

Smart Fit

4Q21 Earnings Presentation

March 17, 2022



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MARK OF 3 MILLION MEMBERS SURPASSED

Member base reached record 3 million in Dec. 2021 after the addition of 244 thousand members in 4Q21 and 700 thousand in the 7 months after resumption.



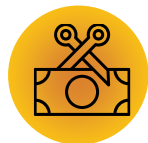
ACCELERATED EXPANSION OF CLUBS

Addition of 56 clubs in 4Q21 and 165 in 2021, totaling 1,065 units. The Company plans to open at least 195 clubs in 2022 to reach 1,260 units.



NET REVENUE UP 23% VS. 3Q21

18% growth of average member base of own clubs led to R\$101 million revenue growth vs. 3Q21.



NOMINAL REDUCTION OF 3% IN CASH COST OF CLUBS OPENED UP TO 2019

Sharp focus on cost management during the two years of the pandemic enabled nominal costs reduction, notably in personnel and other club operating expenses.



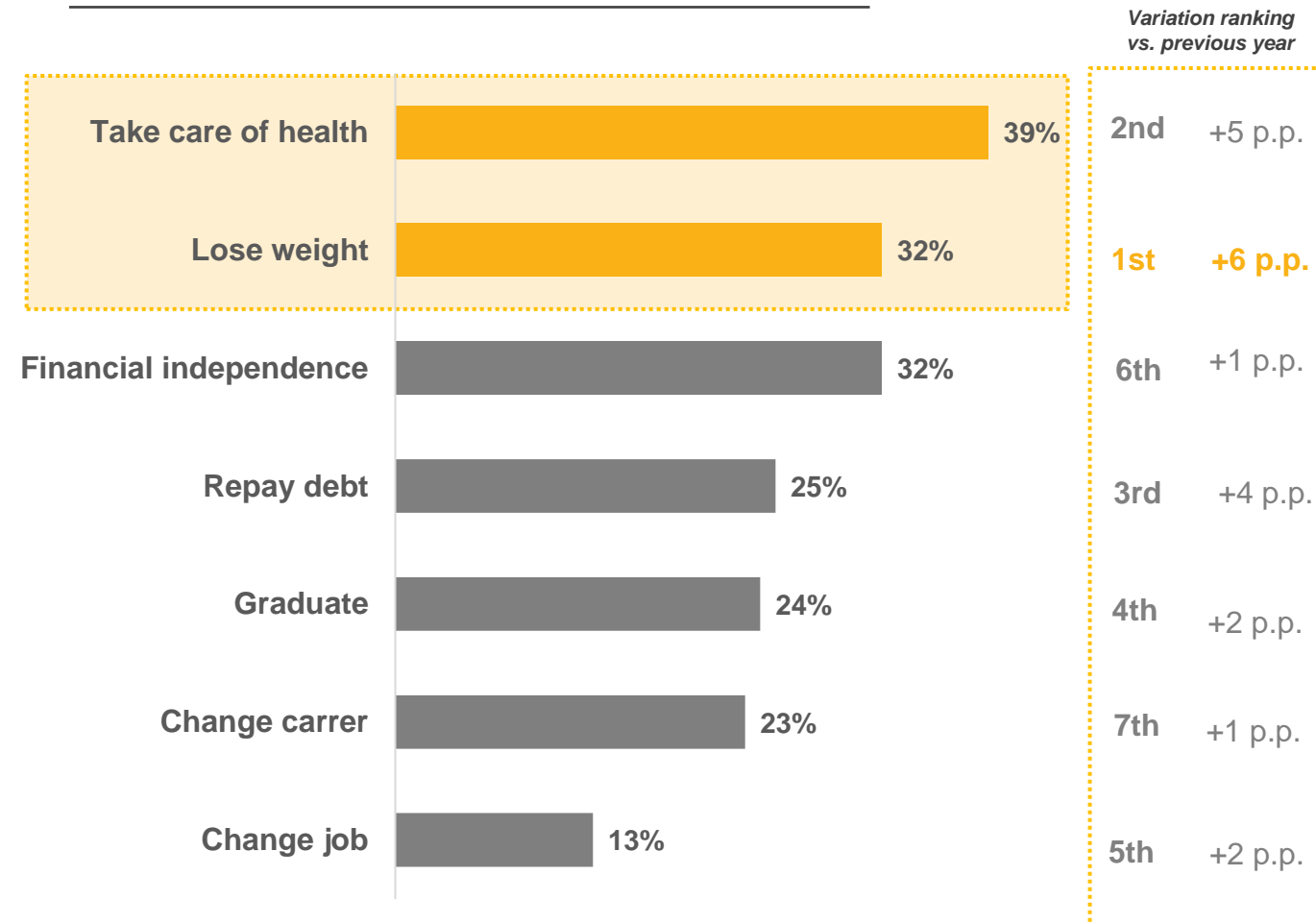
IMPROVEMENT IN EBITDA AND OPERATING CASH FLOW

Expansion of member base and operating leverage drove EBITDA and Operating Cash Flow growth in 4Q21 to R\$36 million and R\$52 million.

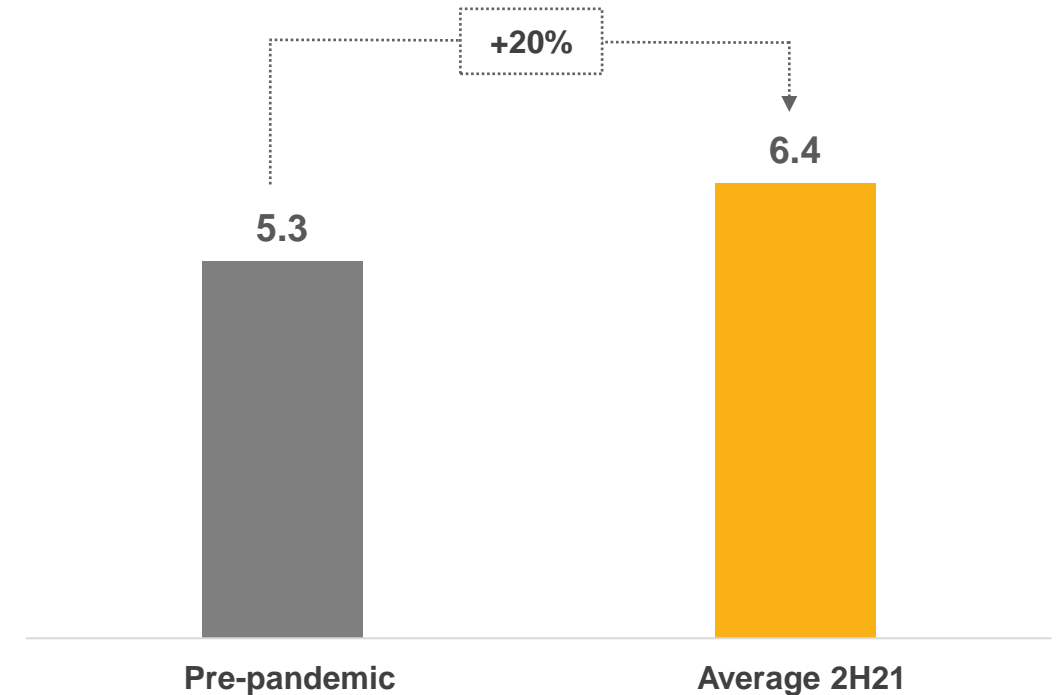
HEALTH AND PHYSICAL EXERCISES ARE PRIORITY IN 2022 smart fit

Taking care of health and physical exercises are the priority for 2022

MAIN FOCUS FOR 2022⁽¹⁾



MONTHLY FREQUENCY – SMART FIT⁽²⁾



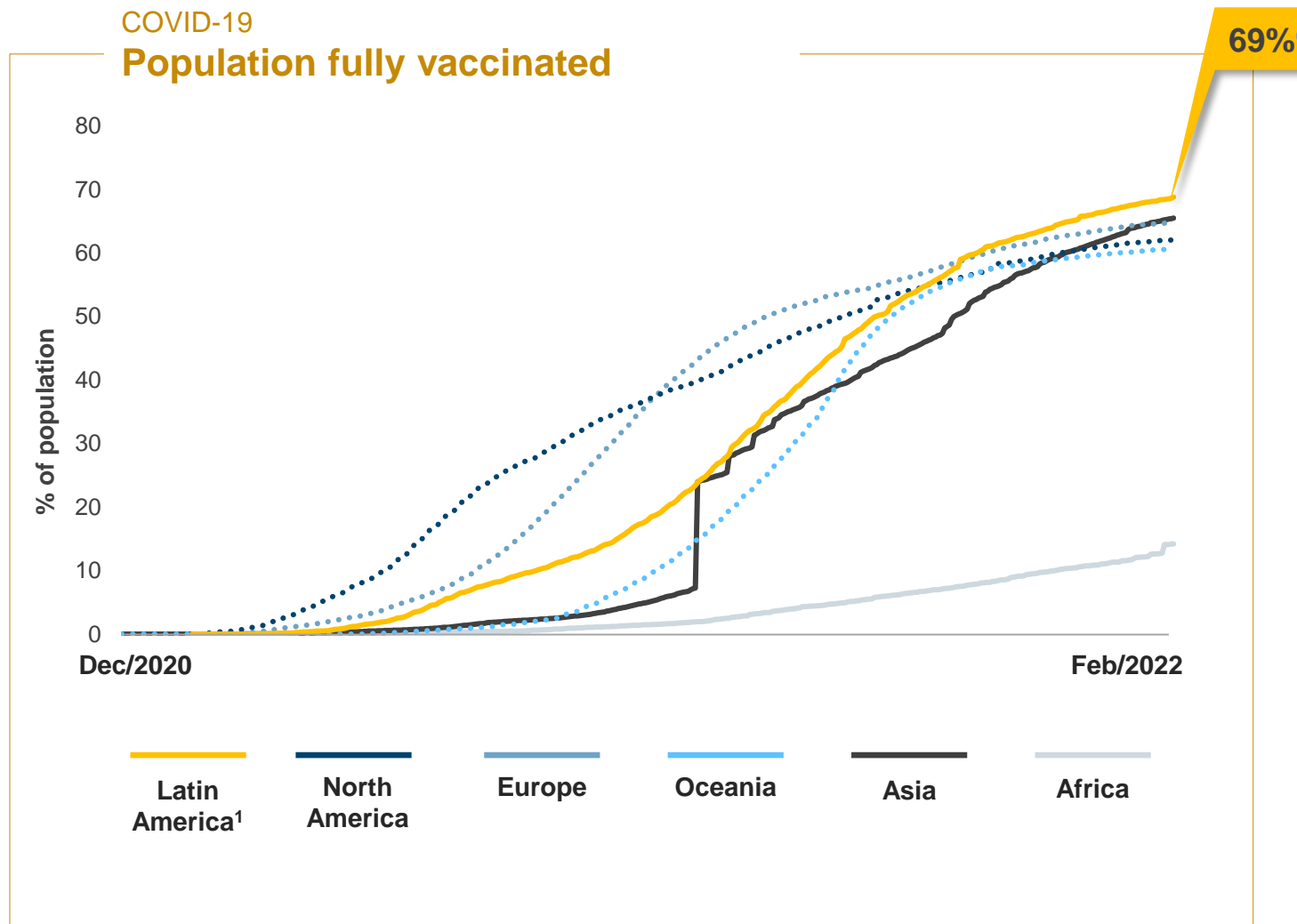
✓ 20% growth in frequency of members during resumption

(1) Google Brazil SOV survey on resumption – New year, New life, Nov. 2021

(2) Frequency in units existing before the pandemic. Pre-pandemic period refers to March 2019 to February 2020.

ADVANCED VACCINATION CAMPAIGN IN LATIN AMERICA

Studies indicate that physical exercises boost effectiveness of COVID-19 vaccine



The New York Times

Exercise May Boost Your Vaccine Response

Two new studies of elite athletes found that working out amplifies the immune response to a flu shot.

By Gretchen Reynolds

PRINT EDITION Exercise May Bolster Vaccines | September 1, 2020, Page D6

veja SAÚDE

Pessoas fisicamente ativas respondem melhor à vacina contra Covid-19

Dois estudos com atletas de elite descobriram que o exercício físico amplifica a resposta imunológica à vacina contra a Covid-19.



Atividade física intensifica resposta imunológica das vacinas contra a Covid-19

Pesquisa contou com a participação de 748 pacientes do Hospital das Clínicas da Faculdade de Medicina da Universidade de São Paulo (USP).

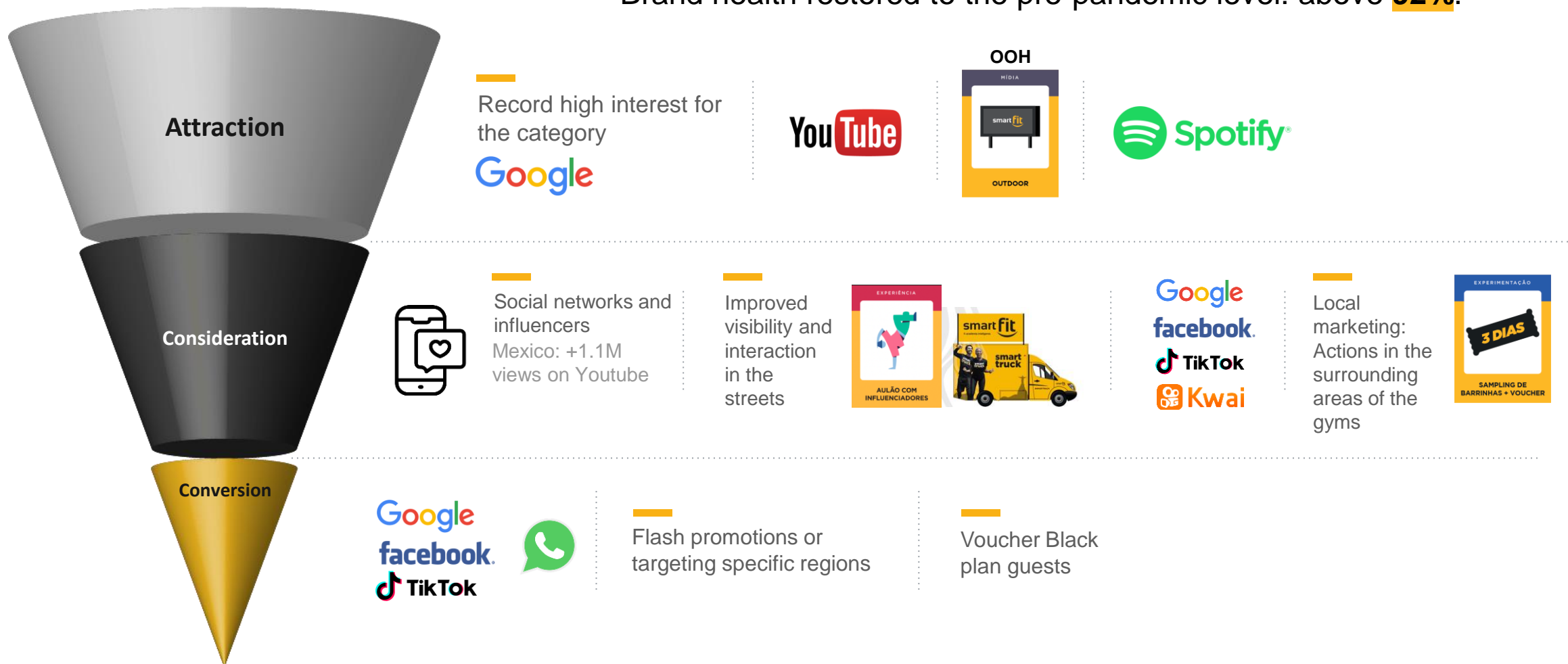
Lucas Rocha, da CNN
em São Paulo

06/01/2022 às 10:15

NATIONWIDE BRAND WITH LOCAL POWER

Focus on expanding the member base

Brand health restored to the pre-pandemic level: above **92%**.



DIGITAL EXPERIENCE DRIVES ENGAGEMENT



App provides complementary and integrated experience at any point of member's journey

SMART FIT APP



**SOCIAL
INTERACTION**



TRAINING



PROCESSES



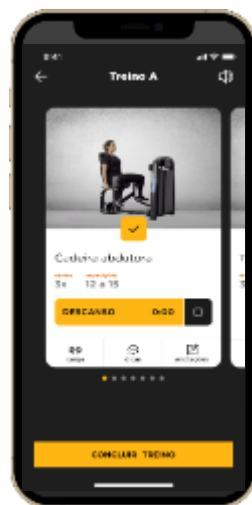
PROGRESS

MAIN FEATURES



Client Engagement

Sharing of training activity drove 368 thousand views on Instagram in feb/22



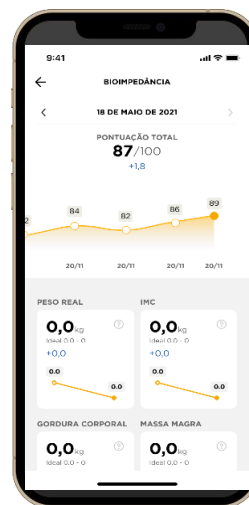
Improved Workout experience

90% of workout activities available on the app were ranked "Great" and "Very Good"



Operational efficiency

R\$2.4M in overdue payments through PIX in feb/22



Platforms integration

90 thousand clients accessing bioimpedance services through the app

1.4 M

UNIQUE USERS IN THE APP
in February 2022¹

59%

OF MEMBERS REGISTERED IN
APP¹



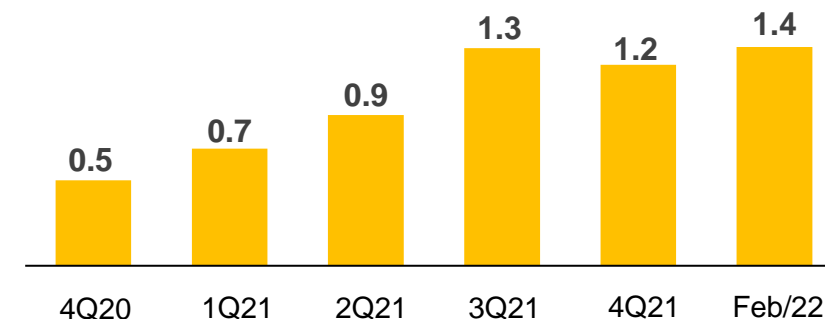
Google Play



4.8

4.8

GROWTH OF APP USERS (MILLION)

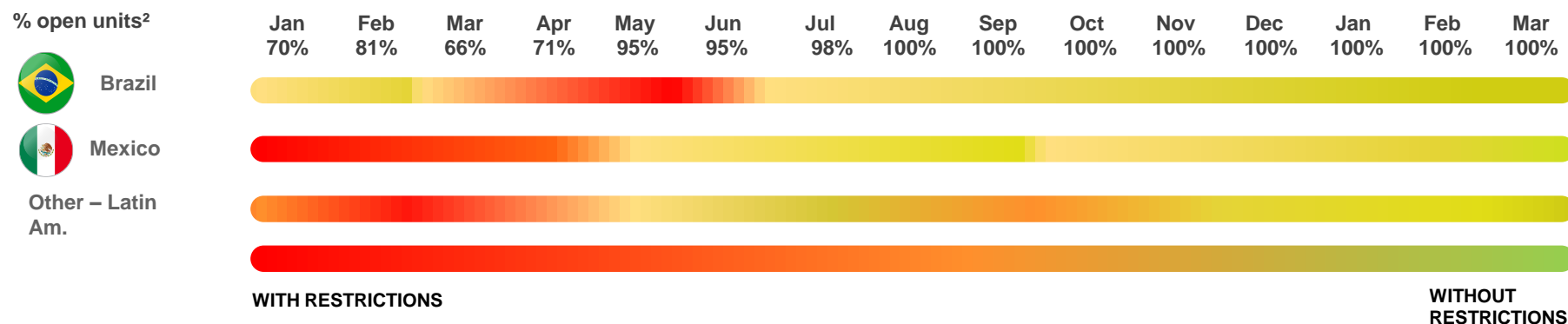


(1) Data of February 2022 / APP SF = App used by members to access their training programs and personalized information.

...GRADUAL SCALEDOWN OF RESTRICTIONS AND IMPROVEMENT IN MOBILITY

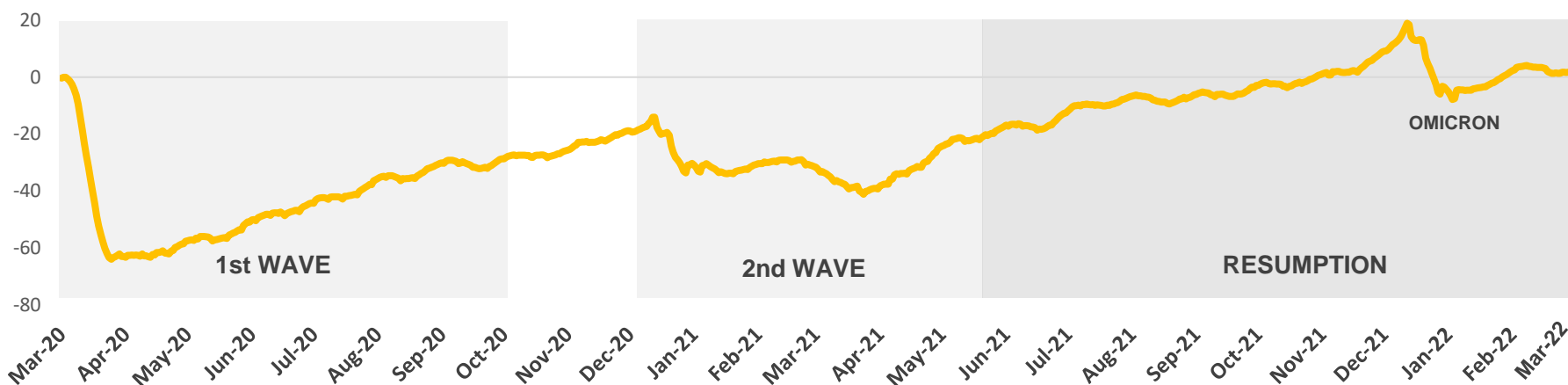
Several regions have been loosening the restrictions in recent months

DAILY EVOLUTION OF RESTRICTIONS ON OPERATION



Despite Omicron, mobility returns to pre-pandemic levels in February 2022

MOBILITY INDEX • Weighted by presence of Smart Fit Latam¹



1) 15-day moving average of Google Mobility Index for retail and leisure, weighted by the presence (# of members) in the 5 leading countries where Smart Fit operates.
2) Monthly average



CONTINUOUS RECOVERY OF MEMBER BASE

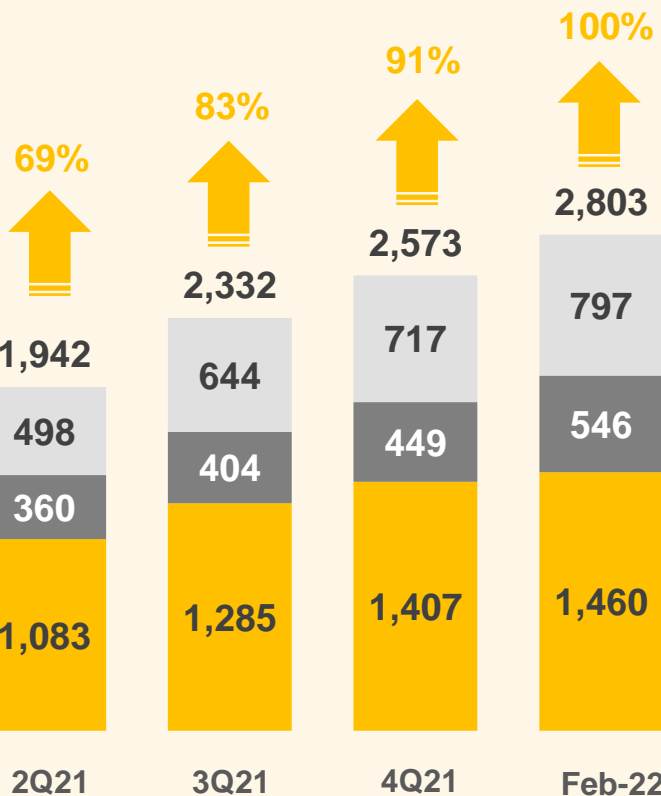
In February 2022, the member base of clubs reached 100% of the pre-pandemic level

Member Base of Clubs
(#'000 End of Period)

Units existing before the pandemic % vs. Mar/20

61% 71% 76% 80%

Total member base % vs. Mar/20



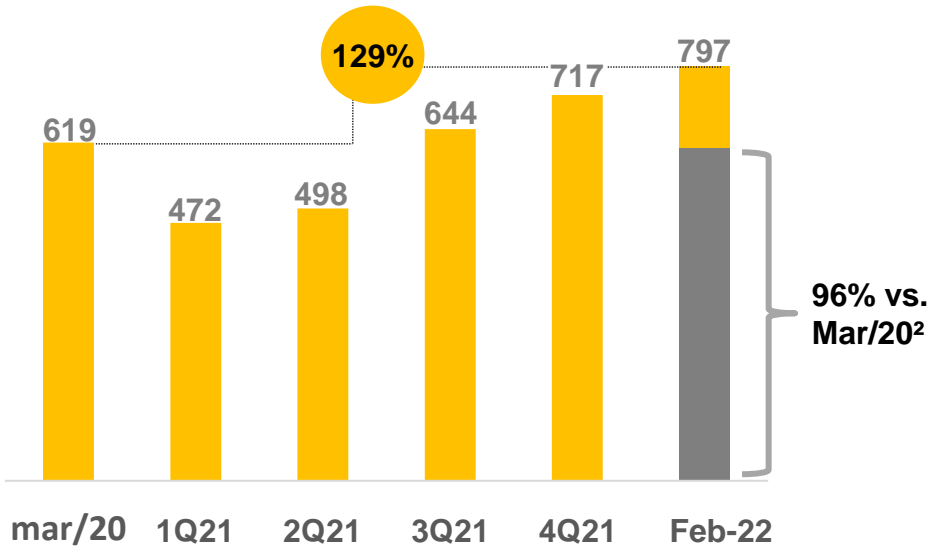
- ✓ Recovery of 100% of pre-pandemic member base
- ✓ Addition of 900,000 members since resumption in June 2021
- ✓ At units opened before the pandemic, recovery of 80% of the member base in Mar-20
- ✓ Seven out of twelve countries in operation in Mar-20 reached more than 90% of member base at clubs opened before the pandemic

OTHER LATAM: ACCELERATED STAGE OF RECOVERY

Reduced impact of 2nd wave of COVID-19 enables accelerated recovery. In February, member base reached 129% of March 2020 level

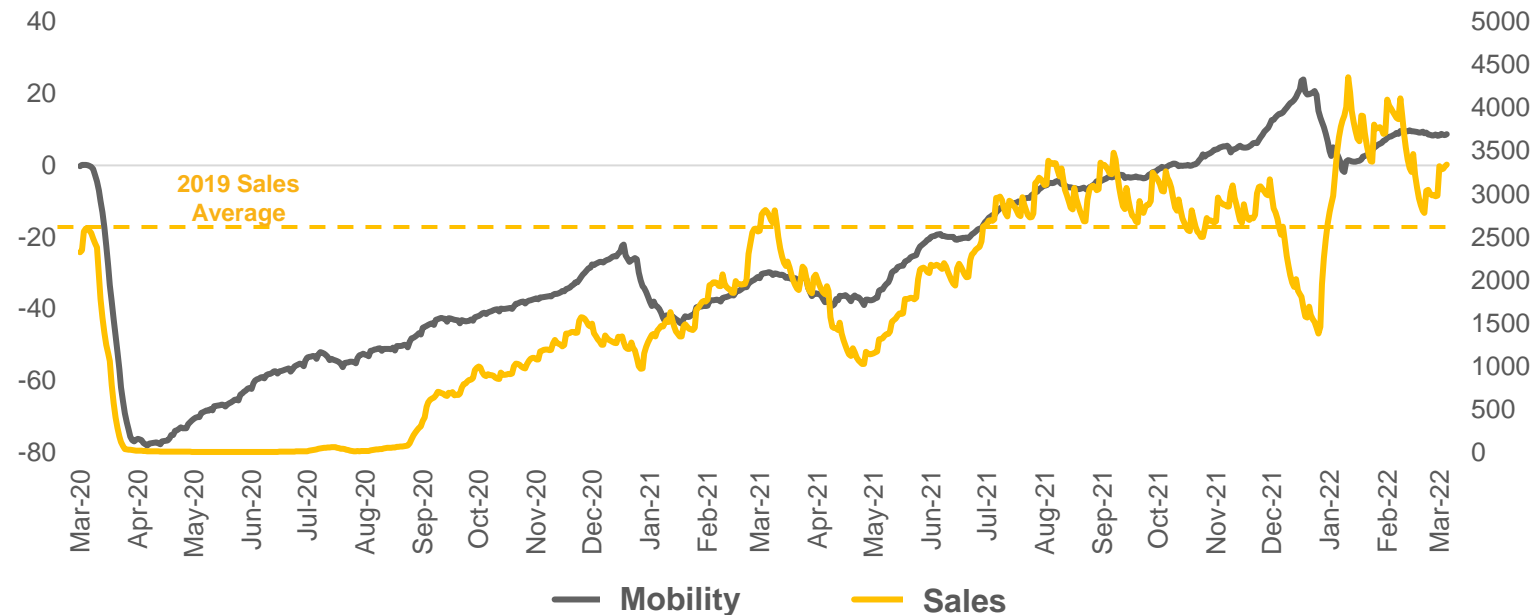
MEMBERS

(#'000 End of Period)



Other Latam Mobility Index vs. daily sales¹

(Retail and Leisure, % change vs. pre-COVID, 15-day moving average)



- ✓ Less affected by the 2nd wave of COVID-19, the Other Latin America region is in an advanced stage of recovery, with recovery rate of 2.9% between Jul-21 and Feb-22
- ✓ In the first two months of 2022, 80 thousand members were added (+11%)
- ✓ In February 2022, clubs opened before the pandemic had recovered 96% of their member base in Mar/20

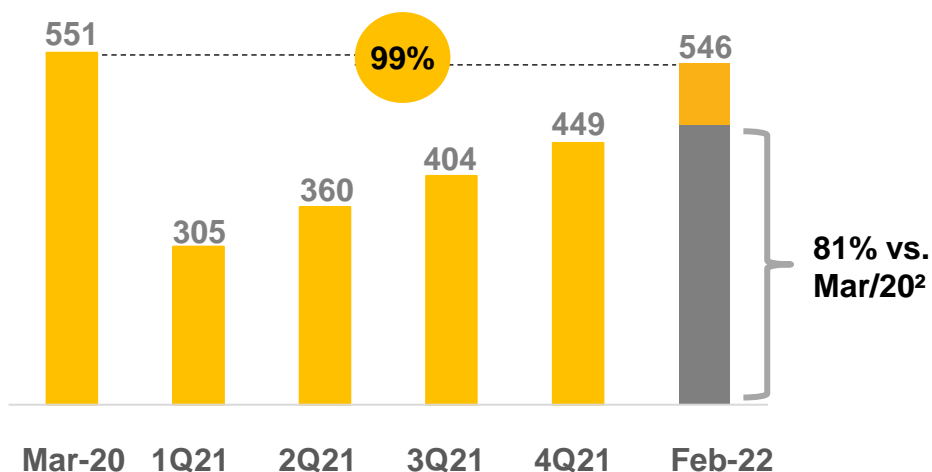
1) 15-day moving average of Google Mobility Index for Retail and Leisure for Other Latin America (weighted by cities with most units) and 15-day moving average of sales (gross addition of members) at units in countries where we operate
2) Considering Smart Fit units existing before the pandemic

MEXICO: RECENT ACCELERATION IN SALES

In February, member base reached 99% of March 2020 level

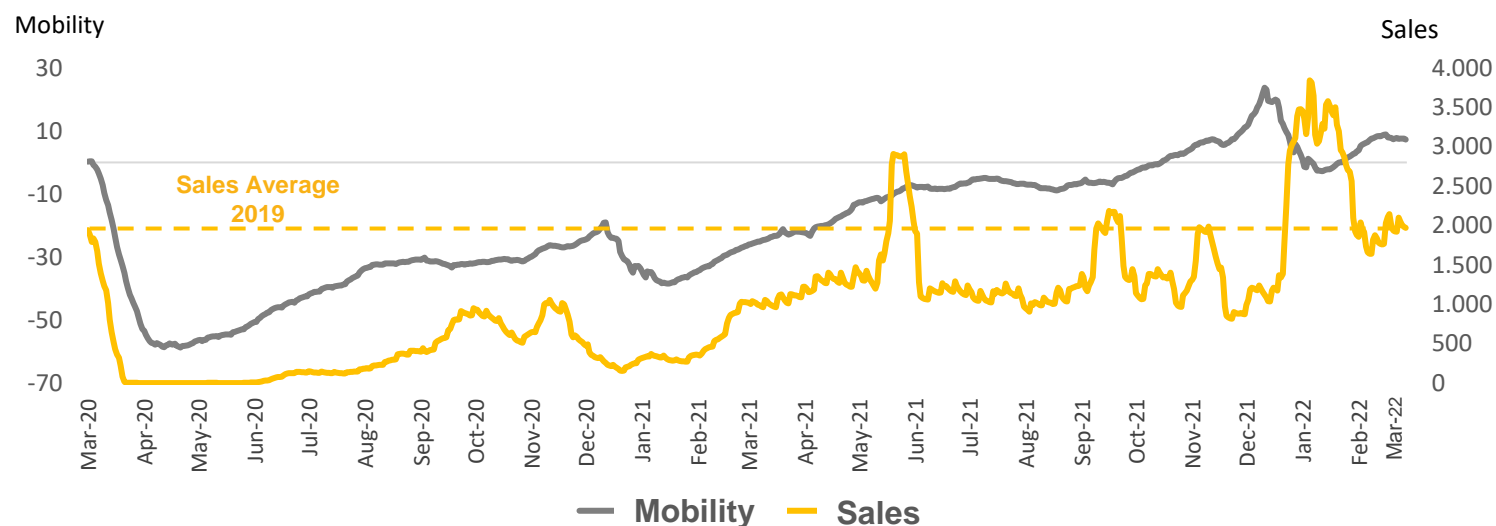
MEMBERS

(#'000 End of Period)



Mexico Mobility Index vs. daily sales¹

(Retail and Leisure, % change vs. pre-COVID, 15-day moving average)



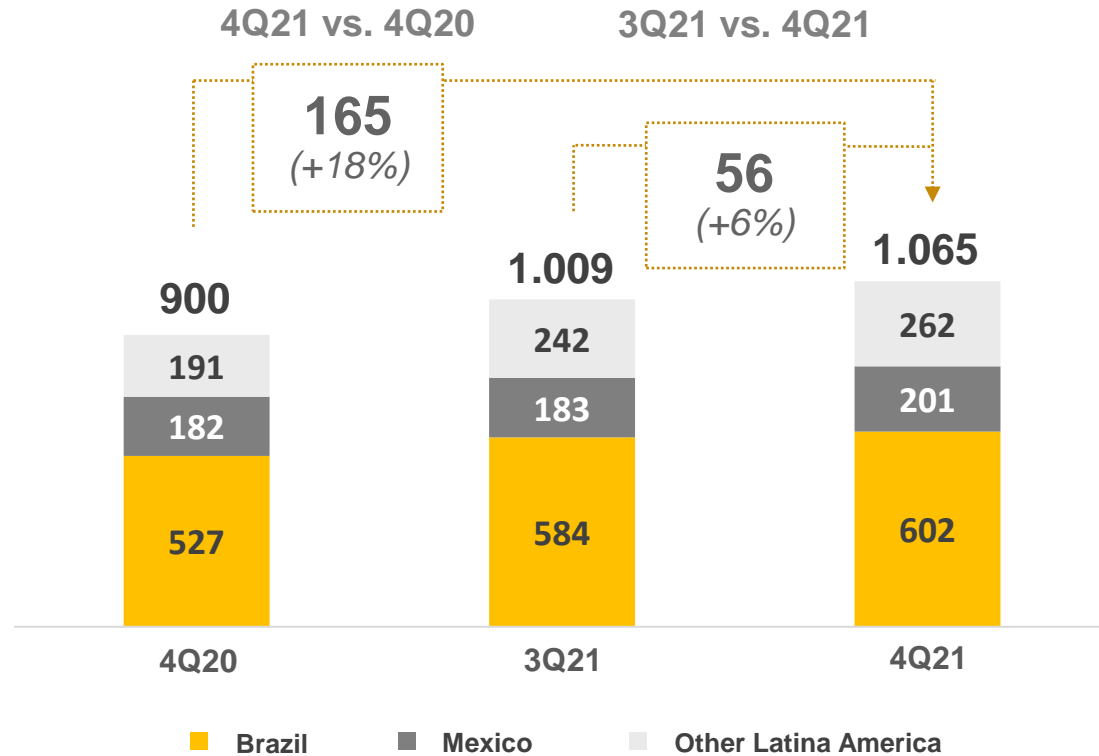
- ✓ Recovery of mobility accelerated sales since the end of 2021, with recovery rate of 2.9% between Jul-21 and Feb-22
- ✓ Despite Omicron, 97 thousand members (+22%) were added in the first two months of 2022
- ✓ In February 2022, clubs opened before the pandemic had recovered 81% of their member base in Mar/20

1) 15-day moving average of Google Mobility Index for Retail and Leisure in Mexico (weighted by cities with most units) and 15-day moving average of sales (gross addition of members) at units in Mexico
2) Considering Smart Fit units existing before the pandemic

PACE OF EXPANSION PICKED UP IN 2H21

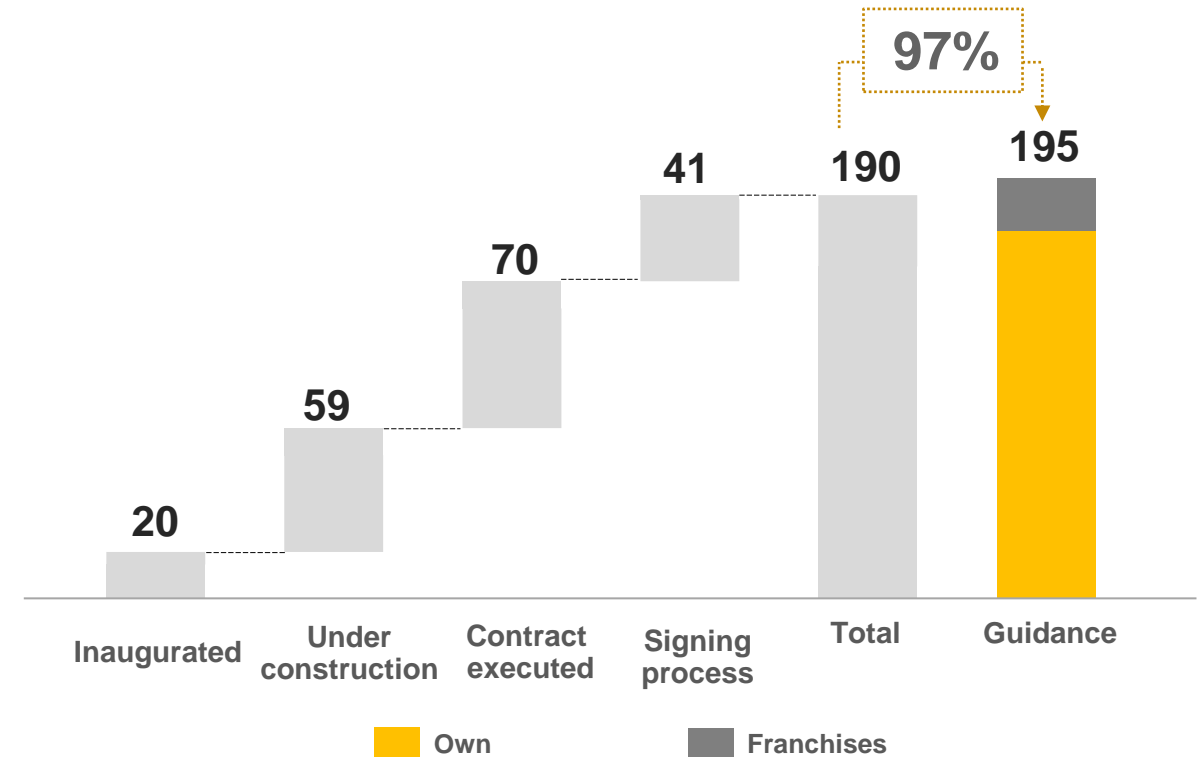
Addition of 165 clubs in 2021 and guidance of at least 195 openings in 2022

GROWTH IN NUMBER OF CLUBS

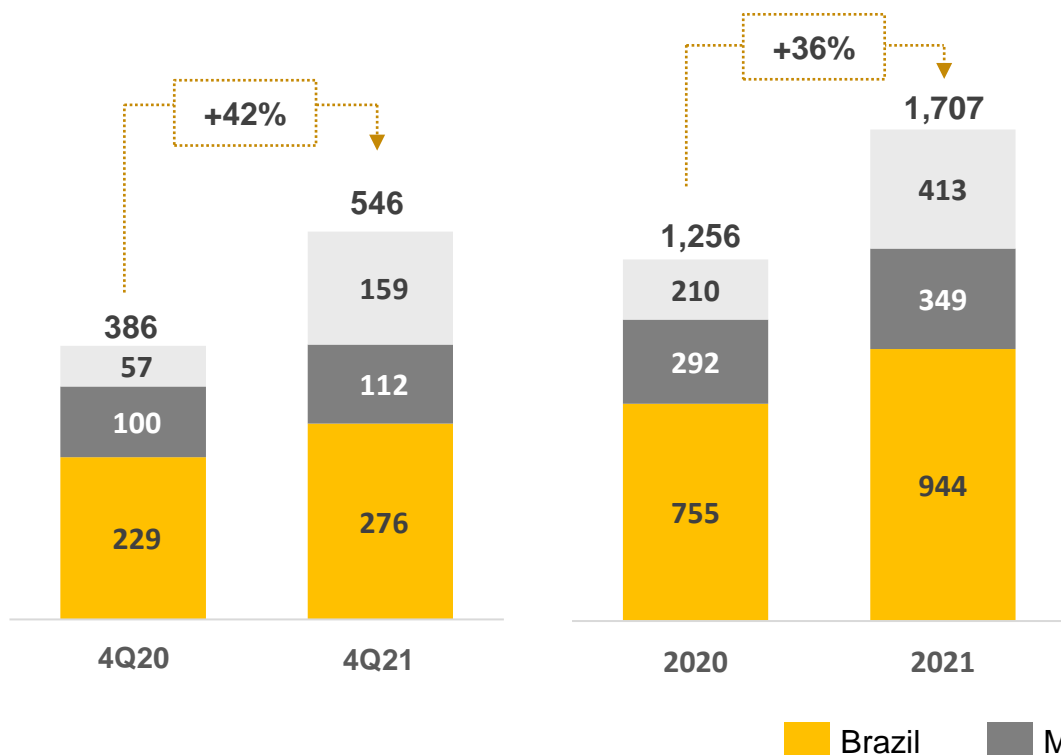


	4Q20	3Q21	4Q21
Own	704	781	834
Franchises	196	228	231

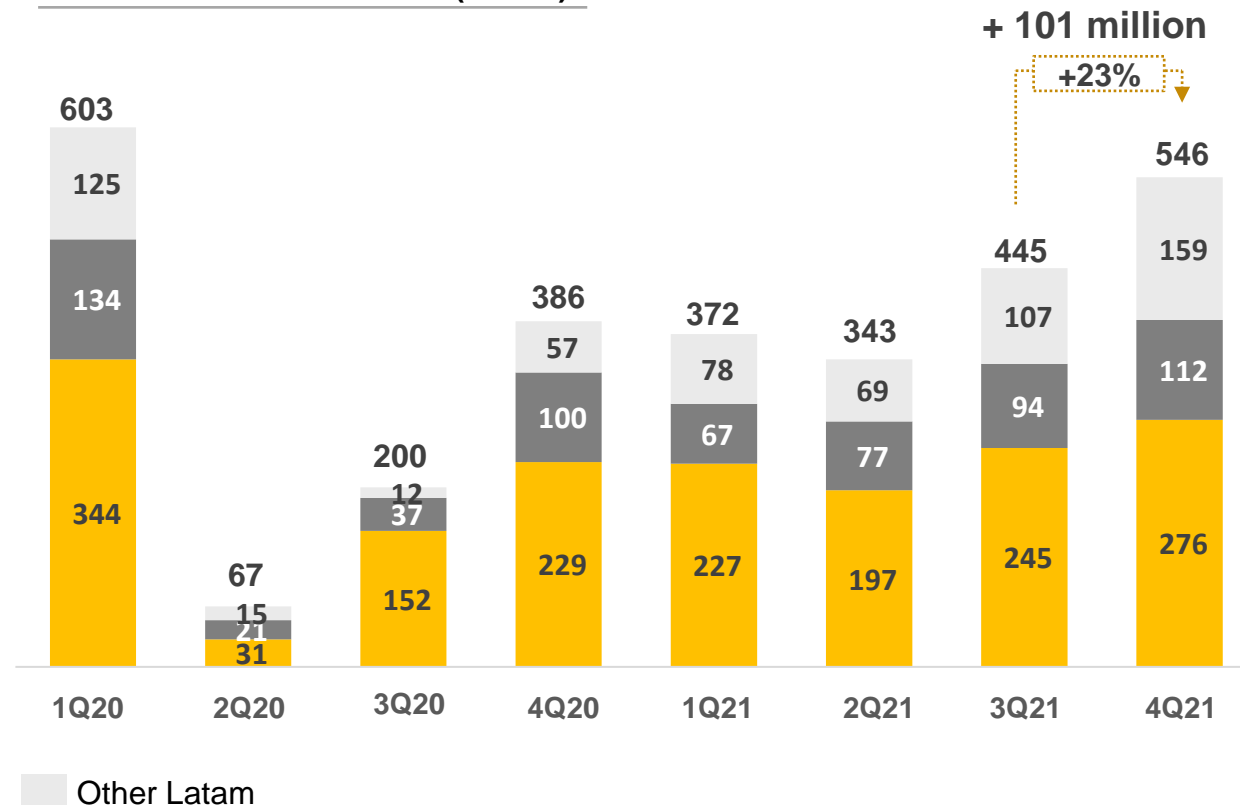
PIPELINE OF CLUBS OPENINGS IN 2022¹



VARIATION IN REVENUE (R\$MM)

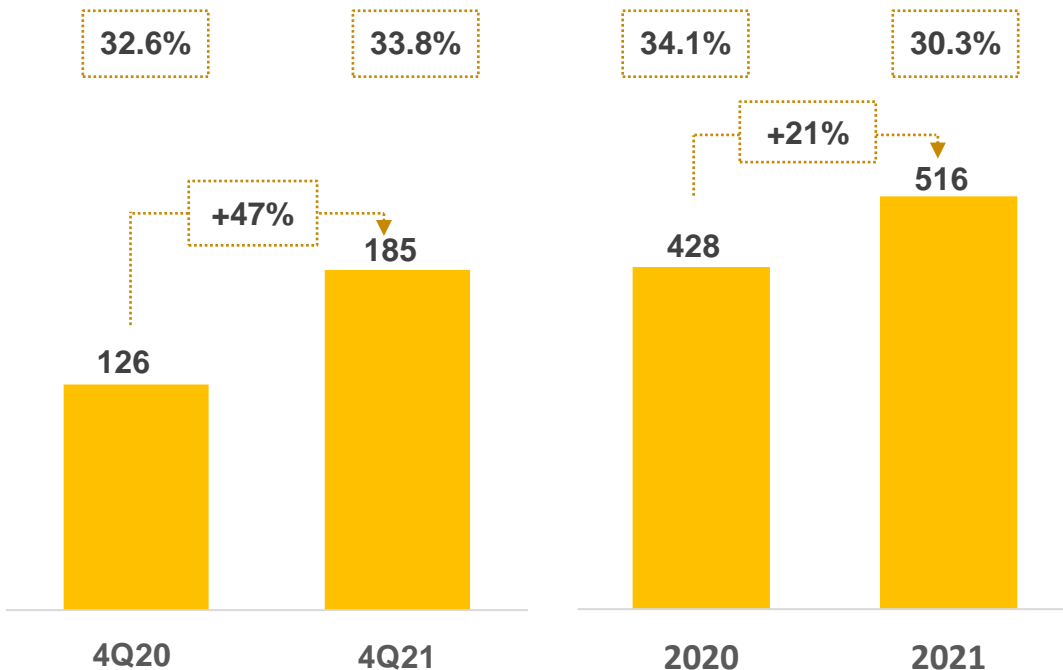


EVOLUTION OF REVENUE (R\$MM)

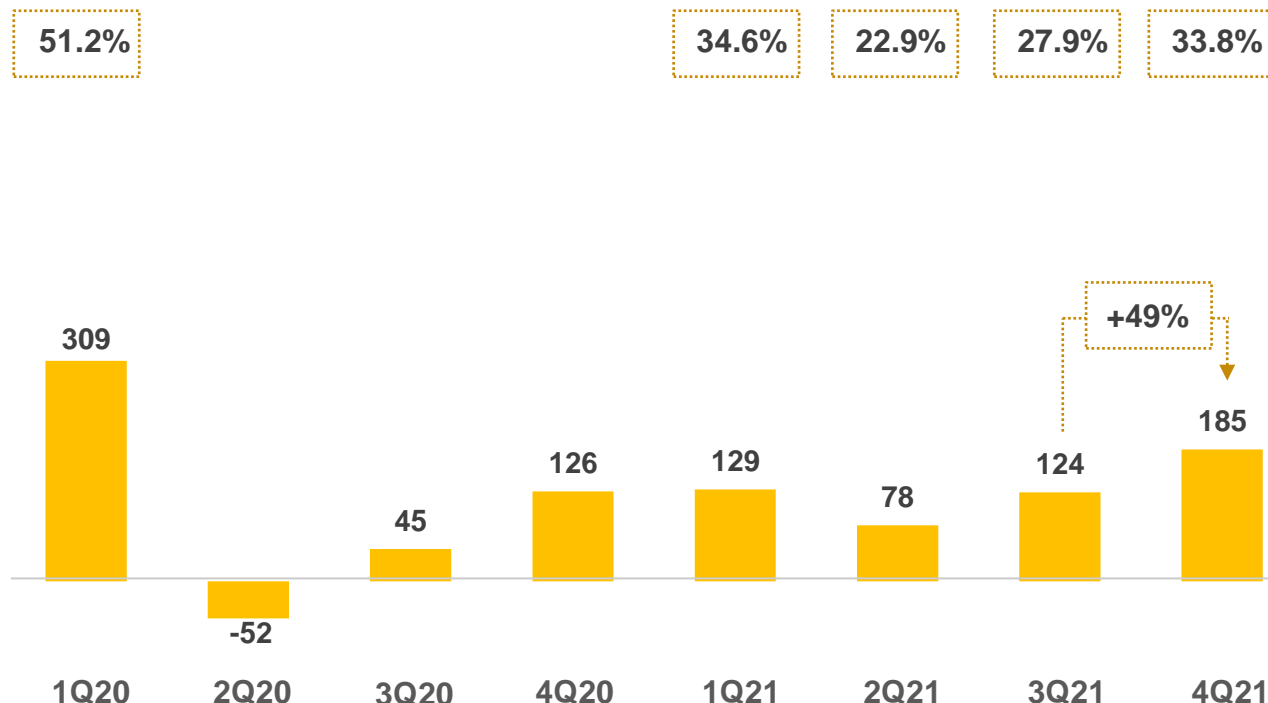


- Net revenue grew 42% vs. 4Q20, due to the increase in monthly fee payments (100% of clubs open in 4Q21 vs. 88% in 4Q20) and the opening of 165 clubs in the last 12 months, which drove the 18% expansion of club chain
- Net revenue grew 23% (+R\$101 million) vs. 3Q21, due to the 18% increase in monthly average of members of own clubs and higher monthly fee payments

VARIATION IN GROSS PROFIT (R\$MM)



EVOLUTION IN GROSS PROFIT (R\$MM)

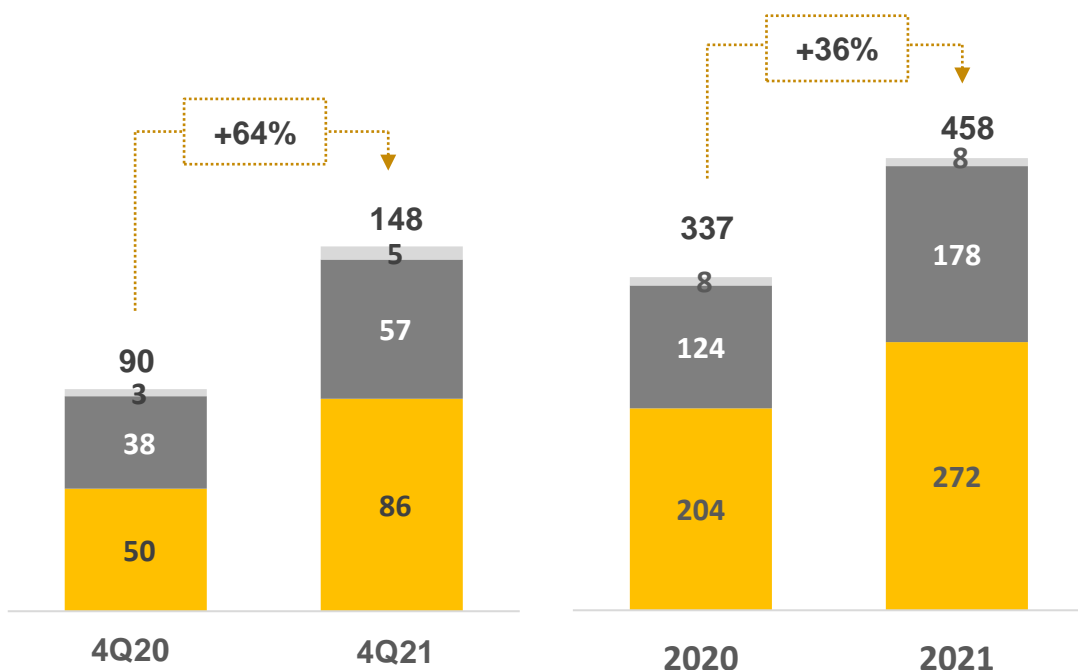


■ Cash gross profit □ Cash gross margin

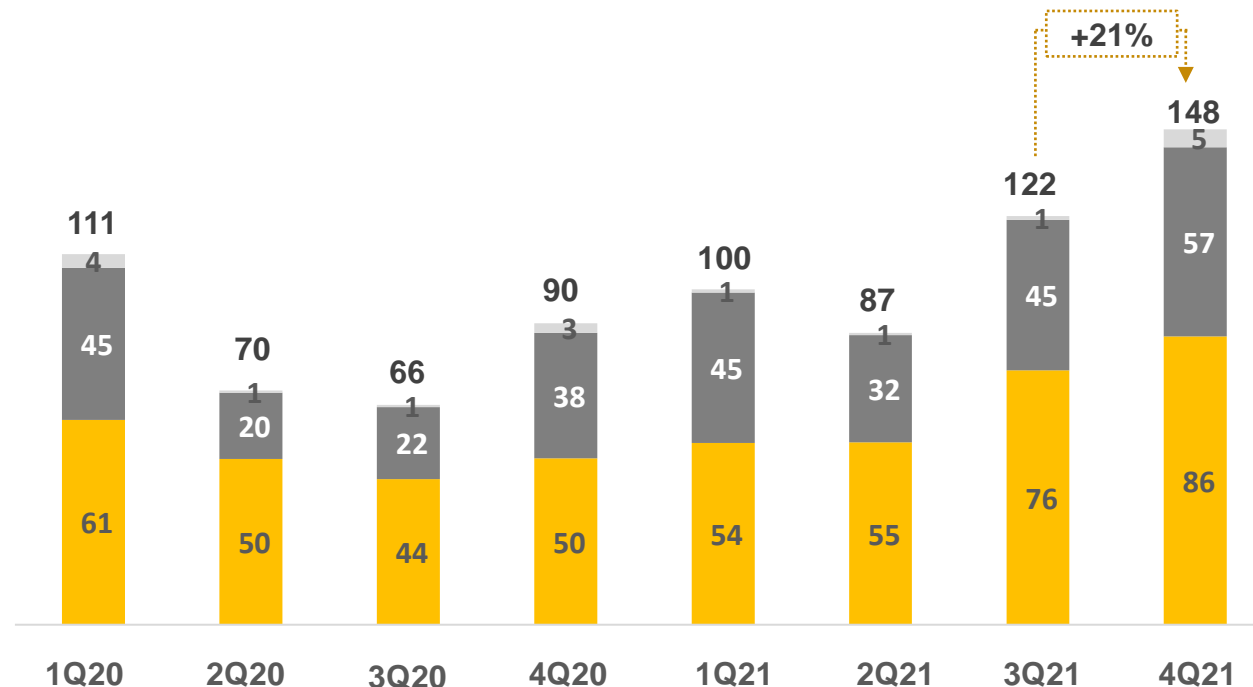
- Cash gross profit grew 47% from 4Q20 due to strong recovery of revenue, dilution of fixed costs and focus on cost management, with gross margin rising 1.2 p.p. to 33.8%
- Cash gross profit increased 49% from 3Q21, since the 23% growth in net revenue resulted in significant operating leverage and 5.9 p.p. growth in cash gross margin
- Nominal reduction of 3% in cash cost of clubs open until 2019, with headcount reduced by 18%, consumption by 13% and rents under constant negotiation¹

1- For the purpose of comparing costs in 4Q21 with pre-pandemic period (January and February 2020), we have compared the evolution of "Cash Cost" of the units opened until 2019 in these periods

VARIATION IN EXPENSES (R\$MM)



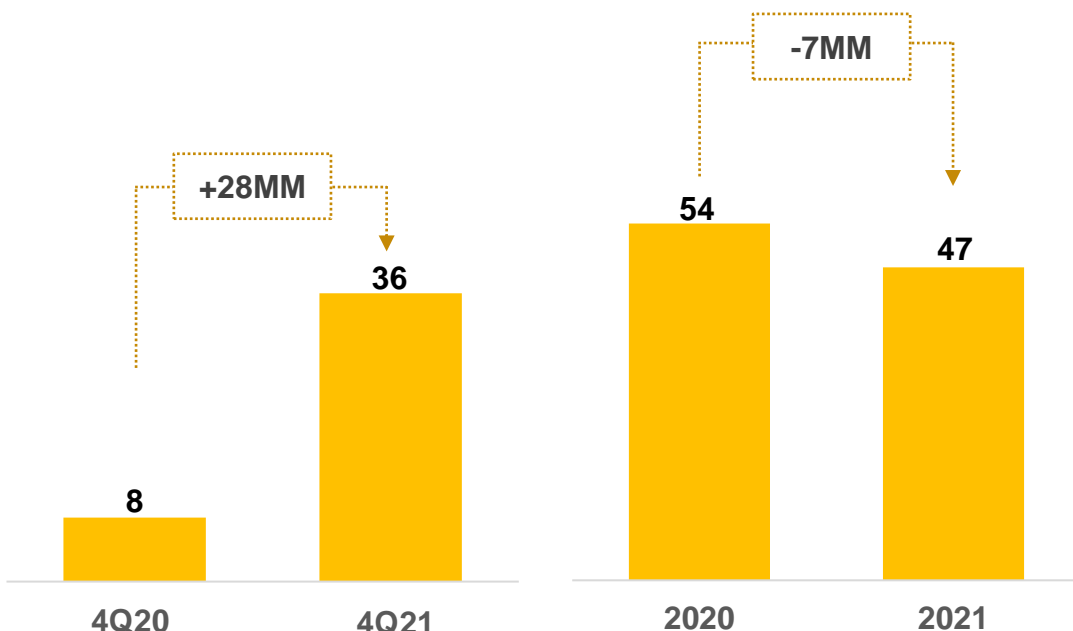
EVOLUTION OF EXPENSES (R\$MM)



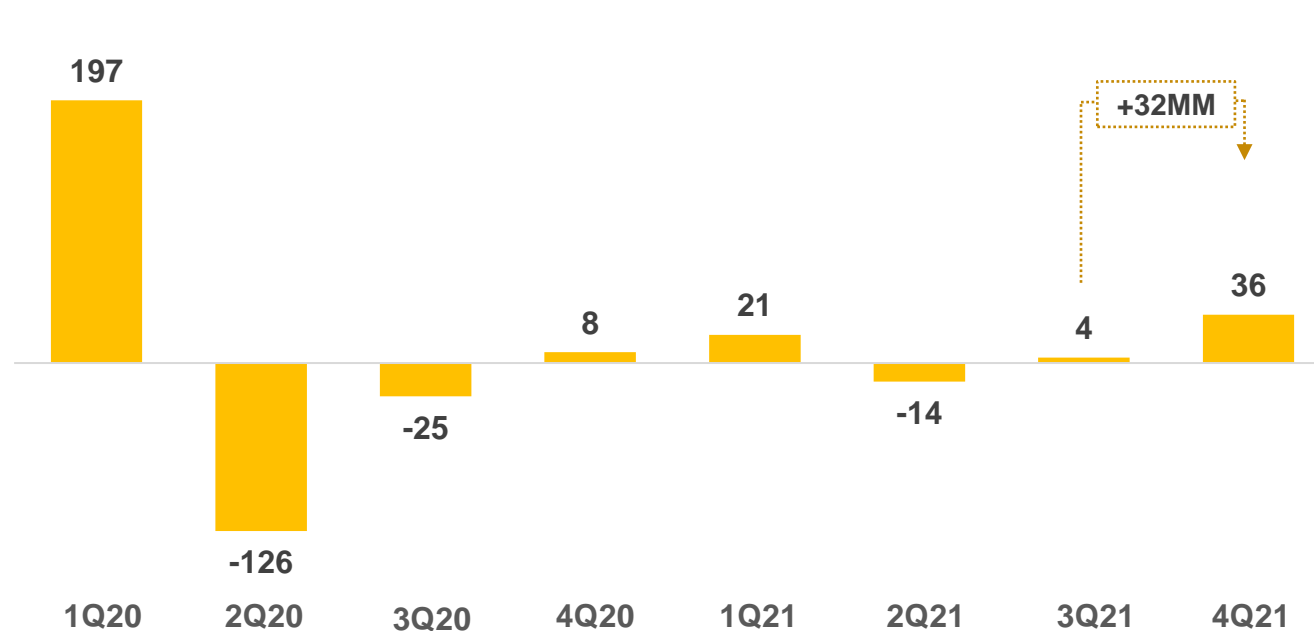
G&A Sales Pre-Operating

- Expenses rose R\$58M vs. 4Q20, due to the increase in expenses to attract new members, the weak comparison base, since the pandemic caused a sharp decline in expenses in 4Q20, and expenses with the long-term incentive plan
- Expenses increased 21% from 3Q21, with selling expenses remaining stable at 10% of net revenue, while general and administrative expenses rose 13% due to expenses with new business and IT projects
- Compared with 1Q20 (pre-pandemic period), excluding expenses with new business and the long-term incentive program, G&A expenses increased by just 6% in 4Q21, despite the 25% expansion of the club network during this period

VARIATION IN EBITDA (R\$MM)



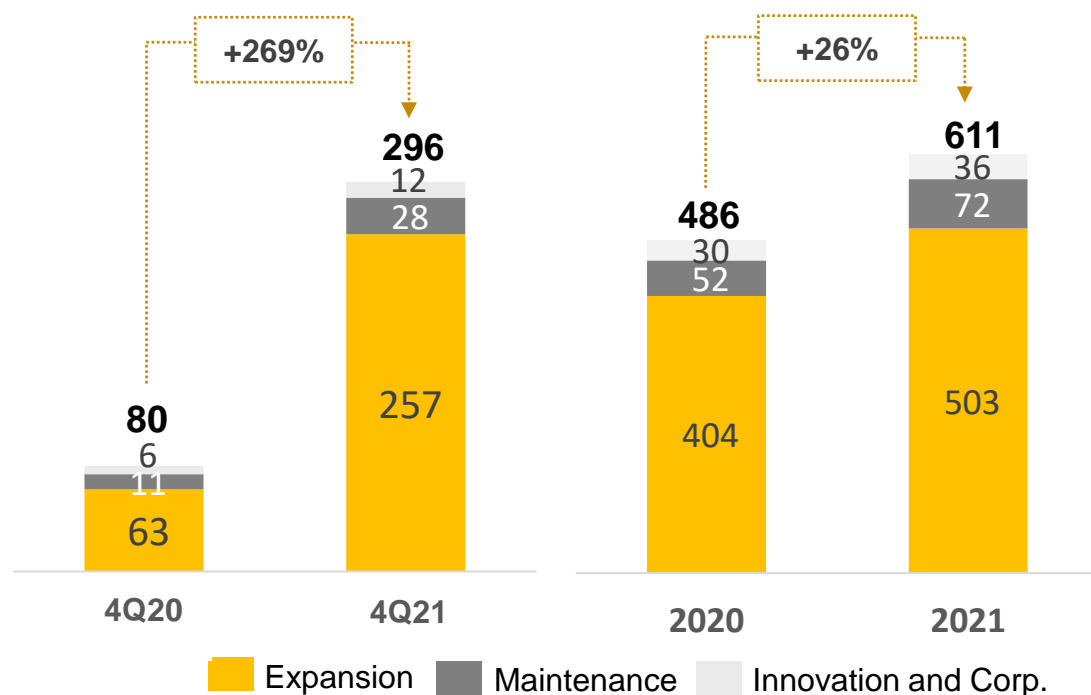
EVOLUTION OF EBITDA (R\$MM)



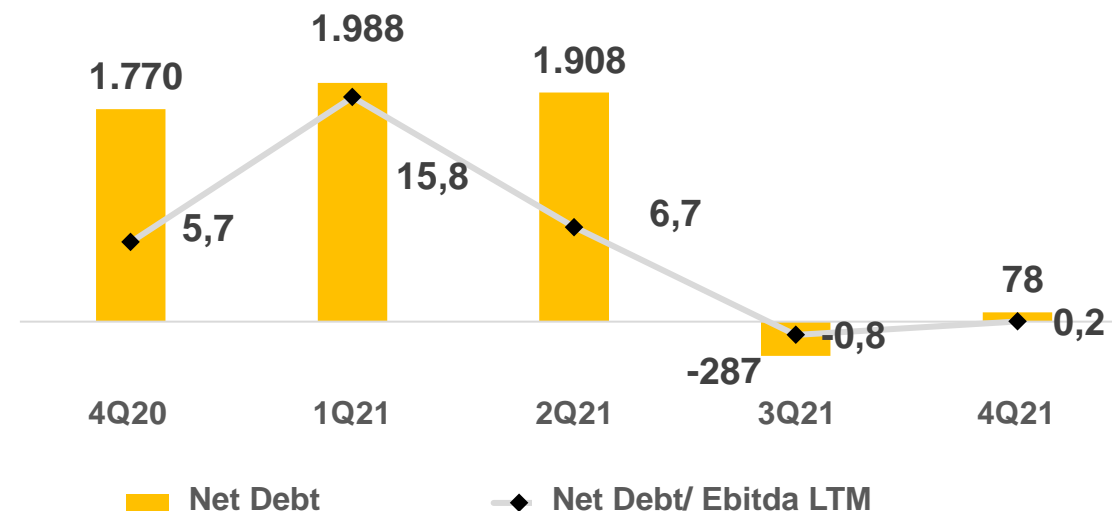
- EBITDA grew R\$28 million from 4Q20 to reach R\$36 million, the best performance since the start of the pandemic, due to the increase in monthly fee collections and the addition of 165 units in the last 12 months
- In relation to 3Q21, EBITDA grew R\$32 million, due to the strong growth in net revenue over two consecutive quarters, which significantly diluted costs resulting in a 10.9 p.p. increase in cash gross margin vs. 2Q21, notably in the Other Latin America region

FINANCIAL LIQUIDITY AND CAPEX

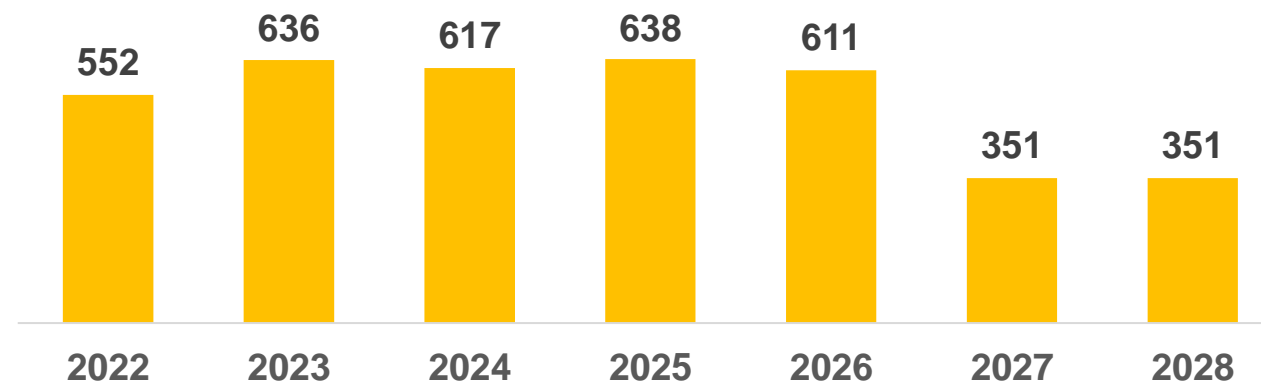
With more than R\$3.6 billion in cash and an extended debt profile, investments were accelerated



Net Debt (R\$MM) and Net Debt / EBITDA LTM ¹



Debt Payment Flow R\$MM



- Proceeds from the primary offering of R\$2.6bn in the IPO boosted the cash position to R\$3.7bn, with net debt of just R\$78 million
- Funding of R\$1,060 million in Dec/21 (6th issue of debentures) to settle the 4th issue helped lengthen debt profile
- Expansion capex totaled R\$503 million in 2021 with a rebound in the pace of inaugurations
- Investments in innovation, digitalization of services and focus on customer experience totaled R\$36 million in the year

Q&A

