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TERMS	GLOSSARY
EGM	Extraordinary General Meeting
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.
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
IBR	Banking Reference Indicator
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
Jun/22 or 06/30/2022	Financial Information as of and for the six-month period ended June 30, 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





CONDENSED BALANCE SHEETS

At June 30, 2022

(In thousands of Brazilian reais - R\$)

		Parent		Consolidated		
	Notes	06/30/2022	12/31/2021	06/30/2022	12/31/2021	
ASSETS						
Current assets						
Cash and cash equivalents	6	234,058	340,929	1,149,617	1,957,828	
Investments in financial assets	7	1,975,544	2,700,545	1,614,054	1,761,801	
Trade receivables	9	94,932	104,413	185,462	195,777	
Other receivables	10	193,125	141,627	320,262	254,547	
Total current assets		2,497,659	3,287,514	3,269,395	4,169,953	
Noncurrent assets						
Investments in financial assets	7	5,479	3,910	38,589	3,910	
Derivative financial instruments	8	2,455	7,027	2,455	7,027	
Other receivables	10	118,520	105,646	188,224	169,098	
Deferred tax assets	18	-	-	167,639	150,081	
Investments in subsidiaries and joint ventures	11	2,319,813	2,318,853	137,503	127,228	
Right-of-use assets	14	1,011,631	1,015,072	2,719,630	2,810,405	
Property and equipment	12	1,037,061	1,051,793	2,858,825	2,697,012	
Intangible assets	13	129,727	121,179	1,437,352	1,519,758	
Total noncurrent assets		4,624,686	4,623,480	7,550,217	7,484,519	
TOTAL ASSETS		7,122,345	7,910,994	10,819,612	11,654,472	
LIABILITIES AND EQUITY						
Current liabilities		==		105.000		
Trade payables		53,229	82,069	195,036	200,936	
Other liabilities	15	145,618	135,291	173,419	161,560	
Borrowings	16	62,711	99,488	408,123	488,720	
Lease liabilities	14	171,353	159,825	404,689	389,837	
Deferred revenue	20	84,888	88,207	241,100	180,561	
Current taxes payable		-	-	19,836	7,303	
Total current liabilities		517,799	564,880	1,442,203	1,428,917	
Noncurrent liabilities						
Other liabilities	15	17,693	16,984	16,393	12,899	
Borrowings	16	1,526,212	2,003,502	2,610,003	3,101,775	
Lease liabilities	14	899,153	907,901	2,542,912	2,631,222	
Deferred revenue	20	1,070	1,478	1,153	1,561	
Deferred tax liabilities	18	-	-	6,415	8,275	
Derivative financial instruments	8	23,655	13,987	23,655	13,987	
Provisions	17	5,121	5,757	27,530	26,544	
Total noncurrent liabilities		2,472,904	2,949,609	5,228,061	5,796,263	
TOTAL LIABILITIES AND EQUITY		2,990,703	3,514,489	6,670,264	7,225,180	
EQUITY						
Share capital		2,970,443	2,970,443	2,970,443	2,970,443	
Capital reserves		2,290,462	2,285,690	2,290,462	2,285,690	
Accumulated losses		(1,432,988)	(1,286,401)	(1,432,988)	(1,286,401)	
Other comprehensive income		303,725	426,773	303,725	426,773	
Equity attributable to the owners of the Company		4,131,642	4,396,505	4,131,642	4,396,505	
Noncontrolling interests		-	-	17,706	32,787	
TOTAL EQUITY		4,131,642	4,396,505	4,149,348	4,429,292	
TOTAL LIABILITIES AND EQUITY		7,122,345	7,910,994	10,819,612	11,654,472	





CONDENSED STATEMENTS OF PROFIT AND LOSS AND COMPREHENSIVE INCOME

Period ended June 30, 2022

(In thousands of Brazilian reais - R\$)

		Parent				Consolidated			
	Six-month	period ended	Three-month	period ended	Six-month period ended		Three-month period ended		
Note:	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021	
PROFIT (LOSS)									
Operating revenue 20	482,979	285,698	255,383	131,710	1,311,085	714,979	689,097	343,239	
Costs 21	(420,100)	(309,788)	(217,024)	(151,347)	(949,026)	(721,147)	(491,761)	(362,361)	
Gross profit (loss)	62,879	(24,090)	38,359	(19,637)	362,059	(6,168)	197,336	(19,122)	
Selling expenses 21	(81,196)	(37,626)	(37,157)	(13,209)	(152,190)	(77,958)	(75,504)	(32,755)	
General and administrative expenses 21	(90,178)	(57,403)	(40,429)	(27,608)	(172,307)	(109,686)	(84,250)	(54,943)	
Other operating income (expenses), net 21	(86)	3,402	4,603	(279)	(8,292)	385	2,882	(1,857)	
Share of profit (loss) of investees 11	7,189	(176,527)	16,045	(91,884)	3,117	(12,943)	2,471	(2,956)	
Operating profit (loss) before finance income (costs)	(101,392)	(292,244)	(18,579)	(152,617)	32,387	(206,370)	42,935	(111,633)	
Finance income 22	174,855	36,303	87,635	19,738	216,015	90,565	113,251	42,154	
Finance costs 22	(220,050)	(85,254)	(124,744)	(45,628)	(392,469)	(235,081)	(212,458)	(116,661)	
Finance income (costs), net 22	(45,195)	(48,951)	(37,109)	(25,890)	(176,454)	(144,516)	(99,207)	(74,507)	
Loss before income tax and social contribution	(146,587)	(341,195)	(55,688)	(178,507)	(144,067)	(350,886)	(56,272)	(186,140)	
Income tax and social contribution 18	-	800	-	3,738	(2,371)	9,372	352	10,931	
LOSS FOR THE PERIOD	(146,587)	(340,395)	(55,688)	(174,769)	(146,438)	(341,514)	(55,920)	(175,209)	
Loss for the period attributable to:									
Owners of the Company					(146,587)	(340,395)	(55,688)	(174,769)	
Noncontrolling interests					149	(1,119)	(232)	(440)	
Loss per share attributable to owners of the Company:									
Basic and diluted 23	(0.25)	(0.73)	(0.09)	(0.37)	(0.25)	(0.73)	(0.09)	(0.37)	
OTHER COMPREHENSIVE INCOME									
Items that may be subsequently reclassified to profit or loss									
Gains and losses arising from the translation of financial									
statements of foreign operations 11	(123,048)	(114,675)	86,854	(210,536)	(123,074)	(114,537)	88,094	(210,532)	
TOTAL OTHER COMPREHENSIVE INCOME	(123,048)	(114,675)	86,854	(210,536)	(123,074)	(114,537)	88,094	(210,532)	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(269,635)	(455,070)	31,166	(385,305)	(269,512)	(456,051)	32,174	(385,741)	
Comprehensive income for the period attributable to:									
Owners of the Company					(269,635)	(455,070)	31,166	(385,305)	
Noncontrolling interests					123	(981)	1,008	(436)	



CONDENSED STATEMENTS OF CHANGES IN EQUITY

Six-month period ended June 30, 2022

(In thousands of Brazilian reais - R\$)



		Six-month period ended June 30, 2022								
			Capital reserves				Equity att	ributable 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	-	-	-	-	(146,587)	- (400,040)	(146,587)	149	(146,438)	
Other comprehensive income Total comprehensive income for the period	-	-	-	-	(146,587)	(123,048) (123,048)	(123,048) (269,635)	(26) 123	(123,074) (269,512)	
Share-based payments ⁽¹⁾	_	7,960					7,960	4	7,964	
Capital increase in subsidiaries	-	-	-	-	-	-	-	8,400	8,400	
Capital decrease in subsidiaries ⁽²⁾	-	-	-	(3,188)	-	-	(3,188)	(16,489)	(19,677)	
Dividends paid to subsidiaries	-	-	-	=	-	=		(7,119)	(7,119)	
Transactions with shareholders recognized directly in equity	-	7,960	-	(3,188)	<u>-</u>		4,772	(15,204)	(10,432)	
At June 30, 2022	2,970,443	2,229,656	99,841	(39,035)	(1,432,988)	303,725	4,131,642	17,706	4,149,348	

	Six-month period ended June 30, 2021								
				•		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	-	<u>-</u>	-	-	(340,395)	-	(340,395)	(1,119)	(341,514)
Other comprehensive income	-	-	-	-	-	(114,675)	(114,675)	138	(114,537)
Total comprehensive income for the period		_	-	-	(340,395)	(114,675)	(455,070)	(981)	(456,051)
Capital increase	-	64,343	-	-	-	-	64,343	-	64,343
Reversal of stock option	-	(228)	-	-	-	-	(228)	-	(228)
Stock option reserve	-	3,348	-	-	-	-	3,348	-	3,348
Revaluation of goodwill on acquisition of subsidiay	-	-	-	-	-	-	-	6,789	6,789
Transactions with shareholders recognized directly in equity	-	67,463	-	-	-	-	67,463	6,789	74,252
At June 30, 2021	325,443	2,304,845	99,841	(25,196)	(992,215)	345,811	2,058,529	28,473	2,087,002

⁽¹⁾ See note 26.





⁽²⁾ See note 3.



CONDENSED STATEMENTS OF CASH FLOWS

Six-month period ended June 30, 2022

(In thousands of Brazilian reais - R\$)

		Parent		Consolidated		
CASH FLOW FROM OPERATING ACTIVITIES	Notes	06/30/2022	06/30/2021	06/30/2022	06/30/2021	
Loss for the period		(146,587)	(340,395)	(146,438)	(341,514)	
Adjustments to reconcile loss for the period to net cash used in operating activities:						
Income tax and social contribution	18	-	(800)	2,371	(9,372)	
Depreciation and amortization	12,13,14	181,567	142,000	422,155	377,307	
Allowance for expected credit losses	9	-	410	386	1,806	
Share of profit (loss) of investees	11	(7,189)	176,527	(3,117)	12,943	
Write-off of intangible assets, property and equipment, and leases		28,079	1,528	35,675	18,349	
Interest on borrowings	22	153,357	36,902	212,923	84,557	
Interest on leases	22	42,432	36,161	128,416	123,219	
Discounts obtained on leases	22	(1,185)	(21,442)	(5,951)	(71,561)	
Income from financial investments	22	(135,611)	(6,563)	(154,844)	(8,169)	
Gain (loss) on derivative financial instruments	22	14,240	2,893	14,240	2,893	
Foreign exchange gains (losses) and other finance income (costs)		(24,942)	1,509	(16,130)	8,886	
Share-based payment plan	26	6,779	3,120	7,964	3,120	
Provisions Deferred revenue	17	(636)	(318)	986	(323	
Deferred revenue		(3,727)	(11,606)	60,131	(12,178	
Changes in operating assets and liabilities:		0.404	0.240	0.020	4.076	
Trade receivables Other receivables		9,481	9,319	9,929	4,076	
Other receivables Trade payables		(60,779)	(16,997)	(82,484)	(56,344	
Trade payables Other liabilities		(31,130)	(8,510) 5,606	(8,315) 41,553	(5,936) 21,873	
Cash generated by operating activities		61,650	9,344	519,450	153,632	
	16	·	· · · · · · · · · · · · · · · · · · ·	·	•	
Interest paid on borrowings Interest paid on leases	14	(126,628)	(29,413)	(182,075)	(60,620)	
Income tax and social contribution paid	14	(42,025)	(28,716)	(126,048)	(91,295) (1,249)	
Net cash generated by (used in) operating activities		(107,003)	(48,785)	194.659	468	
Net cash generated by (used in) operating activities		(107,003)	(40,765)	194,659	400	
CASH FLOW FROM INVESTING ACTIVITIES						
Additions to property and equipment	12	(113,718)	(33,127)	(492,249)	(107,606)	
Additions to intangible assets	13	(3,730)	(761)	(8,105)	(3,193)	
Direct initial costs of right-of-use assets	14	(6,634)	-	(6,634)	-	
Dividends received from subsidiaries	11	19,729	-	-	-	
Loans from third parties		(2,524)	(3,859)	(3,147)	(7,498)	
Financial investments		859,043	(33,292)	267,912	(49,996	
Acquisition of subsidiaries, net of cash received		-	(15,000)	-	(11,334)	
Acquisition of joint venture		-	(39,542)	-	(39,542)	
Capital increase in subsidiaries and joint venture	11	(122,051)	(65,759)	(5,258)	(3,724)	
Related parties		(551)	5,905	790	5,267	
Net cash generated by (used in) investing activities		629,564	(185,435)	(246.691)	(217,626)	
CASH FLOW FROM FINANCING ACTIVITIES						
Capital increase, net of transaction costs		-	64,343	_	64,343	
Proceeds from borrowings	16	_	246,702	222.891	246,702	
Repayments of borrowings	16	(542,429)	(162,141)	(727,913)	(174,004)	
Payment of lease	14	(80,390)	(53,994)	(190,753)	(113,350	
Acquisition of noncontrolling interests		(6,613)	-	(6,613)	-	
Capital increase in subsidiaries		-	-	8,400	-	
Dividends paid to noncontrolling interests		-	-	(7,069)	-	
		(000, 400)	94,910	(701,057)	23,691	
Net cash generated by (used in) financing activities		(629,432)	34,310			
			·	(752 000)	(102 467	
		(106,871)	(139,310)	(753,089)	(193,467	
DECREASE IN CASH AND CASH EQUIVALENTS CHANGES IN CASH AND CASH EQUIVALENTS		(106,871)	(139,310)			
DECREASE IN CASH AND CASH EQUIVALENTS CHANGES IN CASH AND CASH EQUIVALENTS Opening balance			·	1,957,828	1,019,611	
DECREASE IN CASH AND CASH EQUIVALENTS CHANGES IN CASH AND CASH EQUIVALENTS Opening balance Exchange differences on cash and cash equivalents		(106,871)	(139,310) 621,099	1,957,828 (55,122)	1,019,611 (34,145)	
DECREASE IN CASH AND CASH EQUIVALENTS CHANGES IN CASH AND CASH EQUIVALENTS Opening balance Exchange differences on cash and cash equivalents Closing balance		(106,871) 340,929 - 234,058	(139,310) 621,099 - 481,789	1,957,828 (55,122) 1,149,617	1,019,611 (34,145) 791,999	
DECREASE IN CASH AND CASH EQUIVALENTS CHANGES IN CASH AND CASH EQUIVALENTS Opening balance Exchange differences on cash and cash equivalents		(106,871)	(139,310) 621,099	1,957,828 (55,122)	1,019,611 (34,145) 791,999	
DECREASE IN CASH AND CASH EQUIVALENTS CHANGES IN CASH AND CASH EQUIVALENTS Opening balance Exchange differences on cash and cash equivalents Closing balance		(106,871) 340,929 - 234,058	(139,310) 621,099 - 481,789	1,957,828 (55,122) 1,149,617	1,019,611 (34,145) 791,999	
DECREASE IN CASH AND CASH EQUIVALENTS CHANGES IN CASH AND CASH EQUIVALENTS Opening balance Exchange differences on cash and cash equivalents Closing balance DECREASE IN CASH AND CASH EQUIVALENTS		(106,871) 340,929 - 234,058	(139,310) 621,099 - 481,789	1,957,828 (55,122) 1,149,617	1,019,611 (34,145 791,999 (193,467	
DECREASE IN CASH AND CASH EQUIVALENTS CHANGES IN CASH AND CASH EQUIVALENTS Opening balance Exchange differences on cash and cash equivalents Closing balance DECREASE IN CASH AND CASH EQUIVALENTS NON-CASH TRANSACTIONS		(106,871) 340,929 - 234,058 (106,871)	(139,310) 621,099 - 481,789 (139,310)	1,957,828 (55,122) 1,149,617 (753,089)	1,019,611 (34,145 791,999 (193,467)	
DECREASE IN CASH AND CASH EQUIVALENTS CHANGES IN CASH AND CASH EQUIVALENTS Opening balance Exchange differences on cash and cash equivalents Closing balance DECREASE IN CASH AND CASH EQUIVALENTS NON-CASH TRANSACTIONS Additions of right-of-use assets Acquisition of subsidiaries and joint ventures Transfers between property and equipment, intangible assets, and right-	40.40.11	(106,871) 340,929 - 234,058 (106,871) 99,929 -	(139,310) 621,099 - 481,789 (139,310) 16,087 8,115	1,957,828 (55,122) 1,149,617 (753,089) 256,956	1,019,611 (34,145 791,999 (193,467) 29,560 8,115	
DECREASE IN CASH AND CASH EQUIVALENTS CHANGES IN CASH AND CASH EQUIVALENTS Opening balance Exchange differences on cash and cash equivalents Closing balance DECREASE IN CASH AND CASH EQUIVALENTS NON-CASH TRANSACTIONS Additions of right-of-use assets Acquisition of subsidiaries and joint ventures Transfers between property and equipment, intangible assets, and right-of-use assets	12,13,14	(106,871) 340,929 - 234,058 (106,871) 99,929 - 7,972	(139,310) 621,099 - 481,789 (139,310) 16,087 8,115 15,771	1,957,828 (55,122) 1,149,617 (753,089) 256,956	1,019,611 (34,145 791,999 (193,467) 29,560 8,115	
DECREASE IN CASH AND CASH EQUIVALENTS CHANGES IN CASH AND CASH EQUIVALENTS Opening balance Exchange differences on cash and cash equivalents Closing balance DECREASE IN CASH AND CASH EQUIVALENTS NON-CASH TRANSACTIONS Additions of right-of-use assets Acquisition of subsidiaries and joint ventures Transfers between property and equipment, intangible assets, and right-	12,13,14	(106,871) 340,929 - 234,058 (106,871) 99,929 -	(139,310) 621,099 - 481,789 (139,310) 16,087 8,115	1,957,828 (55,122) 1,149,617 (753,089) 256,956		





CONDENSED STATEMENTS OF VALUE ADDED

Six-month period ended June 30, 2022

(In thousands of Brazilian reais - R\$)

	Parent		Consolidated	
_ <u>No</u>	tes 06/30/2022	06/30/2021	06/30/2022	06/30/2021
WEALTH CREATED				
REVENUES				
	0 554,315	328,461	1,411,066	776,334
Allowance for expected credit losses, net of reversals	9	- (410)	(386)	(1,806)
Other operating income	(86	3,402	(8,292)	385
INPUTS PURCHASED FROM THIRD PARTIES				
Cost of sales and services	(142,083	(88,384)	(308,165)	(171,662)
Materials, electric power, outside services and others	(33,896	(28,946)	(59,415)	(45,638)
Advertising materials, marketing, promotion funds and others related to				
sales	(81,196	(37,204)	(138,010)	(76,139)
GROSS VALUE ADDED	297,054	176,919	896,798	481,474
	ĺ	·	,	•
RETENTIONS				
Depreciation and amortization 12,1	3,14 (181,567	(142,000)	(422,155)	(377,307)
WE I ST				
WEALTH CREATED BY THE COMPANY	115,487	34,919	474,643	104,167
WEALTH RECEIVED IN TRANSFER				
	1 7,189	(176,527)	3,117	(12,943)
	2 174,855		216,015	90,565
Thidhe moone	2 174,000	30,300	210,010	30,000
TOTAL WEALTH FOR DISTRIBUTION	297,531	(105,305)	693,775	181,789
WEALTH DISTRIBUTED				
PERSONNEL				
Salaries and wages	98,527	55,167	221,152	136,066
Benefits	9,586		19,252	15,077
Social security costs	7,290		12,858	9,543
·				
TAXES, FEES AND CONTRIBUTIONS:				
Federal	44,597	27,164	82,346	37,821
State			737	402
Municipal	20,707	12,270	27,780	16,854
LENDERS AND LESSORS:				
Interest 2	2 220,050	85,254	392,469	235,081
Leases	43,356	42,224	83,619	72,459
SHAREHOLDERS:				
Owners' share of losses	(146,587	(340,395)	(146,587)	(340,395)
Noncontrolling interests' share of losses		-	149	(1,119)
WEALTH DICTRIPLITED	007.504	(405.225)	000 775	404 700
WEALTH DISTRIBUTED	297,531	(105,305)	693,775	181,789





NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At June 30, 2022

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

1. GENERAL INFORMATION

Smartfit 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 FIP and 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 June 30, 2022, the Group continues to operate with 100% of its units open, with a total of 1,121 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 six-month period ended June 30, 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 six-month period ended June 30, 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 August 9, 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	Amendments to IFRS 1 – First Time Adoption of International Financial Reporting Standards, IFRS 9 – Financial
Standards 2018-2020	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	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	Disclosure of Accounting Policies	01/01/2023
Practice Statement		
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

INCREASE IN INTEREST IN ADV ESPORTES E SAÚDE LTDA.

On May 2, 2022, the noncontrolling shareholders requested the withdrawal of subsidiary ADV Esporte e Saúde LTDA, in which they held 21% of the shares. As a consequence, the company's share capital was reduced proportionally to the withdrawing member's interests and the Company now holds a 100% interest in the company (see Note 11). As at June 30, 2022, the Company provisionally recorded the amount of R\$ 16,677 under "Other liabilities" (see Note 15).

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.





B3 LISTED

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 fluctuations in foreign exchange and interest rates impacting the 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
PARENT	10% Increase	10% Decrease
Interest rate sensitivity		
Variable interest	7,700	(7,700)
CONSOLIDATED		
Interest rate sensitivity		
Variable interest	2,573	(2,573)

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\$ 123,211 at June 30, 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\$798, is recognized as income in finance income (costs) for the six-month period ended June 30, 2022, and the Group has not applied hedge accounting for this instrument.

PRICE RISK MANAGEMENT

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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 p	profit or loss
	10%	10%
	Increase	Decrease
CONSOLIDATED		
Price sensitivity		
Shares of listed company	911	(911)





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 June 30, 2022				
Trade payables	53,229	-	-	53,229
Other liabilities	145,618	17,693	-	163,311
Borrowings ⁽¹⁾	267,260	365,731	2,061,405	2,694,396
Lease liabilities ⁽¹⁾	255,645	230,710	947,614	1,433,969
Derivative financial instruments	=	=	23,655	23,655
Total	721,752	614,134	3,032,674	4,368,560
CONSOLIDATED				
At June 30, 2022				
Trade payables	195,036	-	-	195,036
Other liabilities	173,419	16,393	-	189,812
Borrowings ⁽¹⁾	661,049	853,183	2,798,763	4,312,995
Lease liabilities ⁽¹⁾	690,359	757,573	1,850,923	3,298,855
Derivative financial instruments	-	-	23,655	23,655
Total	1,719,863	1,627,149	4,673,341	8,020,353

⁽¹⁾ Includes interest to be accrued.

As at June 30, 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\$72.839 (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	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Customer list by late payment range				
Current	94,315	103,570	184,432	194,026
Past due:				
Up to 30 days	109	120	336	353
From 31 to 60 days	127	140	407	428
From 61 to 90 days	132	145	373	392
From 91 to 180 days	550	604	1,704	1,793
From 181 to 360 days	633	695	1,691	1,779
More than 361 days	743	816	1,931	2,032
Total	96,609	106,090	190,874	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 June 30, 2022 and their allocation to the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
PARENT				
Assets				
Investments in financial assets				
Investment funds and other financial investments	-	1,981,023	-	1,981,023
Other receivables				
N2B loan	-	-	16,439	16,439
Derivative financial instruments				
Smartfit call option - MB Negócios Digitais	-	-	2,455	2,455
Total	-	1,981,023	18,894	1,999,917
Liabilities				
Other liabilities				
Contingent consideration – Just Fit	-	-	(13,546)	(13,546)
Derivative financial instruments				
Sale obligation of noncontrolling interest – MB Negócios Digitais	-	-	(23,655)	(23,655)
Total	-	-	(37,201)	(37,201)
CONSOLIDATED				
Assets				
Cash and cash equivalents				
Repurchase agreements	-	221,849	-	221,849
Investments in financial assets				
Investment funds and other financial investments	-	1,619,637	-	1,619,637
Interests in publicly-held company	9,110	-	-	9,110
Other receivables				
N2B loan	-	-	16,439	16,439
Derivative financial instruments				
Smartfit call option - MB Negócios Digitais	-	-	2,455	2,455
Total	9,110	1,841,486	18,894	1,869,490
Liabilities			•	
Other liabilities				
Contingent consideration – Just Fit	-	-	(13,546)	(13,546)
Derivative financial instruments				, , , , ,
Sale obligation of noncontrolling interest – MB Negócios Digitais	-	-	(23,655)	(23,655)
Total	-	-	(37,201)	(37,201)





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	(4,506)	16,802	(4,506)	16,802
At June 30, 2022	18,894	(37,201)	18,894	(37,201)

In the six-month period ended June 30, 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\$1,617,001 in Parent and R\$3,050,670 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	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Cash and cash equivalents				
Cash and banks	1,105	6,084	228,218	244,327
CDB ⁽¹⁾	232,953	314,084	699,293	952,415
Non-exclusive investment funds	-	20,761	-	20,760
Repurchase agreements ⁽²⁾	-	-	221,849	735,456
Other financial investments ⁽³⁾	_	-	257	4,870
Total	234,058	340,929	1,149,617	1,957,828

⁽¹⁾ They are remunerated at a weighted average rate of 101.70% of the CDI (102.90% in Dec/21) and managed by independent financial institutions. The maturities are variable, however, they are highly liquid, with no loss of remuneration upon redemption.



⁽²⁾ 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 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).

⁽³⁾ These are distributed into subsidiaries Latarngym Mexico with an average annual rate of 5.66% (3.55% in Dec/21), Sporty City Colombia with an average annual rate of 5.32% (2.26% in Dec/21), and Latarnfit Chile with an average annual rate of 0.63% (0.63% in Dec/21).

⁽⁴⁾ 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 102.84% of the CDI. 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		Conso	lidated
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Investments in financial assets				
CDB ⁽¹⁾	-	72,636	1,168	78,573
Non-exclusive investment funds ⁽²⁾	-	15,756	-	16,015
Exclusive investment funds ⁽³⁾	1,975,544	2,612,153	-	-
Government securities ⁽⁴⁾	-	-	934,646	1,207,304
Financial bills ⁽⁵⁾	-	-	679,512	417,835
Interests in publicly-held company	-	-	9,110	17,478
Other financial investments	5,479	3,910	28,207	28,506
Total	1,981,023	2,704,455	1,652,643	1,765,711
Current	1,975,544	2,700,545	1,614,054	1,761,801
Noncurrent	5,479	3,910	38,589	3,910

- (1) At December 31, 2021, the balance referred mainly to guarantees related to the 2nd series of the 4th issue of debentures, as set forth in the agreement (see Note 16), invested in CDB. On April 20, 2022, the Company carried out the optional early redemption of all these debentures. The remaining balance refers to CDB given in guarantee of certain loans remunerated at a rate of 97.0% of the CDI (99.50% in Dec/21) and managed by independent financial institutions.
- (2) At December 31, 2021, the balance referred to guarantees related to the 2nd series of the 4th issue of debentures, as set forth in agreement (see Note 16), invested in the non-exclusive fixed income investment fund Soberano. On April 20, 2022, the Company carried out the optional early redemption of all these debentures.
- (3) Refer to the private credit exclusive fixed income investment funds Atila RF CP FI remunerated at a weighted average rate of 111.40% of the CDI (104.58% in Dec/21) and Santo Amaro RF CP remunerated at a weighted average rate of 101.90% of the CDI(99.95 in Dec/21). These funds were established for the sole purpose of the Parent's participation. In the Parent, 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.
- (4) Represented by government securities (LFT) remunerated at a weighted average rate of 100.56% of the CDI (100.58% of the CDI in Dec/21) for the securities of Santo Amaro and Atila funds remunerated at a weighted average rate of 100.80% of the CDI (98.60% in Dec/21).
- (5) Refer to securities by private credit issuers of Atila fund remunerated at a weighted average rate of 121.43% of the CDI (118.07% of the CDI in Dec/21) and Santo Amaro fund remunerated at a weighted average rate of 109.04% of the CDI (112.5% of the CDI in Dec/21).

8. DERIVATIVE FINANCIAL INSTRUMENTS

BREAKDOWN OF BALANCES

	Pa	Parent		lidated
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Derivative financial investments				
Assets				
Smartfit call option - MB Negócios Digitais	2,455	7,027	2,455	7,027
Total	2,455	7,027	2,455	7,027
Liabilities				
Sale obligation of noncontrolling interest – MB Negócios Digitais	23,655	13,987	23,655	13,987
Total	23,655	13,987	23,655	13,987

9. TRADE RECEIVABLES

BREAKDOWN OF BALANCES

	Parent		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Trade receivables				
Trade receivables arising from contracts with customers ⁽¹⁾	96,609	106,090	190,874	200,803
Allowance for expected credit losses	(1,677)	(1,677)	(5,412)	(5,026)
Total	94,932	104,413	185,462	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	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Other receivables				
Related parties ⁽¹⁾	111,950	95,042	25,693	22,997
Security deposits ⁽²⁾	239	239	33,914	33,025
Loans to third parties ⁽³⁾	19,152	16,628	39,711	36,564
Taxes recoverable ⁽⁴⁾	70,003	44,897	237,870	201,618
Escrow deposits ⁽⁵⁾	68,684	58,756	78,092	67,883
Prepaid expenses	17,263	6,868	40,777	22,545
Others	24,354	24,843	52,429	39,013
Total	311,645	247,273	508,486	423,645
Current	193,125	141,627	320,262	254,547
Noncurrent	118,520	105,646	188,224	169,098

See note 25.

11. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES

BREAKDOWN OF BALANCES

	06/30/2022		d ended June 30, 122	12/31/2021		d ended June 30, 021
	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	1,065,595	(13,979)	(52,461)	1,054,955	(83,440)	(33,252)
Sporty City SAS	449,501	18,727	(38,558)	468,957	(11,333)	(63,064)
Latamfit Chile SPA	197,957	1,329	(31,901)	228,529	(26,618)	(13,788)
Smartfit Peru SAC	18,420	(14,521)	(95)	33,000	(36,738)	1,058
MB Negócios Digitais S.A.	107,304	7,131	(40)	116,430	10,583	-
ADV Esporte e Saúde Ltda.	59,057	(3,603)	-	34,248	(523)	-
Other subsidiaries	273,834	8,340	(1,245)	245,568	(22,424)	(9,319)
Joint ventures						
FitMaster LLC	44,386	(276)	-	39,405	(1,429)	3,418
Sporty Panamá SA	93,117	4,041	1,252	87,823	(4,605)	272
Total	2,309,171	7,189	(123,048)	2,308,915	(176,527)	(114,675)
Included in assets	2,319,813			2,318,853		
Included in liabilities ¹	(10,642)			(9,938)		
CONSOLIDATED						
Joint ventures						
FitMaster LLC	44,386	(276)	-	39,405	(1,429)	3,418
Sporty Panamá SA	93,117	4,041	1,252	87,823	(4,605)	272
Total Pass SA de CV	(3,884)	(648)	144	(3,380)	(6,909)	634
Total	133,619	3,117	1,396	123,848	(12,943)	4,324
Individud in access	427 500			407 200		
Included in assets	137,503			127,228		
Included in liabilities ¹	(3,884)			(3,380)		

⁽¹⁾ See note 15.



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\$16,439, 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.

In Consolidated, includes mainly PIS/COFINS of R\$11,428 (R\$10,360 in Dec/21), IRPJ/CSLL of R\$41,356 (R\$31,283 in Dec/21) and IGV of R\$99,007 (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).



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⁾	137,851	5,258
Dividends ⁽²⁾	(19,729)	-
Share-based payments in subsidiaries	1,181	-
Share of profit (loss) of investees	7,189	3,117
Increase in equity interest in subsidiary due to the withdrawal of noncontrolling shareholders.	(3,188)	-
Other comprehensive income in subsidiaries	(7,397)	-
FX effects	(115,651)	1,396
At June 30, 2022	2,309,171	133,619

As at June 30, 2022, in Parent, this refers to the capital increase in subsidiaries Smartfit Argentina (R\$108), Latamgym Mexico (R\$76,309), Smartfit Paraguay (R\$9,366), Uruguay (R\$710), Biomorum (R\$8,100), ADV (R\$31,600), Just Fit (R\$5,800), Microsul (R\$600) and in the joint venture FitMaster (R\$5,258).
 Balance of dividends received from subsidiaries MB Negócios (R\$16,217), Bio Pauli (R\$3,343) and M2 (R\$169).

SUMMARIZED AGGREGATED FINANCIAL INFORMATION ON JOINT VENTURES

	06/30/2022	12/31/2021
BALANCE SHEETS		
Current assets	69,201	2,484
Noncurrent assets	360,036	120,836
Total assets	429,237	123,320
Current liabilities	102,510	1,872
Noncurrent liabilities	107,784	21,152
Total liabilities	210,294	23,024
Total equity	218,943	100,296

	Six-month p	n perioa enaea	
	06/30/2022	06/30/2021	
STATEMENT OF PROFIT AND LOSS			
Operating revenue	74,319	8,268	
Costs and expenses	(72,353)	(27,313)	
Operating profit (loss)	1,966	(19,045)	
Finance income (costs)	(1,250)	(3,829)	
Income taxes	-	(25)	
Profit (loss) for the period	716	(22,899)	





12. PROPERTY AND EQUIPMENT

BREAKDOWN OF AND VARIATIONS IN THE BALANCES(4)

	Facilities and leasehold improvements	Machinery and equipment	Furniture and fixtures	IT equipment	Property and equipment in progress	Other property and equipment	Total
PARENT							
At December 31, 2020							
Cost	867,265	397,156	87,591	31,178	32,505	73,905	1,489,600
Accumulated depreciation	(399,558)	(123,176)	(32,968)	(13,036)		(34,148)	(602,886)
Net value	467,707	273,980	54,623	18,142	32,505	39,757	886,714
Additions	51,648	7,332	3,984	5,924	97,729	4,290	170,907
Acquisition of assets	63,449	34,739	16,147	2,400	39,030	9,989	165,754
Write-offs	(6,132)	(4,262)	10,147	(67)	(1,902)	9,909	(12,363)
Depreciation	(84,242)	(41,080)	(9,608)	(6,209)	(1,302)	(15,304)	(156,443)
Transfers and	(01,212)	(11,000)	(0,000)	(0,200)		(10,001)	(100,110)
reclassifications ⁽¹⁾	45,873	35,553	6,105	1,004	(96,937)	5,626	(2,776)
At December 31, 2021							4 = 22 222
Cost	1,004,707	476,775	114,011	40,084	70,425	93,694	1,799,696
Accumulated depreciation	(466,404)	(170,513)	(42,760)	(18,890)	70.405	(49,336)	(747,903)
Net value	538,303	306,262	71,251	21,194	70,425	44,358	1,051,793
Additions ⁽³⁾	24,553	13,558	5,262	2,013	67,690	2,275	115,351
Write-offs	(17,038)	(8,884)	(399)	(22)	(3,340)	-	(29,683)
Depreciation	(51,052)	(24,336)	(5,945)	(3,661)	-	(7,434)	(92,428)
Transfers and reclassifications ⁽¹⁾	15,494	13,038	4,694	443	(43,709)	2,068	(7,972)
Teciassifications	15,494	13,036	4,034	443	(43,709)	2,000	(1,312)
At June 30, 2022	4 000 4=0	400.000					
Cost	1,023,176	492,623	123,515	42,117	91,066	97,815	1,870,312
Accumulated depreciation	(512,916)	(192,985)	(48,652)	(22,150)	- 04.000	(56,548)	(833,251)
Net value	510,260	299,638	74,863	19,967	91,066	41,267	1,037,061
CONSOLIDATED							
At December 31, 2020	2,258,657	902 522	102 216	105,928	188,258	02 147	3,642,739
Cost Accumulated depreciation	(790,089)	803,533 (250,165)	193,216 (77,570)	(56,287)	100,200	93,147 (43,496)	(1,217,607)
Net value	1,468,568	553,368	115,646	49,641	188,258	49,651	2,425,132
Net value	1,400,500	333,300	113,040	43,041	100,230	43,031	2,423,132
Additions	119,304	34,344	6,656	14,021	290,313	12,668	477,306
Acquisition of subsidiary	23,241	21,177	3,240	392	14	2,595	50,659
Acquisition of assets	63,449	34,739	16,147	2,400	39,030	9,989	165,754
Write-offs	(21,279)	(10,108)	(627)	(669)	(6,663)	-	(39,346)
Depreciation	(216,293)	(107,941)	(21,377)	(17,450)	-	(18,321)	(381,382)
FX effects	10,967	(7,666)	(3,160)	(1,532)	(30,869)	(827)	(33,087)
Transfers and reclassifications ⁽²⁾	151.870	53,567	27,324	3,581	(208,718)	4,352	31,976
	131,670	33,307	21,324	3,361	(200,710)	4,332	31,970
At December 31, 2021							
Cost	2,597,677	959,878	245,010	122,382	271,365	121,742	4,318,054
Accumulated depreciation	(997,850)	(388,398)	(101,161)	(71,998)	-	(61,635)	(1,621,042)
Net value	1,599,827	571,480	143,849	50,384	271,365	60,107	2,697,012
Additions ⁽³⁾	38,574	22,451	8,731	3,908	395,645	24,573	493,882
Write-offs	(25,746)	(6,724)	(649)	(188)	(4,495)	(1,022)	(38,824)
Depreciation	(116,762)	(50,953)	(13,024)	(12,008)	-	(9,593)	(202,340)
FX effects	(52,979)	(14,127)	(2,451)	(1,579)	(17,435)	(2,137)	(90,708)
Transfers and					, , ,		
reclassifications ⁽²⁾	184,846	78,445	20,928	13,449	(312,148)	14,283	(197)
At June 30, 2022							
Cost	2,705,096	1,024,546	264,456	140,699	332,932	158,940	4,626,669
Accumulated depreciation	(1,077,336)	(423,974)	(107,072)	(86,733)	-	(72,729)	(1,767,844)
Net value	1,627,760	600,572	157,384	53,966	332,932	86,211	2,858,825



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 as The remaining balance in the Transfers and reclassifications column refers to Property and equipment reclassified to Intangible assets in the amount of R\$9,652 (see note 13) and Right-of-use assets reclassified to Property and equipment in the amount of R\$9,455 (see note 14).

Includes financial costs, capitalized at R\$1,633.

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						
Cost	82,320	42,773	11,454		8,478	145,025
Accumulated amortization	02,320	(33,437)	(4,891)	<u> </u>	0,470	(38,328)
Net value	82,320	9,336	6,563	-	8,478	106,697
Additions	-	-	2,109	-	-	2,109
Acquisitions of assets	-	-	102	-	-	102
Write-offs	<u>-</u>	(4.007)	(88)	<u>-</u>	-	(88)
Amortization Transfers and reclassifications	<u> </u>	(1,687)	(3,366) 17,412	<u> </u>	<u> </u>	(5,053) 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	-	-	3,730	-	-	3,730
Amortization	-	(843)	(2,311)	-	-	(3,154)
Transfers and reclassifications ⁽¹⁾	-	-	7,972	-	-	7,972
At June 30, 2022						
Cost	82,320	42,773	42,680	-	8,478	176,251
Accumulated amortization	-	(35,967)	(10,557)	-	-	(46,524)
Net value	82,320	6,806	32,123	-	8,478	129,727
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	-	-	102	-	-	102
Write-offs	(706)	(128)	(418)	-	(407)	(1,659)
Amortization	-	(4,803)	(11,806)	(11,087)	(4,616)	(32,312)
FX effects	(34,876)	1,374	242	(3,400)	853	(35,807)
Transfers and reclassifications	-	5,658	18,244	-	(322)	23,580
At December 31, 2021						
Cost	1,433,185	72,141	70,503	45,908	29,033	1,650,770
Accumulated amortization	-	(48,737)	(32,196)	(43,811)	(6,268)	(131,012)
Net value	1,433,185	23,404	38,307	2,097	22,765	1,519,758
Additions	-	-	8,063	-	42	8,105
Write-offs	-	-	(16)		-	(16)
Amortization	-	(2,374)	(6,332)	-	(2,087)	(10,793)
FX effects	(87,780)	376	(53)	(629)	(1,268)	(89,354)
Transfers and reclassifications ⁽¹⁾	-	-	10,175	-	(523)	9,652
At June 30, 2022						
Cost	1,345,405	72,079	88,336	3,011	27,785	1,536,616
Accumulated amortization		(50,673)	(38,192)	(1,543)	(8,856)	(99,264)
Net value	1,345,405	21,406	50,144	1,468	18,929	1,437,352

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



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%; Client portfolio: 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	-	(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, write-offs and remeasurements(3)	-	94,652	94,652	394	231,753	232,147
Depreciation	-	(85,985)	(85,985)	(17,863)	(191,159)	(209,022)
Tax credits on depreciation	-	(7,053)	(7,053)	-	(9,458)	(9,458)
Assignment of right of use ⁽¹⁾	-	(5,055)	(5,055)	-	-	-
FX effects	-	-	-	(14,241)	(80,746)	(94,987)
Transfers and reclassifications ⁽²⁾	-	-	-	(9,455)	-	(9,455)
At June 30, 2022	-	1,011,631	1,011,631	129,629	2,590,001	2,719,630

Refer to the assignment of rental contracts related to Company's units transferred to other Group companies in the 1st six-month period of 2022. Refer to reclassifications to Property and equipment (see note 12).

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 ⁽¹⁾	(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, write-offs and remeasurements	-	86,966	86,966	394	221,954	222,348	
Interest incurred	-	42,432	42,432	7,981	120,435	128,416	
Considerations ⁽¹⁾	-	(123,600)	(123,600)	(36,645)	(286,107)	(322,752)	
Tax credits on interest	-	2,589	2,589	-	3,128	3,128	
Assignment of right of use ⁽²⁾	-	(5,607)	(5,607)	-	-	-	
FX effects	-	-	-	(10,317)	(94,281)	(104,598)	
At June 30, 2022	-	1,070,506	1,070,506	126,185	2,821,416	2,947,601	
Current	-	171,353	171,353	55,317	349,372	404,689	
Noncurrent	-	899,153	899,153	70,868	2,472,044	2,542,912	

⁽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\$1.185 in Parent and R\$5,951 in Consolidated as discounts obtained with leases in the period ended June 30, 2022 (see note 22), and R\$33,193 in Parent and R\$111,508 in Consolidated in the year ended December 31, 2021.

Refer to the assignment of rental contracts related to Company's units transferred to other Group companies in the 1st six-month period of 2022.



Includes R\$6,634 related to initial direct costs.

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



DISCOUNT RATES

Lease liabilities are discounted at average rates between 7.08% and 10.11% in Parent and between 2.90% and 12.67% in Consolidated.

FLOW OF LEASE MATURITIES

		Consolidated		
	Machinery and equipment	d Buildings	Total	
2022	28,167	172,411	200,578	
2023	51,285	344,163	395,448	
2024	32,767	328,803	361,570	
2025 onwards	13,966	1,976,039	1,990,005	
Total	126,185	2,821,416	2,947,601	

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	4,133,574	2,821,416
PIS/COFINS - 9.25% ⁽¹⁾	142,395	106,200

⁽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 June 30, 2022, the Company incurred expenses of R\$51 in Parent and R\$1.334 in Consolidated (R\$69 and R\$495 in Parent and Consolidated, respectively, for the period ended June 30, 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, right-of-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:

	Conso	lidated
	Actual flow	Flow w/ inflation
Right-of-use assets	2,590,001	3,469,984
Lease liabilities	1,515,668	1,391,990
Finance charges	1,305,748	2,308,722
Total Lease liabilities	2,821,416	3,700,712
Finance costs	1,305,748	2,308,722
Depreciation expense	1,650,681	3,448,609
Total expenses ⁽¹⁾	2,956,429	5,757,331

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





15. OTHER LIABILITIES

BREAKDOWN OF BALANCES

	Parent		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Other liabilities				
Related parties ⁽¹⁾	58,534	34,892	50	-
Taxes and contributions payable ⁽²⁾	19,926	14,494	43,800	35,072
Salaries, accruals and social contributions	42,990	28,362	77,171	59,180
Investments in subsidiaries and joint ventures with negative equity ⁽³⁾	10,642	9,938	3,884	3,380
Contingent consideration - MB Negócios Digitais	3,326	3,155	3,326	3,155
Contingent consideration – Latamfit Chile	6,053	6,815	6,053	6,815
Contingent consideration – Just Fit ⁽⁴⁾	13,546	40,016	13,546	40,016
Acquisition of shares – ADV	-	6,613	-	6,613
Amount payable to noncontrolling interests - ADV ⁽⁵⁾	-	-	19,677	=
Others	8,294	7,990	22,305	20,228
Total	163,311	152,275	189,812	174,459
Current	145,618	135,291	173,419	161,560
Noncurrent	17,693	16,984	16,393	12,899

⁽¹⁾ See note 25.

16. BORROWINGS

BREAKDOWN OF BALANCES

	Parent		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Borrowings				
Debentures	1,297,512	1,776,798	1,297,512	1,776,798
Promissory notes	247,862	240,803	247,862	240,803
Working capital	43,549	85,389	1,472,752	1,572,894
Total	1,588,923	2,102,990	3,018,126	3,590,495
Current	62,711	99,488	408,123	488,720
Noncurrent	1,526,212	2,003,502	2,610,003	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	-	222,891
Accrued interest and cost amortization	154,990	214,556
Principal paid	(542,429)	(727,913)
Interest payment	(126,628)	(182,075)
Exchange differences	- The second	(99,828)
At June 30, 2022	1,588,923	3,018,126



⁽²⁾ In Consolidated, this includes mainly ISS of R\$9,714 (R\$18,579 in Dec/21).

⁽³⁾ See note 11.

⁽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.

⁽⁵⁾ See note 3.



DESCRIPTION OF THE MAIN FINANCIAL AGREEMENTS

	Currency of the agreement	currency of the agreement (in millions)	Charges (p.a.)	Maturity	06/30/2022	12/31/2021
PARENT						
DEBENTURES						
Fourth issue	BRL	745	CDI+3.10%	04/20/2026	-	485,592
Fifth issue	BRL	250	CDI+2.25%	04/29/2024	250,370	247,067
Sixth issue	BRL	1.060	CDI+2.40%	12/20/2028	1,047,142	1,044,139
PROMISSORY NOTES						
Promissory notes - 1 st to 10 th series	BRL	240	CDI+2.50%	2023-2025	247,862	240,803
WORKING CAPITAL						
Smartfit Brasil ⁽¹⁾	BRL	100	CDI+3.28%	02/15/2023	22,360	39,021
Smartfit Brasil ⁽²⁾	BRL	50.4	CDI+2.90%	10/17/2022	6,437	15,994
SUBSIDIARIES WORKING CAPITAL						
Latamgym México ⁽³⁾	MXN	1,300.0	TIIE+1.90%	03/17/2025	268,222	306,594
Latamgym México ⁽⁴⁾	MXN	356.7	TIIE+2.80%	2023-2024	51.614	69,714
Latamgym México	MXN	290,0	TIIE + 2.00%	05/31/2027	74,748	-
Sporty City Colombia	COP	66,281.9	9.60%	08/17/2022	11,950	52,041
Sporty City Colombia	COP	40,000.0	IBR + 5.93%	02/09/2027	50,480	-
Sporty City Colômbia	СОР	36,000.0	IBR + 5.75%	04/01/2027	45,805	-
Latamfit Chile	CLP	25,218.6	7.22%	07/05/2024	98,846	145,939
Latamfit Chile	CLP	23,000.0	9.48%	12/29/2025	129,812	150,949
Latamfit Chile	CLP	11,091.2	5.67%	12/02/2024	44,834	62,540
Smartfit Peru	PEN	54.6	8.00%	10/17/2022	22,931	58,281
Smartfit Peru	PEN	66	8.00%	08/09/2024	51,845	76,448
Smartfit Peru	PEN	62.7	4.78%	07/15/2025	85,777	87,902

Par value in the

(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

119.1

4.65%

11/30/2025

162,332

166.146

PEN

- 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.

 Non-revolving credit agreement due in two installments, with final maturity on March 17, 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.

 Non-revolving credit agreement with monthly capital repayments starting after the 12th month from the disbursement. 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.

PROMISSORY NOTES

Smartfit Peru

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.

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.

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, and 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) will be 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.

On June 30, the Company certified 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. Therefore, the Net Debt to EBITDA ratio is now 3.5x.

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 June 30, 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	136	255	784
Write-offs and reversals	(960)	(460)	-	(1,420)
At June 30, 2022	1,976	2,890	255	5,121
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	539	380	2,019	2,938
Write-offs and reversals	(1,112)	(669)	(171)	(1,952)
At June 30, 2022	8,294	4,575	14,661	27,530

⁽¹⁾ See note 3 to the annual financial statements..

LAWSUITS CLASSIFIED AS POSSIBLE LOSS

The Company's Management did not consider it necessary to recognize a provision for losses on ongoing civil, labor and tax lawsuits in the amount of R\$14,799 (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

	Pa	arent	Conso	lidated
		Six-month pe	riod ended	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Income tax and social contribution				
Current	-	-	(29,201)	(10,763)
Deferred	-	800	26,830	20,135
Total	-	800	(2,371)	9,372

RECONCILIATION OF EFFECTIVE INCOME TAX AND SOCIAL CONTRIBUTION EXPENSE

	Parent		Consolidated	
	Six-month period ended			
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Income tax and social contribution				•
Profit (loss) before income tax and social contribution	(146,587)	(341,195)	(144,067)	(350,886)
Statutory rate	34%	34%	34%	34%
Expected tax assets	49,840	116,006	48,983	119,301
Share of profit (loss) of investees	2,444	(60,019)	1,060	(4,401)
Unrecognized deferred tax - permanent and temporary differences	(11,701)	(11,569)	(16,641)	(13,012)
Unrecognized deferred tax – tax loss carryforwards	(41,328)	(46,979)	(36,582)	(281)
Adjustment of companies taxed on the presumed profit	-	-	3,262	961
Difference in rates of foreign subsidiaries	-	-	222	(38,926)
Others	745	3,361	(2,675)	(281)
Total	-	800	(2,371)	9,372



⁽²⁾ The remaining balance in the Transfers and reclassifications column refers to reclassifications to other liabilities.



BREAKDOWN OF DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

	Parent		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Deferred income tax and social contribution				
Deferred assets				
Temporary differences and tax losses ⁽¹⁾	=	-	167,639	150,081
Total deferred assets	-	-	167,639	150,081
Deferred liabilities				
Allocation of trademark and customer list	-	-	(5,273)	(6,669)
Promotion deferred revenue and others	=	-	(1,142)	(1,606)
Total deferred liabilities	-	-	(6,415)	(8,275)
Total deferred taxes, net	-	-	161,224	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 June 30, 2022, the balance of income tax and social contribution losses amounted to R\$1,211,117 (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 June 30, 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	0/
	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

	Six-month period ended			
	Pa	rent	Consol	lidated
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Operating revenue by type of service				
Gym plans	492,248	287,465	1,248,824	642,064
Annual fees	57,980	37,016	115,844	81,242
Membership fees	288	150	11,126	18,030
Others	3,799	3,830	35,272	34,998
Gross operating revenue	554,315	328,461	1,411,066	776,334
Taxes on revenue	(71,336)	(42,763)	(99,981)	(61,355)
Net operating revenue	482,979	285,698	1,311,085	714,979

Operating revenues by geographic region are disclosed in note 24.





BREAKDOWN OF DEFERRED REVENUE

	Parent		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Deferred revenue				
Gym plans	20,535	21,045	111,193	84,812
Annual fees	63,290	66,126	125,073	94,477
Membership fees	247	221	4,101	540
Others	1,886	2,293	1,886	2,293
Total	85,958	89,685	242,253	182,122
Current	84,888	88,207	241,100	180,561
Noncurrent	1,070	1,478	1,153	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:

	Six-month period ended					
		06/30/2022			06/30/2021	
	Costs	Expenses	Total	Costs	Expenses	Total
PARENT						
Personnel and related taxes	86,331	49,322	135,653	57,105	27,221	84,326
Depreciation and amortization, net of PIS and COFINS	166,548	6,024	172,572	134,336	943	135,279
Utilities expenses	66,001	2,416	68,417	44,205	2,234	46,439
Operational support services	50,524	19,959	70,483	29,222	18,101	47,323
Opening of new units	5,467	2,914	8,381	587	282	869
Variable lease of real estate, common area maintenance fees and occupancy expenses	29,320	709	30,029	34,276	189	34,465
Maintenance	10,063	-	10,063	7,407	-	7,407
Media and commercials	-	74,777	74,777	-	33,819	33,819
Credit card management fee	-	3,505	3,505	-	3,383	3,383
Allocation to stock option plans	-	6,820	6,820	-	3,348	3,348
Others	5,846	5,014	10,860	2,650	2,107	4,757
Total	420,100	171,460	591,560	309,788	91,627	401,415
CONSOLIDATED						
Personnel and related taxes	195,200	99,253	294,453	128,751	59,284	188,035
Depreciation and amortization, net of PIS and COFINS	399,798	11,565	411,363	365,340	3,719	369,059
Utilities expenses	141,363	5,969	147,332	87,462	4,430	91,892
Operational support services	90,890	34,854	125,744	50,784	29,301	80,085
Opening of new units	12,953	9,870	22,823	2,980	1,638	4,618
Variable lease of real estate, common area maintenance fees and occupancy expenses	62,195	1,472	63,667	61,491	705	62,196
Maintenance	33,927	-	33,927	17,392	-	17,392
Media and commercials	-	121,579	121,579	-	66,621	66,621
Credit card management fee	-	20,741	20,741	-	9,686	9,686
Allocation to stock option plans	-	8,087	8,087	-	3,348	3,348
Others	12,700	19,399	32,099	6,947	8,527	15,474
Total	949,026	332,789	1,281,815	721,147	187,259	908,406







22. FINANCE INCOME (COSTS)

		Six-month period ended		
	Pa	arent	Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
FINANCE INCOME				
Interest income	9,841	2,875	17,981	4,250
Exchange differences	-	883	6,671	1,439
Income from financial investments	135,611	6,636	154,844	8,242
Discounts obtained on leases	1,185	21,442	5,951	71,561
Other finance income	28,218	4,467	30,568	5,073
Total finance income	174,855	36,303	216,015	90,565
FINANCE COSTS				
Accrued interest and cost amortization	(153,357)	(36,902)	(212,923)	(84,557)
Interest on leases	(42,432)	(36,161)	(128,416)	(123,219)
Exchange differences	(1,528)	(2,392)	(17,001)	(10,325)
Gain (loss) on derivative financial instruments	(14,240)	(2,893)	(14,240)	(2,893)
Other finance costs	(8,493)	(6,906)	(19,889)	(14,087)
Total finance costs	(220,050)	(85,254)	(392,469)	(235,081)
				•
Total finance income (costs), net	(45,195)	(48,951)	(176,454)	(144,516)

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 June 30, 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
	06/30/2022	06/30/2021
Loss per share		
Loss attributable to owners of the Company	(146,587)	(340,395)
Weighted average number of shares during the period	586,242,289	467,937,393
Basic and diluted loss per share	(0.25)	(0.73)

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.
Other LATAM	Considers company owned units in Peru, Colombia, Chile, Argentina and Paraguay.





	Six-month period ended June 30, 2022									
		Brazil					Other LATAM			
	Smartfit	Bio Ritmo	Others	Total	Smartfit	Smartfit	Others	Total	Share of profit (loss) of investees	Consolidated
SEGMENTS										
Operating revenue	555,102	44,805	91,349	691,256	269,738	346,494	3,597	350,091	-	1,311,085
Costs	(485,917)	(37,167)	(11,903)	(534,987)	(199,686)	(210,268)	(4,085)	(214,353)	-	(949,026)
Gross profit (loss)	69,185	7,638	79,446	156,269	70,052	136,226	(488)	135,738	-	362,059
Selling expenses				(105,667)	(25,582)			(20,941)	-	(152,190)
General and administrative expenses				(127,941)	(14,141)			(30,225)	-	(172,307)
Other operating income (expenses), net				(6,203)	(1,137)			(952)	-	(8,292)
Share of profit (loss) of investees				-	-			-	3,117	3,117
Operating profit (loss) before finance income (costs)				(83,542)	29,192			83,620	3,117	32,387
OTHER INFORMATION										
Costs	(207,786)	(10,286)	4,273	(213,799)	(101,263)	(93,940)	(1,588)	(95,528)	-	(410,590)
Expenses	(2,307)	2	(6,748)	(9,053)	(1,211)	(1,301)	-	(1,301)	-	(11,565)
Depreciation and amortization	(210,093)	(10,284)	(2,475)	(222,852)	(102,474)	(95,241)	(1,588)	(96,829)	-	(422,155)
Costs	(126,023)	(8,614)	(1,969)	(136,606)	(69,519)	(55,714)	(1,248)	(56,962)	-	(263,087)
Expenses	(370)	-	(1,737)	(2,107)	(810)	(747)	-	(747)	-	(3,664)
Fixed lease	(126,393)	(8,614)	(3,706)	(138,713)	(70,329)	(56,461)	(1,248)	(57,709)	-	(266,751)
Costs	(5,467)	(156)	(523)	(6,146)	(1,612)	(5,195)	-	(5,195)	-	(12,953)
Expenses	(2,914)	(10)	(96)	(3,020)	(5,774)	(1,076)	-	(1,076)	-	(9,870)
Opening of new units	(8,381)	(166)	(619)	(9,166)	(7,386)	(6,271)	_	(6,271)	_	(22,823)

	Six-month period ended June 30, 2021									
	Brazil				Mexico Other LATAM					
	Smartfit	Bio Ritmo	Others	Total	Smartfit	Smartfit	Others	Total	Share of profit (loss) of investees	Consolidated
SEGMENTS										
Operating revenue	324,324	22,835	76,755	423,914	143,821	146,324	920	147,244	-	714,979
Costs	(335,270)	(28,052)	(35,970)	(399,292)	(154,771)	(161,973)	(5,111)	(167,084)	-	(721,147)
Gross profit (loss)	(10,946)	(5,217)	40,785	24,622	(10,950)	(15,649)	(4,191)	(19,840)	-	(6,168)
Selling expenses				(57,890)	(10,594)			(9,474)	-	(77,958)
General and administrative expenses				(76,057)	(12,915)			(20,714)	-	(109,686)
Other operating income (expenses), net				(878)	102			1,161	-	385
Share of profit (loss) of investees				-	-			-	(12,943)	(12,943)
Operating profit (loss) before finance income (costs)				(110,203)	(34,357)			(48,867)	(12,943)	(206,370)
OTHER INFORMATION										
Costs	(140,166)	(10,124)	(33,389)	(183,679)	(97,267)	(90,234)	(2,408)	(92,642)	-	(373,588)
Expenses	(166)	-	(1,074)	(1,240)	(1,011)	(1,468)	-	(1,468)	-	(3,719)
Depreciation and amortization	(140,332)	(10,124)	(34,463)	(184,919)	(98,278)	(91,702)	(2,408)	(94,110)	-	(377,307)
Costs	(78,787)	(5,503)	(1,014)	(85,304)	(49,341)	(25,414)	(178)	(25,592)	-	(160,237)
Expenses	(82)	-	(1,362)	(1,444)	(708)	(957)	=	(957)	-	(3,109)
Fixed lease	(78,869)	(5,503)	(2,376)	(86,748)	(50,049)	(26,371)	(178)	(26,549)	-	(163,346)
Costs	(587)	-	-	(587)	(171)	(2,222)	-	(2,222)	-	(2,980)
Expenses	(781)	-	-	(781)	(132)	(725)	-	(725)	-	(1,638)
Opening of new units	(1,368)	-	-	(1,368)	(303)	(2,947)	-	(2,947)	-	(4,618)







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 in Jun/22 recognized in profit or loss in the amount of R\$282 (R\$213 in Jun/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\$597 (R\$419 in Jun/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\$4,511 in Jun/22 (R\$2,597 in Jun/21). The expense on the stock option plan for Company officers was R\$2,647.







RELATED-PARTY BALANCES

		06/30	0/2022		12/31/2021					
	Other red	eivables	Other lia	abilities	Other red	eivables	Other liabilities			
	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	17,420	8,707	758	15,800	9,827	8,066	675	-		
Smartfin	26,621	-	3,245	-	20,983	-	3,225	-		
Smartdom	730	8,451	22	-	531	9,267	20	-		
Bio Plaza	2,467	3,932	61	-	2,219	3,450	41	-		
Asnsmart	2,219	3,634	44	-	1,661	3,065	44	-		
Bioswim	11,919	660	28,572	-	12,031	660	26,174	-		
Biosanta	625	2,597	21	-	625	2,404	17	-		
Microsul	1,055	-	8	-	1,055	-	7	-		
Smartrfe	947	-	275	-	946	-	225	-		
Centrale	764	-	-	-	764	-	176	-		
M2	513	-	-	=	304	-	207	-		
SmartMNG	178	-	395	-	186		380	-		
Biomorum	207	-	8,349	-	207	-	3,671	-		
Racebootcamp	111	-	33	-	105	-	30	-		
TotalPass	18,076	-	422	-	16,686	-	-			
Just Fit	-	-	11	-	-	-	-	-		
Bio Pauli	-	-	-	518	-	-	-	-		
MB Negócios Digitais	117	=	-	=	-	-	-	-		
Total balances with related parties	83,969	27,981	42,216	16,318	68,130	26,912	34,892	-		
CONSOLIDATED										
Joint ventures										
TotalPass Mexico	9,366	16,327	-	-	5,880	17,117		-		
Non-controlling interests										
Non-controlling interests	-	-	-	50	-	-	-	-		
Total balances with related parties	9,366	16,327	-	50	5,880	17,117	-	-		





⁽¹⁾ Current balances.(2) Noncurrent balances.

⁽³⁾ The liabilities balance refer to transactions resulting from the apportionment of administrative expenses and transfers of property and equipment.



RELATED-PARTY TRANSACTIONS

		Six-month period ended								
		06/30/	/2022		06/30/2021					
	Operating revenue	Costs	Expenses	Finance income (costs)	Operating revenue	Costs	Expenses	Finance income (costs)		
PARENT						<u> </u>		·		
Subsidiaries										
ADV Esportes	2,599	(4)	-	569	2,922	(9)	-	208		
Smartfin	-	-	-	-	22	-	(1,815)	-		
Smartdom	157	(1)	-	617	124	(1)	-	265		
Bio Plaza	248	(23)	-	249	128	(9)	-	64		
Asnsmart	433	(1)	-	241	333	(1)	-	82		
Bioswim	-	(1,413)	-	-	-	(636)	-	-		
Biosanta	-	(5)	-	173	-	(3)	-	66		
Microsul	-	-	-	-	-	-	-	6		
Smartrfe	-	(1)	-	-	662	(2)	-	-		
M2	183	(5)	-	-	135	(124)	-	-		
SmartMNG	-	(5)	-	-	-	(2)	-	-		
Biomorum	-	(4,689)	-	-	-	(15)	(1,149)	-		
TotalPass	-	(422)	-	-	-	-	-	-		
Joint ventures										
SmartEXP	-	-	-	-	332	-	-	(2,893)		
Total balances with related parties	3,620	(6,569)	-	1,849	4,658	(802)	(2,964)	(2,202)		
CONSOLIDATED										
Joint ventures										
SmartEXP	-	-	-	-	414	-	-	(2,893)		
Total balances with related parties	-	-	-	-	414	-	-	(2,893)		







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 June 30, 2022, the amount recognized in profit or loss was R\$6,820, against a capital reserve. Up to this date, R\$25 have been paid by the beneficiaries to the Company for the right to acquire the options, and R\$66 have been paid for repurchases to beneficiaries made by the Company. Regarding the phantom shares, the amount recognized in profit or loss, in accordance with CPC 10 (R1) / IFRS 2, was R\$1.181 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 June 30, 2022, the basic insurance coverage is R\$9,180,503 and the coverage for loss of profits is R\$18,000.

28. EVENTS AFTER THE REPORTING PERIOD

Up to the date of issue of these financial statements, the Company has not identified any significant events.







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A free translation from Portuguese into English of Independent Auditor's Review R000eport 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 on June 30, 2022, which comprises the statement of financial position as at June 30, 2022, and the related statements of profit or loss and of comprehensive income for the three and six-months periods then ended, and of changes in equity and of cash flows for the six-month period 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 six-month period ended on June 30, 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 and of comprehensive income, for the three and six-month periods ended on June 30, 2021, and of changes in equity, of cash flows and of value added for the six-month period ended on June 30, 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 August 11, 2021 on the individual and consolidated interim financial information for the quarter ended June 30, 2021, both of which were unmodified and contained emphasis paragraphs regarding the COVID-19 impacts.

São Paulo, August 09, 2022.

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

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