EARNINGS RELEASE

4Q23

RESULTS WEBINAR
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11 a.m. (Brasília) / 10 a.m. (New York)

Videoconference in Portuguese
with simultaneous translation into English
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4Q23 EARNINGS RELEASE

São Paulo, March 14 – Smart Fit (SMFT3), the leader in the fitness sector across Latin America in memberships[1], announces its 4Q23 results. To facilitate analysis, the results are shown without the effect of IFRS 16/CPC 06 (R2). The effects of IFRS 16/CPC 06 (R2) on the result are detailed from page 26 onwards.

HIGHLIGHTS OF THE PERIOD

- ***1,438 clubs across 15 countries in Latin America, with record expansion in the period***

4Q23 was marked by the opening of 132 clubs, the best quarter ever in number of inaugurations, with 215 units added during the year, another record, leading to network growth of 18% vs. Dec/2022.

- ***Member base in clubs constant expansion reaching 4.1 million, up 20% from 4Q22***

Successful member attraction and retention efforts and organic expansion have driven member base growth, adding 683,000 club members in the year.

- ***Net revenue of R$1,131 million in 4Q23, +33% vs. 4Q22 and +4% vs. 3Q23***

Net revenue in the year of R$4.2 billion, +45% vs. 2022, with growth across all regions due to the combination of club network expansion, higher average ticket, and member base growth.

- ***Cash gross margin at mature units[2] of 52% and continuous cash gross profit growth at units inaugurated since 2021***

Cash gross margin of 50% in 4Q23 and in 2023, highlighting the stable mature units' margin during the year at 52% and solid performance by units opened in 2021 and 2022, which registered similar levels to those of mature units.

- ***EBITDA of R$332 million and operating cash flow of R$426 million in the period, up R$268 million from 4Q22***

EBITDA of R$1.3 billion in 2023, up 120% from 2022, with the highest margin ever of 30.7%, +10.5 p.p. vs. 2022, and strong operating cash flow in the year of R$1.5 billion.

- ***Recurring net income[3] of R$209 million in 4Q23, record result and +180% vs. 4Q22***

Recurring net income totaled R$536 million - the highest ever, with recurring net margin of 12.6% in the year.

4Q23 Highlights[a]	4Q23	4Q22	4Q23 vs. 4Q22	3Q23	4Q23 vs. 3Q23	2023	2022	2023 vs. 2022
Clubs	1,438	1,223	18%	1,306	10%	1,438	1,223	18%
Total Members (000)[b]	4,456	3,801	17%	4,404	1%	4,456	3,801	17%
Net Revenue (R$ million)	1,131	853	33%	1,089	4%	4,245	2,930	45%
Adjusted EBITDA[c] (R$ million)	332	230	45%	327	1%	1,302	591	120%
Adjusted EBITDA Margin	29.4%	26.9%	2.4 p.p.	30.0%	(0.7) p.p.	30.7%	20.2%	10.5 p.p.
Net Income (R$ million)	686	75	817%	94	627%	1,170	(11)	–
Operating Cash Flow[d] (R$ million)	426	158	169%	314	36%	1,488	599	148%

(1) According to the International Health, Racquet & Sportsclub Association data, disclosed in 2023, with base date 2022 ("IHRSA"); (2) Unit is considered mature when it has been operating for at least 24 months at the start of the calendar year; (3) Excludes the negative effect of R$6 million in net income in 4Q23 and the positive effect of R$151 million in 2023 from the acquisition and the revaluation of the existing 50% interest in Panama. In addition, it excludes the effect of R$483 million in net income related to the recognition of deferred tax (a) In 1Q23, the Company acquired 100% of the operation in Panama and Costa Rica and hence, their results are now consolidated in the company's financial statements starting from 2023; (b) Includes members of clubs, studios and digital channel; (c) Excludes the effects of IFRS 16/CPC06 (R2) and the gain from revaluation of investment in Panama. See the "EBITDA Breakdown" section; (d) See "Operating Cash Flow" section.

MESSAGE FROM MANAGEMENT

The year 2023 was marked by the recovery of member base after the pandemic in all markets of operation, mainly driven by the record member attraction in January. This performance, combined with the Company's capacity to optimize revenue and manage costs efficiently in a scenario of high inflation across the region, led to the recovery and, subsequently, maintenance of profitability at mature clubs consistently in all quarters of the year, in addition to the solid ramp-up of new units. Note that these outstanding results were generated while maintaining the Net Promoter Score (NPS) at levels of excellence, which reflects the consistency of the operation in different cities and regions across Latin America.

We achieved important financial milestones in 2023, highlighting: (i) net revenue above R$4 billion for the first time, reflecting the strength of Smart Fit brands and the unique value proposition for members; (ii) EBITDA of R$1.3 billion, more than double than in the previous year, which reflects the high operating leverage of the business; (iii) operating cash flow of R$1.5 billion, a record level and sufficient to finance investments during the period; and (iv) reported net income above R$1 billion, that, combined with other factors, enabled the first distribution of dividends in the form of interest on equity after the IPO in 2021.

The evolution of results during the year underlines the competitive strength of our business model, in which we offer a unique high-standard experience at affordable prices in an increasingly broad network, meeting the growing demand for fitness services in the region. In this context, we decided to accelerate the pace of expansion of club network, structuring the pipeline during the year, which resulted in a record annual addition of 215, and a quarterly record of 132 additions in 4Q23. We ended the year with 1,438 clubs, up 18% from 2022, and operations in 15 countries across Latin America. In addition to the acquisition of joint venture of the Panama and Costa Rica operations in January 2023, the year marked the entry of Smart Fit in Uruguay. Note that we expanded operations to over 50 new cities, totaling more than 380 cities across Latin America.

We believe that we are very well positioned with Latin America's main real estate developers to monetize the opportunities for commercial points in the region, reflecting the solid and long-lasting relations built in recent years. In a scenario with high visibility of a strong pipeline, we have announced the guidance of 240-260 net openings in 2024, an increase in relation to the 215 additions in 2023. The decision to accelerate the expansion pace was based on the consistent returns obtained from clubs opened in the last three years combined with Company’s knowhow of the process of opening and operating and clubs and a strong financial balance.

In 2023, the total member base continued its expansion trend, reaching 4.5 million, an addition of 655,000 members. Club member base reached 4.1 million, up 20% from 2022, reflecting the expansion of the member base at mature clubs in diverse regions during the year and the accelerated inauguration of units in recent years. We started 2024 with the same traction in growing our member base, when once again registering strong sales performance in January. In the period, we added 322,000 members - the highest in the Company's history - totaling 4.8 million. Club member base expanded 8% versus the previous month, ending the period with 4.5 million members.

The expansion in Smart Fit member base underscores the fact that physical exercises, as well as health and well-being services, remain a priority for people. According to the study “Trends that will define the global wellness market in 2024” among U.S. consumers, 82% of the respondents believe that physical and mental well-being is an important or extreme priority of their daily lives – similar to that UK and China consumers (73% and 87%, respectively). Trends such as higher demand for strength training aimed at weight loss or longevity, as well as holistic treatments, including yoga exercises and nutritional follow-up, are consolidated in people's lives. Moreover, doing physical exercise has been increasingly associated with an improvement in people's mental health, serving as an efficient tool to deal with stress, anxiety, and depression. In this context of growing awareness about the importance of health and well-being, more people should be willing to invest more in fitness services. In the same survey, 58% of U.S. respondents said that they give more priority to wellness now than a year ago, which attests to the continuous growth in demand for fitness services.

During 2023, we continued with our marketing strategies through activations and campaigns to highlight the Smart Fit brand's main features, which include high-standard infrastructure and special experience at our clubs, with an ideal environment for weight training, and initiatives that enhance the sense of community, such as sponsorship of street races in several countries across Latin America, connecting ourselves to our members through the practice of physical exercises. We believe these factors place us in a unique position in terms of brand equity compared to other players in the sector. Leveraging the Smart Fit brand's strength and reach across Latin America, we recently became the official club of Olympic Committees of Brazil, Colombia, and Panama. Through partnerships and sponsorships - reasons for immense pride for all employees and members - we believe we have the opportunity to further spread the importance of sports in transforming lives, sharing Olympic values such as commitment and integrity, which are also part of the Company's culture, besides supporting all athletes during their preparations for the main sports competitions around the world.

On the Revenue Management agenda, it is worth highlighting the evolution of the penetration of the “Black” card membership, an offering with nationwide pricing and which, among other benefits, allows access to all the gyms across Latin America. Throughout the year, the penetration of the number of customers enrolled in the Black card increased by nine percentage points, with growth in all regions of operation. We believe that this trend is driven by the expansion of the gym network, brand strength and high satisfaction with the level of service provided, in addition to more assertive communication of the plan's attributes and benefits. Customers widely value the benefit of accessing all Smart Fit brand gyms, and, on average, approximately 50% of “Black” card clients who visited one of our gyms in a 30-day period used this benefit. Another highlight of 2023 was the introduction of the “Fit” plan in practically all of Brazil and the beginning of the roll-out in Mexico, Peru, and Chile throughout the second half of the year, after the solid results achieved with the gradual insertion of the plan in Brazil since mid-2022. As an offering that gives access to a single gym, with a minimum stay of 12 months, the “Fit” plan aims to seek a longer-lasting customer base profile, generating more engagement and Lifetime Value (LTV), in addition to reinforcing the competitiveness and affordability of our business model, being the most attractive option with local pricing in our portfolio. The “Smart” plan complements the plan portfolio, being the offering with local pricing, allowing access to a gym and with greater flexibility in relation to length of stay.

Regarding the Digital agenda, we continue to invest in initiatives aimed at improving the member experience and operating efficiency. As for operating efficiency, we concluded the project to unify the ERP across the five main countries of operation, which brings greater speed and assertiveness to the Company's financial management. This project also reinforces an increasingly data-driven culture in the decision-making process. In addition, the training program feature in the app continues advancing in an accelerated manner, reaching more than 1.4 million training programs prescribed by artificial intelligence in Brazil. This initiative enables members to have access to a bigger repository of training exercises and programs, which helps in self-service and improves the member experience.

Smart Fit Nutri, which at the end of 2023 was offered only in Brazil, was redesigned, and reached more than 150,000 members - solid 50% growth from the previous year. In 2023, more than 140 scales were added across Brazil, with these units registering penetration of 10%. For 2024, the goal is to continue rolling out scales in Brazil and start testing the product in other countries.

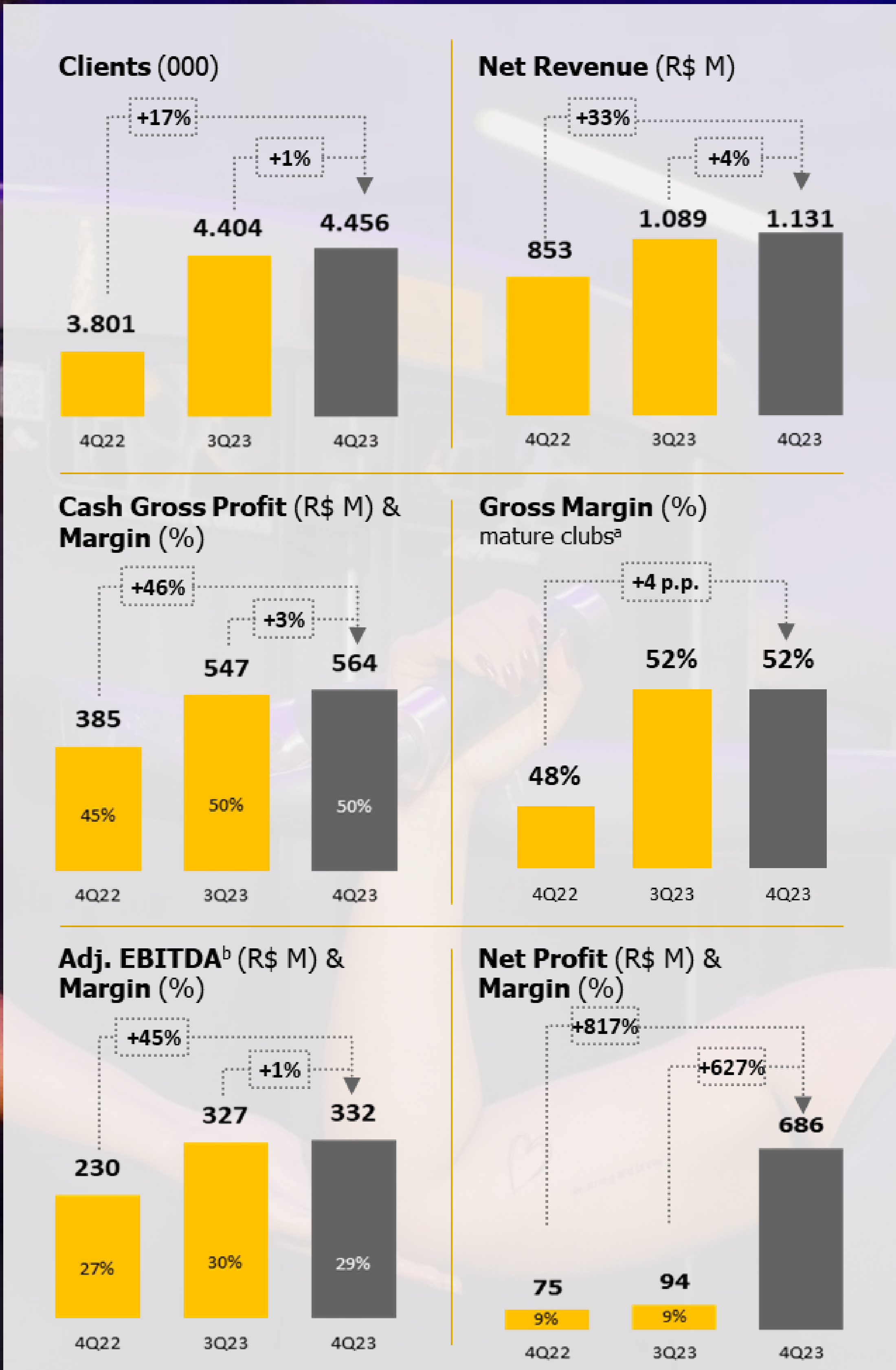
Regarding TotalPass, a corporate benefits platform that operates as a B2B fitness market aggregator in Brazil and Mexico, the year 2023 will be marked by strong growth. We ended the period with over 16,000 partner units accredited in Brazil, twice than in the previous year, and with presence in more than 1,000 cities, an increase of 65% from 2022. In Mexico, we ended 2023 with more than 4,000 registered units, an increase of over 35% from the previous year. We believe that TotalPass' value proposition for the HR departments of companies and potential partners is increasingly unique and attractive, reflecting the Company's wide and exclusive club network, combined with the strength of our brands and the complementary offering of modalities, in addition to the vast presence of the partner base. We expect 2024 to be an even more promising year, marked by a strong pace of growth, reflecting the continuous improvements in the product and the network expansion, in addition to higher commercial investments.

For Bio Ritmo, our high-end brand, 2023 brought important achievements. Besides simplifying and standardizing backoffice processes by migrating systems, which helped streamline sales processes and member experience, the period will be marked by investments in the opening of a unit and in improving the product in several units, in addition to marketing initiatives aimed at consolidating the brand in all communication means and points of contact with members. These initiatives reflected in solid financial results, with record annual margin. We thus remain confident about our strong value proposition in the high-end segment and the execution of our strategy in 2024.

In 2023, we added eight units to our studio network, including seven franchises, ending the period with 21 units at seven of the 10 most populated capital cities in Brazil. We remain confident of our expansion pipeline with new agreements, which already represents the potential to more than double the number of clubs in 2024. We also closely follow the main fitness trends around the world to enhance our portfolio. In this context, we recently inaugurated the first “One Pilates” unit, a concept center in the Pilates segment.

Our contribution, however, goes beyond fitness services provided. The Company's Sustainability agenda continued to progress at full steam, with important deliveries in 2023. We prepared our first materiality matrix, which will guide the sustainability agenda consisting of important topics for our stakeholders. We disclosed our first sustainability report based on the Global Reporting Initiative (GRI) methodology. On the environmental front, we intensified our efforts to increase energy efficiency and the share of renewable energy in our matrix, among other initiatives. We ended 2023 with 148 units in Brazil operating with energy projects in the Free Market or Distributed Generation Market, more than double than in 2022. Moreover, the automation of air conditioning systems, started in 2022, was expanded to 149 clubs, totaling 224 clubs across different regions, reducing consumption at 6.1 gWh in the period.

The year 2023 was very special for Smart Fit. Our heartfelt thanks to our over 15,000 employees who, with their dedication and efforts, help us to democratize high-end fitness every single day. We also thank our members, suppliers, partners, shareholders and debtholders for their trust and partnership. We are very satisfied with the results obtained in 2023 and are very excited about the prospects for 2024. We remain confident of rolling out our strategic agenda aimed at expanding our leadership across Latin America.

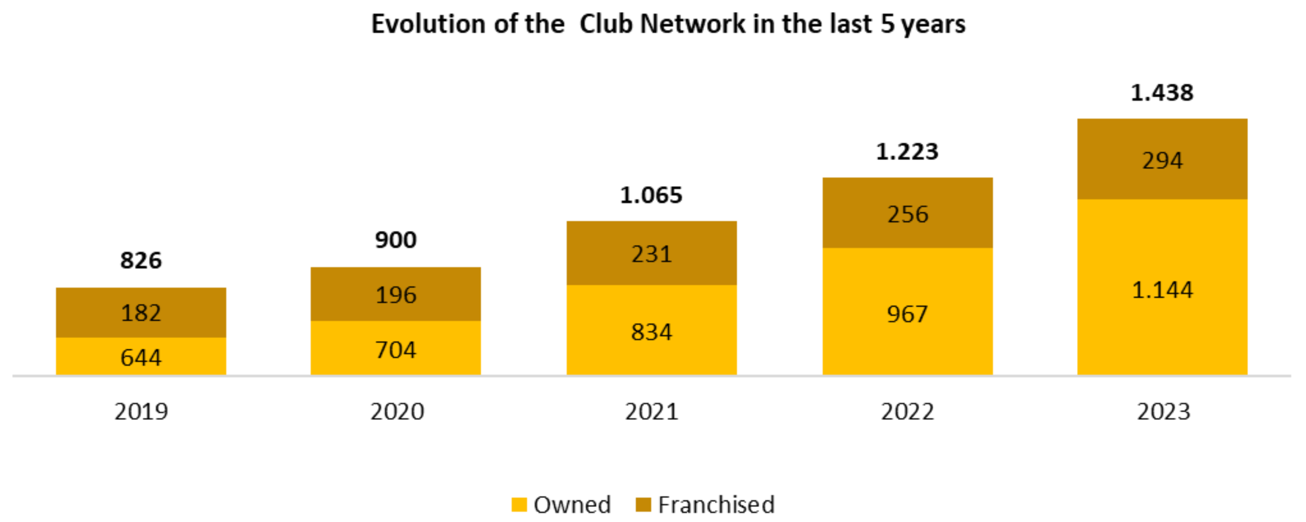


(a) A club is considered mature when it has been operating for at least 24 months at the start of the calendar year;
(b) “Adjusted EBITDA” excludes the gain of R$176.6 million obtained in 2Q23 from the revaluation of the existing 50% interest in Panama.

OPERATING PERFORMANCE

CLUB NETWORK

The Company ended 2023 with 1,438 clubs in 15 countries across Latin America, its network consisting of 1,144 own units (80% of total) and 294 franchises. For the Company, the year 2023 will also marked by: (i) the milestone of over 1,400 Smart Fit brand clubs; (ii) over 700 clubs in Brazil, 300 in Mexico and 400 in Other Latin America; and (iii) the entry in a new country (15th) with the opening of the first units in Uruguay. Over the last 5 years, the club network grew at a solid CAGR19-23 of 15%, adding 612 new units since 2019.

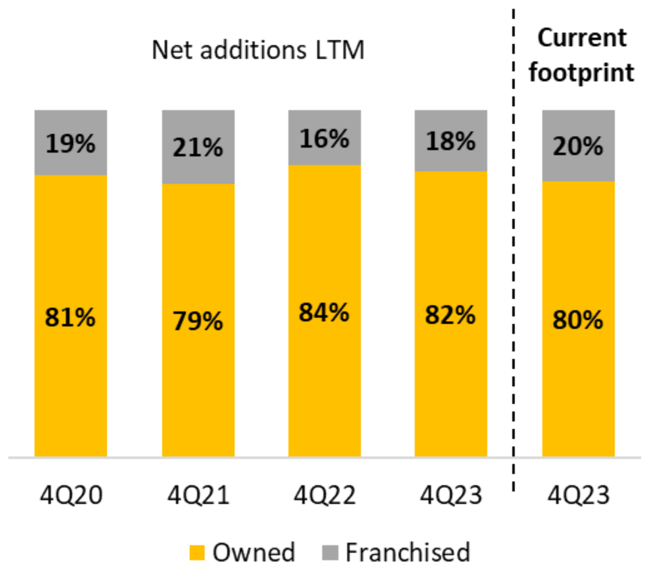


The 4Q23 was marked by the acceleration of clubs' opening pace and the quarterly record of club inaugurations, with the addition of 132 clubs in the period. It is worth noting that in December, 78 clubs were added, the highest number of openings in a single month in the history of the Company. All inaugurations are Smart Fit brand clubs, which added 113 own clubs (86% of additions) and 19 franchises. Of the additions in the quarter, 48 were in Brazil, 30 in Mexico and 54 in Other Latin America. In addition, during the period, four studios were added in Brazil to end the year with 21 units.

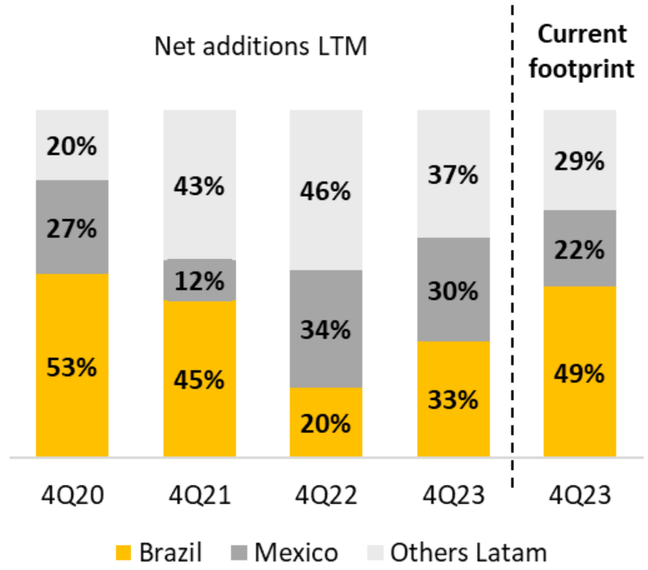
During the year, 215 units were added to the club network - the highest number of additions ever - which represents growth of 18% in relation to 2022, reinforcing the Smart Fit Group's leadership in the fitness sector across Latin America. Of the additions in the period, 177 are own units (82% of total additions) and 38 are franchises, with 72 new clubs were in Brazil, 64 in Mexico and 79 in Other Latin America, an increase of 11%, 25% and 24%, respectively, compared to 2022.

In addition, it is worth noting the addition of one Bio Ritmo unit located in São Paulo and eight studios in the period, which include one own unit.

Club distribution[a] by type



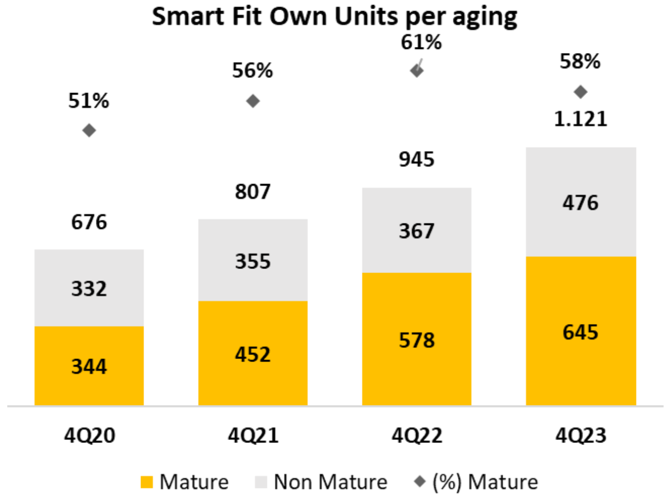
Club distribution[a] by region



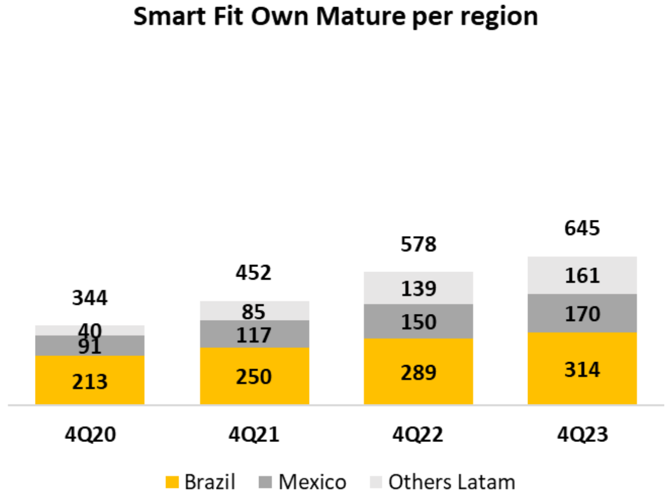
(a) Includes only the group's clubs (excludes Studios);

In 2023, the Company expanded its network capillarity entering in more than 50 new cities, taking its footprint to more than 380 cities across Latin America. Other Latin America accounted for 37% of new clubs in the period, mostly in Colombia, Chile, Peru, and Guatemala, and accelerated the pace of inaugurations when compared to 2022 in several markets, notably Chile, Peru, Guatemala and Uruguay. In Mexico, note that during 2023, the Company entered in five new states, ending the year with clubs in 31 of the 32 the country's federated entities. Moreover, additions in the year were concentrated once again outside the Federal District and the State of Mexico, representing more than 90% of new units, compared to around 70% in 2022. In Brazil, we highlight that 55% of the new units were opened in the Southeast region, followed by the Northeast (26%) and Midwest (13%) regions.

Smart Fit Own Units per aging



Smart Fit Own Mature per region



Note that 645 own Smart Fit clubs (58% of own units base) were mature at the end of 2023, compared to 60% in 2022, considering the definition that a unit is mature when it had been operating for at least 24 months at the start of the year.

Evolution of Club Network

Clubs	End of Period					Growth 4Q23 vs.		Variation 4Q23 vs.	
	4Q22	1Q23	2Q23	3Q23	4Q23	3Q23	4Q22	3Q23	4Q22
Total	**1,236**	**1,244**	**1,274**	**1,323**	**1,459**	**136**	**223**	**10%**	**18%**
Clubs	**1,223**	**1,231**	**1,259**	**1,306**	**1,438**	**132**	**215**	**10%**	**18%**
By Type									
Owned	967	974	994	1,031	1,144	113	177	11%	18%
Franchised	256	257	265	275	294	19	38	7%	15%
By Brand									
Smart Fit	1,196	1,204	1,231	1,278	1,410	132	214	10%	18%
Owned	945	952	971	1,008	1,121	113	176	11%	19%
Brazil	429	431	431	448	486	38	57	8%	13%
Mexico	245	250	264	274	302	28	57	10%	23%
Other Latin America[a]	271	271	276	286	333	47	62	16%	23%
Franchised	251	252	260	270	289	19	38	7%	15%
Brazil	179	177	181	183	193	10	14	5%	8%
Mexico	9	10	12	14	16	2	7	14%	78%
Other Latin America[a]	63	65	67	73	80	7	17	10%	27%
Bio Ritmo and O2	27	27	28	28	28	0	1	–	4%
Owned	22	22	23	23	23	0	1	–	5%
Franchised	5	5	5	5	5	0	0	–	–
By Region									
Brazil	634	634	639	658	706	48	72	7%	11%
Mexico	254	260	276	288	318	30	64	10%	25%
Other Latin America[a]	335	337	344	360	414	54	79	15%	24%
Studio[b]	**13**	**13**	**15**	**17**	**21**	**4**	**8**	**24%**	**62%**

(a) The "Other Latin America" region includes own operations in Argentina, Chile, Colombia, Costa Rica, Paraguay, Peru, Panama and Uruguay and the franchises in El Salvador, Ecuador, Guatemala, Dominican Republic and Honduras; (b) Studios include 9 own clubs and 12 franchises.

MEMBER BASE

In 4Q23, total member base continued its expansion trend, reaching 4.5 million, up 17% from 4Q22. The club member base reached 4.1 million, up 20% from 4T22, due to the positive impact of accelerated club inaugurations in recent years and the expansion of the member base at mature clubs in several regions in early 2023. The Company added 53,000 club members in the period, up 1% from 3Q23, due to the maturation of clubs inaugurated during 2023, offsetting a fourth quarter typically marked by negative seasonal effects, with a decline in member base at mature clubs.

In January 2024, 322,000 members were added to the total base, the Company's highest ever, totaling 4.8 million. This solid sales performance in January is explained by a combination of: (i) the positive seasonal effects in the period, with January being the strongest month in member intake; (ii) the successful commercial efforts in attracting members based on the strength of the Smart Fit group brands and its unique value proposition; and (iii) the Company's strong pace of expansion in recent years and the maturation of its club network. At the clubs, member base expanded 8% vs. December 2023, with total sales record, to end the month with 4.5 million members. Brazil was a positive highlight, surpassing 2.1 million members in the period, as well Mexico, which is about to reach 1 million members.

At the mature units, it is worth mention the strong sales performance per club in January 2024, which represented the third best month in the Company's history and was also the second-best month excluding the recovery period after the COVID-19 pandemic. As a result, member base per mature unit expanded 4.5% compared to December 2023, above seasonal levels, mainly driven by Brazil and Mexico, which grew 5.3% and 4.4%, respectively, in the period.

Evolution of Member Base

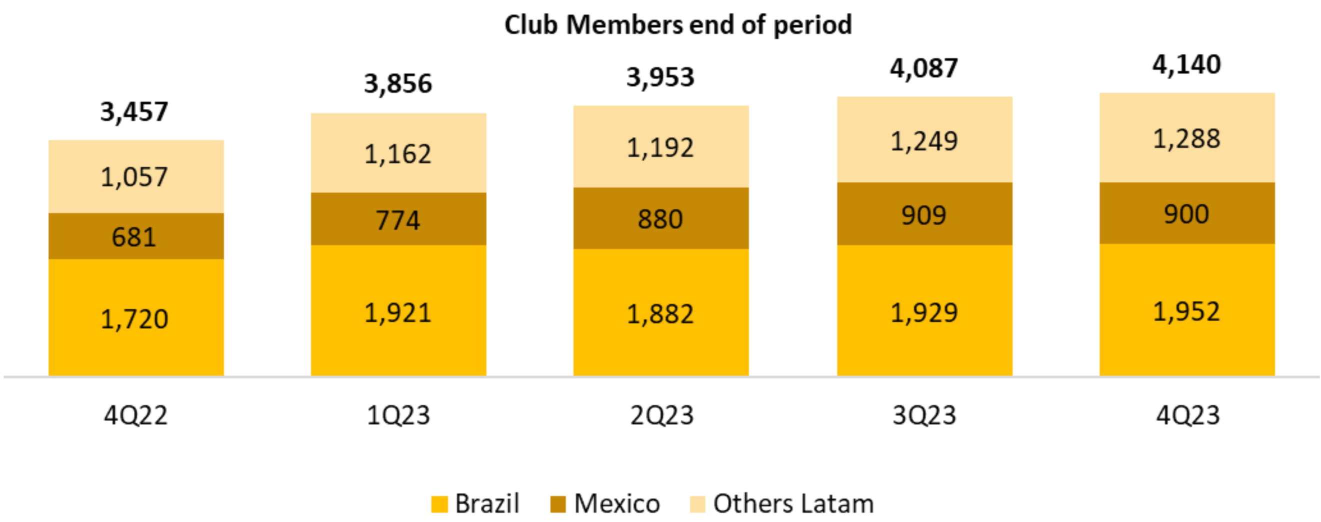
Clients ('000)	End of Period					Growth 4Q23 vs.		Variation 4Q23 vs.	
	4Q22	1Q23	2Q23	3Q23	4Q23	3Q23	4Q22	3Q23	4Q22
Total	**3,801**	**4,188**	**4,271**	**4,404**	**4,456**	**52**	**655**	**1%**	**17%**
Clubs	**3,457**	**3,856**	**3,953**	**4,087**	**4,140**	**53**	**683**	**1%**	**20%**
By Type									
Owned	2,705	3,026	3,103	3,208	3,267	59	561	2%	21%
Franchised	752	831	851	880	873	(6)	122	(1%)	16%
By Brand									
Smart Fit	**3,407**	**3,805**	**3,901**	**4,035**	**4,089**	**54**	**682**	**1%**	**20%**
Owned	2,663	2,982	3,059	3,164	3,224	60	561	2%	21%
Brazil	1,165	1,307	1,277	1,316	1,353	37	188	3%	16%
Mexico	655	743	837	860	851	(9)	196	(1%)	30%
Other Latin America[a]	843	932	945	988	1,020	32	177	3%	21%
Franchised	744	822	842	871	865	(6)	121	(1%)	16%
Bio Ritmo and O2	**50**	**52**	**52**	**53**	**51**	**(2)**	**1**	**(3%)**	**2%**
By Region									
Brazil	1,720	1,921	1,882	1,929	1,952	22	232	1%	13%
Mexico	681	774	880	909	900	(9)	220	(1%)	32%
Other Latin America[a]	1,057	1,162	1,192	1,249	1,288	39	232	3%	22%
Studio	**4**	**4**	**4**	**5**	**5**	**0**	**1**	**–**	**21%**
Digital[b]	**340**	**328**	**313**	**312**	**311**	**(1)**	**(29)**	**(0%)**	**(9%)**

(a) The "Other Latin America" region includes own clubs in Argentina, Chile, Colombia, Costa Rica, Paraguay, Peru, Panama and Uruguay and the franchises in El Salvador, Ecuador, Guatemala, Dominican Republic and Honduras; (b) Members of clubs who are also subscribers to Smart Nutri and Smart Coach digital plans are considered only as members of clubs or Studios.

The member base in Brazil reached the mark of approximately 2.0 million, adding 22,000 members in the quarter, an increase of 13% and 1% compared to 4Q22 and 3Q23, respectively. Note that, in the last 12 months, 232,000 members were added in Brazil, an increase of 13% in the member base, reflecting the recovery of member base at mature Smart Fit units combined with the solid maturation curve of clubs inaugurated in the last 24 months. In January 2024, the member base in Brazil surpassed 2.1 million members, an 8% increase in relation to December 2023, representing 1.0% of Brazilian population. At mature units in the region, the member base registered solid performance, surpassing historical seasonal levels, expanding 5.3% vs. December 2023.

Mexico ended 4Q23 with 900,000 members, up 32% from 4Q22 and down 9,000 from 3Q23, due to the typical negative seasonal effects on the quarter in the region, mainly on account of the winter season in the Northern Hemisphere. In the period, the average number of members per club was 7% higher than in 4Q22, due to the remarkable addition of 220,000 members in the last 12 months, given the fast and solid maturation of the 64 clubs added and the increase in the student base at mature Smart Fit units. In January 2024, the member base in Mexico totaled 970,000, equivalent to 0.8% of the Mexican population and an 8% increase from December 2023, mainly due to the expansion of 4.4% in mature clubs, above the typical seasonal levels.

In the Other Latin America region, the member base totaled 1.3 million in 4Q23, up 22% from 4Q22, with the addition of 39,000 club members in the quarter, or a 3% increase vs. 3Q23, mainly driven by Colombia, Chile and Guatemala. The addition of members in the quarter was positively impacted by the opening of 79 units in the last 12 months in the region. Until January 2024, member base in the region totaled 1.4 million, up 7% from December 2023. In January 2024, the member base in this region reached 1.4 million, 7% above December 2023 and equivalent to 0.6% of the population of these countries, highlighting Colombia and Chile, in which this level is more than 1.0% of the population.



The digital services offering has been expanded and improved since 2020. Currently, the main digital services include: (i) Queima Diária, digital platform that offers access to physical exercise programs and other content on nutrition and healthy habits; (ii) Smart Fit Nutri, the app-based service for nutritional follow-up, bioimpedance scales and teleconsultations with nutritionists; and (iii) Smart Fit Coach: online personal trainer service through customized consulting that guides members in their fitness routines, based on their targets, physical condition and training location.

At the end of the fourth quarter of 2023, exclusively digital members totaled 311,000. The digital products and services are complementary to the training experience at clubs and are designed to expand relations with, and consequently the loyalty of members.

Queima Diária, Latin America's leader in on-demand fitness, offers access to over 165 physical exercise programs and other content on nutrition and healthy habits. During 2023, 19 new programs for nutrition and healthy eating, Pilates and gymnastic exercises were launched, strengthening the portfolio of over 5,500 classes. At the end of 4Q23, this service had 307,000 members, 148% more than in December 2019 (before the pandemic) and stable in relation to 3Q23. Note that, in 2023, Queima Diária received the "Reclame Aqui" award in fitness digital platform category.

Smart Fit Nutri reached 158,000 active subscribers at the end of 4Q23, the highest ever, increasing 2% from the previous quarter. Membership expansion is the result of initiatives launched to provide better member experience and drive greater engagement, such as the ongoing installation of bioimpedance scales at more clubs in Brazil.

FINANCIAL PERFORMANCE

Main financial indicators[a,b] (R$ million)	4Q23	4Q22	4Q23 vs. 4Q22	3Q23	4Q23 vs. 3Q23	2023	2022	2023 vs. 2022
Gross Revenue	1,209.8	917.1	32%	1,164.7	4%	4,539.3	3,151.8	44%
Net Revenue	**1,131.2**	**853.1**	**33%**	**1,089.2**	**4%**	**4,244.7**	**2,930.4**	**45%**
Cash costs of services[c]	(567.0)	(467.9)	21%	(542.1)	5%	(2,116.2)	(1,707.4)	24%
Cash gross profit[c]	**564.2**	**385.2**	**46%**	**547.1**	**3%**	**2,128.6**	**1,223.1**	**74%**
Cash gross margin	*49.9%*	*45.2%*	*4.7 p.p.*	*50.2%*	*(0.4) p.p.*	*50.1%*	*41.7%*	*8.4 p.p.*
Pre-operating Costs	(13.5)	(6.2)	119%	(9.0)	49%	(31.9)	(26.3)	21%
Cash gross profit before pre-operating costs[c]	577.6	391.3	48%	556.1	4%	2,160.5	1,249.4	73%
Gross margin before pre-operating costs	*51.1%*	*45.9%*	*5.2 p.p.*	*51.1%*	*0.0 p.p.*	*50.9%*	*42.6%*	*8.3 p.p.*
SG&A[d]	(229.4)	(159.1)	44%	(218.4)	5%	(825.2)	(638.4)	29%
% Net Revenue	*20.3%*	*18.7%*	*1.6 p.p.*	*20.0%*	*0.2 p.p.*	*19.4%*	*21.8%*	*(2.3) p.p.*
Selling expenses	(87.8)	(70.8)	24%	(79.3)	11%	(318.1)	(274.5)	16%
% Net Revenue	*7.8%*	*8.3%*	*(0.5) p.p.*	*7.3%*	*0.5 p.p.*	*7.5%*	*9.4%*	*(1.9) p.p.*
General and administrative expenses	(129.7)	(85.9)	51%	(123.6)	5%	(452.0)	(333.2)	36%
% Net Revenue	*11.5%*	*10.1%*	*1.4 p.p.*	*11.3%*	*0.1 p.p.*	*10.6%*	*11.4%*	*(0.7) p.p.*
Pre-operating expenses	(9.8)	(3.0)	226%	(7.6)	28%	(26.7)	(17.8)	50%
Other (expenses) revenues	(2.1)	0.6	–	(7.9)	(73%)	(28.4)	(12.8)	121%
Panama Revaluation[e]	-	-	–	-	–	176.6	-	–
Equity Income	(2.7)	3.6	–	(1.5)	79%	(1.1)	6.6	–
EBITDA[f]	**332.1**	**229.7**	**45%**	**327.2**	**1%**	**1,478.9**	**591.2**	**150%**
EBITDA Margin	*29.4%*	*26.9%*	*2.4 p.p.*	*30.0%*	*(0.7) p.p.*	*34.8%*	*20.2%*	*14.7 p.p.*
Adjusted EBITDA[g]	**332.1**	**229.7**	**45%**	**327.2**	**1%**	**1,302.3**	**591.2**	**120%**
Adjusted EBITDA Margin	*29.4%*	*26.9%*	*2.4 p.p.*	*30.0%*	*(0.7) p.p.*	*30.7%*	*20.2%*	*10.5 p.p.*
Adjusted EBITDA before pre-operating expenses[h]	**355.3**	**238.8**	**49%**	**343.9**	**3%**	**1,360.9**	**635.3**	**114%**
Adjusted EBITDA Margin before pre-operating expenses	*31.4%*	*28.0%*	*3.4 p.p.*	*31.6%*	*(0.2) p.p.*	*32.1%*	*21.7%*	*10.4 p.p.*
Depreciation and amortization	(166.1)	(131.0)	27%	(163.6)	2%	(636.2)	(489.4)	30%
Financial Result	(31.1)	(28.2)	10%	(44.1)	(29%)	(145.4)	(108.8)	34%
Income tax and Social Contribution	551.5	4.4	12,537%	(25.1)	–	472.6	(3.7)	–
Profit (loss) for the period	**686.3**	**74.8**	**817%**	**94.4**	**627%**	**1,169.9**	**(10.7)**	**–**
Net Margin	*60.7%*	*8.8%*	*51.9 p.p.*	*8.7%*	*52.0 p.p.*	*27.6%*	*(0.4%)*	*27.9 p.p.*

(a) All indicators exclude the effects of IFRS 16 in relation to the leases of clubs and offices; (b) In 1Q23, the company acquired 100% of the Panama and Costa Rica operations and, hence, their results are now consolidated in the company's financial statements starting from 2023; (c) For a better analysis of our operational performance, we have shown "Cash Cost of Services", which excludes the effects of IFRS 16, depreciation and amortization. "Cash gross profit before pre-operating expenses" also excludes pre-operating costs with opening of new units. See the "Gross Profit" section for the calculation of these measurements; (d) "Selling expenses" exclude expenses with opening of new units and "General and administrative expenses" excludes depreciation and effects of IFRS 16; (e) Gain of R$176.6 million in 2Q23 from the revaluation of existing 50% interest in Panama due to the acquisition of control of this operation, in accordance with accounting standards in effect in the period; (f) See the "EBITDA Breakdown" section for the calculation of this measurement; (g) "Adjusted EBITDA" excludes the gain of R$176.6 million in 2Q23 obtained from the revaluation of the existing 50% interest in Panama; (h) "Adjusted EBITDA before pre-operating costs and expenses" excludes costs and expenses with the opening of new units and the gain from the revaluation of existing 50% interest in Panama. See the "EBITDA Breakdown" section for the calculation of this measurement.

NET REVENUE

Net revenue in 4Q23 was R$1,131.2 million, up 33% from 4Q22, mainly due to the 16% increase in average of Smart Fit own club network, the 4% increase in average number of members at these clubs and the 6% increase in average ticket, excluding the impact of consolidation of Panama and Costa Rica results.. In 2023, net revenue totaled R$4,244.7 million, up 45% from the previous year.

With the acquisition of 100% of the Panama and Costa Rica operations in 1Q23, the company started to consolidate the results of operations in these two countries under the Other Latin America region, which added R$38 million to revenue in 4Q23 and R$145 million in 2023, helping to increase the penetration of international revenues in 2023.

The increase in average ticket is mainly explained by the prices increase in recent years in different regions and by the several initiatives rolled out in the period to optimize, in a sustainable approach, revenue per club. Some of the selling initiatives, in addition to the expansion of club network, have contributed to the percentage increase in members enrolled in the Black card, which accounted for 67% of the member base of own clubs at the end of 2023, 2p.p. higher than in 3Q23 and 9p.p. compared to 4Q22. Note that the number of members enrolled in the Black card increased in the quarter and the year in all the three regions of operation.

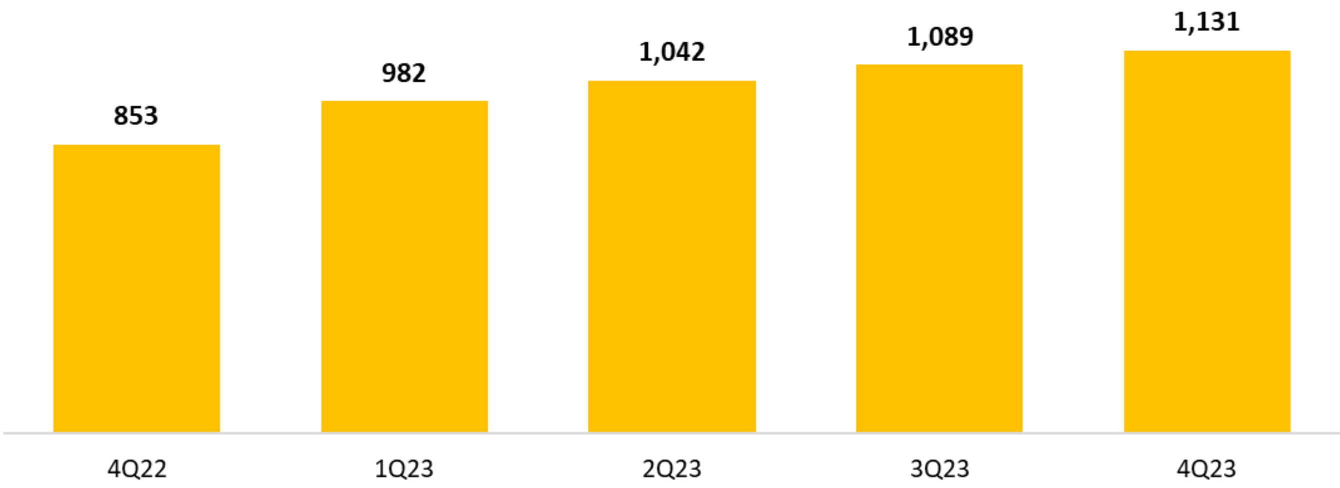
Net Revenue by Brand and Region

Net Revenue (R$ million)	4Q23	4Q22	4Q23 vs. 4Q22	3Q23	4Q23 vs. 3Q23	2023	2022	2023 vs. 2022
Smart Fit	1,024.5	768.9	33%	994.5	3%	3,862.9	2,635.1	47%
Brazil	425.1	346.6	23%	413.0	3%	1,627.4	1,224.3	33%
Mexico	266.8	197.6	35%	268.1	(0%)	1,001.8	635.1	58%
Other Latin America [a]	332.6	224.8	48%	313.4	6%	1,233.7	775.6	59%
Bio Ritmo e O2	36.4	29.8	22%	35.7	2%	138.7	106.3	30%
Others [b]	70.2	54.3	29%	59.0	19%	243.2	189.1	29%
Total	**1,131.2**	**853.1**	**33%**	**1,089.2**	**4%**	**4,244.7**	**2,930.4**	**45%**
International Revenue (% total)	53%	50%	*3.4 p.p.*	54%	*(0.4) p.p.*	53%	48%	*4.5 p.p.*

(a) "Other Latin America" considers only own operations controlled in the region (Colombia, Chile, Peru, Argentina and Paraguay) until 4Q22. With the acquisition of 100% of the operation in Panama and Costa Rica in 1Q23, their results are now consolidated in the company's financial statements starting from 2023; (b) "Other" includes royalties received from franchises in Brazil and abroad, and other brands operated by the company in Brazil.

Evolution of Net Revenue

(R$ million)



In 4Q23, net revenue at Smart Fit clubs increased 3% vs. 3Q23, mainly due to the openings of own units during 2023.

In Brazil, net revenue from Smart Fit clubs totaled R$425.1 million in 4Q23, increasing 3% from 3Q23, thanks to the increase in number of clubs. Compared to the same period last year, revenue increased 23%, mainly driven by the strong 10% growth in club network, the 6% increase in average ticket and the 5% expansion in member base per club. In 2023, net revenue totaled R$1,627.4 million, up 33% from the previous year.

In Mexico, net revenue in the quarter was R$266.8 million, flat in relation to 3Q23, given the fact that the 7% increase in average number of own clubs offset the typical seasonal effects in the region during the quarter, in which mature units normally lose members due to the winter season. Compared to 4Q22, revenue increased 35%, mainly due to the 23% expansion in the number of clubs across the region, the 6% increase in member base per club and the 3% growth in average ticket. In the year, net revenue was R$1,001.8 million, a strong 58% growth in relation to 2022.

Net revenue from Smart Fit clubs in the Other Latin America region totaled R$332.6 million, up 6% from 3Q23, due to the 10% increase in average number of own clubs in the region and the slight increase in average ticket, partially offset by the lower average number of members per club, due to the high number of club openings in the period. Compared to 4Q22 and excluding the effect of R$38 million from the consolidation of Panama and Costa Rica results, revenue growth would be 28%, due to the strong 20% increase in the average number of own clubs and franchises in the region and the 7% increase in average ticket, excluding the impact of the consolidation of Panama results. In 2023, net revenue increased 59% in relation to the previous year, totaling R$1,233.7 million.

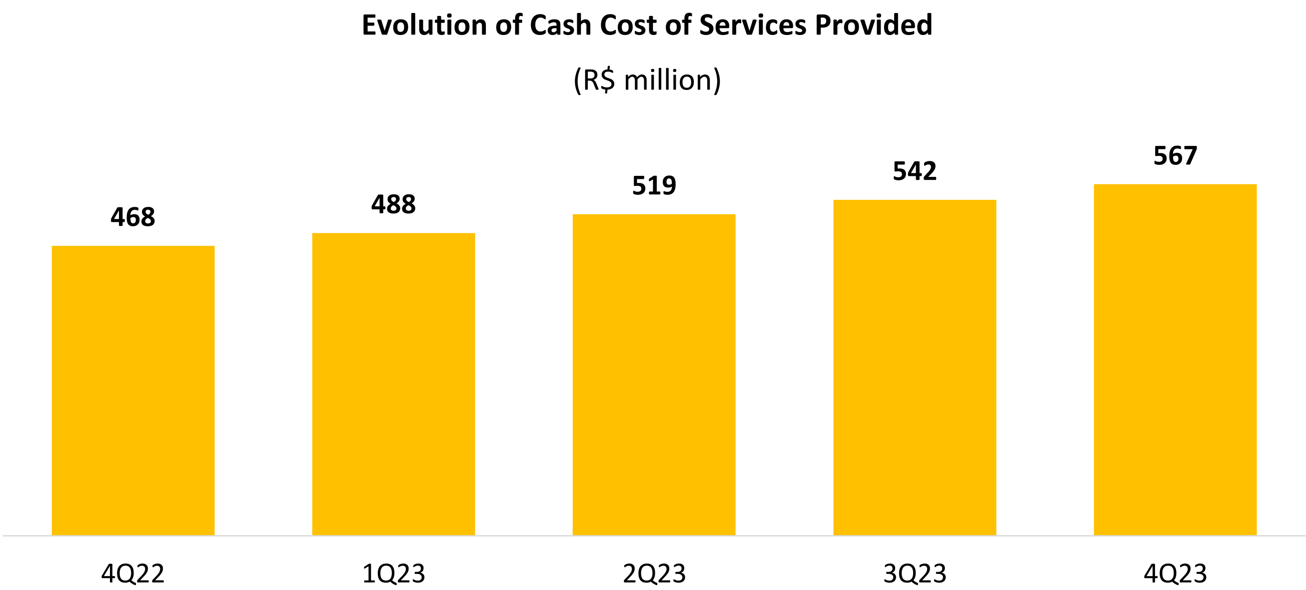
CASH COST OF SERVICES PROVIDED

Cash cost of services provided totaled R$567.0 million in 4Q23, 21% higher than in 4Q22, mainly due to the 16% increase in the average number of own clubs that sustained the strong addition of 561,000 own club members, the increase in costs at units in the ramp-up process, as well as the consolidation of the results of the Panama and Costa Rica operations, which accounted for R$17 million of cash cost in the quarter, equivalent to 4% of the cost increase. In the year, cash cost of services provided totaled R$2,116.2 million, up 24% from the previous year.

Cash Cost of Services Provided by Type

Cash Cost of Services Provided[a,b] (R$ million)	4Q23	4Q22	4Q23 vs. 4Q22	3Q23	4Q23 vs. 3Q23	2023	2022	2023 vs. 2022
Occupation	219.1	183.0	20%	212.0	3%	838.7	682.1	23%
Personnel	149.9	121.5	23%	140.9	6%	554.6	427.2	30%
Consumption	100.6	82.7	22%	100.5	0%	379.9	298.0	27%
Other	97.4	80.7	21%	88.6	10%	343.0	300.0	14%
Cash Cost of Services Provided	**567.0**	**467.9**	**21%**	**542.1**	**5%**	**2,116.2**	**1,707.4**	**24%**

(a) For a better analysis of our operational performance, we have shown "Cash Cost of Services Provided", which excludes the effects of IFRS-16, depreciation and amortization. The rent of properties is considered in this caption, including discounts obtained during the pandemic; (b) In 1Q23, the Company acquired 100% of the operation in Panama and Costa Rica and hence, their results are now consolidated in the company's financial statements starting from 2023.



Compared to 3Q23, cash cost in 4Q23 increased 5%, due to the 7% increase in average base of own units. This sequential growth was slightly above net revenue growth due to the strong expansion of own units in the period, mainly in December, and the ramp-up of these new clubs, notably the 6% increase in personnel costs in 4Q23. In addition, the increase in "Other" line was impacted by higher pre-operating costs related to the accelerated opening of own clubs in the period.

Considering only mature units, costs remained flat compared to the previous quarter, in line with the performance of respective revenue. Note that the company remains focused on cost management to mitigate the inflationary pressure on its operations. The initiatives to reduce personnel costs, on-going renegotiation of rents, projects to improve operational efficiency and energy efficiency, and renegotiation of contracts underline the company's strict cost management efforts.

CASH GROSS PROFIT

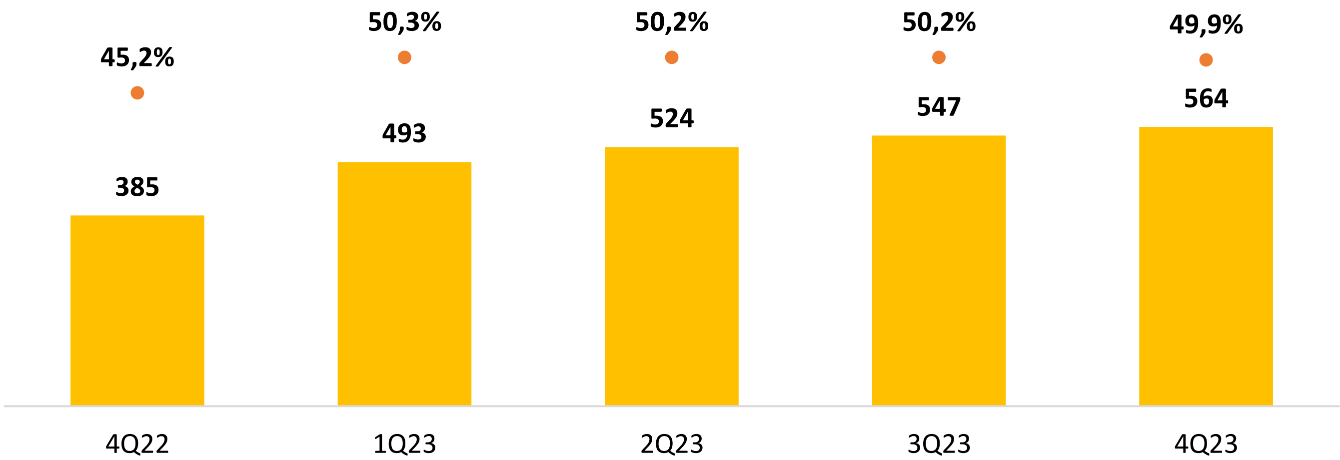
Cash gross profit in 4Q23 totaled R$564.2 million, increasing 46% from 4Q22, reflecting the consistent maturation of clubs inaugurated over the last three years and the recovery of margins at mature units. Moreover, the consolidation of the results of Panama and Costa Rica operations accounted for R$21 million of cash gross profit in the period. Cash gross margin in 4Q23 stood at 49.9%, increasing 4.7 p.p. from 4Q22, driven by solid revenue growth and efficient cost management, which resulted in a strong dilution of fixed costs. In the year, cash gross profit totaled R$2,128.6 million, up 74% from 2022.

Cash Gross Profit[a,b] (R$ million)	4Q23	4Q22	4Q23 vs. 4Q22	3Q23	4Q23 vs. 3Q23	2023	2022	2023 vs. 2022
Net Revenue	**1,131.2**	**853.1**	**33%**	**1,089.2**	**4%**	**4,244.7**	**2,930.4**	**45%**
(-) Cash Costs of Services Provided	567.0	467.9	21%	542.1	5%	2,116.2	1,707.4	24%
Cash Gross Profit[d]	**564.2**	**385.2**	**46%**	**547.1**	**3%**	**2,128.6**	**1,223.1**	**74%**
Cash Gross Margin	*49.9%*	*45.2%*	*4.7 p.p.*	*50.2%*	*(0.4 p.p.)*	*50.1%*	*41.7%*	*8.4 p.p.*
(+) Pre-Operating Costs	13.5	6.2	119%	9.0	49%	31.9	26.3	21%
Cash Gross Profit before Pre-Operating Costs[e]	**577.6**	**391.3**	**48%**	**556.1**	**4%**	**2,160.5**	**1,249.4**	**73%**
Cash Gross Margin before Pre-Operating Costs	*51.1%*	*45.9%*	*5.2 p.p.*	*51.1%*	*0.0 p.p.*	*50.9%*	*42.6%*	*8.3 p.p.*

(a) For a better analysis of the performance of our operations, all indicators exclude the effects of IFRS-16, depreciation and amortization; (b) In 1Q23, the Company acquired 100% of the operation in Panama and Costa Rica and hence, their results are now consolidated in the company's financial statements starting from 2023; (c) "Cash gross profit" excludes depreciation and amortization; (d) "Cash gross profit before pre-operating costs" excludes depreciation, amortization and the cost of opening new units.

Evolution of Cash Gross Profit and Cash Gross Margin

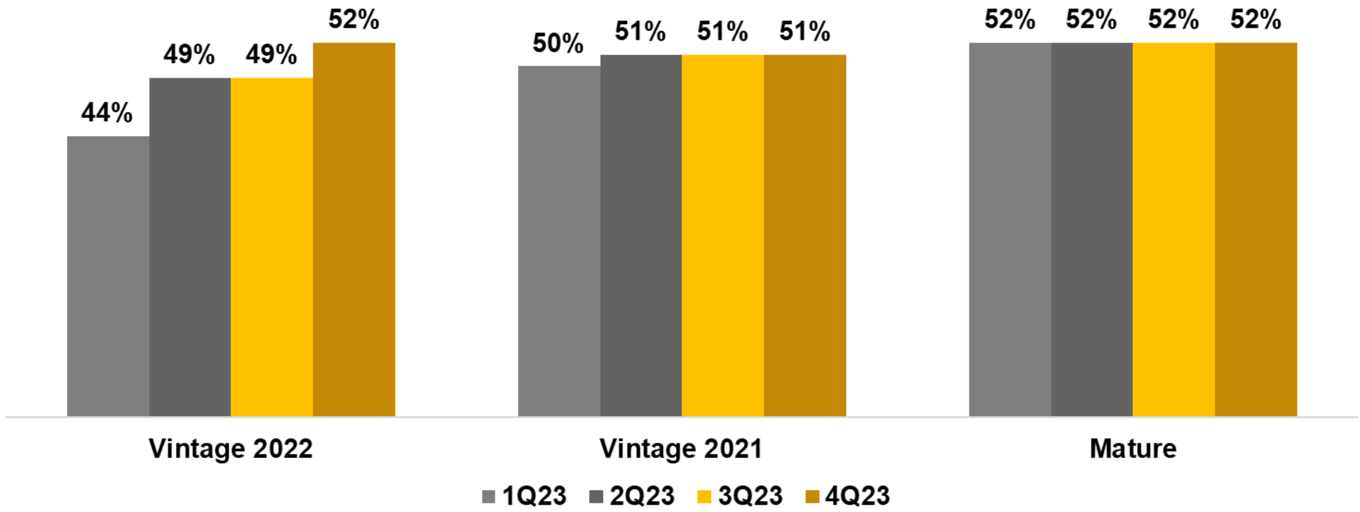
(R$ million and % of net revenue)



Compared to 3Q23, cash gross profit increased R$17.1 million in 4Q23, up 3%, while cash gross margin declined slightly by 0.4 p.p., reflecting the temporary impact of strong acceleration in club openings, with 113 new own units, more than three times higher than in the previous quarter (37 additions in 3Q23). Note that the newly opened clubs in 4Q23 registered margins compatible with their early stage in the maturation curve. The cash gross margin before pre-operating costs, that is, those related to the openings, was 51.1% in 4Q23, remaining stable in comparison with the previous quarter.

Gross Margin per Vintage

(Own Smart Fit units)



In 4Q23, the cash gross margin of mature Smart Fit clubs remained at 52%, due to intensive and successful efforts to improve operational efficiency, combined with initiatives to optimize revenue per club in a sustainable manner. Gross profit per annualized unit in these mature units was R$2.2 million, remaining flat in relation to 3Q23. Units inaugurated in 2021 ("2021 Vintage Units") registered cash gross margin stable at 51% in 4Q23, in line with the previous quarter. Cash gross margin at clubs inaugurated in 2022 ("2022 Vintage Units") expanded 2.5 p.p. in relation to 3Q23 to 52%, a solid increase of 7% in gross profit per unit and matching the profitability of mature units with only one full year of operation. Note that the 2021 and 2022 vintage units are in the maturation process since their average age is less than 24 months. Hence, the high margins of units in this stage of the maturation curve are a combination of expansion expertise and brand strength that translate into strong revenue ramp-up pace with occupancy costs structurally lower than those of mature units.

Note that the units inaugurated in 2023 ("2023 Vintage Units") maintain their maturation pace at the same historical levels. Clubs opened in 2023 registered 2,500 members in February 2024, and the 132 units opened in 4Q23 continued their solid maturation curve, reaching around 2,300 members per club.

GENERAL AND ADMINISTRATIVE EXPENSES:

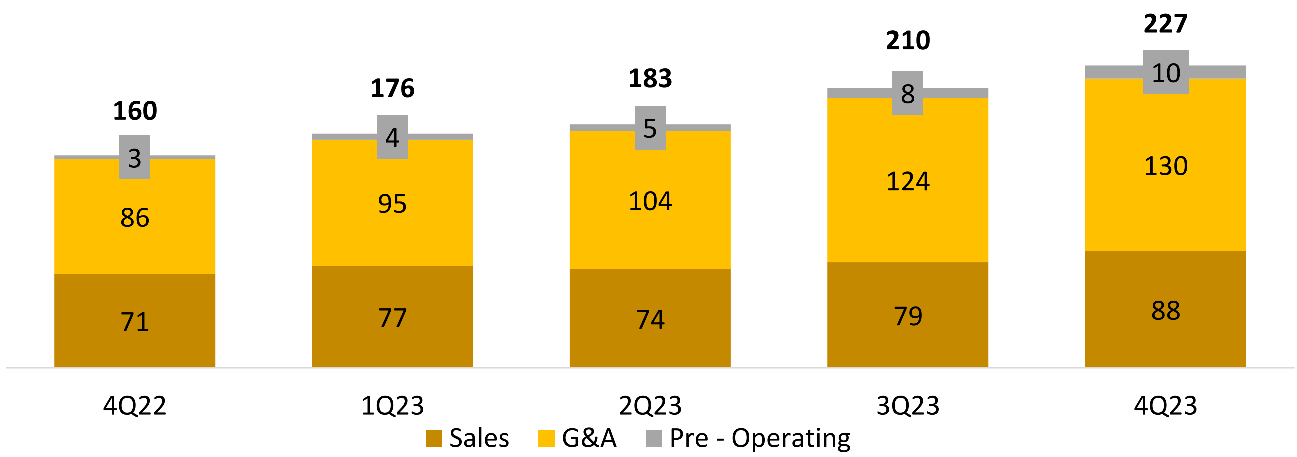
Selling, general, and administrative expenses[a,b,c] (R$ million)	4Q23	4Q22	4Q23 vs. 4Q22	3Q23	4Q23 vs. 3Q23	2023	2022	2023 vs. 2022
Selling expenses	87.8	70.8	24%	79.3	11%	318.1	274.5	16%
General and administrative expenses	129.7	85.9	51%	123.6	5%	452.0	333.2	36%
Pre-operating expenses	9.8	3.0	226%	7.6	28%	26.7	17.8	50%
Total	**227.2**	**159.8**	**42%**	**210.5**	**8%**	**796.8**	**625.6**	**27%**

(a) For a better analysis of our operational performance, all indicators exclude the effects of IFRS 16 regarding commercial leases related to the rents of clubs and offices; (b) Excludes "Other (expenses) revenues"; (c) In 1Q23, the Company acquired 100% of the Panama and Costa Rica operations and, hence, their results are now consolidated in the company's financial statements starting from 2023.

Selling, general and administrative expenses totaled R$227.2 million in the quarter, 42% more than in 4Q22, mainly reflecting the increase in general and administrative expenses, which were impacted by the long-term incentive plan (LIP) with the additional grant of stock options in 3Q23, causing an impact of R$14 million in the 4Q23, as well as the structuring of new business. Pre-operating expenses totaled R$9.8 million, compared to R$3.0 million in 4Q22, due to the higher number of own clubs added in the period. Moreover, the consolidation of results of the Panama and Costa Rica operations added R$4 million to selling, general and administrative expenses in 4Q23. Excluding the Panama and Costa Rica results in the quarter and the accounting impact of the additional grant of stock options related to the long-term incentive plan, these expenses would have increased 31% vs. 4Q22. Selling, general and administrative expenses totaled R$796.8 million in 2023, which corresponded to 18.8% of net revenue, a dilution of 2.6 p.p. vs. 2022, mainly due to the higher efficiency in selling expenses (-1.9 p.p.).

Evolution of Selling, General and Administrative Expenses and Pre-Operating Expenses

(R$ million)



Compared to 3Q23, selling, general and administrative expenses increased 8%, representing 20.1% of net revenue, or +0.8 p.p. vs. the previous quarter. Selling expenses increased 11% vs. 3Q23, representing 7.8% of net revenue, a 0.5 p.p. increase compared to the previous quarter, due to the significant increase in number of club inaugurations in the quarter and higher marketing investments during the period, which had a positive impact on sales in early 2024. General and administrative expenses increased 5% compared to 3Q23 mainly due to R$2.0 million related to one-off advisory and consultancy services for strategic projects.

EBITDA

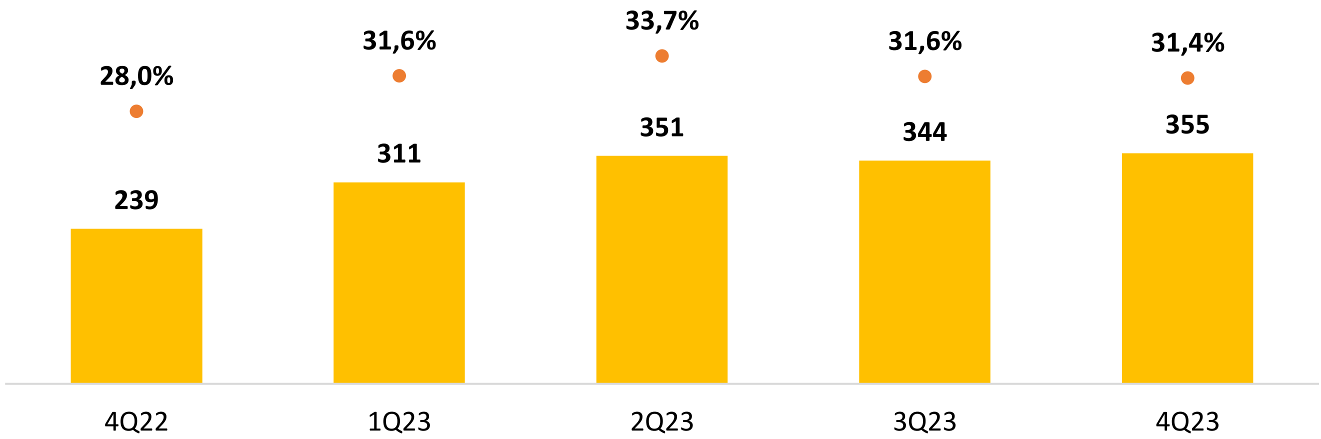
EBITDA Breakdown[a,b] (R$ million)	4Q23	4Q22	4Q23 vs. 4Q22	3Q23	4Q23 vs. 3Q23	2023	2022	2023 vs. 2022
Net Income	**686.3**	**74.8**	**817%**	**94.4**	**627%**	**1,169.9**	**(10.7)**	**–**
(+) Income Taxes (IR & CSLL)	(551.5)	(4.4)	12,537%	25.1	–	(472.6)	3.7	–
(+) Financial Result	31.1	28.2	10%	44.1	(29%)	145.4	108.8	34%
(+) Depreciation	166.1	131.0	27%	163.6	2%	636.2	489.4	30%
EBITDA	**332.1**	**229.7**	**45%**	**327.2**	**1%**	**1,478.9**	**591.2**	**150%**
Panama Revaluation Impact[c]	0.0	–	–	–	–	(176.6)	–	–
Adjusted EBITDA[d]	**332.1**	**229.7**	**45%**	**327.2**	**1%**	**1,302.3**	**591.2**	**120%**
Adjuste EBITDA Margin	*29.4%*	*26.9%*	*2.4 p.p.*	*30.0%*	*(0.7) p.p.*	*30.7%*	*20.2%*	*10.5 p.p.*
(+) Pre-operating costs and expenses	23.3	9.1	154%	16.7	40%	58.6	44.1	33%
EBITDA before pre-operating expenses	**355.3**	**238.8**	**49%**	**343.9**	**3%**	**1,360.8**	**635.3**	**114%**
EBITDA margin before pre-operating expenses	*31.4%*	*28.0%*	*3.4 p.p.*	*31.6%*	*(0.2) p.p.*	*32.1%*	*21.7%*	*10.4 p.p.*

(a) For a better analysis of our operational performance, all indicators exclude the effects of IFRS 16 regarding commercial leases related to the rents of clubs and offices; (b) In 1Q23, the Company acquired 100% of the operation in Panama and Costa Rica and hence, their results are now consolidated in the company's financial statements starting from 2023; (c) Gain from the revaluation of existing 50% interest in Panama due to the acquisition of control of this operation, in accordance with accounting standards in effect in the period; (d) "Adjusted EBITDA" excludes the gain of R$176.6 million obtained from the revaluation of the existing 50% interest in Panama.

In 4Q23, EBITDA was R$332.1 million, a strong growth of 45% vs. 4Q22, with margin of 29.4%, up 2.4 p.p. year on year. Adjusted EBITDA before pre-operating expenses totaled R$355.3 million, compared to R$238.8 million in 4Q22, a growth of 49%. As a result, adjusted EBITDA margin before pre-operating expenses was 31.4% in the period, up 3.4 p.p. from 4Q22, thanks to the expansion of member base in the period and the consequent revenue growth and dilution of costs and expenses. The consolidation of the results of Panama and Costa Rica operations added R$19 million to EBITDA in the quarter and R$70 million in the year. In 2023, EBITDA before revaluation of investment totaled R$1,302.3 million, more than double vs. the same period last year, and margin was 30.7%, an annual record.

Evolution of adjusted EBITDA and adjusted EBITDA Margin before pre-operating expenses

(R$ million and % of net revenue)



Compared to 3Q23, adjusted EBITDA before pre-operating expenses increased 3% in 4Q23, which reflected to an EBITDA margin before pre-operating expenses flat at 31.4% at the end of the quarter. Excluding the accounting impact of the new LIP grant, adjusted EBITDA margin before pre-operating expenses would be 32.6%.

EBITDA by Region

To enable a better analysis of the performance and contribution of each region to the company's consolidated EBITDA, the company now calculates the EBITDA of each region by subtracting the respective selling expenses from cash gross profit. General and administrative expenses (G&A) and other operating expenses are analyzed on a consolidated basis as they sustain the operations of the entire company.

EBITDA[a,b,c] (R$ million)	4Q23	4Q22	4Q23 vs. 4Q22	3Q23	4Q23 vs. 3Q23	2023	2022	2023 vs. 2022
Brazil	205.9	133.3	55%	203.2	1%	788.7	371.5	112%
Mexico	98.4	71.4	38%	96.4	2%	364.7	201.4	81%
Other Latin America	162.3	106.7	52%	160.6	1%	630.5	357.8	76%
G&A expenses and other operating expenses	(131.8)	(85.3)	55%	(131.5)	0%	(480.4)	(346.1)	39%
Equity Income	(2.7)	3.6	–	(1.5)	79%	(1.1)	6.6	–
Adjusted EBITDA[d]	**332.1**	**229.7**	**45%**	**327.2**	**1%**	**1,302.3**	**591.2**	**120%**
Panama Revaluation Impact[e]	–	–	–	–	–	176.6	–	–
EBITDA	**332.1**	**229.7**	**45%**	**327.2**	**1%**	**1,478.9**	**591.2**	**150%**

(a) For a better analysis of our operational performance, all indicators exclude the effects of IFRS 16 regarding commercial leases related to the rents of clubs and offices; (a) In 1Q23, the Company acquired 100% of the operation in Panama and Costa Rica and hence, their results are now consolidated in the company's financial statements starting from 2023; (c) EBITDA of Regions considers cash gross profit less selling expenses. General and administrative (G&A) expenses and other operating expenses will be analyzed on a consolidated basis as they sustain the operations of the entire company; (d) "Adjusted EBITDA" excludes the gain from the revaluation of the existing 50% interest in Panama; (f) Gain of R$176.6 million from the revaluation of existing 50% interest in Panama due to the acquisition of control of this operation, in accordance with accounting standards in effect in the period.

In Brazil, EBITDA in 4Q23 was R$205.9 million, compared to R$133.3 million in 4Q22, up 55%, due to the strong growth in average revenue per club, dilution of fixed costs and higher efficiency in marketing expenses. EBITDA margin in the quarter was 38.9% in the region, up 7.8 p.p. vs. 4Q22. Compared to 3Q23, EBITDA from Brazil increased R$2.8 million, with margin decreasing 1.3 p.p. due to the momentary impact of additions of units in the quarter and accelerated marketing investments. Note that in the high-end segment, the Bio Ritmo brand registered the eighth straight quarter of growth in average revenue per club, posting cash gross margin of 43.3% in the quarter and 39.1% in the year - its highest ever for a quarter and a year, respectively. In 2023, EBITDA in Brazil totaled R$788.7 million, up 112% from 2022 and representing 44% of total EBITDA of the three reported regions, a 4p.p. increase compared to the previous year, considering that Brazil was one of the last regions to recover membership.

In Mexico, EBITDA in 4Q23 was R$98.4 million, up 38% from 4Q22, due to the strong growth in average revenue per club. Compared to 3Q23, EBITDA in the region increased 2%, due to the positive impact of dilution of selling expenses. EBITDA margin in the quarter was 36.9% in the region, expanding 0.9 p.p. in relation to the previous quarter. In 2023, EBITDA in Mexico totaled R$364.7 million, up 81% from the previous year and accounting for 21% of total EBITDA by region.

In the Other Latin America region, EBITDA in 4Q23 was R$162.3 million, up 52% from the same period last year, positively impacted by strong growth in average revenue per club and dilution of costs compared to 4Q22, and by the consolidation of EBITDA from the Panama and Costa Rica operations, which added R$21 million to EBITDA. Compared to 3Q23, EBITDA in the region grew R$1.6 million in the quarter, with margin decreasing 2.4 p.p., due to the momentary impact of club additions in the quarter. In 2023, EBITDA in the region totaled R$630.5 million, up 76% from the previous year and accounting for 35% of total EBITDA by region.

NET INCOME FROM THE PERIOD

In 2023, net income surpassed R$1 billion, totaling R$1,169.9 million, which is a material improvement from the loss of R$10.7 million in 2022. This performance reflected the operational leverage of the business, with the recovery of mature units' profitability to pre-pandemic levels and the solid ramp-up of units opened in the last three years. Furthermore, the result was positively impacted by two non-recurring effects related to (i) the recognition of the deferred tax of R$483 million; and (ii) the revaluation of the participation in the Panama and Costa Rica operations of R$151 million. Excluding these two effects, the recurring net income reached R$536.4 million in 2023, which resulted in a recurring net margin of 12.6% in the period.

In 4Q23, net income was R$686.3 million, compared to R$74.8 million in the same period last year. The recurring net income, excluding the above effects, totaled R$209.4 million in the period, 180% higher vs. 4Q22, mainly due to the EBITDA growth and the payment of R$266 million in interest on equity. Compared to 3Q23, the recurring net income of the quarter more than doubled, mainly due to the IoE payment.

OPERATING CASH FLOW

Operating Cash Flow[a] (R$ million)	4Q23	4Q22	4Q23 vs. 4Q22	3Q23	4Q23 vs. 3Q23	2023	2022	2023 vs. 2022
Adjusted EBITDA[b]	**332.1**	**229.7**	**45%**	**327.2**	**1%**	**1,302.3**	**591.2**	**120%**
Itens of result with no impact on cash[c]	(7.1)	30.6	–	23.6	-	50.7	104.4	(51%)
IR/CSLL Paid	(13.8)	(2.3)	503%	(17.3)	(20%)	(48.6)	(25.4)	91%
Working capital variation	**114.8**	**(99.6)**	**–**	**(19.4)**	**-**	**183.9**	**(71.3)**	**–**
Receivables	1.1	(63.0)	–	(39.8)	-	(77.0)	(76.0)	1%
Supllers	106.7	(3.0)	–	(32.4)	-	135.8	40.3	237%
Wages, provisions and social contributions	(11.7)	(14.4)	(19%)	7.9	-	22.3	13.2	69%
Taxes[d]	18.7	(19.3)	–	45.0	(58%)	102.8	(48.8)	–
Operating Cash Flow	**425.9**	**158.4**	**169%**	**314.1**	**36%**	**1,488.3**	**598.9**	**148%**

(a) In 1Q23, the company acquired 100% of the Panama and Costa Rica operations and, hence, their results and balance sheet are now consolidated in the company's financial statements starting from 2023 and, for the purposes of cash generation, the balance in the balance sheet accounts of the Panama operation on January 1, 2023 is considered; (b) Adjusted EBITDA excludes the gain from the revaluation of existing 50% interest in Panama due to the acquisition of control of this operation, in accordance with accounting standards in effect in the period; (c) Includes mainly equity income, asset write-offs, deferred revenue and provisions; (d) Includes taxes on sales and services.

In 2023, operating cash flow was R$1,488.3 million, up 148% from the previous year, due to the 120% growth in adjusted EBITDA and the positive variation in working capital of R$183.9 million. The working capital change in 2023 was positively impacted by (i) R$103 million due to the recovery and consumption of tax credits, mainly referring to income tax withheld at source on financial investments in Brazil and consumption of General Tax of Sales credit (*Imposto Geral de Vendas - IGV*) in some regions due to the scale gains of the respective operations; and (ii) 7 days of the Suppliers balance due to the high concentration of openings in 4Q23, especially throughout the month of December.

In 4Q23, operating cash flow was positive at R$425.9 million, a material increase from R$158.4 million in 4Q22, due to the 45% increase in EBITDA and the positive impact in working capital due to the same reasons mentioned above.

CAPEX

Capex[a,b] (R$ million)	4Q23	4Q22	4Q23 vs. 4Q22	3Q23	4Q23 vs. 3Q23	2023	2022	2023 vs. 2022
Capex	**539.7**	**293.3**	**84%**	**325.0**	**66%**	**1,335.5**	**1,007.6**	**33%**
Expansion	454.8	243.6	87%	270.3	68%	1,093.4	849.6	29%
Maintenance	69.5	37.8	84%	45.3	53%	186.3	116.8	60%
Corporate and Innovation	15.4	11.9	29%	9.4	64%	55.8	41.2	35%

(a) In 1Q23, the Company acquired 100% of the operation in Panama and Costa Rica and, hence, their results and balance sheet are now consolidated in the Company's financial statements starting from 2023; (b) Excludes investments in the grant of right of use related to the acquisition of commercial points.

In 4Q23, capex totaled R$539.7 million, 84% higher compared to 4Q22, mainly due to the significant increase in openings of own clubs in the period (113 in 4Q23 vs. 59 in 4Q22). In the quarter, expansion capex was R$454.8 million, an increase of 87% from the same period last year. Maintenance capex came to R$69.5 million, up 84% from 4Q22. Capex of corporate and innovation projects totaled R$15.4 million in the quarter, a growth of 29% from the same period last year.

In 2023, capex was R$1,335.5 million, which represented a growth of 33% vs. the previous year. Expansion capex related to Smart Fit brand clubs, excluding Studios and Bio Ritmo, was R$1,071 million, up 27% from 2022, due to the strong acceleration of own club openings in 2023. The company opened 180 own units under the Smart Fit brand in the period, excluding the closure of own clubs and acquisitions of franchises. Maintenance capex of Smart Fit brand clubs totaled R$174.2 million in 2023, up 66% from the previous year, because of the higher utilization level of the clubs due to end of the pandemic, representing 6,1% of gross revenue of mature clubs, aligned with the strategy of offering a high standard experience. This amount also included the program to increase the offer of strength exercises in some units, totaling R$37 million, with the aim of meeting clients' changing work-out habits. The capex of corporate projects and innovation totaled R$55.8 million in the year, a growth of 35% vs. 2022.

CASH AND DEBT

Cash and Debt[a,b] (R$ million)	4Q23	3Q23	2Q23	1Q23	4Q22
Cash and Cash Equivalents	2,613	2,767	2,677	2,772	2,923
Gross Debt	3,917	3,576	3,398	3,520	3,538
By nature:					
Loans and debentures	3,820	3,465	3,274	3,405	3,420
Lease liability - equipment	97	111	124	115	118
By maturity					
Short-term	643	843	691	678	542
Long-term	3,274	2,733	2,708	2,842	2,995
Net Debt (Net Cash)	1,304	809	721	748	615
Other Liabilities and Assets[c]	197	199	187	212	356
Adjusted Net Debt	1,501	1,008	908	960	971
Adjusted Net Debt / EBITDA LTM[d]	0.68x	0.49x	0.48x	0.66x	0.83x

(a) “Gross debt” considers short- and long-term loans, financing and operating leases (excluding property leases) with financial institutions; (b) “Net debt” refers to “Gross debt” less “Cash and guarantees”; (c) “Other Liabilities and Assets” use the definition of the company’s debentures related to other items to be considered while calculating net debt, including, but not limited to, contingent considerations and derivative financial instruments, such as installments payable for acquisitions, stock options of non-controlling shareholders and/or interest rate swaps; (d) the indicator “Adjusted Net Debt / EBITDA LTM” is the “Adjusted Net Debt” divided by “EBITDA LTM” using the definition of net debt and EBITDA of the company’s debentures. For more information, see the indenture (Portuguese only).

At the end of 4Q23, the company held a solid cash position of R$2,613 million and gross debt of R$3,917 million, 84% of it maturing in the long term. Adjusted net debt was R$1,501 million, resulting in an adjusted net debt/EBITDA LTM ratio of 0.68x (as defined in the company's debentures), an increase in relation to 3Q23, due to the higher investments made in the opening of units in the quarter and the distribution of interest on equity in the amount of R$266 million. Note that the adjusted net debt/ EBITDA LTM ratio excluding the effects of IFRS-16 related to property leases at the end of 4Q23 is 1.01x, compared to 0.73x in 3Q23, which indicates a healthy level and a very long debt maturity profile.

The company’s financial liquidity position remains solid due to the proceeds of R$2.6 billion from the primary offering of shares and from borrowings, whose terms have improved gradually in the last 12 months, which enabled the Company to lengthen its debt maturities with lower financial cost.

In the quarter, the Company concluded its 8th issue of debentures in the total amount of R$600 million, maturing in seven years at cost of CDI rate + 1.95%. The proceeds will be used to strengthen the Company's working capital and for general corporate purposes. Also, in November the Company early redeemed the first issue of book-entry commercial papers in the amount of R$226 million.

The company maintains the maturities of loans and financing in alignment with its capacity to generate operating cash flow and accesses local financing lines to drive its expansion in the countries where it operates. At the end of 4Q23, the gross debt maturity schedule was as follows:

Gross Debt Maturites[a]	2024	2025	2026	2027	2028	2029	2030	Total
% of total	16%	14%	17%	18%	16%	11%	8%	**100%**
Total	643	557	653	715	618	432	300	**3,917**
Brazil	41	23	407	538	531	432	300	**2,273**
Mexico	243	165	149	132	62	0	0	**750**
Other Latin America[c]	360	368	98	44	24	0	0	**894**

(a) “Gross debt” considers short- and long-term loans, financing, and operating leases (excluding property leases) with financial institutions; (b) “Other Latin America” includes financial debt in Chile, Colombia, Peru, Panama and Argentina.

EVENTS AFTER THE REPORTING PERIOD

On January 3, 2024, the Company paid the second installment related to the remaining amount of the acquisition of Sporty Panama, in the amount of USD33.8 million, equivalent to R$165.8 million.

SUSTAINABILITY HIGHLIGHTS

The Smart Fit Group's Sustainability agenda continued to progress at full steam, with important deliveries in 2023. We prepared our first materiality matrix, which will guide the sustainability agenda consisting of important topics for our stakeholders. In parallel, we conducted several studies of impacts of our business and gathered data on each of the material topics. The combination of these work fronts resulted in the preparation and disclosure of our first sustainability report, based on the Global Reporting Initiative (GRI) methodology, which compiles our key deliveries and action plans for the coming years. We also organized "The first Sustainability month," an event that offered several live webcasts and initiatives that presented the Sustainability agenda to employees, enhancing internal engagement on the topic and Smart Fit Group's main initiatives.

On the environmental front, the Company continued to intensify its efforts to increase energy efficiency, the share of renewable energy in our matrix, and the appropriate disposal of waste, among other initiatives. We ended 2023 with 148 units in Brazil operating with energy projects in the Free Market or Distributed Generation Market, more than double than in 2022. Moreover, the automation of air conditioning systems, started in 2022, was expanded to 149 clubs, totaling 224 clubs across different regions, reducing consumption at 1.6 gWh in the period.

On the social front, a highlight of the period was the global initiative with United Nations Children's Fund (UNICEF), where we received the "Children Support Space" seal for all units across Latin America. Hence, we will be able to jointly mobilize all countries where we operate for the social development, expanding the collection campaigns to meet society's emergency needs in the regions where we operate. In this sense, we reached the mark of over 4,500 new donators in 2023.

Apart from this initiative, we held over 200 donation campaigns in all countries where we have operations, which include items such as food, winter clothes, toys and others, supporting local communities. Through the allocation of resources via tax incentive laws, we supported thirty social, cultural, educational, health and sports projects in five states in Brazil with the amount of R$2.8 million in 2023.

<u>Financial numbers shown from this point reflect the adoption of IFRS-16</u>

IMPACT OF THE ADOPTION OF IFRS 16

On January 1, 2019, the company adopted the IFRS 16/CPC 06 (R2) – Leases standard. The application of the standard substantially affected the booking of lease agreements for spaces where the company's clubs operate. Future commitments from lease agreements are recognized as lease liabilities and the right to use the spaces is recognized as an asset of the same value. For the purpose of effects in the result, the fixed lease payments are replaced by depreciation of the lease right and a financial expense on the lease liability. Variable lease payments continue to be recognized as costs of services provided.

The company chose to adopt IFRS 16/CPC 06(R2) by the modified retrospective method applied only from January 1, 2019. The impacts of IFRS 16/CPC 06(R2) on the company's results are detailed below.

smart fit

Statement of Profit and Loss (R$ million)	4Q23 Reported	Impacts of IFRS 16	4Q23 excluding IFRS 16	4Q22 Reported	Impacts of IFRS 16	4Q22 excluding IFRS 16	2023 Reported	Impacts of IFRS 16	2023 excluding IFRS 16	2022 Reported	Impacts of IFRS 16	2022 excluding IFRS 16
Net Revenue	1,131.2	–	1,131.2	853.1	–	853.1	4,244.7	–	4,244.7	2,930.4	–	2,930.4
Cost of services	(676.0)	52.0	(728.0)	(552.1)	42.7	(594.8)	(2,533.9)	200.0	(2,733.8)	(2,018.4)	160.7	(2,179.1)
Rents and other occupation costs	(34.5)	189.8	(224.3)	(29.8)	156.2	(186.1)	(139.3)	714.5	(853.8)	(127.6)	568.6	(696.1)
Depreciation and amortization (cost)	(298.8)	(137.8)	(161.0)	(240.4)	(113.6)	(126.9)	(1,132.2)	(514.5)	(617.6)	(879.6)	(407.9)	(471.8)
Gross profit	455.2	52.0	403.2	301.0	42.7	258.3	1,710.9	200.0	1,510.9	912.0	160.7	751.3
SG&A	(233.8)	0.7	(234.5)	(163.2)	0.0	(163.2)	(841.5)	2.2	(843.7)	(653.2)	2.9	(656.1)
Selling expenses	(87.8)	–	(87.8)	(70.8)	–	(70.8)	(318.1)	–	(318.1)	(274.5)	–	(274.5)
General and administrative	(127.3)	2.4	(129.7)	(83.7)	2.2	(85.9)	(443.1)	8.9	(452.0)	(325.4)	7.9	(333.2)
Rents and other occupation costs	(1.5)	2.4	(3.9)	(1.0)	2.2	(3.3)	(5.2)	8.9	(14.1)	(3.8)	7.9	(11.6)
Pre-operating expenses	(9.8)	–	(9.8)	(3.0)	–	(3.0)	(26.7)	–	(26.7)	(17.8)	–	(17.8)
Depreciation and amortization (costs)	(6.8)	(1.7)	(5.1)	(6.3)	(2.2)	(4.1)	(25.2)	(6.7)	(18.6)	(22.6)	(5.0)	(17.7)
Others (expenses) revenue	(2.1)	–	(2.1)	0.6	–	0.6	(28.4)	–	(28.4)	(12.8)	–	(12.8)
Panama Revaluation[a]	(0.0)	–	(0.0)	–	–	–	176.6	–	176.6	–	–	–
Equity Income	(2.7)	0.0	(2.7)	3.6	–	3.6	(1.1)	–	(1.1)	6.6	–	6.6
Operating profit (loss) before financial result	218.7	52.7	166.0	141.4	42.7	98.7	1,044.9	202.2	842.7	265.4	163.6	101.8
Financial Result	(133.5)	(102.2)	(31.3)	(94.3)	(66.1)	(28.2)	(473.3)	(327.9)	(145.4)	(347.7)	(238.9)	(108.8)
Income tax and Social Contribution	551.5	–	551.5	4.4	–	4.4	472.6	–	472.6	(3.7)	–	(3.7)
Net profit	636.6	(49.7)	686.3	51.4	(23.4)	74.8	1,044.2	(125.7)	1,169.9	(86.1)	(75.3)	(10.7)

Impacts of IFRS-16 in the breakdown of Gross Profit excluding depreciation, amortization, and EBITDA

Gross profit	455.2	52.0	403.2	301.0	42.7	258.3	1,710.9	200.0	1,510.9	912.0	160.7	751.3
Depreciation and amortization (costs)	298.8	137.8	161.0	240.4	113.6	126.9	1,132.2	514.5	617.6	879.6	407.9	471.8
Gross profit excluding depreciation	754.0	189.8	564.2	541.4	156.2	385.2	2,843.0	714.5	2,128.5	1,791.7	568.6	1,223.1
Gross Margin excluding depreciation	*66.7%*		*49.9%*	*63.5%*		*45.2%*	*67.0%*		*50.1%*	*61.1%*		*41.7%*
Net profit	636.6	(49.7)	686.3	51.4	(23.4)	74.8	1,044.2	(125.7)	1,169.9	(86.1)	(75.3)	(10.7)
(-) IR & CSLL	(551.5)	–	(551.5)	(4.4)	–	(4.4)	(472.6)	–	(472.6)	3.7	–	3.7
(-) Financial Result	133.5	102.4	31.1	94.3	66.1	28.2	473.3	327.9	145.4	347.7	238.9	108.8
(-) Depreciation and amortization	305.6	139.4	166.1	246.8	115.8	131.0	1,157.4	521.2	636.2	902.3	412.8	489.4
EBITDA	524.2	192.1	332.1	388.1	158.5	229.7	2,202.3	723.4	1,478.9	1,167.7	576.4	591.2
EBITDA Margin	*46.3%*		*29.4%*	*45.5%*		*26.9%*	*51.9%*		*34.8%*	*39.8%*		*20.2%*

(a) Gain of R$176.6 million from the revaluation of existing 50% interest in Panama due to the acquisition of control of this operation, in accordance with accounting standards in effect in the period

**Costs and Selling, General and Administrative Expenses include pre-operating expenses*

PRESENTATION OF RESULTS

The company has its own operations in Brazil, Mexico, Colombia, Chile, Peru, Panama, Costa Rica, Argentina, and Paraguay and franchised operations in Brazil, Mexico, Colombia, Dominican Republic, El Salvador, Ecuador, Guatemala, and Honduras. The consolidation in the Income Statement for each period is detailed below:

Operation	Recognition in Income Statement for the period		Recognition in Balance sheet for the period	
	2023	**2022**	**2023**	**2022**
Brazil, Mexico, Colombia, Chile, Peru, Argentina, Paraguay and Queima Diária	Consolidated	Consolidated	Consolidated	Consolidated
Panama and Costa Rica	Consolidated	Equity accounting[a]	Consolidated	Investment
Dominican Republic, El Salvador, Ecuador, Guatemala and Honduras	Royalties for use of brand	Royalties for use of brand	n/a	n/a

(a) In 1Q20, the company acquired shared control of the Panama operations, holding shared control with local partners, and its results are now included through equity accounting. In 1Q23, the company acquired 100% of the Panama and Costa Rica and operations, hence, their results are now consolidated in the company's financial statements starting from 2023.

INCOME STATEMENT

INCOME STATEMENT (R$ million)	4Q23	4Q22	4Q23 vs. 4Q22	3Q23	4Q23 vs. 3Q23	2023	2022	2023 vs. 2022
Net Revenue	**1,131.2**	**853.1**	**33%**	**1,089.2**	**4%**	**4,244.7**	**2,930.4**	**45%**
Costs of Services Rendered	(676.0)	(552.1)	22%	(652.4)	4%	(2,533.9)	(2,018.4)	26%
Gross Profit	**455.2**	**301.0**	**51%**	**436.7**	**4%**	**1,710.9**	**912.0**	**88%**
Operating revenues (expenses)								
Sales	(97.6)	(73.8)	32%	(86.9)	12%	(344.8)	(292.3)	18%
General and administrative	(134.1)	(90.0)	49%	(127.2)	5%	(468.4)	(348.0)	35%
Equity accounting	(2.7)	3.6	–	(1.5)	79%	(1.1)	6.6	–
Other (expenses) revenues	(2.1)	0.6	–	(7.9)	(73%)	(28.4)	(12.8)	121%
Panama Revaluation[a]	–	–	–	–	–	176.6	–	–
Profit before financial result	218.7	141.4	55%	213.2	3%	1,044.9	265.4	294%
Financial result	(133.5)	(94.3)	42%	(126.6)	5%	(473.3)	(347.7)	36%
Profit before IR/CS	85.1	47.0	81%	86.6	(2%)	571.6	(82.3)	–
Income tax and Social Contribution	551.5	4.4	12,537%	(25.1)	–	472.6	(3.7)	–
Net profit (loss)	**636.6**	**51.4**	**1,139%**	**61.6**	**934%**	**1,044.2**	**(86.1)**	**–**

(a) Gain of R$176.6 million from the revaluation of existing 50% interest in Panama due to the acquisition of control of this operation, in accordance with accounting standards in effect in the period

BALANCE SHEET

ASSETS (R$ million)	4Q23	4Q22
CURRENT	**3,346**	**3,516**
Cash and cash equivalents	2,613	2,923
Customers	349	272
Derivative financial instruments	13	8
Other receivables	371	313
NON-CURRENT	**10,884**	**8,533**
Permanent assets	4,045	3,132
Right-of-use assets	3,755	3,067
Intangible assets	1,913	1,412
Investment	41	448
Other assets	1,131	474
TOTAL ASSETS	**14,230**	**12,050**

LIABILITY (R$ million)	4Q23	4Q22
CURRENT	**2,244**	**1,749**
Borrowings	594	488
Lease liabilities	542	450
Suppliers	399	241
Deferred revenue	206	228
Accounts Payable	0	0
Other liabilities	502	341
NON-CURRENT	**6,890**	**6,093**
Borrowings	3,225	2,932
Lease liabilities	3,565	2,880
Other liabilities	100	281
SHAREHOLDERS' EQUITY	**5,096**	**4,208**
Share capital	2,970	2,970
Capital reserves	953	2,298
Legal reserves	779	0
Accumulated losses	(8)	(1,376)
Other comprehensive income	374	294
Noncontrolling interest	27	22
TOTAL LIABILITY AND SHAREHOLDERS' EQUITY	**14,230**	**12,050**

CASH FLOW

Cash Flow Statement (R$ million)	4Q23	4Q22	4Q23 vs. 4Q22	3Q23	4Q23 vs. 3Q23	2023	2022	2023 vs. 2022
CASH FLOW FROM OPERATING ACTIVITIES								
Result for the Period	636.6	51.4	1139%	61.6	934%	1,044.2	(86.1)	-
Depreciation and amortization	305.6	246.8	24%	295.7	3%	1,157.4	902.3	28%
Write-off of intangible assets and fixes assets	1.8	(1.5)	-	7.6	(76%)	35.4	49.8	(29%)
Accrued interest on debt and exchange variation	125.1	108.8	15%	117.6	6%	481.2	419.8	15%
Accrued interest on leases	92.5	79.1	17%	88.0	5%	342.6	277.9	23%
Others	(321.1)	(72.0)	346%	(101.5)	216%	(728.0)	(298.6)	144%
Working capital variation	(248.2)	(44.3)	461%	42.6	-	(182.0)	(70.5)	158%
Cash generated by (used in) operating activities	**592.3**	**368.3**	**61%**	**511.5**	**16%**	**2,150.8**	**1,194.7**	**80%**
Interest paid on loans and debentures	(166.3)	(133.3)	25%	(67.1)	148%	(453.0)	(361.8)	25%
Interest paid on leases	(91.5)	(77.1)	19%	(87.0)	5%	(338.9)	(273.6)	24%
Income tax and social contribution paid	(13.8)	(2.3)	503%	(17.3)	(20%)	(48.6)	(25.4)	91%
Net cash generated by (used in) operating activities	**320.7**	**155.5**	**106%**	**340.1**	**(6%)**	**1,310.3**	**533.8**	**145%**
CASH FLOW FROM INVESTMENT ACTIVITIES								
Additions to fixed asset	(534.4)	(292.7)	83%	(322.1)	66%	(1,321.6)	(1,004.6)	32%
Additions to intangible assets	(8.0)	(5.5)	46%	(1.7)	371%	(15.2)	(17.0)	(11%)
Initial direct costs of right-of-use assets	(7.2)	(11.6)	(38%)	(2.0)	270%	(24.9)	(18.2)	36%
Receipt for sale of fixed assets	-	-	-	-	-	19.7	19.2	3%
Payments for the acquisition of group of assets, subsidiary and joint venture	(12.5)	-	-	(7.1)	75%	(105.5)	-	-
Capital increase in subsidiary and joint venture	-	-	-	-	-	-	(5.3)	-
Financial Investments	19.6	(5.0)	-	103.3	(81%)	462.0	379.0	22%
Related parties and loans with third parties	4.9	7.4	(34%)	(7.8)	-	(7.5)	1.0	-
Payment of contingent consideration	-	-	-	-	-	(0.5)	(1.3)	(61%)
Net cash used in investment activities	**(537.6)**	**(307.3)**	**75%**	**(237.4)**	**126%**	**(993.4)**	**(647.3)**	**53%**
CASH FLOW FROM FINANCING ACTIVITIES								
Payment of loans and costs	(365.4)	(91.5)	299%	(130.6)	180%	(802.6)	(942.5)	(15%)
Proceeds from loans	770.2	461.3	67%	255.2	202%	1,099.5	819.4	34%
Payment of lease	(122.6)	(104.0)	18%	(125.4)	(2%)	(490.2)	(391.4)	25%
Capital Increase - controllers	-	(11.8)	-	-	-	-	-	-
Others	(266.9)	5.6	-	-	-	(278.6)	(13.8)	1926%
Net cash generated by (used in) financing activities	**15.3**	**259.7**	**(94%)**	**(0.9)**	**-**	**(471.8)**	**(528.2)**	**(11%)**
INCREASE (REDUCTION) OF BALANCE OF CASH AND EQUIVALENT	**(201.6)**	**107.9**	**-**	**101.8**	**-**	**(154.9)**	**(641.7)**	**(76%)**
Opening balance	–	–	-	–	-	1,251.4	1,957.8	(36%)
Closing balance	(210.9)	122.8	-	109.7	-	1,103.4	1,251.4	(12%)
Exchange variation on cash and cash equivalents	(9.2)	14.9	-	7.9	-	6.9	(64.7)	-