (loss)	4,187	(16,221)
_Finance income (costs)	(1,844)	(1,024)
Profit (loss) for the period	2,343	(17,245)





12. PROPERTY AND EQUIPMENT

BREAKDOWN OF AND VARIATIONS IN THE BALANCES

ALENT Al December 31, 2020 Cost 87,265 97,156 87,591 31,178 32,205 73,305 Accumulated depreciation (399,558) (12,3176) (22,068) (13,036) - (34,149) Net value 467,707 273,890 54,623 15,142 32,505 33,757 Additions 51,648 7,322 3,984 5,524 97,729 4,290 Acquisition of assets 63,449 34,739 16,147 2,400 39,030 9,999 Write-offs (6,132) (4,462) - (67) (19,02) - Depreciation (64,22) (4,1080) (9,608) (6,209) - (15,304) Transfors and reclassifications ⁽¹¹⁾ 45,873 35,553 6,105 1.004 (96,937) 5,626 Accumulated depreciation (465,640) (170,513 42,706) (18,830) - (25,55) 703 Motions ⁽¹⁰⁾ 11,952 4,961 2,219 1,103 25,525 <	Total	Other property and equipment	Property and equipment in progress	IT equipment	Furniture and fixtures	Machinery and equipment	Facilities and leasehold improvements	
Cost B67 265 397,156 67,591 31,178 32,505 73,905 Accumulated depreciation (399,556) (123,176) (32,906) (13,036) - (34,148) Met value 467,707 273,880 54,623 18,142 32,505 39,757 Additions 51,648 7,322 3,964 5,024 97,729 4,200 Acquisition of assets 63,449 34,739 16,147 2,400 30,030 9999 Withe-offs (6,132) (4,462) - (67) (1,902) - (15,304) Depreciation (84,242) (41,080) (9,608) (6,209) - (49,336) Accumulated depreciation (466,404) (170,513) (42,760) (16,890) - (49,336) Net value 538,303 306,262 71,251 21,194 70,425 44,358 Additions ⁴⁹ 11,982 4,961 2,219 1,032 2,563 703 Nite value 538,303 <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>								
Net value 467,707 273,980 54,623 18,142 32,505 33,757 Additions 51,648 7,332 3,964 5,924 97,729 4,290 Acquisition of assets 63,449 34,739 16,147 2,400 39,030 9,989 Available (6,12) (4,262) - (67) (1,902) - Depreciation (84,242) (41,080) (9,608) (6,209) - (15,304) reclassifications ¹⁰ 45,873 35,553 6,105 1,004 (96,937) 5,626 At December 31, 2021 Cost - - - (49,336) Accumulated depreciation (496,404) (170,513) (42,700) (18,990) - (49,336) Additions ⁽⁵⁾ 11,952 4,961 2,219 1,103 25,525 703 Write-offs (8,847) (4,102) (203) - (2,560) (51) Depreciation (26,739) (12,100) (2,933) (18,231) <td>1,489,600</td> <td></td> <td>32,505</td> <td></td> <td></td> <td></td> <td></td> <td></td>	1,489,600		32,505					
Additions 51,648 7,332 3,964 5,924 97,729 4,290 Acquisition of assets 63,449 34,739 16,147 2,400 39,030 9,989 Write-offs (6,132) (4,262) - (67) (1,902) - Depreciation (84,242) (41,080) (9,603) (5,029) - (15,304) Transfers and reclassifications ¹⁰ 45,673 35,553 6,105 1,004 (96,937) 5,626 At December 31, 2021 Cost 1,004,707 476,775 114,011 40,084 70,425 93,694 Accumulated depreciation (46,6,404) (170,513) (42,760) (18,990) - (43,336) Met value 538,303 396,262 71,281 21,194 70,425 703 Indefines ¹⁰⁰ (8,477) (10,20) (2,333) - (2,656) (51) Depreciation (26,739) (12,100) (2,233) (1,823) - (3,602) Transfors and reclassificat	(602,886)		-					
Acquisition of assets 63 449 34 738 16,147 2,400 30,030 9,989 Write-offs (6,132) (4,262) - (67) (1,902) - Depreciation (8,424) (41,080) (9,608) (6,209) - (15,304) Transfers and (8,424) (41,080) (9,608) (6,209) - (15,304) Transfers and (46,644) (77,513) (42,760) (18,890) - (49,336) Accumulated depreciation (46,644) (170,513) (42,760) (18,890) - (49,336) Net value 538,303 306,262 71,281 21,994 70,425 703 Additions ⁽⁵⁾ 11,952 4,961 2,219 1,103 25,525 703 Mrite-offs (8,447) (4,102) (203) - (2,268) (51) Degreciation (26,739) (12,100) (2,933) (1,823) - (3,602) Transfers and 8,223 10,204 2,8	886,714	39,757	32,505	18,142	54,623	273,980	467,707	Net value
Acquisition of assets 63 449 34 738 16,147 2,400 30,030 9,989 Write-offs (6,132) (4,262) - (67) (1,902) - Depreciation (8,424) (41,080) (9,608) (6,209) - (15,304) Transfers and (8,424) (41,080) (9,608) (6,209) - (15,304) Transfers and (46,644) (77,513) (42,760) (18,890) - (49,336) Accumulated depreciation (46,644) (170,513) (42,760) (18,890) - (49,336) Net value 538,303 306,262 71,281 21,994 70,425 703 Additions ⁽⁵⁾ 11,952 4,961 2,219 1,103 25,525 703 Mrite-offs (8,447) (4,102) (203) - (2,268) (51) Degreciation (26,739) (12,100) (2,933) (1,823) - (3,602) Transfers and 8,223 10,204 2,8	170,907	4 290	97 729	5 924	3 984	7,332	51 648	Additions
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	165,754							
Degreciation (84.242) (41.080) (9.608) (6.209) - (15.304) Transfers and reclassifications ⁽¹⁾ 45.873 35.553 6.105 1.004 (96.937) 5.626 At December 31, 2021	(12,363)							
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	(156,443)	(15,304)			(9,608)			
At December 31, 2021 Cost Cost<								
$\begin{array}{c cc c$	(2,776)	5,626	(96,937)	1,004	6,105	35,553	45,873	reclassifications ⁽¹⁾
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$								At December 31, 2021
Net value 538,303 306,262 71,251 21,194 70,425 44,358 Additions ⁽⁵⁾ 11,952 4,961 2,219 1,103 25,525 703 Write-offs (8,847) (4,102) (203) - (2,556) (51) Depreciation (26,739) (12,100) (2,933) (1,823) - (3,602) Transfers and reclassifications ⁽¹⁾ 8,223 10,204 2,886 313 (22,431) 801 At March 31, 2022	1,799,696	93,694	70,425	40,084	114,011	476,775	1,004,707	
Net value 538,303 306,262 71,251 21,194 70,425 44,358 Additions ⁽⁵⁾ 11,952 4,961 2,219 1,103 25,525 703 Write-offs (8,847) (4,102) (203) - (2,556) (51) Depreciation (26,739) (12,100) (2,933) (1,823) - (3,602) Transfers and reclassifications ⁽¹⁾ 8,223 10,204 2,886 313 (22,431) 801 At March 31, 2022	(747,903)		-					Accumulated depreciation
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	1,051,793		70,425					
$\begin{array}{c c c c c c c c c c c c c c c c c c c $								(2)
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	46,463			1,103		,		
Transfers and reclassifications ⁽¹⁾ 8,223 10,204 2,886 313 (22,431) 801 At March 31, 2022	(15,759)		(2,556)	-				
reclassifications ⁽¹⁾ 8,223 10,204 2,886 313 (22,431) 801 At March 31, 2022	(47,197)	(3,602)	-	(1,823)	(2,933)	(12,100)	(26,739)	
At March 31, 2022	(4)	801	(22 431)	313	2 886	10 204	8 223	
Cost 1,015,865 487,542 118,881 41,473 70,963 95,032 Accumulated depreciation (492,973) (182,317) (45,661) (20,886) - (52,823) Net value 522,892 305,225 73,220 20,787 70,963 42,209 CONSOLIDATED	(+)	001	(22,401)	515	2,000	10,204	0,220	
Accumulated depreciation (492,973) (182,317) (45,661) (20,686) - (52,823) Net value 522,892 305,225 73,220 20,787 70,963 42,209 CONSOLIDATED								At March 31, 2022
Net value 522,892 305,225 73,220 20,787 70,963 42,209 CONSOLIDATED At December 31, 2020	1,829,756	95,032	70,963	41,473	118,881	487,542	1,015,865	Cost
CONSOLIDATED At December 31, 2020 Cost 2,258,657 803,533 193,216 105,928 188,258 93,147 Accumulated depreciation (790,089) (250,165) (77,570) (56,287) - (43,496) Net value 1,468,568 553,368 115,646 49,641 188,258 49,651 Additions 119,304 34,344 6,656 14,021 290,313 12,668 Acquisition of subsidiary 23,241 21,177 3,240 392 14 2,595 Acquisition of subsidiary 23,241 21,177 3,240 392 14 2,595 Acquisition of subsidiary 23,241 21,177 3,240 392 14 2,595 Acquisition of subsidiary 23,241 21,177 3,240 392 14 2,595 Acquisition of subsidiary 23,241 21,177 3,240 39,030 9,989 Write-offs (21,279) (10,108) (627) (6669) (6,663) -	(794,460)	(52,823)	-	(20,686)	(45,661)	(182,317)	(492,973)	Accumulated depreciation
At December 31, 2020Cost2,258,657803,533193,216105,928188,25893,147Accumulated depreciation(790,089)(250,165)(77,570)(56,287)-(43,496)Net value1,468,568553,368115,64649,641188,25849,651Additions119,30434,3446,65614,021290,31312,668Acquisition of subsidiary23,24121,1773,240392142,595Acquisition of assets63,44934,73916,1472,40039,0309,989Write-offs(21,279)(10,108)(627)(669)(6,663)-Depreciation(216,293)(107,941)(21,377)(17,450)-(18,321)FX effects10,967(7,666)(3,160)(1,532)(30,869)(827)Transfers and reclassifications ⁽²⁾ 151,87053,56727,3243,581(208,718)4,352At December 31, 2021Cost2,597,677959,878245,010122,382271,365121,742Accumulated depreciation(997,850)(388,398)(101,161)(71,998)-(61,635)Net value1,599,827571,480143,84950,384271,36560,107Additions ⁽³⁾ 37,21814,3913,6274,084125,96428,053Write-offs(13,891)(731)(373)-(2,583)-Depreciation(56,690)(25,214)(6,411)(1,035,296	42,209	70,963	20,787	73,220	305,225	522,892	Net value
$\begin{array}{c c c c c c c c c c c c c c c c c c c $								
Net value1,468,568553,368115,64649,641188,25849,651Additions119,30434,3446,65614,021290,31312,668Acquisition of subsidiary23,24121,1773,240392142,595Acquisition of assets63,44934,73916,1472,40039,0309,989Write-offs $(21,279)$ $(10,108)$ (627) (669) $(6,663)$ -Depreciation $(216,293)$ $(107,941)$ $(21,377)$ $(17,450)$ - $(18,321)$ FX effects $10,967$ $(7,666)$ $(3,160)$ $(1,532)$ $(30,869)$ (827) Transfers and reclassifications ⁽²⁾ 151,87053,567 $27,324$ $3,581$ $(208,718)$ $4,352$ At December 31, 2021Cost $2,597,677$ 959,878245,010122,382271,365121,742Accumulated depreciation(997,850) $(388,398)$ $(101,161)$ $(71,998)$ - $(61,635)$ Net value1,599,827571,480143,84950,384271,36560,107Additions ⁽³⁾ 37,21814,3913,6274,084125,96428,053-Depreciation $(56,690)$ $(25,214)$ $(6,411)$ $(6,722)$ (185) $(4,936)$ Fx effects $(108,601)$ $(20,127)$ $(7,214)$ $(2,549)$ $(23,555)$ $(2,077)$	3,642,739	93,147	188,258	105,928	193,216	803,533	2,258,657	Cost
Additions 119,304 34,344 6,656 14,021 290,313 12,668 Acquisition of subsidiary 23,241 21,177 3,240 392 14 2,595 Acquisition of subsidiary 23,241 21,177 3,240 392 14 2,595 Acquisition of subsidiary 23,241 21,177 3,240 392 14 2,595 Acquisition of subsidiary 23,241 21,177 3,240 392 14 2,595 Acquisition of assets 63,449 34,739 16,147 2,400 39,030 9,989 Write-offs (21,279) (10,108) (627) (669) (6,63) - Depreciation (216,293) (107,941) (21,377) (17,450) - (18,321) Transfers and reclassifications ⁽²⁾ 151,870 53,567 27,324 3,581 (208,718) 4,352 At December 31, 2021 Cost 2,597,677 959,878 245,010 122,382 271,365 121,742 Accumulated depreciation (997,850) (388,398) (101,161) (71,998) -	(1,217,607)		-					
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	2,425,132	49,651	188,258	49,641	115,646	553,368	1,468,568	Net value
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	477,306	12,668	290.313	14.021	6.656	34.344	119,304	Additions
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	50,659		,					
Depreciation (216,293) (107,941) (21,377) (17,450) - (18,321) FX effects 10,967 (7,666) (3,160) (1,532) (30,869) (827) Transfers and reclassifications ⁽²⁾ 151,870 53,567 27,324 3,581 (208,718) 4,352 At December 31, 2021 Cost 2,597,677 959,878 245,010 122,382 271,365 121,742 Accumulated depreciation (997,850) (388,398) (101,161) (71,998) - (61,635) Net value 1,599,827 571,480 143,849 50,384 271,365 60,107 Additions ⁽³⁾ 37,218 14,391 3,627 4,084 125,964 28,053 Write-offs (13,891) (731) (373) - (2,583) - Depreciation (56,690) (25,214) (6,411) (6,722) (185) (4,936) FX effects (108,601) (20,127) (7,214) (2,549) (23,555) (2,077)	165,754							
FX effects 10,967 (7,666) (3,160) (1,532) (30,869) (827) Transfers and reclassifications ⁽²⁾ 151,870 53,567 27,324 3,581 (208,718) 4,352 At December 31, 2021 Cost 2,597,677 959,878 245,010 122,382 271,365 121,742 Accumulated depreciation (997,850) (388,398) (101,161) (71,998) - (61,635) Net value 1,599,827 571,480 143,849 50,384 271,365 60,107 Additions ⁽³⁾ 37,218 14,391 3,627 4,084 125,964 28,053 Write-offs (13,891) (731) (373) - (2,583) - Depreciation (56,690) (25,214) (6,411) (6,722) (185) (4,936) FX effects (108,601) (20,127) (7,214) (2,549) (23,555) (2,077)	(39,346)	-						
Transfers and reclassifications ⁽²⁾ 151,870 53,567 27,324 3,581 (208,718) 4,352 At December 31, 2021 Cost 2,597,677 959,878 245,010 122,382 271,365 121,742 Cost 2,597,677 959,878 245,010 122,382 271,365 121,742 Accumulated depreciation (997,850) (388,398) (101,161) (71,998) - (61,635) Net value 1,599,827 571,480 143,849 50,384 271,365 60,107 Additions ⁽³⁾ 37,218 14,391 3,627 4,084 125,964 28,053 Write-offs (13,891) (731) (373) - (2,583) - Depreciation (56,690) (25,214) (6,411) (6,722) (185) (4,936) FX effects (108,601) (20,127) (7,214) (2,549) (23,555) (2,077)	(381,382)	(18,321)	-	(17,450)	(21,377)	(107,941)	(216,293)	Depreciation
reclassifications ⁽²⁾ 151,870 53,567 27,324 3,581 (208,718) 4,352 At December 31, 2021 Cost 2,597,677 959,878 245,010 122,382 271,365 121,742 Accumulated depreciation (997,850) (388,398) (101,161) (71,998) - (61,635) Net value 1,599,827 571,480 143,849 50,384 271,365 60,107 Additions ⁽³⁾ 37,218 14,391 3,627 4,084 125,964 28,053 Write-offs (13,891) (731) (373) - (2,583) - Depreciation (56,690) (25,214) (6,411) (6,722) (185) (4,936) FX effects (108,601) (20,127) (7,214) (2,549) (23,555) (2,077)	(33,087)	(827)	(30,869)	(1,532)	(3,160)	(7,666)	10,967	
At December 31, 2021 Cost 2,597,677 959,878 245,010 122,382 271,365 121,742 Accumulated depreciation (997,850) (388,398) (101,161) (71,998) - (61,635) Net value 1,599,827 571,480 143,849 50,384 271,365 60,107 Additions ⁽³⁾ 37,218 14,391 3,627 4,084 125,964 28,053 Write-offs (13,891) (731) (373) - (2,583) - Depreciation (56,690) (25,214) (6,411) (6,722) (185) (4,936) FX effects (108,601) (20,127) (7,214) (2,549) (23,555) (2,077)	04.070	4 9 5 9	(000 = (0)	0.504	07.004		151 070	
Cost 2,597,677 959,878 245,010 122,382 271,365 121,742 Accumulated depreciation (997,850) (388,398) (101,161) (71,998) - (61,635) Net value 1,599,827 571,480 143,849 50,384 271,365 60,107 Additions ⁽³⁾ 37,218 14,391 3,627 4,084 125,964 28,053 Write-offs (13,891) (731) (373) - (2,583) - Depreciation (56,690) (25,214) (6,411) (6,722) (185) (4,936) FX effects (108,601) (20,127) (7,214) (2,549) (23,555) (2,077)	31,976	4,352	(208,718)	3,581	27,324	53,567	151,870	reclassifications ⁽²⁾
Accumulated depreciation (997,850) (388,398) (101,161) (71,998) - (61,635) Net value 1,599,827 571,480 143,849 50,384 271,365 60,107 Additions ⁽³⁾ 37,218 14,391 3,627 4,084 125,964 28,053 Write-offs (13,891) (731) (373) - (2,583) - Depreciation (56,690) (25,214) (6,411) (6,722) (185) (4,936) FX effects (108,601) (20,127) (7,214) (2,549) (23,555) (2,077)								At December 31, 2021
Net value 1,599,827 571,480 143,849 50,384 271,365 60,107 Additions ⁽³⁾ 37,218 14,391 3,627 4,084 125,964 28,053 Write-offs (13,891) (731) (373) - (2,583) - Depreciation (56,690) (25,214) (6,411) (6,722) (185) (4,936) FX effects (108,601) (20,127) (7,214) (2,549) (23,555) (2,077)	4,318,054	121,742	271,365	122,382	245,010	959,878	2,597,677	Cost
Additions ⁽³⁾ 37,218 14,391 3,627 4,084 125,964 28,053 Write-offs (13,891) (731) (373) - (2,583) - Depreciation (56,690) (25,214) (6,411) (6,722) (185) (4,936) FX effects (108,601) (20,127) (7,214) (2,549) (23,555) (2,077)	(1,621,042)	(61,635)	-	(71,998)	(101,161)	(388,398)	(997,850)	Accumulated depreciation
Write-offs (13,891) (731) (373) - (2,583) - Depreciation (56,690) (25,214) (6,411) (6,722) (185) (4,936) FX effects (108,601) (20,127) (7,214) (2,549) (23,555) (2,077)	2,697,012	60,107	271,365	50,384	143,849	571,480	1,599,827	Net value
Write-offs (13,891) (731) (373) - (2,583) - Depreciation (56,690) (25,214) (6,411) (6,722) (185) (4,936) FX effects (108,601) (20,127) (7,214) (2,549) (23,555) (2,077)	040.007	00.050	405.004	4.004	0.007	44.004	07.040	(3)
Depreciation (56,690) (25,214) (6,411) (6,722) (185) (4,936) FX effects (108,601) (20,127) (7,214) (2,549) (23,555) (2,077)	213,337	28,053		4,084				
FX effects (108,601) (20,127) (7,214) (2,549) (23,555) (2,077)	(17,578)	-		-				
	(100,158)							•
	(164,123)	(2,077)	(23,555)	(2,549)	(7,214)	(20,127)	(100,001)	
reclassifications ⁽²⁾ 65,610 23,459 8,408 5,729 (99,335) 3,036	6,907	3,036	(99,335)	5,729	8,408	23,459	65,610	
At March 31, 2022								At March 31, 2022
Cost 2,533,895 949,312 240,389 131,899 271,671 152,430	4,279,596	152,430	271,671	131,899	240,389	949,312	2,533,895	
Accumulated depreciation (1,010,422) (386,054) (98,503) (80,973) - (68,247)	(1,644,199)		-					
Net value 1,523,473 563,258 141,886 50,926 271,671 84,183	2,635,397	84,183	271,671	50,926	141,886	563,258	1,523,473	Net value

The remaining balance in the Transfers and reclassifications column refers to reclassifications to Intangible assets (see note 13).
 The remaining balance in the Transfers and reclassifications column refers to Property and equipment reclassified to Intangible assets in the amount of R\$1,383 (see note 13) and Right-of-use assets reclassified to Property and equipment in the amount of R\$5,524 (see note 14).
 Includes financial costs, capitalized at R\$1,249.
 The estimated annual depreciation rates by main class of assets are as follows: Facilities and leasehold improvements: 10% - 20%; Machinery and equipment: 7% - 12%; Furniture and fixtures: 7% - 12%; IT equipment: 3% - 25%.







13. INTANGIBLE ASSETS

BREAKDOWN OF AND VARIATIONS IN THE BALANCES⁽³⁾

	Goodwill ⁽²⁾	Assignment of right of use	Software	Customer list	Trademarks and patents	Total
PARENT						
At December 31, 2020	00.000	40 770	11 454		0.470	145.005
Cost Accumulated amortization	82,320	42,773 (33,437)	<u> </u>		8,478	145,025 (38,328)
Net value	82,320	9,336	(4,891) 6,563		8,478	106,697
Net value	02,320	3,330	0,505	-	0,470	100,097
Additions	-	-	2,109	-	-	2,109
Acquisitions of assets	-	-	102	-	-	102
Write-offs	-	-	(88)	-	-	(88)
Amortization	-	(1,687)	(3,366)	-	-	(5,053)
Transfers and reclassifications	-	-	17,412	-	-	17,412
At December 31, 2021						
Cost	82,320	42,773	30,979	-	8,478	164,550
Accumulated amortization	-	(35,124)	(8,247)	-	-	(43,371)
Net value	82,320	7,649	22,732	-	8,478	121,179
Additions			2,922			2,922
Amortization		(423)	(1,090)	 		(1,513)
Transfers and reclassifications ⁽¹⁾		- (423)	4			4
			Ŧ			<u>_</u>
At March 31, 2022	00.000	40.770	22.004		0.470	407.475
Cost Accumulated amortization	82,320	42,773 (35,547)	33,904	-	8,478	167,475
Net value	82,320	<u>(35,547)</u> 7,226	(9,336) 24,568		8,478	(44,883) 122,592
CONSOLIDATED At December 31, 2020 Cost Accumulated amortization	1,450,751	65,032 (44,186)	48,689 (21,974)	38,037 (21,598)	26,919 (790)	1,629,428 (88,548)
Net value	1,450,751	20,846	26,715	16,439	26,129	1,540,880
Additions	-	-	4,665	145	1,128	5,938
Acquisitions of subsidiaries	18,016	457	563	-	-	19,036
Acquisitions of assets	- (700) (3)	-	102	-	-	102
Write-offs	(706) ⁽³⁾	(128)	(418)	-	(407)	(1,659)
Amortization FX effects	(34,876)	(4,803) 1,374	(11,806) 242	(11,087) (3,400)	(4,616) 	(32,312) (35,807)
Transfers and reclassifications	-	5,658	18,244	- (3,400)	(322)	23,580
A4 December 24, 2024						
At December 31, 2021 Cost	1,433,185	72,141	70,503	45,908	29,033	1,650,770
Accumulated amortization	1,433,100	(48,737)	(32,196)	(43,811)	(6,268)	(131,012)
Net value	1,433,185	23,404	<u>(32,190)</u> 38,307	2,097	22,765	1,519,758
Additions	-	-	6,536	-	-	6,536
Write-offs	-	-	(741)	-	-	(741)
Amortization	- (424.027)	(1,202)	(2,919)	500	(1,080)	(4,701)
FX effects Transfers and reclassifications ⁽¹⁾	(131,937)	(45)	(283)	(1,226)	(484)	(133,975)
	-		(860)		(523)	(1,383)
At March 31, 2022						
Cost	1,301,248	71,463	74,848	2,914	27,894	1,478,367
Accumulated amortization	-	(49,306)	(34,808)	(1,543)	(7,216)	(92,873)
Net value	1,301,248	22,157	40,040	1,371	20,678	1,385,494

(1) The remaining balance in the Transfers and reclassifications column refers to reclassifications to Property and equipment (see note 12).

(2) (3)

Includes goodwill on the acquisition of Bio Ritmo, Smartfit Peru, Sporty City Colombia, Latamfit Chile, Latamgym México, Pro Forma and MB Negócios Digitais. The estimated annual amortization rates by main class of assets are as follows: Assignment of right of use: 10% - 11%; Software 6% - 28%; Customer list: 10% - 33%.







14. LEASES

BREAKDOWN OF AND VARIATIONS IN THE BALANCES OF RIGHT-OF-USE ASSETS

	Parent				Consolidated		
	Machinery and equipment	Buildings ⁽⁴⁾	Total	Machinery and equipment	Buildings ⁽⁴⁾	Total	
Right-of-use assets							
At December 31, 2020	17,223	906,620	923,843	248,092	2,478,796	2,726,888	
Additions, write-offs and remeasurements	(49)	184,359	184,310	11,703	403,585	415,288	
Acquisition of assets	-	125,756	125,756	-	125,756	125,756	
Acquisitions of subsidiaries	-	-	-	2,735	36,851	39,586	
Depreciation	(2,538)	(147,052)	(149,590)	(33,915)	(343,511)	(377,426)	
Tax credits on depreciation	-	(11,613)	(11,613)	-	(13,831)	(13,831)	
Assignment of right of use ⁽¹⁾	-	(42,998)	(42,998)	-	(45,592)	(45,592)	
FX effects	-	-	-	(1,521)	(3,187)	(4,708)	
Transfers and reclassifications	(14,636)	-	(14,636)	(56,300)	744	(55,556)	
At December 31, 2021	-	1,015,072	1,015,072	170,794	2,639,611	2,810,405	
Additions and remeasurements ⁽³⁾	-	40,717	40,717	396	138,163	138,559	
Write-offs	-	(3,214)	(3,214)	-	(3,214)	(3,214)	
Depreciation	-	(42,347)	(42,347)	(9,859)	(95,416)	(105,275)	
Tax credits on depreciation	-	(3,493)	(3,493)	-	(4,459)	(4,459)	
Assignment of right of use ⁽¹⁾	-	(5,233)	(5,233)	-	-	-	
FX effects	-	-	-	(20,520)	(149,860)	(170,380)	
Transfers and reclassifications ⁽²⁾	-	-	-	(5,524)	-	(5,524)	
At March 31, 2022	-	1,001,502	1,001,502	135,287	2,524,825	2,660,112	

(1) Refer to the assignment of rental contracts related to Company's units transferred to other Group companies in the 1st quarter of 2022.

(2) (3) Refer to reclassifications to Property and equipment (see note 12). Includes R\$7,500 related to initial direct costs.

(4) The main terms of real estate contracts are: Brazil, with an average of 10 years, and Mexico, with an average of 30 years.

BREAKDOWN OF AND VARIATIONS IN THE BALANCES OF LEASE LIABILITIES

		Parent			Consolidated	
	Machinery and equipment	Buildings	Total	Machinery and equipment	Buildings	Total
Lease liabilities						
At December 31, 2020	3,612	979,550	983,162	217,298	2,656,486	2,873,784
Additions, write-offs and remeasurements	-	158,356	158,356	9,829	369,763	379,592
Acquisitions of subsidiaries	-	-	-	1,159	43,269	44,428
Liabilities assumed with the purchase of						
assets	-	108,654	108,654	-	108,654	108,654
Interest incurred	61	77,100	77,161	17,860	230,825	248,685
Considerations	(3,673)	(216,638)	(220,311)	(78,904)	(521,373)	(600,277)
Tax credits on interest	-	5,566	5,566	-	7,138	7,138
Assignment of right of use	-	(44,862)	(44,862)	-	(47,820)	(47,820)
FX effects	-	-	-	(2,470)	9,345	6,875
At December 31, 2021	-	1,067,726	1,067,726	164,772	2,856,287	3,021,059
Additions and remeasurements	-	33,217	33,217	394	130,847	131,241
Write-offs	-	(3,603)	(3,603)	-	(3,603)	(3,603)
Interest incurred	-	21,208	21,208	3,996	60,851	64,847
Considerations ⁽¹⁾	-	(61,137)	(61,137)	(18,126)	(147,370)	(165,496)
Tax credits on interest	-	1,342	1,342	-	1,613	1,613
Assignment of right of use ⁽²⁾	-	(5,607)	(5,607)	-	-	-
FX effects	-	-	-	(17,087)	(168,361)	(185,448)
At March 31, 2022	-	1,053,146	1,053,146	133,949	2,730,264	2,864,213
Current	-	165,255	165,255	54,244	329,673	383,917
Noncurrent	-	887,891	887,891	79,705	2,400,591	2,480,296

(1) Due to the discounts obtained in renegotiations with property owners, the Company used the practical expedient provided for in CPC 06 (R2) / IFRS 16, recognizing R\$468 in Parent and R\$3,250 in Consolidated as discounts obtained with leases in the period ended March 31, 2022 (see note 22), and R\$33,193 in Parent and R\$111,508 in Consolidated in the year ended December 31, 2021.

(2) Refer to the assignment of rental contracts related to Company's units transferred to other Group companies in the 1st quarter of 2022.







DISCOUNT RATES

Lease liabilities are discounted at average rates between 7.08% and 10.11% in Parent and between 2.90% and 12.57% in Consolidated.

FLOW OF LEASE MATURITIES

		Consolidated		
	Machinery and equipment	Buildings	Total	
2022	42,075	330,622	372,697	
2023	48,484	395,538	444,022	
2024	30,556	373,491	404,047	
2025 onwards	12,834	1,630,613	1,643,447	
Total	133,949	2,730,264	2,864,213	

The following table shows the potential right of PIS and COFINS recoverable embedded in the rental consideration, according to the periods foreseen for payment and show the following nominal balances and adjusted to present value:

	Conso	lidated
	Par value (interest-free)	Adjusted to present value
Lease consideration of properties	3,993,549	2,730,264
PIS/COFINS – 9.25% ⁽¹⁾	139,177	104,197

(1) Levied on property lease contracts signed with legal entities, only in Brazil.

SHORT-TERM LEASES, LEASES OF LOW-VALUE ASSETS AND VARIABLE LEASES

As at March 31, 2022, the Company incurred expenses of R\$8 in Parent and R\$767 in Consolidated (R\$5 and R\$2,912 in Parent and Consolidated, respectively, for the period ended March 31, 2021).

The Company, in accordance with CPC 06 (R2)/IFRS 16 - Leases, in measuring and remeasuring its lease liabilities and right-of-use assets, used the discounted cash flow method without considering the future projected inflation in the flows to be discounted (actual flow and nominal discount rate). Although the accounting methodology used by the Company is in line with the rule set out in CPC 06 (R2) / IFRS 16, it generates distortions in the information to be provided, given the current reality of long-term interest rates in the Brazilian economic environment.

Pursuant to Circular Official Letter/CVM/SNC/SEP/No.02/2019, the Company presents below the comparative balances of lease liabilities, rightof-use assets, finance cost, and depreciation expense, taking into account the effect of the future inflation projected for five years based on the Consumer Price Index (IPC) disclosed by central banks of the countries where the Company operates (Brazil, Chile, Colombia, Mexico, Peru, Paraguay and Argentina), and discounted at the applicable average rates:

	Cons	solidated
	Actual flow	Flow w/ inflation
Right-of-use assets	2,524,825	3,253,221
Lease liabilities	1,433,753	1,288,746
Finance charges	1,296,511	2,169,339
Total Lease liabilities	2,730,264	3,458,085
Finance costs	1,296,511	2,169,339
Depreciation expense	1,535,727	3,295,628
Total expenses ⁽¹⁾	2,832,238	5,464,967

(1) Total expense accrued since the beginning of CPC 06 / IFRS 16.





15. OTHER LIABILITIES

BREAKDOWN OF BALANCES

	Pa	arent	Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Other liabilities				
Related parties ⁽¹⁾	39,372	34,892	2,370	-
Taxes and contributions payable ⁽²⁾	16,743	14,494	28,392	35,072
Salaries, accruals and social contributions	36,081	28,362	66,809	59,180
Investments in subsidiaries and joint ventures with negative equity ⁽³⁾	9,371	9,938	3,321	3,380
Contingent consideration - MB Negócios Digitais	3,232	3,155	3,232	3,155
Contingent consideration – Latamfit Chile	6,375	6,815	6,375	6,815
Contingent consideration – Just Fit ⁽⁴⁾	25,045	40,016	25,045	40,016
Acquisition of shares – ADV	-	6,613	-	6,613
Others	8,340	7,990	37,372	20,228
Total	144,559	152,275	172,916	174,459
Current	128,097	135,291	153,527	161,560
Noncurrent	16,462	16,984	19,389	12,899

See note 25. In Consolidated, this includes mainly ISS of R\$8,338 (R\$18,579 in Dec/21).

See note 11.

(1) (2) (3) (4) Refers to liabilities arising from the acquisition of subsidiary Just Fit. The purchase price will be determined based on the gross profit of the acquired units in the 12 months following the quarter in which Smart Fit's IPO was held. Should new changes occur due to events occurred after the acquisition date, such as future variations in the gross profit of these acquired units, these will not be considered as measurement period adjustments. In these cases, changes in fair value shall be recognized in profit or loss for the period. See note 3 to the annual financial statements.

16. BORROWINGS

BREAKDOWN OF BALANCES

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Borrowings				
Debentures	1,828,431	1,776,798	1,828,431	1,776,798
Promissory notes	238,572	240,803	238,572	240,803
Working capital	63,832	85,389	1,438,937	1,572,894
Total	2,130,835	2,102,990	3,505,940	3,590,495
Current	133,546	99,488	482,947	488,720
Noncurrent	1,997,289	2,003,502	3,022,993	3,101,775

CHANGES FOR THE PERIOD

	Parent	Consolidated
Borrowings		
At December 31, 2020	1,320,092	2,616,073
Fundraising	1,511,811	1,930,372
Acquisitions of subsidiaries	-	14,028
Accrued interest and cost amortization	126,662	224,882
Principal paid	(758,259)	(974,741)
Interest payment	(97,316)	(187,384)
Exchange differences	-	(32,735)
At December 31, 2021	2,102,990	3,590,495
Fundraising	-	107,111
Accrued interest and cost amortization	69,056	97,446
Principal paid	(31,935)	(111,923)
Interest payment	(9,276)	(27,222)
Exchange differences		(149,967)
At March 31, 2022	2,130,835	3,505,940





DESCRIPTION OF THE MAIN FINANCIAL AGREEMENTS

	Currency of the agreement	Par value in the currency of the agreement (in millions)	Charges (p.a.)	Maturity	03/31/2022	12/31/2021
PARENT						
DEBENTURES						
Fourth issue ⁽⁵⁾	BRL	745	CDI+3.10%	04/20/2026	502,663	485,592
Fifth issue	BRL	250	CDI+2.25%	04/29/2024	248,726	247,067
Sixth issue	BRL	1.060	CDI+2.40%	12/20/2028	1,077,042	1,044,139
PROMISSORY NOTES						
Promissory notes - 1 st to 10 th series	BRL	240	CDI+2.50%	2023-2025	238,572	240,803
WORKING CAPITAL						
Smartfit Brasil ⁽¹⁾	BRL	100	CDI+3.28%	02/15/2023	30,739	39,021
Smartfit Brasil ⁽²⁾	BRL	50.4	CDI+2.90%	10/17/2022	11,234	15,994
SUBSIDIARIES WORKING CAPITAL						
Latamgym México ⁽³⁾	MXN	1,300.0	TIIE+1.90%	03/17/2025	267,302	306,594
Latamgym México ⁽⁴⁾	MXN	356.7	TIIE+2.80%	2023-2024	53,952	69,714
Sporty City Colombia	COP	66,281.9	9.60%	08/17/2022	23,956	52,041
Sporty City Colombia	COP	40,000.0	5.93%	02/09/2027	50,600	-
Latamfit Chile	CLP	25,218.6	7.22%	07/05/2024	124,526	145,939
Latamfit Chile	CLP	23,000.0	9.48%	12/29/2025	138,809	150,949
Latamfit Chile	CLP	11,091.2	5.67%	12/02/2024	57,480	62,540
Smartfit Peru	PEN	54.6	8.00%	10/17/2022	37,331	58,281
Smartfit Peru	PEN	66	8.00%	08/09/2024	59,084	76,448
Smartfit Peru	PEN	62.7	4.78%	07/15/2025	80,095	87,902
Smartfit Peru	PEN	119.1	4.65%	11/30/2025	151,476	166,146

(1) This has as guarantee: (i) fiduciary assignment of credit rights, present and future, arising from sales made through credit cards of the Visa and/or Mastercard brands; (ii) fiduciary assignment of financial investments, represented by fixed income investment fund and/or CDB issued by the creditor; (iii) fiduciary assignment of credit rights arising from the Company's checking account.

2) This has as guarantee the fiduciary assignment of amounts receivable from credit card bills, and, as temporary guarantee, the fiduciary assignment of deposit/financial investment.

(3) Non-revolving credit agreement due in two installments, with final maturity on or by March 16, 2023, with monthly principal repayments beginning after the 25th month from the disbursement. The bonds are secured by a pledge unrelated to property on a bank account that Latamgym SAPI de CV holds in HSBC and is guaranteed by the Company. This agreement restricts any change of control of either the borrower or the payment of dividends and the distributions from the borrower to its parent company.

(4) Non-revolving credit agreement with monthly capital repayments starting after the 12th month from the disbursement. The borrower is required to pay an upfront fee of 1% of the principal amount. This loan is guaranteed by the Company. This agreement restricts any change of control of either the borrower or the guarantor and restricts the payment of dividends and distributions from the borrower to its parent company.

(5) See note 28.

PROMISSORY NOTES

On January 6, 2022, the General Meeting of Promissory Notes Holders of the 3rd Issue approved the amendment to the early maturity clause, which may take place in the event the net debt to EBITDA ratio is not equal to or lower than 3.5 starting in the 4th quarter of 2022.

FIFTH ISSUE OF DEBENTURES

On March 10, 2022, the General Meeting of Debenture Holders approved the change in the term and maturity of debentures to April 30, 2025, it also approved compensatory interest on the unit par value or the unit par value balance of the Debentures, corresponding to CDI + 2.25% p.a. up to April 30, 2023 (exclusive); from April 30, 2023 (inclusive) to April 30, 2024 (exclusive), 3.75%; from April 30, 2024 (inclusive) to the maturity date (exclusive), 4.50% calculated as provided for in the Debentures Indenture. Interest payments are made on a quarterly basis up to July 30, 2024 and on a monthly basis after that date up to the maturity.

There was also an amendment to the early maturity clause, which may take place in the event the net debt to EBITDA ratio is not equal to or lower than 3.0, to be periodically calculated by the Company, starting in the 4th quarter of 2022 ("Financial Ratio"). The net debt to EBITDA ratio will change to 3.5x when a legal representative of the Company certifies in writing to the trustee that less than 10% of the issuer's consolidated gross debt requires compliance with a net debt to EBITDA ratio equal to or lower than 3.0x.

The Company fully complied with early maturity covenants, whether related to certain automatic or nonautomatic default events, as per the related Indenture.

COVENANTS

The Company made an analysis of the operating guarantees and as at March 31, 2022 it was also compliant with the operating and financial covenants (covenants with non-financial clauses), the main ones related to compliance with the allocation of funds raised, disclosure of information, as well as any non-compliance with pecuniary obligations of the debts issued, among others.





17. PROVISIONS

BREAKDOWN OF AND VARIATIONS IN THE BALANCES

The Group was party to certain labor, civil and tax lawsuits for which the likelihood of loss was considered probable by its legal counsel and, thus, a provision was recognized was follows:

	Civil	Labor	Tax	Total
PARENT				
At December 31, 2020	1,480	2,756	288	4,524
Additions and increases	1,347	652	-	1,999
Write-offs and reversals	(284)	(194)	(288)	(766)
At December 31, 2021	2,543	3,214	-	5,757
Additions and increases	393	-	249	642
Write-offs and reversals	-	(460)	-	(460)
At March 31, 2022	2,936	2,754	249	5,939
CONSOLIDATED At December 31, 2020	2,411	3,023	335	5,769
Additions and increases	1,715	717	145	2,577
Acquisition of subsidiary ⁽¹⁾	5,209	1,467	4,224	10,900
Write-offs and reversals	(468)	(343)	(335)	(1,146)
Transfers and reclassifications ⁽²⁾	-	-	8,444	8,444
At December 31, 2021	8,867	4,864	12,813	26,544
Additions and increases	396	95	1,962	2,453
Write-offs and reversals	(10)	(668)	-	(678)
At March 31, 2022	9,253	4,291	14,775	28,319

See note 3 to the annual financial statements..
 The remaining balance in the Transfers and reclassifications column refers to reclassifications to other liabilities.

LAWSUITS CLASSIFIED AS POSSIBLE LOSS

The Company's Management did not consider necessary to recognize a provision for losses on ongoing civil, labor and tax lawsuits in the amount of R\$16,392 (R\$15,406 in Dec/21) in Consolidated, since the likelihood of loss is considered possible by its legal counsel.

18. CURRENT AND DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

BREAKDOWN OF PROFIT OR LOSS

	Parent		Consol	lated	
		Three-month	period ended		
	03/31/2022	03/31/2021	03/31/2022	03/31/2021	
Income tax and social contribution					
Current	-	-	(11,927)	(7,304)	
Deferred	-	(2,938)	9,204	5,745	
Total	-	(2,938)	(2,723)	(1,559)	

RECONCILIATION OF EFFECTIVE INCOME TAX AND SOCIAL CONTRIBUTION EXPENSE

	Parent		Conso	lidated
		Three-month	period ended	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Income tax and social contribution				
Profit (loss) before income tax and social contribution	(90,899)	(162,688)	(87,795)	(164,746)
Statutory rate	34%	34%	34%	34%
Expected tax assets	30,906	55,314	29,850	56,014
Share of profit (loss) of investees	(3,011)	(28,779)	220	(3,396)
Unrecognized deferred tax – permanent and temporary differences	(11,538)	(4,023)	(14,469)	(4,942)
Unrecognized deferred tax – tax loss carryforwards	(16,786)	(25,450)	(12,877)	(17,941)
Adjustment of companies taxed on the presumed profit	-	-	1,417	1,253
Difference in rates of foreign subsidiaries	-	-	(4,998)	(32,697)
Others	429	-	(1,866)	150
Total	-	(2,938)	(2,723)	(1,559)





BREAKDOWN OF DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

	Pa	Parent		lidated
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Deferred income tax and social contribution				
Deferred assets				
Temporary differences and tax losses ⁽¹⁾	-	-	142,866	150,081
Others	-	-	-	-
Total deferred assets	-	-	142,866	150,081
Deferred liabilities				
Allocation of trademark and customer list	-	-	(5,849)	(6,669)
Promotion deferred revenue and others	-	-	(1,324)	(1,606)
Total deferred liabilities	-	-	(7,173)	(8,275)
Total deferred taxes, net	-	-	135,693	141,806

(1) In Consolidated, refers to the balance of deferred taxes arising from Chile, Peru, Colombia, and Mexico operations.

DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION - NOT RECOGNIZED

The Company is in process of operational expansion; accordingly, no deferred income tax and social contribution was set up as a result of the temporary differences and income tax and social contribution losses of the Company and its subsidiaries in Brazil.

As at March 31, 2022, the balance of income tax and social contribution losses amounted to R\$1,129,272 (R\$1,076,972 in Dec/21), for companies in Brazil. These tax losses can be carried forward indefinitely, limited to 30% of the adjusted annual profit for tax purposes in accordance with prevailing tax legislation and temporary differences, and is being controlled in the LALUR. For foreign entities, deferred taxes on temporary differences and tax losses are accounted for in accordance with legislation and expected local realization.

19. EQUITY

SHARE CAPITAL AND CAPITAL RESERVE

As at March 31, 2022, the share capital totals R\$2,970,443, comprising 586,242,289 common shares, all registered, book-entry and with no par value, held as follows:

	Common	
	shares	%
Shareholder		
Corona family	87,013,794	14.84%
Pátria	240,423,729	41.01%
Shares held by owners of the Company	327,437,523	55.85%
Canada Pension Plan Investment Board – CPPIB	70,851,035	12.09%
Novastar Investment Pte. Ltd – GIC	52,673,584	8.98%
Other shareholders	135,280,147	23.08%
Shares publicly traded in the market	258,804,766	44.15%
Total	586,242,289	100.00%

20. OPERATING REVENUE AND DEFERRED REVENUE

BREAKDOWN OF OPERATING REVENUE

		Three-month period ended			
	Pa	arent	Consol	lidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021	
Operating revenue by type of service					
Gym plans	232,647	153,631	592,487	329,600	
Annual fees	26,269	21,637	48,607	47,914	
Membership fees	139	81	10,229	9,089	
Others	2,160	1,613	18,167	17,388	
Gross operating revenue	261,215	176,962	669,490	403,991	
Taxes on revenue	(33,619)	(22,974)	(47,502)	(32,251)	
Net operating revenue	227,596	153,988	621,988	371,740	

Operating revenues by geographic region are disclosed in note 24.





BREAKDOWN OF DEFERRED REVENUE

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Deferred revenue				
Gym plans	15,456	21,045	87,036	84,812
Annual fees	72,439	66,126	126,708	94,477
Membership fees	289	221	1,056	540
Others	2,090	2,293	2,090	2,293
Total	90,274	89,685	216,890	182,122
Current	89,000	88,207	215,533	180,561
Noncurrent	1,274	1,478	1,357	1,561

21. COST AND EXPENSES BY NATURE

The Company presented the statement of profit and loss using a classification of expenses based on their function. The information on the nature of these expenses recognized in the statement of profit or loss is as follows:

	Three-month period ended					
		03/31/2022			03/31/2021	
	Costs	Expenses	Total	Costs	Expenses	Total
PARENT						
Personnel and related taxes	41,092	29,403	70,495	26,951	15,073	42,024
Depreciation and amortization, net of PIS and COFINS	82,609	3,482	86,091	71,267	458	71,725
Utilities expenses	31,032	1,022	32,054	23,677	1,629	25,306
Operational support services	24,749	9,765	34,514	15,050	8,967	24,017
Opening of new units	2,856	1,629	4,485	273	282	555
Variable lease of real estate, common area maintenance fees and occupancy expenses	13,819	297	14,116	15,863	-	15,863
Maintenance	4,667	-	4,667	4,362	-	4,362
Media and commercials	-	40,889	40,889	-	21,406	21,406
Credit card management fee	-	1,521	1,521	-	2,817	2,817
Allocation to stock option plans	-	3,410	3,410	-	-	-
Others	2,252	7,059	9,311	998	(101)	897
Total	203,076	98,477	301,553	158,441	50,531	208,972
CONSOLIDATED						
Personnel and related taxes	93,791	52,215	146,006	60,889	30,632	91,521
Depreciation and amortization, net of PIS and COFINS	197,596	6,777	204,373	184,771	1,742	186,513
Utilities expenses	65,267	2,651	67,918	42,844	2,580	45,424
Operational support services	44,438	15,919	60,357	25,325	14,327	39,652
Opening of new units	5,686	5,487	11,173	1,727	1,017	2,744
Variable lease of real estate, common area maintenance fees and occupancy expenses	29,121	625	29,746	30,447	-	30,447
Maintenance	15,481	-	15,481	9,789	-	9,789
Media and commercials	-	61,950	61,950	-	38,683	38,683
Credit card management fee	-	9,433	9,433	-	6,196	6,196
Allocation to stock option plans	-	4,057	4,057	-	-	-
Others	5,885	16,803	22,688	2,994	2,527	5,521
Total	457,265	175,917	633,182	358,786	97,704	456,490





22. FINANCE INCOME (COSTS)

	Three-month period ended			
	Pa	rent	Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
FINANCE INCOME				
Interest income	1,074	3,758	1,712	5,016
Exchange differences	-	-	4,009	187
Income from financial investments	69,800	2,840	77,915	3,420
Discounts obtained on leases	468	9,967	3,250	39,788
Other finance income	15,878	-	15,878	-
Total finance income	87,220	16,565	102,764	48,411
FINANCE COSTS				
Interest on borrowings	(67,807)	(15,925)	(96,197)	(44,360)
Interest on leases	(21,208)	(18,345)	(64,847)	(56,159)
Exchange differences	(492)	(1,858)	(6,513)	(6,074)
Gain (loss) on derivative financial instruments	(2,387)	-	(2,387)	-
Other finance costs	(3,412)	(3,498)	(10,067)	(11,827)
Total finance costs	(95,306)	(39,626)	(180,011)	(118,420)
Total finance income (costs), net	(8,086)	(23,061)	(77,247)	(70,009)

23. EARNINGS PER SHARE

CALCULATION OF EARNINGS PER SHARE

The Company calculates earnings per share by dividing the profit for the period by the weighted average number of shares outstanding during the period. The equity instruments that will be or can be settled in Company shares are included in the calculation only when their settlement have diluting impact on the earnings per share. As at March 31, 2022 and 2021, stock options had no dilutive effect on earnings per share.

The table below presents the calculation of profit (loss) for the period available to shareholders and the weighted average number of shares outstanding used to calculate basic and diluted earnings per share for each period presented:

	Par	ent
	03/31/2022	03/31/2021
Loss per share		
Loss attributable to owners of the Company	(90,899)	(165,626)
Weighted average number of shares during the period	586,242,289	467,937,393
Basic and diluted loss per share	(0.16)	(0.35)

The following table presents the calculation of earnings (loss) per share as at March 31, 2021 considering the stock split at a ratio of 1:21, as mentioned in note 19 to the annual financial statements, in compliance with the provisions in CPC 41:

	Parent
	03/31/2021
Loss per share	
Loss attributable to owners of the Company	(165,626)
Weighted average number of shares during the period	22,282,733
Basic and diluted loss per share	(7.43)

24. SEGMENT INFORMATION

Management analyzes its operations based on the following business segments:

Operating segments	Description
Smartfit	HVLP services, with a more restricted service offer at a lower cost.
Bio Ritmo	Premium service, which offers a greater variety and a more customized service offer.
Others	Includes other businesses related to fitness services, such as the operations of franchised units and the digital services of Queima Diária, among others.

Management also analyzes its businesses based on a geographic segmentation, considering the following main markets:

Markets	Description
Brazil	Company owned units in Brazil.
Mexico	Company owned units in Mexico.
Others LATAM	Considers company owned units in Peru, Colombia, Chile, Argentina and Paraguay.



	Three-month period ended March 31, 2022									
		Bra	zil		Mexico		Other LATAM			
	Smartfit	Bio Ritmo	Others	Total	Smartfit	Smartfit	Others	Total	Share of profit (loss) of investees	Consolidated
SEGMENTS										
Operating revenue	260,654	21,699	48,158	330,511	125,652	163,869	1,956	165,825	-	621,988
Costs	(234,556)	(16,845)	(3,586)	(254,987)	(94,844)	(104,219)	(3,215)	(107,434)	-	(457,265)
Gross profit (loss)	26,098	4,854	44,572	75,524	30,808	59,650	(1,259)	58,391	-	164,723
Selling expenses				(54,968)	(12,499)			(9,219)	-	(76,686)
General and administrative expenses				(69,102)	(6,555)			(12,400)	-	(88,057)
Other operating income (expenses), net				(10,823)	153			(504)	-	(11,174)
Share of profit (loss) of investees				-	-			-	646	646
Operating profit (loss) before finance income (costs)				(59,369)	11,907			36,268	646	(10,548)
OTHER INFORMATION										
Costs	(104,331)	(4,379)	4,384	(104,326)	(49,343)	(48,688)	(1,000)	(49,688)	-	(203,357)
Expenses	(2,059)	16	(3,202)	(5,245)	(881)	(651)	-	(651)	-	(6,777)
Depreciation and amortization	(106,390)	(4,363)	1,182	(109,571)	(50,224)	(49,339)	(1,000)	(50,339)	-	(210,134)
Costs	(62,324)	(4,462)	(847)	(67,633)	(35,253)	(27,806)	(742)	(28,548)	-	(131,434)
Expenses	(185)	-	(815)	(1,000)	(402)	(376)	-	(376)	-	(1,778)
Fixed lease	(62,509)	(4,462)	(1,662)	(68,633)	(35,655)	(28,182)	(742)	(28,924)	-	(133,212)
Costs	(2,856)	(1)	(280)	(3,137)	(115)	(2,433)	-	(2,433)	-	(5,685)
Expenses	(1,629)	(5)	(87)	(1,721)	(3,302)	(465)	-	(465)	-	(5,488)
Opening of new units	(4,485)	(6)	(367)	(4,858)	(3,417)	(2,898)	-	(2,898)	-	(11,173)

	Three-month period ended March 31, 2021										
	Brazil				Mexico	Other LATAM					
	Smartfit	Bio Ritmo	Others	Total	Smartfit	Smartfit	Others	Total	Share of profit (loss) of investees	Consolidated	
SEGMENTS											
Operating revenue	174,591	12,152	40,056	226,799	66,814	76,919	1,208	78,127	-	371,740	
Costs	(166,072)	(14,259)	(20,821)	(201,152)	(72,183)	(82,771)	(2,680)	(85,451)	-	(358,786)	
Gross profit (loss)	8,519	(2,107)	19,235	25,647	(5,369)	(5,852)	(1,472)	(7,324)	-	12,954	
Selling expenses				(33,698)	(6,053)			(5,452)	-	(45,203)	
General and administrative expenses				(37,958)	(6,083)			(10,702)	-	(54,743)	
Other operating income (expenses), net				1,015	-			1,227	-	2,242	
Share of profit (loss) of investees				-	-			-	(9,987)	(9,987)	
Operating profit (loss) before finance income (costs)				(44,994)	(17,505)			(22,251)	(9,987)	(94,737)	
OTHER INFORMATION											
Costs	(70,272)	(5,260)	(19,359)	(94,891)	(47,577)	(45,306)	(1,230)	(46,536)	-	(189,004)	
Expenses	(84)	-	(525)	(609)	(490)	(643)	-	(643)	-	(1,742)	
Depreciation and amortization	(70,356)	(5,260)	(19,884)	(95,500)	(48,067)	(45,949)	(1,230)	(47,179)	-	(190,746)	
Costs	(39,445)	(2,803)	(565)	(42,813)	(20,862)	(9,020)	(594)	(9,614)	-	(73,289)	
Expenses	14	-	(572)	(558)	(409)	(483)	-	(483)	-	(1,450)	
Fixed lease	(39,431)	(2,803)	(1,137)	(43,371)	(21,271)	(9,503)	(594)	(10,097)	-	(74,739)	
Costs	(273)	-	-	(273)	7	35	-	35	-	(231)	
Expenses	(353)	-	-	(353)	(120)	(600)	-	(600)	-	(1,073)	
Opening of new units	(626)	-	-	(626)	(113)	(565)	-	(565)	-	(1,304)	

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25. RELATED PARTIES

NATURE OF THE RELATED PARTIES

The Company, its subsidiaries and related parties carry out certain transactions among them, related to the Company's financial, commercial and operating aspects. The main transactions are:

- **Trading transactions.** Represented by the amount resulting from an apportionment of administrative expenses centralized in the Company and passed on to the other Group companies, in addition to transactions with joint ventures.
- Loan agreements. Remunerated at rates based on the Company's cost of debt at the time of contracting. The contracts have indefinite maturities.
- Dividends receivable. These refer to minimum mandatory dividends receivable by the Company from its subsidiaries.

OTHER RELATED-PARTY TRANSACTIONS

The Company has (i) a property lease agreement with one of its shareholders signed in 2015, with interest and amortization arising from lease liabilities for the three-month period ended March 31, 2022 recognized in profit or loss in the amount of R\$140 (R\$104 in Mar/21); and (ii) two agreements for property lease by non-controlling interests of a subsidiary, signed in 2009 and 2011, recognized in profit or loss in the amount of R\$379 (R\$200 in Mar/21).

In addition, the Company has made financial investments in investment funds where it has exclusive participation (100% of the quotas), which are detailed in note 7.

COMPENSATION OF KEY MANAGEMENT PERSONNEL

On April 27, 2022, at the AEGM, the limit of the annual global compensation of the Company's Officers of R\$17,297 for 2022 was approved. The global amount of Management compensation approved in 2021 was ratified to R\$17,369.

The compensation of the Company's officers, composed of management fees and other amounts, recognized in line item "General and administrative expenses" amounted to R\$2,179 in the three-month period ended March 31, 2022 (R\$1,654 in Mar/21). The expense on the stock option plan for Company officers was R\$1,342.





RELATED-PARTY BALANCES

		03/31/	2022		12/31/2021				
	Other re	ceivables	Other	liabilities	Other re	ceivables	Other lia		
	Trading transactions ⁽¹⁾	Loans, interest on capital and dividends ⁽²⁾	Trading transactions ⁽¹⁾	Loans, interest on capital and dividends ⁽²⁾	Trading transactions ⁽¹⁾	Loans, interest on capital and dividends ⁽²⁾	Trading transactions ⁽¹⁾	Loans, interest on capital and dividends ⁽²⁾	
PARENT									
Subsidiaries									
ADV Esportes	16,742	8,390	1,191	-	9,827	8,066	675	-	
Smartfin	50,219	-	3,225	-	20,983	-	3,225	-	
Smartdom	599	8,110	20	-	531	9,267	20	-	
Bio Plaza	2,337	3,775	53	-	2,219	3,450	41	-	
Asnsmart	1,858	3,487	44	-	1,661	3,065	44	-	
Bioswim	11,942	660	27,565	(3) -	12,031	660	26,174 (3)	-	
Biosanta	625	2,493	19	-	625	2,404	17	-	
Microsul	1,055	-	7	-	1,055	-	7	-	
Smartrfe	946	-	225	-	946	-	225	-	
Centrale	764	-	-	-	764	-	176	-	
M2	430	-	-	-	304	-	207	-	
SmartMNG	175	-	381	-	186	-	380	-	
Biomorum	207	-	6,179	-	207	-	3,671	-	
Racebootcamp	106	-	33	-	105	-	30	-	
TotalPass	19,041	-	422	-	16,686	-	-	-	
Just Fit	-	-	8	-	-	-	-	-	
MB Negócios Digitais	-	5,530	-	-	-	-	-	-	
Total balances with related parties	107,046	32,445	39,372	-	68,130	26,912	34,892	-	
CONSOLIDATED		·	·		· · · · · ·	· · ·	·		
Joint ventures	E 16 i				E 0.65				
TotalPass Mexico	5,124	14,916	-	-	5,880	17,117	-	-	
Non-controlling interests									
Non-controlling interests	-	-	-	2,370	-	-	-	-	
Total balances with related parties	5,124	14,916	-	2,370	5,880	17,117	-	-	

Current balances.
 Noncurrent balances.
 The liabilities balance refer to transactions resulting from the apportionment of administrative expenses and transfers of property and equipment.





RELATED-PARTY TRANSACTIONS

				Three-month	period ended					
		03/31/	2022		03/31/2021					
	Operating	_	_	Finance	Operating	_	_	Finance		
	revenue	Costs	Expenses	income (costs)	revenue	Costs	Expenses	income (costs)		
PARENT										
Subsidiaries										
ADV Esportes	1,638	(3)	-	259	1,658	(8)	-	92		
Smartfin	-	-	-	-	22	-	(1,486)	-		
Smartdom	69	-	-	307	73	(1)	-	118		
Bio Plaza	118	(11)	-	109	69	(9)	-	27		
Asnsmart	196	-	-	108	195	(1)	-	36		
Bioswim	_	(474)	-	-	-	(247)	-	-		
Biosanta	_	(2)	-	79	-	(2)	-	28		
Microsul	_	-	-	-	-	-	-	3		
Smartrfe	-	-	-	-	386	(1)	-	-		
M2	96	(3)	-	-	85	(124)	-	-		
SmartMNG	-	(2)	-	-	-	(2)	-	-		
Biomorum	-	(2,511)	-	-	-	(13)	(801)	-		
Joint ventures										
SmartEXP ⁽¹⁾	_	-	-	-	26	-	-	-		
Total balances with related parties	2,117	(3,006)	-	862	2,514	(408)	(2,287)	304		
						· · ·				
CONSOLIDATED										
Joint ventures										
SmartEXP ⁽¹⁾	-	-	-	-	26	-	-	-		
Total balances with related parties	-	-	-	-	26	-	-	-		



26. SHARE-BASED PAYMENT

VARIATIONS IN PLANS

Information related to share-based payments was disclosed in note 26 to the annual financial statements.

As at March 31, 2022, the amount recognized in profit or loss was R\$3,410, against a capital reserve. Up to this date, R\$24 have been paid by the beneficiaries to the Company for the right to acquire the options. Regarding the phantom shares, the amount recognized in profit or loss, in accordance with CPC 10 (R1) / IFRS 2, was R\$392 against a capital reserve, and the expense is recognized on a straight-line basis by plan and number of options linked to each vesting period.

27. ADDITIONAL INFORMATION

INSURANCE

The policy adopted by the Group considers mainly the concentration of risks and their materiality, taking into consideration the nature of their activities and the advice of their insurance brokers. As at March 31, 2022, the basic insurance coverage is R\$8,532 and the coverage for loss of profits is R\$18,000.

28. EVENTS AFTER THE REPORTING PERIOD

FOURTH ISSUE OF DEBENTURES

On April 20, 2022, the Company carried out the optional early redemption of all debentures of the 2nd and 4th issues. Accordingly, it paid in full the amount of R\$498,728.





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A free translation from Portuguese into English of Independent Auditor's Review Report on individual and consolidated interim financial information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB)

Independent auditor's review report on individual and consolidated interim financial information

To the Shareholders, Board of Directors and Officers **Smartfit Escola de Ginástica e Dança S.A.** São Paulo - SP

Introduction

We have reviewed the individual and consolidated interim financial information of Smartfit Escola de Ginástica e Dança S.A. ("Company") contained in the Quarterly Information Form (ITR) for the quarter ended March 31, 2022, which comprises the statement of financial position as at March 31, 2022, and the statements of profit or loss, of comprehensive income, of changes in equity, and of cash flows for the quarter then ended, including explanatory information.

The executive board is responsible for preparation of the individual and consolidated interim financial information in accordance with NBC TG 21 and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated interim financial information included in the Quarterly Information referred to above was not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR), and presented consistently with the rules issued by the CVM.



Other matters

Statements of value added

The quarterly information referred to above includes the individual and consolidated statements of value added (SVA) for the quarter ended March 31, 2022, prepared under the responsibility of the Company's executive board, and presented as supplementary information for IAS 34 purposes. These statements were subject to review procedures conducted jointly with the review of the quarterly information for the purpose of concluding whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, pursuant to such standard and consistently with the individual and consolidated interim financial information taken as a whole.

Audit and review of the corresponding figures of the prior year and period

The amounts corresponding to the statements of financial position as at December 31, 2021 and the statements of profit or loss, of comprehensive income, of changes in equity, of cash flows, and of value added for the quarter ended March 31, 2021, presented for comparison purposes, were previously audited and reviewed, respectively, by another independent auditor, who issued an audit report dated March 15, 2022 on the individual and consolidated financial statements as at December 31, 2021, and a review report dated May 14, 2021 on the individual and consolidated interim financial information for the quarter ended March 31, 2021, both of which were unmodified and contained emphasis paragraphs regarding the COVID-19 impacts.

São Paulo, May 11, 2022.

ERNST & YOUNG Auditores Independentes S.S. CRC-2SP034519/O-6

Emerson Pompeu Bassetti Accountant CRC-1SP251558/O-0