

Transcript

SMART FIT 4Q25

Matheus Nascimento:

Good morning, everyone. Welcome to Smart Fit earnings call to discuss the results of the fourth quarter of 2025.

I am Matheus Nascimento, IR manager.

Before starting, an important message for those who choose to listen to the conference in English.

Good morning, everyone, and welcome to Smart Fit conference call.

This call will be translated into English. To access the English mode, please click on the Interpretation button in the icon at the bottom of the screen and choose your preferred language. There's also an option to mute the original audio in Portuguese by clicking on "mute original audio".

Today with us we have Mr. Edgard Corona (Chairman and founder of Smart Fit), Diogo Corona (CEO) and José Luís Rizzardo (CFO and IRO of the company).

Attendees will be in listen only mode during the Company's presentation and then we will start a Q&A session when further instructions will be provided.

We remind everyone that the results presentation that will guide this conference is available on investor relations website, at CVM and on the webinar platform.

Before continuing, I would like to clarify that any statements made during this conference call regarding the Company's business prospects, operational and financial projections and goals and information about the potential of the target market, our beliefs and assumptions of the Company's Executive Board and are based on information currently available to the Company for forward looking statements are not guarantees of performance because they involve risks, uncertainties and assumptions.

Now I would like to give the floor to our founder and Chairman, Mr. Edgard Corona, who's going to start the presentation.

Edgard, please, the floor is yours.

Edgard Corona:

Thank you, Matheus.

Good morning, everyone. It's a pleasure to have you here to announce the results of the fourth quarter of 2025. It's an important period for Smart Fit Group which marked an advancement in our succession plan.

So, I took over as Chairman of the board, Diogo took over as CEO and Rizzardo is now CFO. They will continue the execution of the strategy and consolidation of the Smart Fit group system while continuing to contribute daily to the main discussion, strategic definitions and projects of the company.

This transition has been going on in a structured and planned manner with the rise of the company's executive officers. Very experienced, aiming to have continuity and long-term sustainable value generation.

I would like to start by the highlights that points and show another quarter solid results in operational highlights.

We ended the quarter with 2,084 clubs in operation 16 countries representing a growth of 20% compared to 4Q24.

Along 2025 we added 341 new units, the highest number of openings in the company's history in line with our expansion guidance. This performance reinforces the scalability of our business model and marked entry of a new geographical footprint.

From the financial standpoint. We're going to share the results on the next slides, but the main message is clear. We continue to combine acceleration with expansion, consistent growth and strong cash generation reinforce the solidity and scalability of our business model.

We are very happy with the results we have achieved so far and we are confident with the opportunities ahead. We remain focused in expanding access to fitness and continue to transform and the industry where we operate now continuing.

I would like to turn it over to Diogo, our new CEO to continue the presentation.

Diogo Corona:

Thank you Edgard.

So before going to operational details, it's worth taking a step back and looking at the portfolio of brands that comprise Smart Fit's ecosystem that supports the strategy we have been building over the last few years.

Today we operate with an integrated platform combining fitness clubs, specialized studios and the aggregator, creating a unique ecosystem in the fitness industry.

As the main pillar in the fitness club segment is Smart Fit, our main brand and growth driver focus on democratizing access to high end fitness on large scale. Smart Fit Clubs accounted for 89% of the Group's consolidated net revenue in 2025.

Complementing the proposal. In the fitness club segment we have Bio Ritmo, a brand that originated Smart Fit Group and that will turn 30 years old in 2026 position high end segment offering a more complete wellness experience with premium services.

In the Studio segment, we combine different modalities and specialized brands in an essential franchise model now consolidated under the Corporation BeOn which expanded our presence in more personalized and community orientated training experiences.

Finally, we have TotalPass, our wellness aggregator which connects companies, users and a wide network of fitness clubs.

This integrated portfolio allows us to act on different consumer profiles, modalities and moments of the wellness journey, reinforcing our position and as a comprehensive platform in this industry.

On slide number four it shows an overview of Smart Fit Group's main operational highlights in 2025 for our most relevant business. I will give more details as we move on in the presentation.

So, starting on the health club business unit, our main business. 2025, another record of openings with 341 new fitness clubs in line with our previous plan, this space of expansion allowed us to exceed the number of 2000 smart fitness clubs, ending the year with 2084 units in 16 countries, considering all our brands, consolidating our position as the largest Fitness chain in Latin America and one of the largest in the world.

Among the main highlights in the period, it's the entry in Marrocos which represents the beginning of our expansion in a new continent, and the accelerated growth in Argentina market where we see relevant potential.

Looking ahead, yesterday we announced our expansion guidance for 2026 which includes between 330 and 350 new net clubs, approximately 80% being owned units.

This guidance reflects the continuing of our strong pace of expansion supported by a robust pipeline of projects, discipline in capital allocation and good returns and ample room for structural growth in the fitness sector and in the markets where we operate now.

Specifically about the brand Smart Fit, the main driver for the group's growth, we continue to improve our products and experience offered to our customers. In 2025 we expanded investments in modernizing and expanding our equipment portfolio, always in line with the leading global trends in this industry.

These investments reinforce the strength of our value proposition which combines high quality infrastructure, affordable prices and a strong and recognized brand which allows us to democratize access to high-end fitness.

At the same time, we continue to see great potential for geographic expansion supported by positive structural trends such as increased awareness on health and wellbeing and the growing demand for physical activity in different markets.

Now moving to Bio Ritmo, our high-end brand.

In 2025 we started a new strategic cycle for Bio Ritmo with brand repositioning, product redesign and the improvement of our customer experience in the high-end fitness and wellness segment.

We carried out the relevant evolution of the product with equipment updates, evolution of the architectural project and improvement of customer experience.

This movement is in line with the global trends in our industry where consumers seek increasingly integrated wellness experience, combining training, recovery services and socialization.

With this strategic repositioning good return of our business unit, we resumed the expansion of the brand with six new units opened in 2025 including our entry into new countries Chile and Peru.

These advances reinforce Bio Ritmo role within the group as a premium wellness brand complementing Smart Fit scale and accessibility and this is important to the ecosystem.

Another important pillar of our strategy is the studios platform now consolidated under corporate launched in early 2026 called BeOn on so asset light business vertical based essentially on the growth through franchise.

Also in 2025 we reached the mark of 100 units for the Velocity brand consolidated the network as one of the main references in the indoor cycling segment in Brazil.

The year was also important from the operational point of view with relevant advances in integration of processes and systems after the acquisition of Velocity, thereby enabling a more efficient standardized structure prepared to scale.

Overall, our network had 180 units, which translate into more than 270 rooms.

We also continue to expand our portfolio of modalities, including the relaunch of our Pilates product under the brand AERA Pilates with a proposal strongly geared towards customer experience and soon with our recovery product.

In addition, initiatives such as the Race Run Club and Video sessions reinforce the studio's position as a space for community and engagement, expanding connection with our members.

The consolidation under the corporate brand, BeOn aims to strengthen the integration between brands, franchisees and partners, marking a new phase of development for the segment.

Now moving to Slide TotalPass, which has been consolidating itself as one of the main avenues of growth which expands and strengthens the value proposition of Smart Fit Group.

TotalPass operates in a B2B2C asset light model connecting companies, employees and a wide network of partner clubs. In this business model, revenue generation occurs in two different stages of the chain.

First, companies hire the service and pay a fee per employee which we call RH Fee.

Then employees have the option to join the benefit choosing one of the monthly plans available in a platform.

From then on, end users start to use the network of partner fitness clubs and each time they visit there's a transfer to the club in line with the platform's use model.

So, this structure creates a highly scalable model with low capital requirements while expanding the company's addressable market by addressing new sources of revenue in addition to the traditional B2C model.

In addition, the strength of TotalPass brand is and the capillarity of our network represent important competitive differentials which reinforce TotalPass growth potential in the markets in which we operate.

Finally, I would like to highlight the evolution of TotalPass in Brazil.

We continue to expand consistently the network's capillarity we in 2025 with more than 32,000 partner clubs, a growth of 52% compared to 2024. In addition to a presence in approximately 1,900 cities.

In our own ecosystem, TotalPass also plays an important role in generating demand and increase the use of clubs in Brazil. For example, TotalPass users account for about 15% of the total attendance of Smart Fit clubs along the year versus 11% last year.

This growth of the network combined with the strengthening of the brand has been directly reflected in the gain in market share. According to data from Sensor Tower, the market share of monthly active users in Brazil grew from 17% in 2023 to 29% in 2025, reinforcing the growing relevance of the platform in the market.

We have also had a significant growth in building the TotalPass brand with relevant awareness and positioning in it among them, we highlight the first major brand campaign focus on end users, in addition to the opening of Orla TotalPass in São Paulo, space dedicated to health and wellbeing that reinforces the brand's presence and positioning.

In México, the advance is also consistent. The network already has more than 8,000 partner clubs, a growth of 46% compared to 2024, maintaining a clear leadership in user participation with approximately 80% market share in the country.

As a result of the set of initiatives, we ended the period with about 1.7 million users, representing a growth of 62% compared to the previous year.

These advancements reinforced TotalPass role as an important growth driver and an increasingly strategic component in our system. The aggregator complements and expands the growth trend, strengthening our presence in the corporate segment and creating avenues of growth for the company.

We also noted a relevant growth in the number of companies that buy the product to offer the benefit to their employees, driven by a competitive value proposition and robust network of partners.

In addition to direct contribution to the business, TotalPass strengthens the ecosystem integration, expands the company's reach to new users and reinforces our position as a complete fitness and wellness platform. In summary, 2025 was a year of strong operational execution. Strategic evolution for Smart Fit Group.

We continue to expand our network of fitness clubs, strengthening the development of other verticals of the ecosystem and consolidating our leadership in the industry.

Looking ahead to 2026, we remain confident in long term growth opportunities and in our ability to continue executing with discipline and consistency.

We talked a lot about the evolution of our physical footprint in previous slides, but here is a geographical diversity of this segment.

Today, Brazil accounts for 47% of our total base, whereas Mexico and other countries already account for 53%. If we look only at smart Fit zone clubs, Brazil represents 41% of the total base.

In addition, another relevant point is the maintenance of our growth pace. Currently, 57% of our own clubs are mature units, which corresponds to 950 fitness units.

In other words, more than 40% of our units are not yet mature, and as they mature, we are going to have even higher levels of profitability and generation of operating cash.

We continue to focus on a disciplined, efficient and sustainable expansion with an operation that combines scale with operational intelligence that can be observed in our productivity indicators.

With that, I now turn it over to Rizzardo who is going to present the financial highlights of the quarter and the year.

José Luís Rizzardo:

Thank you very much Diogo.

On this slide you can see a year-on-year growth in our membership and revenue per Club.

In the fourth quarter of 2025 our membership ended at 5.2 million, an increase of 8% compared to the same period last year. Of those members, approximately 2.2 million are in Brazil, 1.1 million in México and 1.9 million in other countries. It's worth noting that aggregator subscribers, including those from TotalPass, are not included in these membership numbers, but their accesses and check-ins have been gaining share every quarter, complementing what Diogo said to reinforce. In Brazil they accounted for 15% of the total average attendance in 2025 versus 11% in the previous years.

We believe that our robust membership is a direct consequence of our assertive expansion strategy, the maturity of our units and the continuous efforts to attract and retain customers.

In the same period, the average annualized net revenue per owned club reached 4.3 million BRL, representing a growth of 3% compared to fourth quarter, mainly driven by the increase in the average ticket reflecting the price transfers made in recent years and several initiatives implemented to sustainably optimize revenue per club. As a reminder, this growth was negatively impacted by the higher concentration of openings at the end of the period when compared to the year before.

Following the presentation, I would like to now go into the financial results starting with the evolution of net revenue which in 4Q 2025 showed again a solid growth of 26% compared to the fourth quarter of 2024. This was the 18th consecutive quarter of revenue growth.

Net revenue reached R\$ 1.9 billion made new due to the expansion in the average membership in Smart Fit zone clubs, an increase in average ticket with a growth in all regions of operation. It's also worth mentioning the contribution of the others line with a strong growth of 80% compared to the same period the previous year with emphasis on the robust performance of TotalPass in Brazil in addition to the consolidation of FitMaster since the second quarter of 2025.

Looking to the year as the whole, 2025 brought important milestones. For the first time we exceeded the mark of R\$ 7 billion in net revenue, it was strong growth of 30% compared to

2024. This performance reflects the continuity of our expansion strategy, the strengthening of the brand ecosystem and the increasing diversification of our revenue sources.

Finally, it's worth highlighting the evolution of our international presence. Smart Fit operations abroad continue to gain share in the consolidated numbers with other countries and México region together representing 63% of revenue of a company owned clubs 2 percentage points above 2024.

In summary, it continues to combine membership growth, average ticket evolution, revenue diversification sustaining a consistent growth of expansion and value generation.

Now moving to next slide we can see that Cash Gross profit totaled R\$ 972 million, increase of 26% compared to 4Q25 in line with the growth in net revenue in a period.

The Cash gross margin reached 49.9% in 4Q25, a slight decrease of 0.2 percentage points compared to the same period of the previous year, mainly reflecting the increase in expenses related to the opening of new units and the growth in the cost of units in the ramp up process.

In 2025, Cash gross profit total approximately R\$ 3.6 billion, increase of 30% resulting in a Cash gross margin of 50.3% and increase of 0.2 percentage points compared to the previous year.

It's also worth noting that the Cash gross margin before pre operating cost those related to openings reached 51.8% in the fourth quarter of 2025 with an expansion of 0.3 percentage points compared to the same period of the previous year.

Year in the same metric in 2025 Cash gross profit totaled R\$ 3.7 billion, increase of 31% versus 2024 resulting in a margin of 51.4%, a solid expansion of 0.6 percentage points compared to the previous year.

Now going a little bit deeper in detail into the detail of this analysis which now if you reflect the robustness of our business model, we move to the next slide.

So, here you can see the analysis of Cash gross margin before pre-operating cost per business segment.

This analysis isolates the effect of preoperational costs, providing a clearer understanding of the profitability of existing clubs even considering the effect of maturation.

From this perspective, consolidated Cash gross margin reached 51.4% in 2025, an expansion of 0.5 percentage points thereby showing the robustness and consistency of our business model.

In 2025, Smart Fits Club's Cash gross profit before pre operating costs grew 28% as compared to 2024 with an expansion of 0.6 percentage points and a margin which totaled

50.1% reflecting the higher profitability in the other countries region. It's worth noting that the gross margin mature units in Brazil reached 48.5% above the level of 2024.

When we look at the segment we see the stability in the margins of the Smart Fit brand. Our core business, the margin of Bio Ritmo and Others was impacted by the opening of new units where still undergoing ramp-up and momentarily have lower margins. This was offset by the solid performance in the other segment, which maintained a significantly higher margin level even though impacted in terms of percentage margin by the consolidation of Fit Master as compared to the previous year.

Within this context, it's important to highlight the positive effect of the change in the media with the other segment gaining share in the gross profit before pre-op costs going from 7 to 10%.

In summary, the company once again demonstrates its ability to deliver solid results despite a context of strong expansion and maturation of the club base, also driven by the contribution of new business units.

Now moving to the next slide, you can see that for the 11th consecutive quarter the mature units have presented a consistent level of 52% in addition to the annualized gross profit per club in the quarter of 2.5 million BRL, a growth of 1% compared to 4Q 2024 reflecting the resilience of the business model and the intense efforts in the operational efficiency pillar.

Another important highlight was the number of units opened in 2023 that showed a gross margin of 53% with a performance above the level of mature units. For the fourth consecutive quarter, Cash gross profit per annualized unit reached R\$ 2.3 million in 4Q25, an increase of 2% compared to the previous quarter.

It's also worth highlighting the solid maturation trajectory of the 2024 Vintage units, which achieved a Cash gross profit of R\$ 2.4 million and a Cash gross margin of 55% in 4Q25 with a margin expansion compared to the previous quarter.

Solid performance of the company's own units in the 2024 Vintage units is a result of the combination of strong revenue growth reflecting the expansion, intelligence and strength of the Smart Fit brand with a structurally lower occupancy cost than mature units, resulting in a profitability level of more than higher than that of mature units.

We monitor the performance of this unit on a daily basis and remain confident that they will provide good results once they reach maturity.

As Diogo said before about the continuity of the pace of openings for 2026, the good level of the margin of mature units, the excellent ramp up of the margins of the new units give us a lot of confidence that we are on the right path to consolidate. Another consistent result with accurate choices of commercial points, strong cost management, pricing and sales intelligence in addition to high quality of the services provided.

On the next slide you can see ROIC, I would like to once again show to you the solid return on the capital invested generated by our mature units in 2025 keeping the same analysis methodology that we used last year.

As you can see here, the average return on invested capital for these units was 28% in 2025. Already incorporated into the analysis, the theoretical expense, SG&A, income tax and social contribution over net profit allocated to these units.

It's also worth mentioning that this analysis already incorporates Vintage units 2022 compared to those that we presented last year. This group of units still has an ROIC of approximately 15% level that we expect to reach higher levels as these units advance in their maturation process.

When we look at the different Vintage of mature units, we see that Cash gross profit levels are quite consistent. So, the main difference in return between Vintage units is mainly associated with a time issue related to investment cycle and asset depreciation.

As our fitness clubs become more mature, the level of reinvestment required for the maintenance of those assets to continue delivering the same level of profitability and keeping their differentiated value propositions above the level of book depreciation of those clubs, mainly due to the difference between the initial investments in civil construction versus the need for maintenance overtime time.

This effect is evident when we compare maintenance CAPEX between the different Vintage units.

In more recent Vintage units. With three to eight years of operation, the maintenance CAPEX accounts for 5% of net revenue while depreciation is up close to 13%. In older clubs that are older than 13 years, maintenance CAPEX goes up to 9% of net revenue impacted by the expansion in work area above the level necessary for maintenance. Without that effect, the maintenance CAPEX of those units is very close to the bulk depreciation of these units.

Because of all of this, over time the fixed asset base of the units becomes smaller while NOPAT remains at very solid levels, with naturally contributing contributes to the increase in the return on invested capital for more mature units.

Finally, it's worth mentioning that these levels of return do not consider potential additional gains from SGA leverage nor returns from other fronts of our ecosystem such as franchises or business units that are still in a maturity phase, such as TotalPass itself, that already has a very positive result.

Now, talking about expenses, you can see the expenses for the fourth quarter of 2025 and for the year as a whole, focusing on sales.

General Administrative expenses so SG&A totaled R\$ 357 million in a quarter, equivalent to 18.3% of the net revenue stable in relation to the same period of the previous year.

General administrative expenses total R\$ 202 million in quarter representing 10.4% of the net revenue in the period.

This performance reflects mainly the impact of high investments in structuring new businesses, especially those related to TotalPass. In addition to the effect of the consolidation of Fit Master partially offset by the operating leverage of the company.

It's also worth mentioning pre-operating expenses which total R\$ 22 million in 4Q25 versus 11.6 million BRL in the same period of the previous year, reflecting a higher volume of opening of owned clubs in the quarter.

Now you can see the evolution of our EBITDA which in the fourth quarter of 2025 exceeded the historic mark of 600 million totaling 610 million BRL, a solid growth of 25% over the fourth quarter of 2024.

EBITDA margin for the quarter was 31.3% stable compared to the year before. In 2025 we reached a record EBITDA level of 2.3 billion BRL, a strong growth of 30% compared to 2024 with a margin of 31.7%.

Finally, considering the adjusted EBITDA before, pre operating expenses, also at a record level, reach the expressive mark of 669 million BRL in the fourth quarter of 2025 with a margin of 34.3% and increase of 0.6 percentage points versus 4Q24.

On the slide on net income. Recurring net income totaled R\$ 738 million in 2025 represents a store growth of 37% compared to 2024 and a net margin of 10.2% with an expansion of 0.5 percentage points in the period.

This performance mainly reflects the operating leverage of our business model driven by consistent profitability of mature units and the solid ramp up of the clubs that we open in recent years. In addition, it's worth highlighting the greater contribution of other businesses which also supported the evolution of our bottom line along the year.

Consider recurring net income. We closed 2025 with R\$ 741 million, our growth of 28% compared to 2024 with a recurring net margin also of 10.2%, mainly reflecting the 30% growth in adjusted EBITDA in a period.

In the fourth quarter recurring net income was 234.6 million BRL, up 19% from Q4.24 recurring net margin of 12%. The BRIS result reflects on one hand the positive impact of a higher declaration on interest on equity in the quarter and on the other the increase in tax expenses related to higher results of operations outside Brazil due to worldwide taxation.

Now I would like to go to the next slide to talk about our investments and the impact in a variation of the NET debt.

In 2025 the company suggested that debt increased 993 million BRL, reflecting the investments made in a period focused on expanding the fitness club network which were partially offset by the solid operating cash generation.

The generation of operating cash was positive by 2.2 billion BRL driven by EBITDA for the period with a high conversion rate, reaching an expensive mark of 97%.

CAPEX activities total 2.5 billion BRL, especially due to CAPEX related to the opening of new units.

In addition, other activities accounted for an increase of R\$ 686 million in adjusted net debt. Considering that service and also exchange rate variation in addition to the distribution or payout of interest on equity.

We continue to move forward with our growth plan which result in expansion of CAPEX of 1.9 billion BRL, an increase of 25% compared to 2024.

275 units of the Smart Fit brand were inaugurated in a period, an increase of 14% compared to 242 units in 2024. In this context, CAPEX per smart fit unit was 6.3 million BRL.

Moreover, maintenance CAPEX was R\$ 346 million in EUA, a share of 7.1% of the net revenue of mature units. In line with the strategy of continuously offering a high standard of experience to customers, it's worth mentioning that the CAPEX also includes investment in the program to expand the supply of equipment and even the expansion of floor area in certain units along with energy efficiency projects.

Moving to the next slide of the financial section as demonstrated on the previous slide, we continue to intensify our expansion plan investment and payout of dividends, maintaining discipline with leverage due to the company's growth and operating cash generation.

So, the adjusted net debt over EBITDA LTM excluding IFRS-16 related to real estate lease ended at 4Q25 at 1.78 times versus 1.76 times in 4Q 2024. We consider this ratio to be healthy, especially due to the high predictability of the company's results and the very long debt maturity profile. Moreover, the adjusted net debt EBITDA ratio in 4Q25 annualized excluding IFRS 16 effects related to real estate lease is 1.65 times.

It's important to mention that during the year we continue our efforts in Liability Management with emphasis on the issuance of the first 10 year series and the company's history. As part of one of the three series of the 13th issuance, the transaction was completed at the lowest all-in cost in recent years and evidence of financial discipline access to capital at competitive Costs and the ability to optimize the capital structure despite the challenging macroeconomic scenario.

Finally, the company finances its expansion needs locally. The net debt distributed in different geographies provides us flexibility to invest considering local capital costs. And in some cases, we continue to have lower interest rates.

Now I would like to close the presentation by thanking everybody that contributed to our results and all our investors. Now I would like to give it over to Matthias who's going to coordinate the Q&A session.

Matheus Nascimento:

Thank you, Rizzardo.

Now we are going to start the questions and answers session. If you have a question to ask, please click on the icon at the bottom of your screen to post your question. We are going to collect questions and answer them as we get. Please wait just a minute while we collect your questions.

Our first question comes from Rodrigo Gastim from ITAÚ BBA.

Rodrigo Gastim- Itaú BBA:

Good morning, everyone. I have two questions to ask.

One of the most relevant points in your performance is the evolution of TotalPass. So, if we look at check ins and revenue, you can see that the average discount is way better year on year. Almost 30% in 24 to an average of 20% in 2025.

This is something that we have been talking about a lot with investors and it should be even better. So, can you give us an update of your strategy to help us think of this convergence and this growth in revenue and frequency in total pairs and where you are in terms of closing the gap of economics considering both check ins and revenue along 2026.

And the second question some people asked about CAPEX. So, there's a significant change in CAPEX along 2025. So, how much of that is an impact of exchange rate? How much is something natural? And what do you think about CAPEX per unit for 2026? If you could break down per country, it would be very nice. Thank you very much.

Diogo Corona:

Hi Rodrigo, good morning, this is Diogo.

So, I'm going to answer the first question and then we'll answer the other.

The first question about TotalPass. In fact, TotalPass has been gaining market share and in Smart Fit we have grown. It has been growing a lot. So, we focused on that on the slides. We are expecting it to keep on increasing share both at Smart Fit and in the market too. So, the initiative is evolving very well and as we grow, we close the financial gap that we used to have.

So we closed very much the gap in 2025 as we showed you, and we expect to close it even further in 2026.

This is a major challenge to grow, gain market share and close the gap the same time. And we are expecting it to close that gap very much in 2026.

José Luís Rizzardo:

Now, about expansion CAPEX per unit. So, when we break down the growth year on year basis, you can divide the two effects almost 50, 50. So, half of the growth is related to inflation in deficiency, different countries and the other 50 is related to an exchange rate.

So, when we convert it back to BRL and the impact of conversion to dollars because a lot of the equipment we buy are priced in dollars. So, the CAPEX per unit is that we are constantly evolving. So, our products, our clubs have been evolving.

So, there is a season of clubs, the 2025 cohort with slightly more pieces of equipment, specialist bodybuilding and then we had in Vintage units to meet demand from the consumer market.

Rodrigo Gastim- Itaú BBA:

Thank you very much. This is super clear.

Just a follow-up. So, this is something that we have been talking about efficiencies in CAPEX per unit.

So, I think that you mentioned México and so how much can you capture that in 2026? And well, effects apart, because of this we can't control this. Thinking of what you can control considering the efficiencies for the openings in 2026.

José Luís Rizzardo:

Now when we think of the main efficiencies, so what we said last year, the main efficiency we had last year in terms of CAPEX came from México.

So, especially in civil construction of our units in México and CAPEX per unit in México per square meter went by more than 20% as we disclosed in the call for 3Q25 however, CAPEX per unit in México slightly smaller than what we see in the reduction per square meter because Vintage units last year they have an average higher footage than other Vintage units.

So, you're going to start on 26 on energy adjusted basis, CAPEX per unit capturing most of the efficiency in different countries. That said, when we think of CAPEX per unit for the year and taking out effects from the equation, which is a significant variable but very uncertain and we have started the year with a war with more volatility than we expected. You shouldn't see any change in level of CAPEX per unit if you compare 20 to the average of 2025.

Rodrigo Gastim- Itaú BBA:

Excellent, very clear. Thank you very much. Thank you for your answers.

Matheus Nascimento:

Our next question comes from BTG by Luis Guanais.

Luiz Guanais- BTG:

Good morning, Diogo and Zé. We have two questions to ask.

The first still about TotalPass. Could you say the share in both Smart Fit and third party clubs and how this is likely to evolve during the year. And you mentioned that in the release for the fourth quarter.

And also, about gain in efficiency and investments when we look at the gross margin in México. So how can we think about the drivers along these years year, so, I've been seeing over the quarter. So, the price transfer so you're trying to gain efficiency and at the same time there are some more recent investments in operations.

So, I would like to understand how we expect evolving along 2026. Thank you.

Diogo Corona:

Hi Luiz, Good morning. This is Diogo.

First all about Total past. So, as to TotalPass what we expect this year is to keep about 30% of the check-ins to our own network and 70% external.

So we see that the expansion in our own network is at a strong pace of expansion. So, 330 to 350. But we have also accelerated the credentialing of other clubs and we are getting to the level with almost everybody in a platform, but we expect to keep it at about 80% in our own exclusive network.

José Luís Rizzardo:

So, when I saw when he says 30% percent includes Smart Fit, Bio Ritmo and also the Other brands of the group and obviously considering TotalPass membership and the plans they're enrolled in and capillarity and size of the brand, most of that is in Smart Fit.

Now moving to México We've been seeing good signs in México over the recent months. So, most of it I mentioned in a previous slide. So higher efficiency with CAPEX per unit versus what we used to spend before.

Vintage units from 2025 even though very new the ramp up have been performing very well in the region. So, the group is very compliant with a very good value proposition. Mexican consumers important piece of news is that it takes a while for us to see the effect in the company's revenues is a significant increase in the penetration in the black plan in México and also with some adjustments in some units changing the local pricing of the Smart Fit.

Now when we look the prospects for the year in México, we are excited with what we are going to find and what lies ahead of us in terms of our value proposition, and we don't

expect it to be too different from what we've been delivering in terms of result over the past few years.

Luiz Guanais- BTG:

Thank you very much. Zé and Diogo.

Matheus Nascimento:

Our next question comes from Julia Rizzo from Morgan Stanley.

Julia Rizzo- Morgan Stanley:

Hello. Good morning.

I have two questions about Fitmaster and other M&As so aside from studios, do you have any kind of CAPEX for the brand to upgrade them to Smart Fit style?

How do you see that? Do you do that? Do you not do that? And how could that impact our ex? The expected CAPEX in 2026.

When you talk about the profitability of mature units, could you give us some more detail so that we could take out the effect of mix and effects rate.

So, what was the growth of gross profit of Brazilian units In Brazil and in México? So, the gross profit per mature unit grew 1% year on year.

José Luís Rizzardo:

Hi Julia, thank you for the question. This is Rizzardo answering your question.

Starting with a conversion CAPEX, we should separate the different types of acquisitions that we've been making in this history of company.

Fitmaster specifically is our B2B2C aggregator business focusing especially in studios in México. So, we were partners in the business and with the acquisition of 100% in Q2 25, now it's consolidated into the company's bottom line, and it didn't require any additional investment.

The impact obviously is an increase in the bot in the line of other businesses. And also, gross margin and EBITDA margin is different from the profile of other businesses of the company.

Another type of acquisition of franchisees of Smart Fit. The two we selectively do, there is no CAPEX in terms of brand conversion so we might need when we buy a small competitor.

So, historically this conversion has always been very cheap except for some exceptions when the club was very poor, and we needed to upgrade them to reach Smart Fit standard. But you shouldn't be expecting anything relevant related to that in 2026.

So, as we announced to the market, in the short term these units are not going to be

converted into Smart Fit brand. Even though in the mid and long term it wouldn't make sense for us to operate with different brands with a similar value proposition.

Now going to your other question about gross margin and gross income of different regions. So, on the release and here the presentation. So, the cash gross margin of mature units in Brazil has gone up in 2025 as compared to 2024.

How much the cash gross profit group of cash gross profit for Brazil own units is single digits whereas as you should expect, the gross margin and the gross profit of the units in México dropped. When we compare 2025 to 2024 and in other countries and regions we can see so, the cash gross profit per unit in local currency is going up in the main countries between mid to high single digits.

Julia Rizzo- Morgan Stanley:

Thank you very much.

If I could follow up in terms of increasing the cost per unit of your unit. So, more or less considering inflation IGPM. So, what are you budgeting for 2026?

José Luís Rizzardo:

So the company's consolidated numbers are not going to change much in terms of inflation. In some countries we have some efficiency initiatives that will make the cost per unit grow slightly below the inflation, whereas in other countries it will go above the inflation, such as Colombia, where the adjustment of the minimum wage increased 23% in the year. But there was also a price transfer in unit, and we hope that the net effect is the that the margin doesn't change level in the unit in terms of cost per unit.

Matheus Nascimento:

So, in that sense the share of staff in our cost structure is 40%.

So, no matter that it went up by 23%, it's mitigated considering the mix of our cost structure. So, we're not expecting that in Colombia specifically cost will go up as much as that. And as Rizzardo said, we are seeking efficiency initiatives so that we can find mitigating factors and keep the plan for the year.

Julia Rizzo- Morgan Stanley:

Thank you so much.

Matheus Nascimento:

Our next question comes from Nicolas from JP Morgan.

Nicolas- JP Morgan:

Thank you for the call for taking my question.

So, my first question is about Smart Fit, especially in Brazil. So, you said in your presentation an improvement in NPS. Could you give us some color, or you could see how

NPS has been going up comparing TotalPass and non TotalPass members that go to Smart Fit clubs considering the TotalPass have gained share or as compared to last year.

And the other question is related to others Latam and Colombia has had a significant increase in the minimum wage, and I understand Colombia and Chile are quite relevant in others Latam.

So, I like to understand how much capacity Smart Fit has to absorb that cost. And how do you see that along 2026? Thank you.

Diogo Corona:

Hi Nicolas, this is Diogo. Good morning.

About NPS, our NPS is still very good for our clubs and so about 70 which is considered very high.

And about total past customers, our numbers are very similar. Similar. We treat total past customers or members as usual. Remember, it's just that they arrived through a different channel.

They also need to follow all our rules and CRM. We treat them very well so they may switch more easily the club more easily than those that are our customers directly.

And so, this is as we do with our TotalPass customers.

José LuíS Rizzardo:

So, this the main indicator that they are happy is that they will keep on going to those units in our own network. And so, when you ask about the impact in Colombia. So, we adjusted prices in Colombia at about 10,000 Colombian pesos and this adjustment was slightly above what we want to have in terms of impact of the adjustment that was much smaller.

But with this transfer in Colombia we hope that will be no change in a profitability of the business unit that as you said considering other countries.

This is the most representative geography that we have today.

Nicolas- JP Morgan:

Thank you very much Diogo and Zé.

Matheus Nascimento:

Our next question comes from Danni Eiger from XP.

Danniela Eiger- XP:

Good morning and almost good afternoon to everybody. Thank you. Thank you for taking my question.

The first one is about TotalPass. So, I would like to confirm a number because the number I used to have and I looked in Q4 2020 for of total past penetration in check ins it was 13% and then you said twice 11%. I would just like to confirm whether it has confirmed and there's an evolution of revenue per check in because it had evolved and it's connected to the point that we mentioned in terms of expansion of the external network and that other alternatives that you were able to make the use of clubs more efficient in terms of total pairs and comparing total pairs and walk in customers and comparing check in net revenue. And also, that regard I would like to see how you understand the creation of value of TotalPass as part inside smart fit units. Just looking at the economy.

So, we have ROIC and how you see this effect and as everything is in a group and things are combined and whether you have seen that as an incremental demand. Sometimes there is some cannibalization, but which is net positive in terms of flow.

And my second question is also related to ROIC. So, Vintage is in terms of profitability, especially in terms of gross margin. So, what has driven this? Do you think that the new seasons is more within this new level to understand what to think in terms of profitability and marginal expansion.

José Luís Rizzardo:

So, this is Rizzardo and getting the main questions. So, TotalPass. So, on average 2025 is 15%. The average 2024 is 11% which is different from the number that was published before because there's a consistency in the basis considering the frauds that occur in the aggregator business and that we improve our internal controls both in our own- and third-party network. And this is one of the levels to improve the profitability of the aggregator itself.

As we adjusted 11% by 15, we also have an improvement in the grip in the gap between frequency and revenue per customer.

Now moving to other questions. Vintage 2021 we have had good performances in all geographies, and I would highlight the Vintage performance of 2024 in Brazil at the level of profitability per club as compared to the mature ones in Brazil. As you can see in the reference it has generated about 47 to 49%.

So, this Vintage specifically in Brazil has much higher margins because it has a similar revenue per club with an occupancy cost that is much lower than mature units.

On your last question regarding how we view TotalPass and the profitability of TotalPass customers, our medium- to long-term view is aligned with what you are already seeing, and will continue to see, in the gap between visits and revenue from TotalPass within Smart Fit. Our expectation is that, from a unit economics perspective, it should ultimately be indifferent to the Company whether a customer comes through channel A or channel B.

What we have is sometimes some differences at the level of revenue per customer with a lower cost of acquisition for customers that come through the aggregator than those that are walk in customers.

Danniela Eiger- XP:

It's super clear. Thank you so much.

Matheus Nascimento:

Our next question comes from João Soares from Citibank.

João Soares- CITI:

Thank you Matheus. Good morning, Diogo. Congratulations on your new position. I'm going to try to be quick the first one just thinking about the dynamics.

So, an agreement has been signed at the beginning of the year for 10 exclusive relationships.

Are you going to seek that? Can you sign that too? I would like to hear more about these dynamics. So, you should say about the short term, thinking about the transfer. Any comments about competition? So, if you could talk about that. And the last one is kind of quick. How does it impact the effective rate? Looking into the future.

Diogo Corona:

João, good morning, this is Diogo.

About the decision of CADE. So, we have no restriction but thinking of our platform. We think that our platform today is very compete regardless of the brands and exclusive relationships that there may be.

The volume capillaries is very high. We are in many different cities. The number of units is also very high. We have a coverage that is really a countrywide footprint. So, we have our brands that are all networked and we work intensely on a brand.

So, Bio Ritmo brand expansion. So, it's an umbrella brand of studios and Velocity is increasingly more integrated, very consistent in terms of franchise with focus on communities and experiences.

And Smart Fit is expanding with very high quality. If you look at margins, ROIC, everything going very well and expanding with very good efficiencies. See. So, we have this offer of partners, and this is recognized by the market.

We see the share increasing, the TotalPass brand and brand awareness going up. So, all our work here we are getting feedback that it is working, and this is what matters more than any decision.

Edgard Corona:

And adding to that considering a linear cost structure. So, there is a smaller company and

the price per staff is much lower. So, we are much more competitive considering our partners. So, yes, we can make the operation profitable. And so, this is better than the competitor. So, it has an effect. And everything that we have accomplished and over the past few years, six, seven points. And if we keep that, it can be projected and we want even to exceed that. But if it's just 7% from one year to the other, we'll get to 38, 39% of the market generating competition, better club clubs, really improving everything so that the fitness club ecosystem TotalPass is kind of a blessing for everyone.

José Luís Rizzardo:

About your other questions and trying to connect. And so, we are very excited and confident for 2026.

So, the scenario that we have had so far doesn't change in our expectation and confidence for the year. Thinking about TBU, it's kind of complex. We've been talking to you of, well, the worldwide taxation.

So get the taxable and accountable for each one of the affiliates that we have outside Brazil, overseas. So, we should look at the accounting.

The bottom line of each affiliate in México, Chile, Peru, in every country. So, it's not one calculation per country, but each company that is headquartered outside Brazil. And here you will discount anything that has a negative accounting. We only count the positive. And then we need to update any difference in rate between the countries and operations to 34% of Brazil.

So, we can we have much better visibility of the year's effective rate as we get to the end of the business year when we have a more assured result for each one of the affiliates to know how much tax you're going to pay and how much you have already paid.

Now, thinking about the effective tax rate of 2026, you can work with a range between 15 to 20%. But of course, as we gain visibility along the year, we learn more about it during the year. It may range within this range, which is the expected one.

Matheus Nascimento:

Our next question is from Gustavo Fratini from the bank of America.

Gustavo Fratini- Bank of America:

Hello, Good morning.

How are you? So, we would like to understand a little bit more about expenses. And so, this is quite positive. It's about 5% control.

But how can we think along these lines in 2026? So, it's slightly better because the membership base is going to grow and it's the same slightly bigger.

What about the G&A? I think there's a little bit more pressure considering investments and TotalPass. But how should we think about it for 2026? Total investments in total.

José Luís Rizzardo:

So first, the investments we made in 2025, and as you said accurately said, they are focused especially on structuring new businesses and considering new businesses the most representative. Of course, the total path and There is impact in the company's SG&A with the acquisition of Fitmaster master in the second half of 2025.

So, TotalPass has been positively exceeding our expectations in terms of size and speed of growth.

And considering its rate of growth and everything, it's more intensive in SG&A than the club business. So first we need to invest in SG&A to them, bring the content contracts with the companies and users that have the company and also, to gradually improve profitability, their profitability.

And there are a few things going on in the market that have made us invest a little bit more than we initially planned and considering not just total past results that have been positively surprising.

Now when we look at 2026, the company should still see an increase in SGA in terms of face value, in terms of money being invested in SG&A, but it should grow below the growth of net revenue of the company in 2026.

If you could or had information about separating SG&A between the businesses, this is that we have an operational leverage of SG&A that is big for the clubs, but we cannot see that in the consolidated numbers of the company because of investment in TotalPass. Because TotalPass SG&A is a percentage of revenue, it is much above what we see on average in the consolidated numbers of the company.

Matheus Nascimento:

We now end the questions and answers session. We thank you very much for your attendance. Our investor relations team is available to you. Have a good Thursday. Thank you.