

Smart Fit

2Q21 Results Presentation

August 13, 2021



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ACCELERATION IN GROWTH PACE



53 new clubs in 2Q21 (2nd largest quarterly expansion) and 81 new clubs in 1H21 vs. 74 in 2020

96% OF THE CLUBS IN OPERATION BY THE END OF 2Q21



The highest rate of clubs in operation since the beginning of the pandemic, a substantial increase versus 1Q21. Since July, 100% of the clubs were in operation.

RECOVERY OF CLUB MEMBERS SINCE JUNE 2021



Member base growth restored in June'21 (+3% vs. may'21). In July'21, for the second consecutive month, the number of club members grew 3% vs. prior month, supported by expansion in the member base in all markets.

24% REDUCTION IN CASH COGS OF CLUBS OPENED BEFORE YE2019



Strong focus in cost management to reduce the impact from the pandemic with personnel and other operating costs being the main contributors to these savings.

POSITIVE EBITDA YTD 2021 AND GENERATING CASH FLOW IN 2Q21



R\$7.6M EBITDA in 1H21 and operating cash flow in 2Q21 despite the closure of clubs in several cities during 21% of the days of the 1H21.

DEMAND TRENDS - FITNESS SECTOR - PREVENTION IS BETTER THAN CURE

FOLHA DE S.PAULO

+ Exercícios físicos podem potencializar produção de anticorpos após vacina, diz estudo

O GLOBO SAÚDE

EPOCA

SAÚDE · EPOCA · VACINA

+ Pessoas fisicamente ativas têm melhor resposta imune induzida por vacina, aponta estudo da USP

Voluntários que participaram da pesquisa foram imunizados com a CoronaVac, mas estudo considera "plausível" que o mesmo efeito seja observado com todos os imunizantes contra a Covid-19 e também contra outras doenças

Época
11/08/2021 - 09:00 / Atualizado em 11/08/2021 - 13:45

exame.

+ Quem faz atividade física tem mais anticorpos contra covid, diz estudo

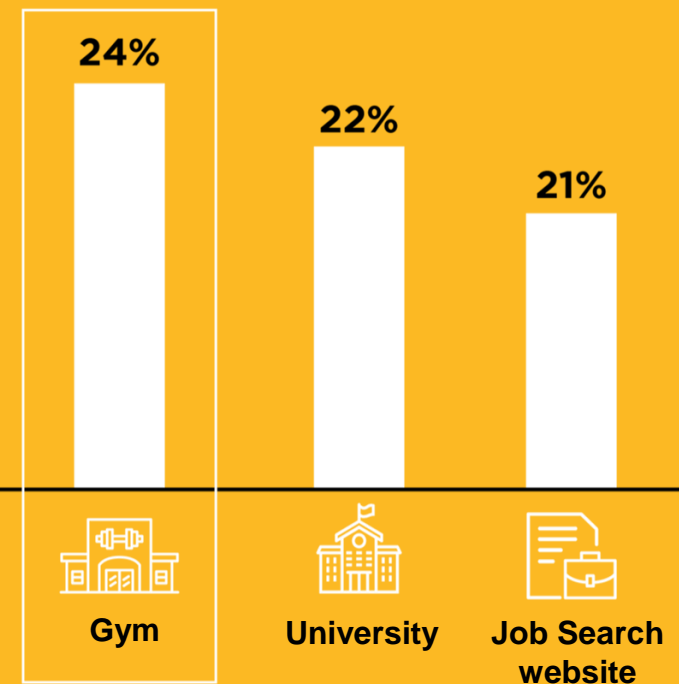
Fitness

+ Exercícios físicos, imunidade e o combate à Covid-19

Atividade física moderada aumenta a imunidade, ajudando no combate ao coronavírus, já treinos intensos...
Especialista dá conselhos a quem estava parado

Por Fabio Ceschini, profissional de educação física* Atualizado em 9 jan 2021, 14h30 - Publicado em 9 jan 2021, 10h14

For the first time on record gyms are considered Brazilians' first choice of consumption, Google's survey indicates



16.7% increase in preference for the consumption of fitness services if compared to the same period of prior year (1H20), according to Google.

Google



Smart Fit maintains undisputed leadership with **more than $\frac{2}{3}$** of **Share Of Voice** in the fitness category in may'21.



On two surveys carried out by **Smart Fit** in May and August 2021 with 22,764 former club members...

More than
82%

affirmed that they should be back to the gyms after taking the COVID-19 vaccine.



Maintenance of the brand health rate above 80%, showing an improvement versus prior quarter and an increased number of positive comments about the brand.

Implementation of the score reputation caliber tool. Two surveys comparable to other players listed at B3 (Score from 0 to 100):

Average
B3:
79

Smart Fit:
82

IMPACT FROM COVID-19 A SAFE REOPENING

Smart Fit played a key role in the development of the sanitary protocols adopted by the fitness sector, based on a partnership with the Brazilian Gym Association (ACAD), international studies and the technical opinion of Brazilian researchers (USP)

More than 40 biosecurity protocols presented to the fitness sector in all Latin America, a reference for other sectors in the economy.



Mandatory use of masks and temperature measuring



Need for scheduling workout activities



Social distancing in the free-weight areas, collective classes and cardio activities

Touchpoint
safety protocol
(NPS)

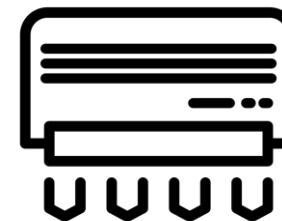


9.1



Smart Fit secures the safest environment:

Smart Fit is the only club network in the region that refreshes gyms' air at least **7x per hour**, following the strict rules specified by the Brazilian Sanitary Surveillance Agency - ANVISA.



COVID-19 – MAIN INITIATIVES



APP SMART FIT – LATAM

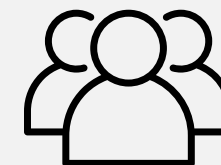
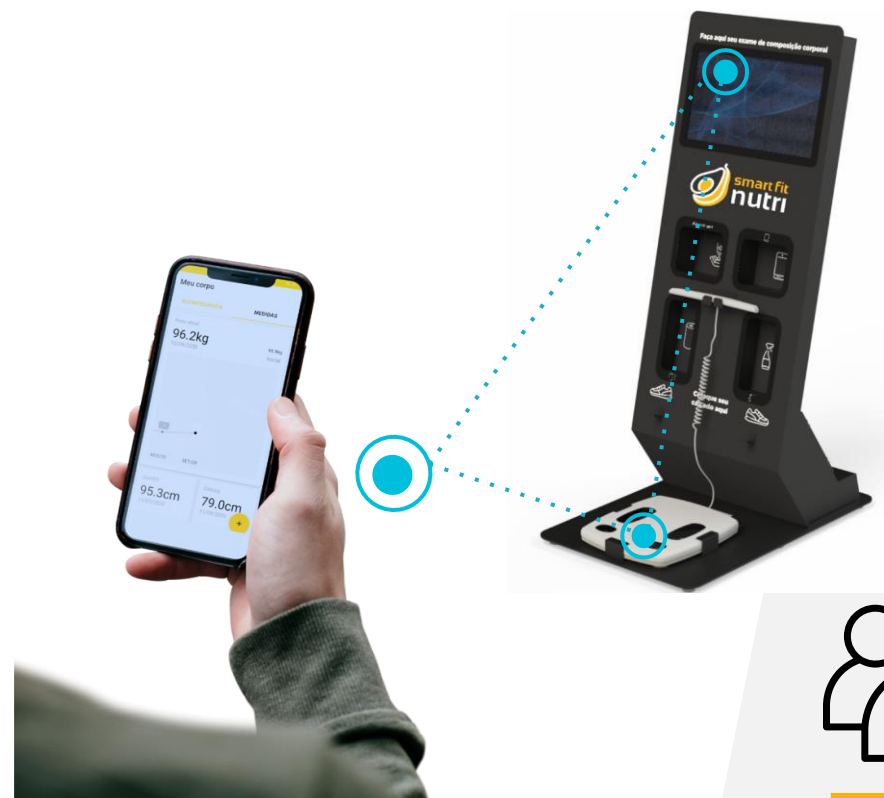


 **1.1 M**

UNIQUE APP USERS (+68% VS. JAN'21)¹

53%
OF TOTAL MEMBERS REGISTERED IN THE APP¹

SMART FIT NUTRI – BRASIL



72k

ACTIVE MEMBERS IN THE BASE (11% GROWTH VS. 1Q21)²

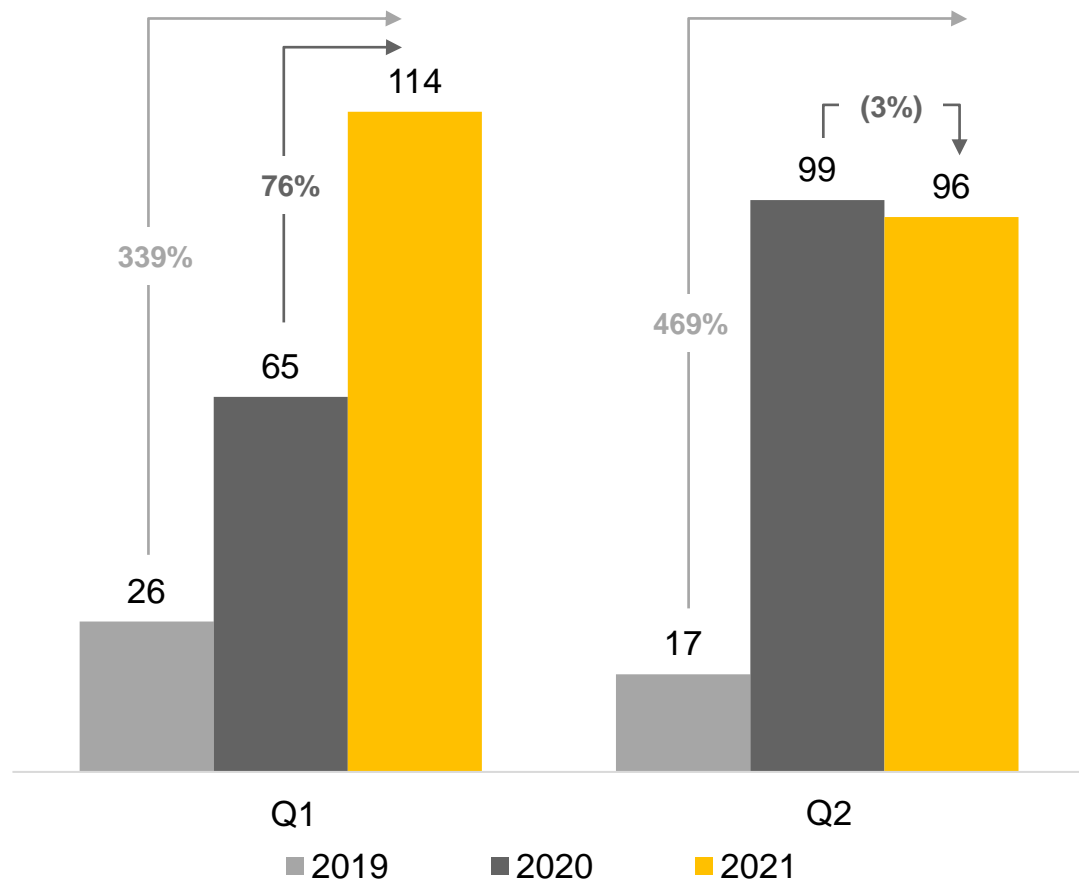
(1) July 2021 data / APP SF = App used by the club members to access to their workout programs and customized information.

(2) July 2021 data related to Brazil / SF Nutri = Nutritional digital service paid for bioimpedance, tele-consultations and other digital features.

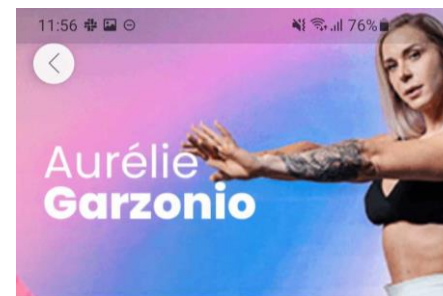
PERFORMANCE - QUEIMA DIÁRIA

QUARTERLY SALES

('000 SUBSCRIBERS)



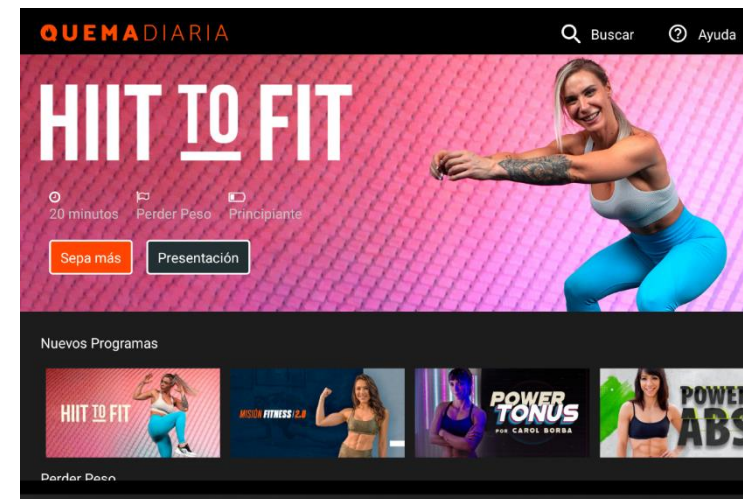
LATAM PRODUCTS



Acerca de Aurelie Garzonio

Aurelie Garzonio es una atleta de alto rendimiento, coach fitness, estuvo en el equipo olímpico de natación en Francia, estudió en la Universidad de Deportes en Francia, tiene varios cursos de coach personal realizados en México y es campeona internacional de fitness. De nacionalidad francesa, vive en México desde hace 10 años, tiene gran protagonismo por participar en proyectos televisivos como Guerreros, donde fue finalista.

LATAM APP for TV



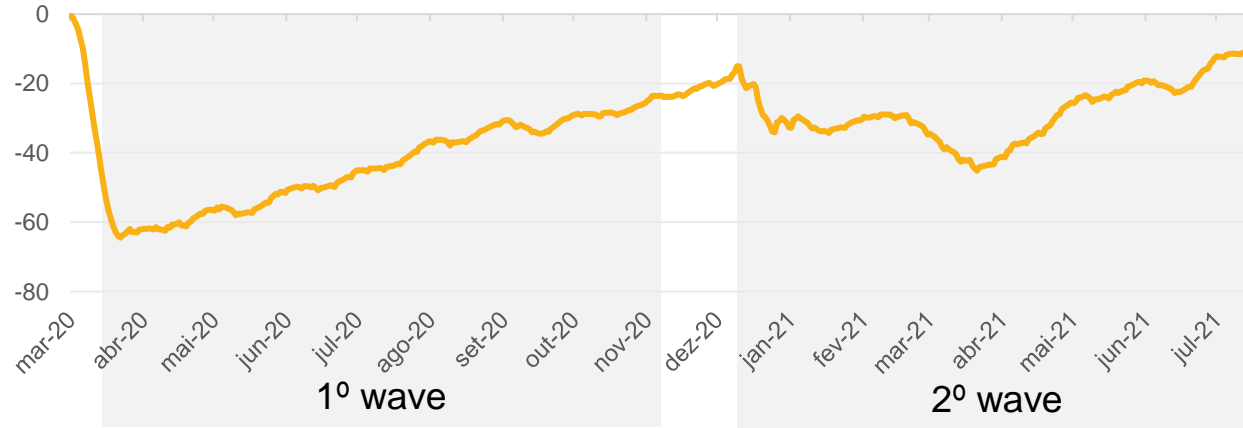
NEW STUDIO TO PRODUCE LIVES



MOBILITY INDEX REACHES THE HIGHER RATE SINCE THE BEGINNING OF THE PANDEMIC

Our clubs were in operation for a longer period of time, but the restrictions to operations continued impacting performance in the first months of 2Q21

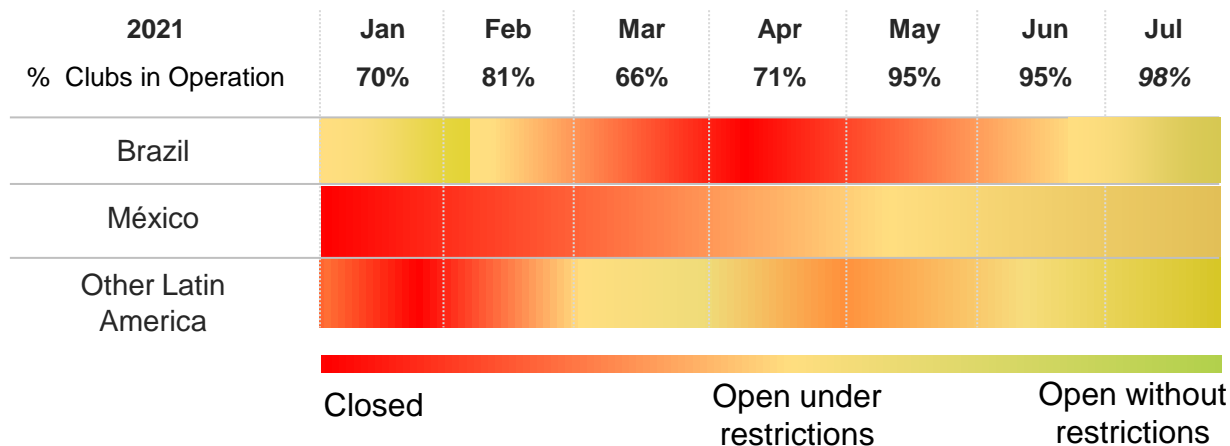
Mobility Index – Weighted by our presence in Latam American markets¹



1^o wave: Clubs closed for several months on a nationwide basis
2^o wave: Clubs closed for shorter periods of time on a local basis

- ✓ Best mobility index since the beginning of the pandemic in recent weeks
- ✓ Declining number of frozen members due to the gradual reopening of the clubs

Daily evolution of clubs in operation and restrictions to the gyms



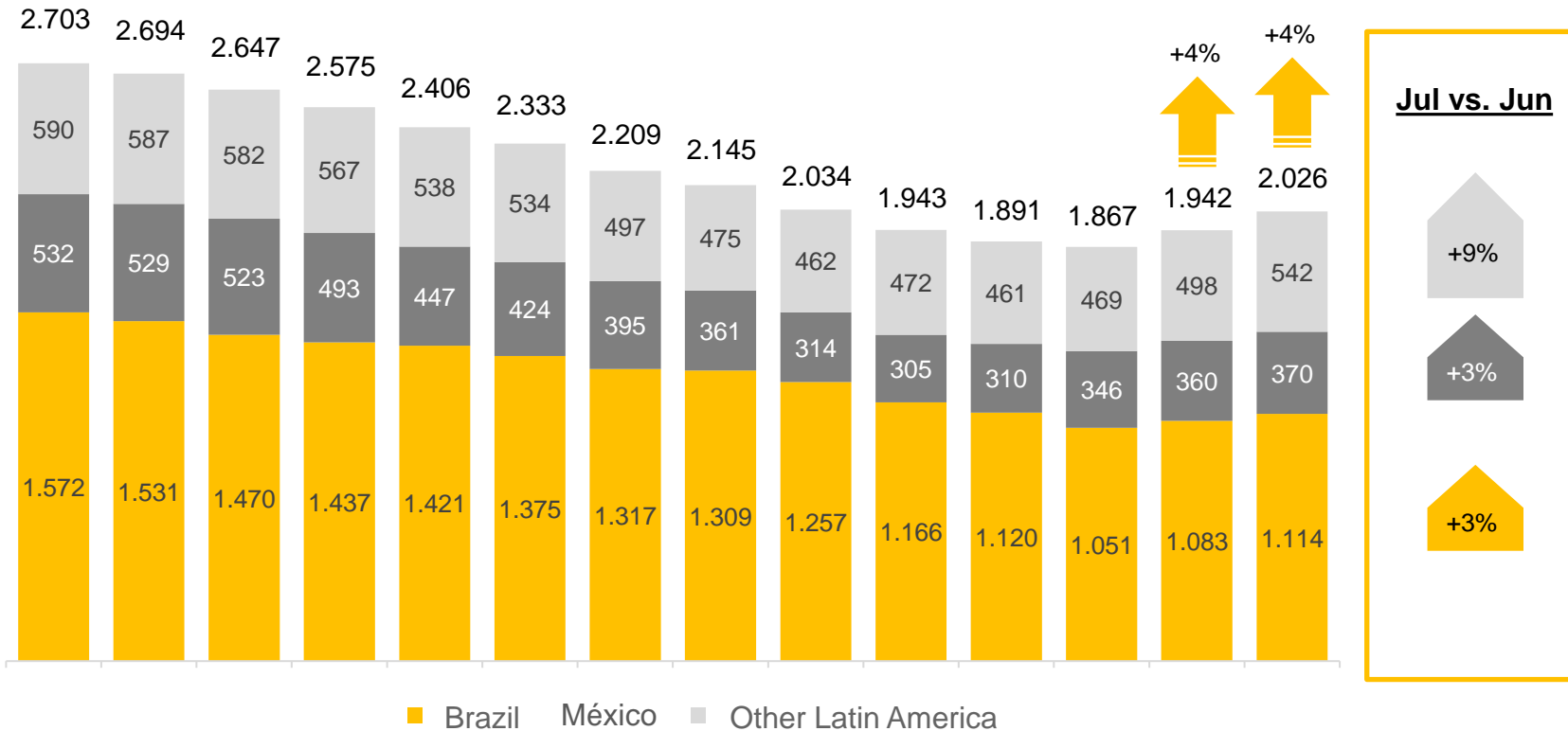
- ✓ 100% of the clubs in operation since July 2021
- ✓ Eased restrictions in recent months
- ✓ Example of restrictions affecting our operations, according to the region:
 - Reduced opening days and hours
 - Restricted access to areas and products offered by the gyms (i.e. group classes and use of cardio equipments)
 - Need for reservation to use the gym
 - Capacity limitation

1) 15-day moving average of the Google mobility index for Retail and Leisure, weighted by our presence (# of members) in the 5 main countries that Smart Fit operates.

BEGINNING OF THE RECOVERY OF THE MEMBER BASE

Member base grew 9% over the last two months. In July 2021, our member base has grown in all markets

Clubs Member Base
Million



84 thousand clients added in July (+4%), of which 58 thousand added to clubs opened before the pandemic.

Mexico and other Latin American countries started recovering their member base in June. The positive highlight was the 9% expansion m/m of the member base in July in the Other Latin America region.

In 2Q21, Brazil was the most impacted country by the 2nd wave of COVID-19, showing a recovery in July.

The monthly average member base was down 8% in 2Q21 vs. 1Q21.

Jul vs. Jun

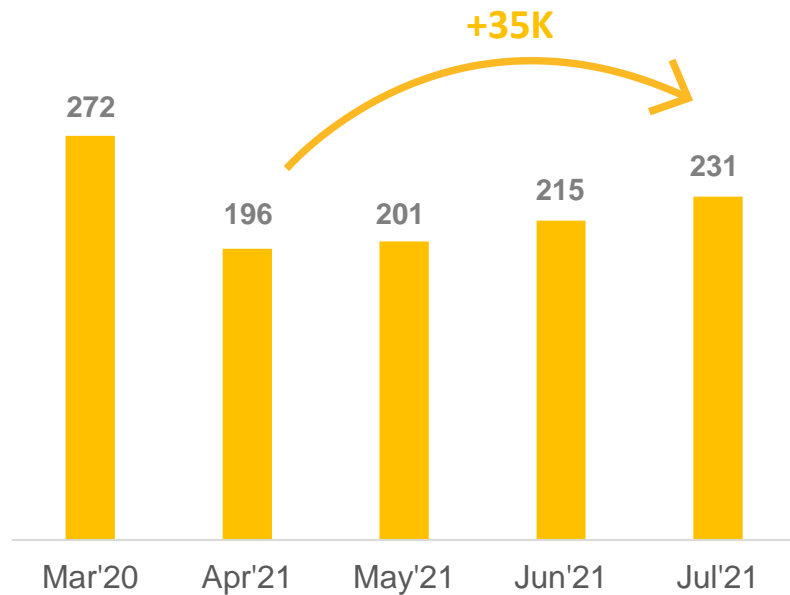
- +9%
- +3%
- +3%

IMPROVED MOBILITY SUPPORTS RECOVERY IN COLOMBIA

High correlation of 81% between the Google Mobility Index and sales¹

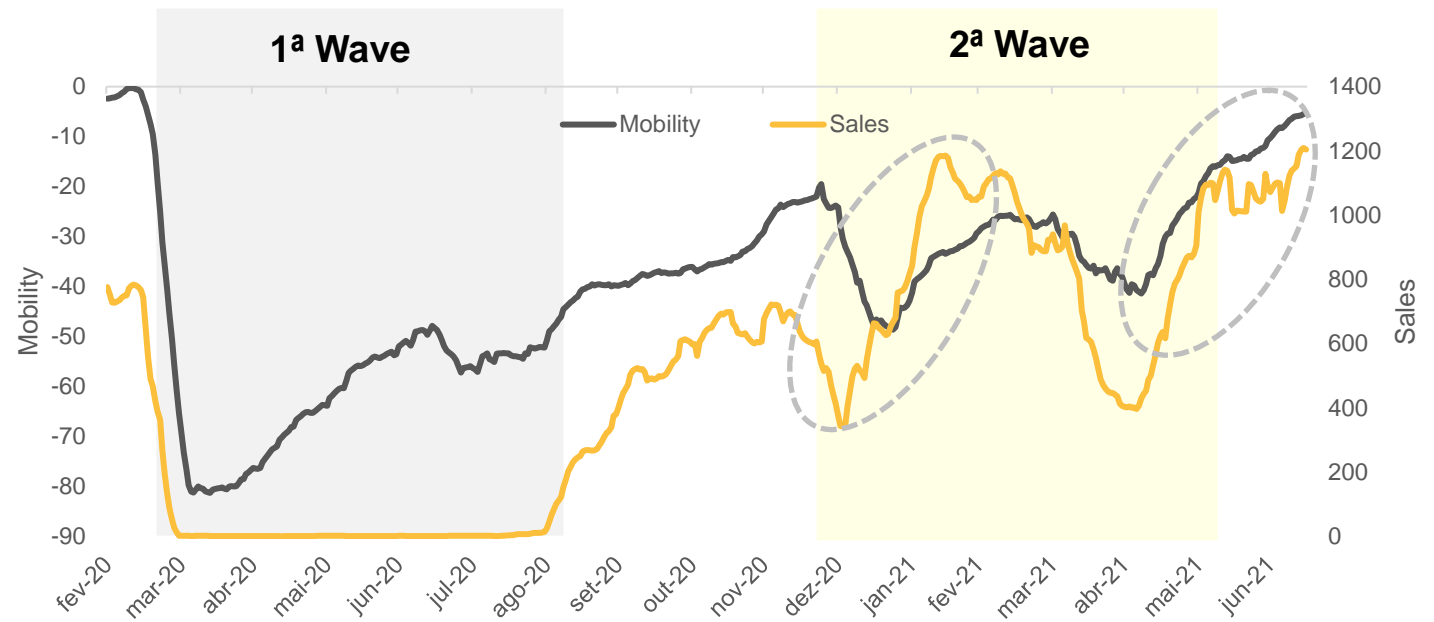
CLUB MEMBERS

(#'000 EoP)



Mobility Index versus Sales in Colombia¹

(Retail and Leasure, % variation vs. pre-COVID, 15-day moving average)



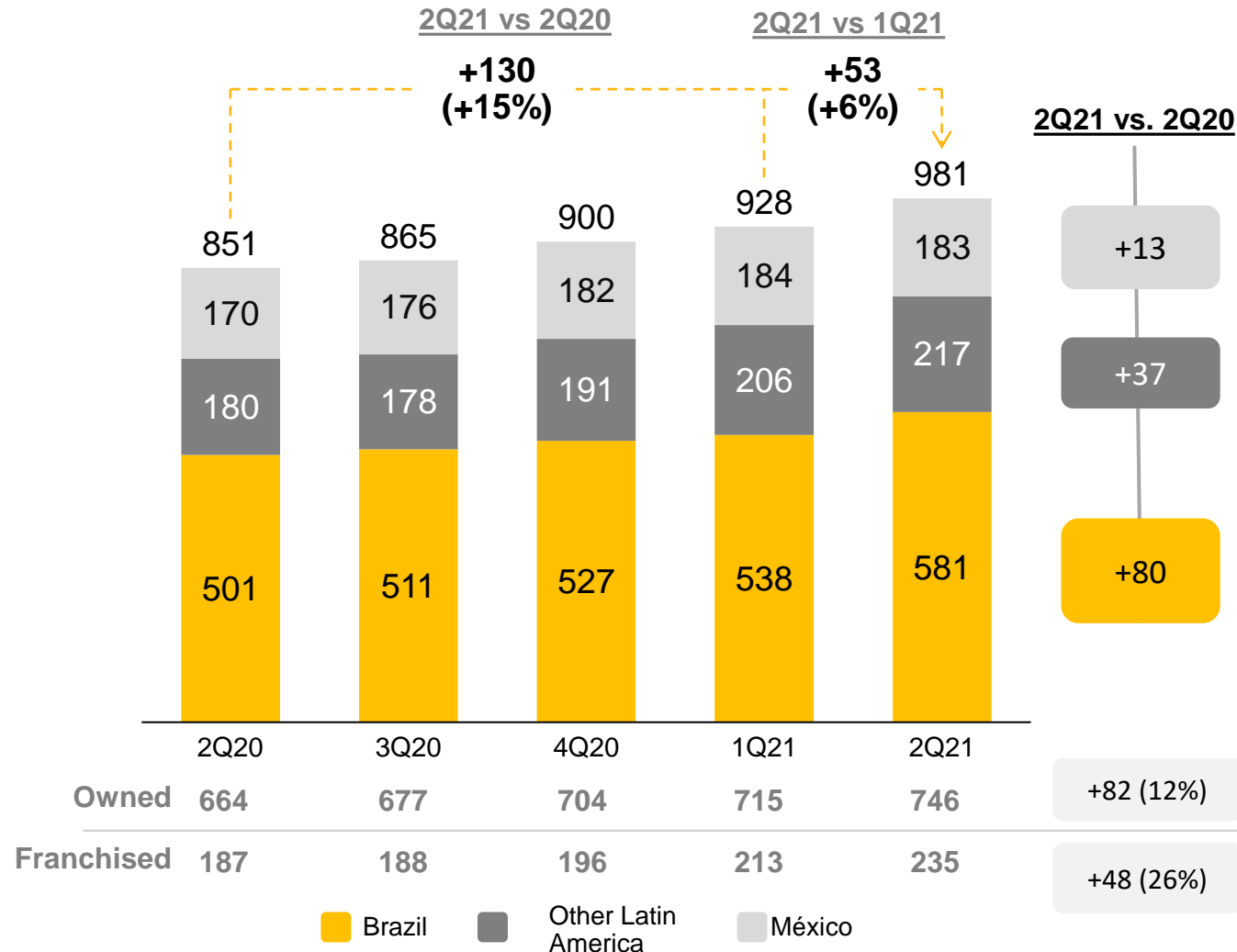
- Strongest accumulated growth for the two-month period ending in July'21
- Increase of 35 thousand members since April 2021, of which 29 thousand incremental members in clubs opened before the beginning of the pandemic.

1) Google Mobility Index 15-day moving average for Retail and Leasure in Colombia and 15-day moving average of sales (members gross addition) in our clubs in Colombia

ACCELERATED EXPANSION PACE

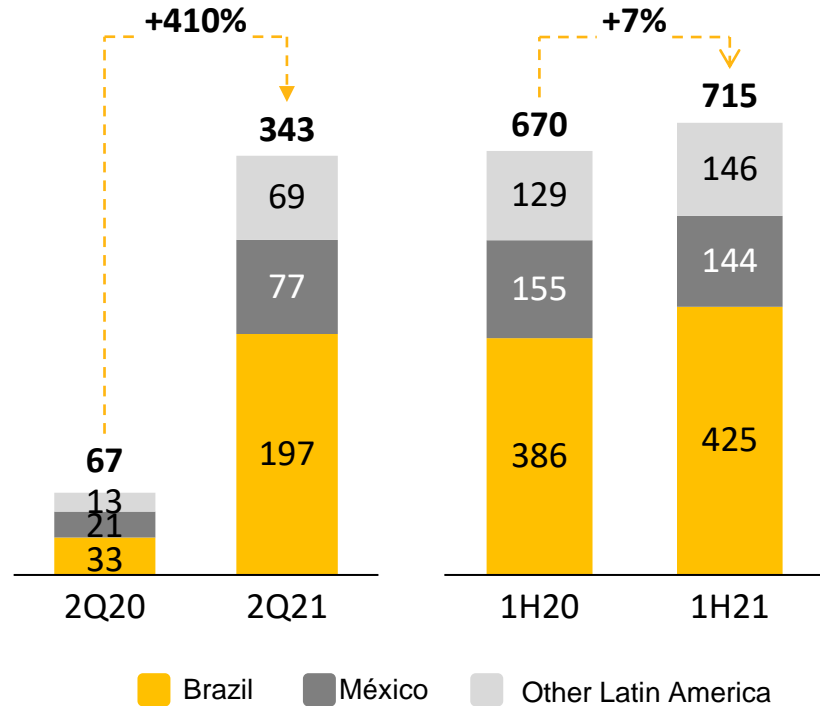
2nd largest quarterly growth on record, adding 53 clubs in 2Q21. The 81 club openings in the 1H21 surpassed the 74 openings in 2020

CLUB BASE EVOLUTION

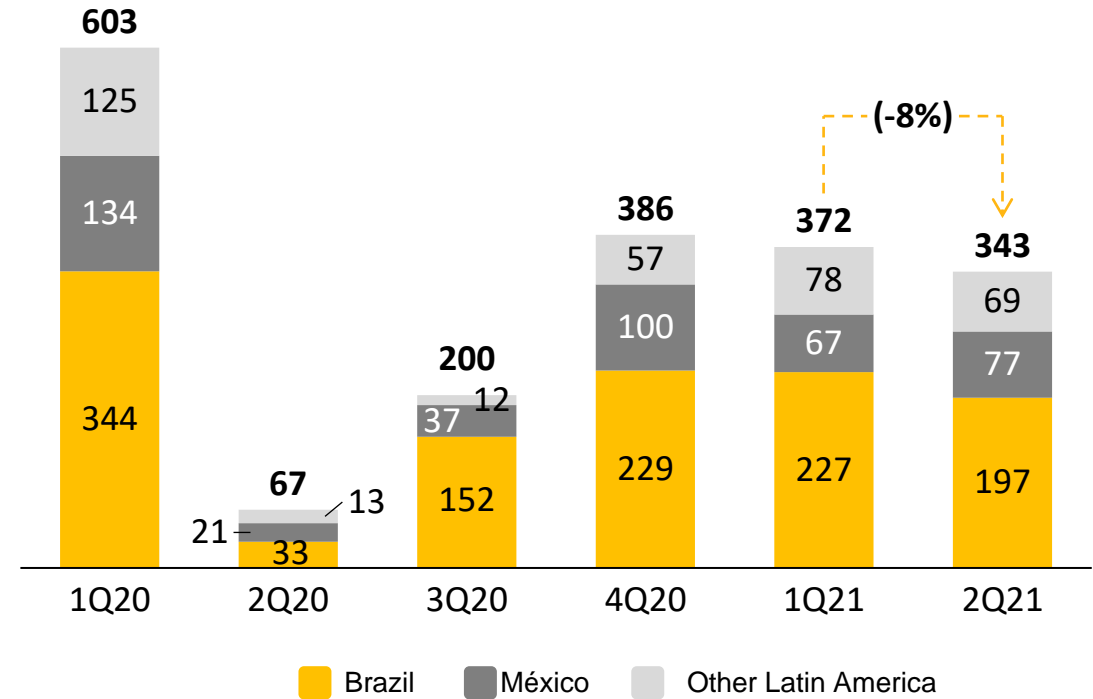


- 130 openings over the last 12 months in a scenario of cash restriction;
- Acquisition of Just Fit's 27 clubs in Brazil. No need for cash disbursement in the short run;
- YTD, Brazil (+54 clubs) and Other Latin America (+26 clubs) were the two fastest growing regions;
- The number of franchised clubs was up 26% y/y in 2Q21, fostered by the opening of 26 clubs by our joint venture SmartExp. These franchised clubs were acquired by Smart Fit in August 2021. As such, they will be reported as owned clubs from 3Q21 onwards.

NET SALES VARIATION (R\$MM)

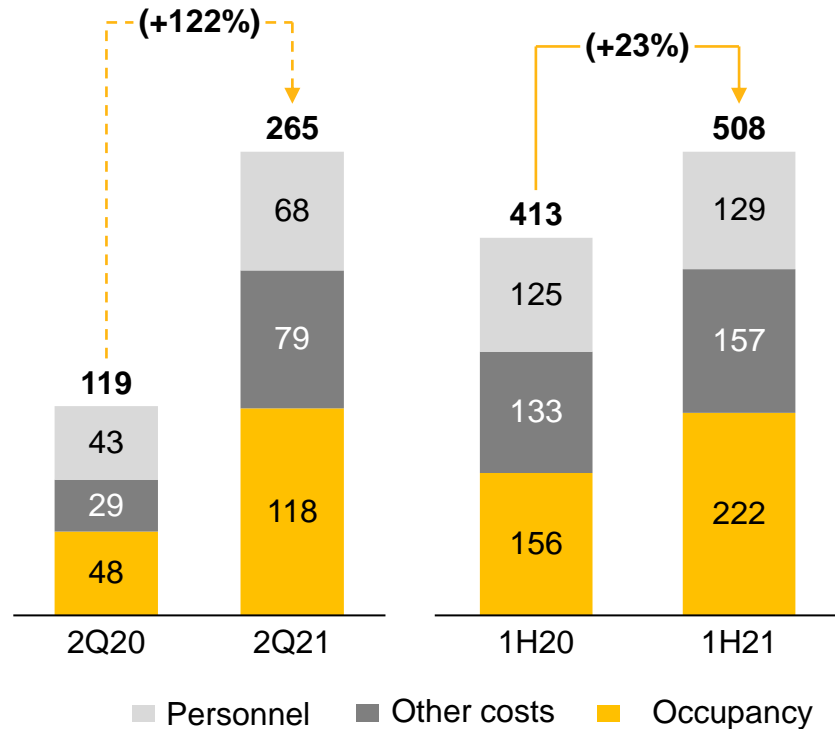


NET SALES EVOLUTION (R\$MM)

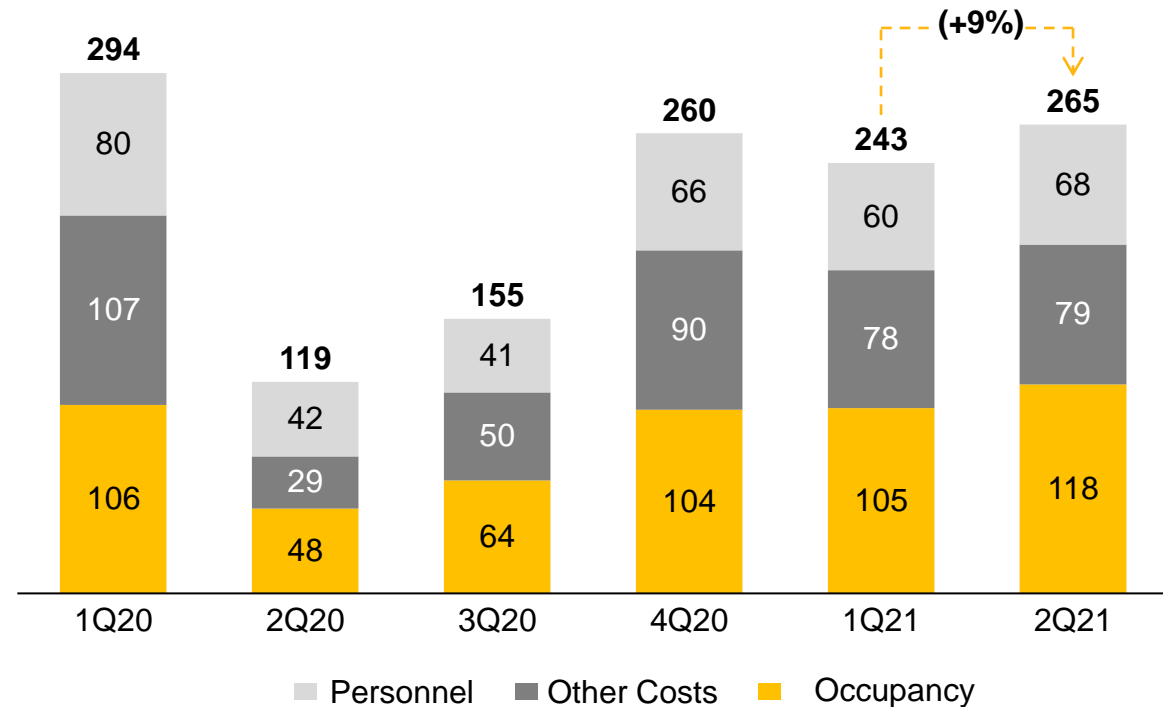


- ✓ Vigorous sales recovery in 2Q21 vs. 2Q20 due to the stronger impact from COVID-19 in 2020
- ✓ The 2nd wave of COVID-19 from december 2020 onwards negatively impacted sales recovery throughout 1H21
- ✓ 2Q21 sales negatively impacted by the 10% reduction in the monthly average member base of owned clubs in 2Q21 vs. 1Q21

CASH COST VARIATION (R\$MM)



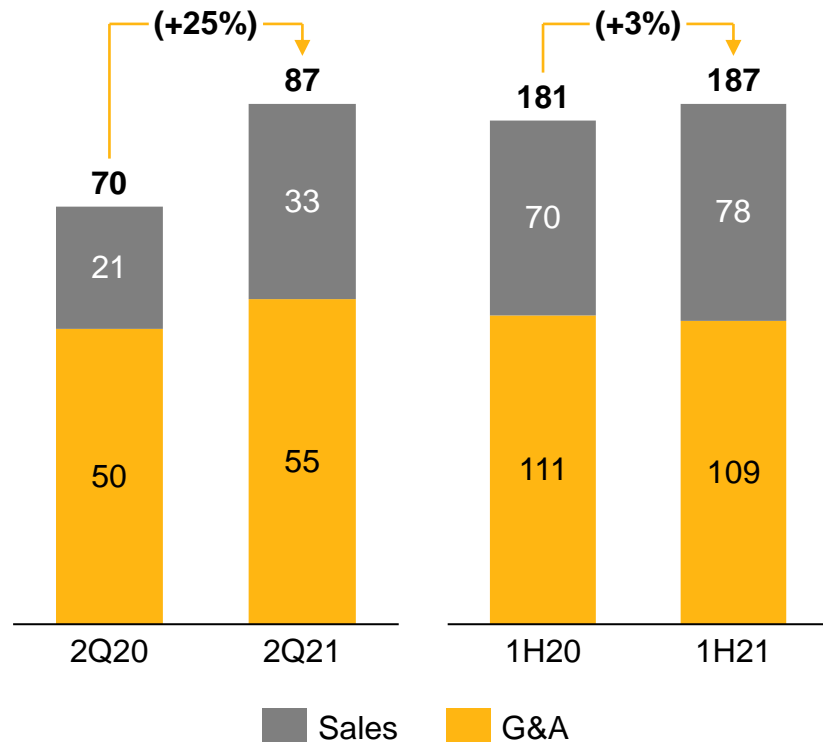
CASH COST EVOLUTION (R\$MM)



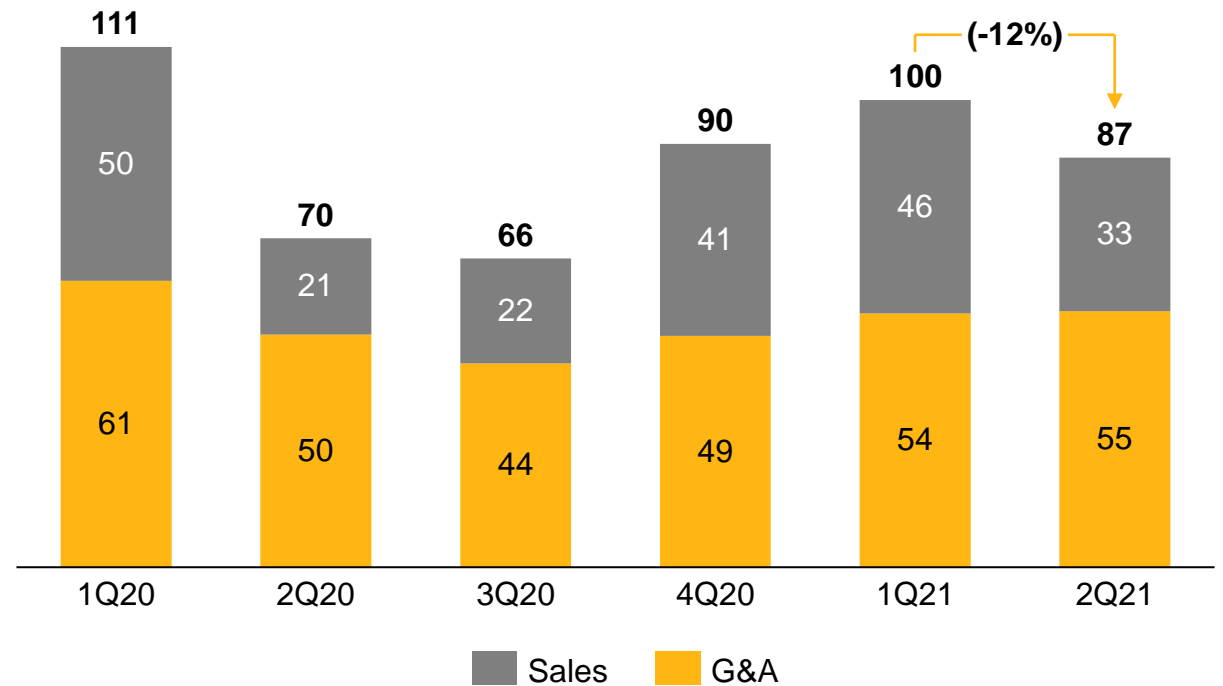
- ✓ Strong focus on cost management drove 2Q21 cash cost of the clubs opened up to YE2019 down 24% vs. jan-feb'20 (pre-pandemic level).
- ✓ Reduction of 10% vs. 1Q20, despite incremental costs worth R\$54 million related to the clubs opened since 1Q20.
- ✓ Increase of 9% in 2Q21 cash cost vs. 1Q21, as clubs were in operation 87% of the days in 2Q21 vs. 72% in 1Q21.

1- In order to evaluate the 2Q21 costs with the pre-pandemic level (jan-feb'20), we compared the Evolution of the cash costs of the clubs opened up to 2019 in the referred period.

EXPENSES VARIATION (R\$MM)

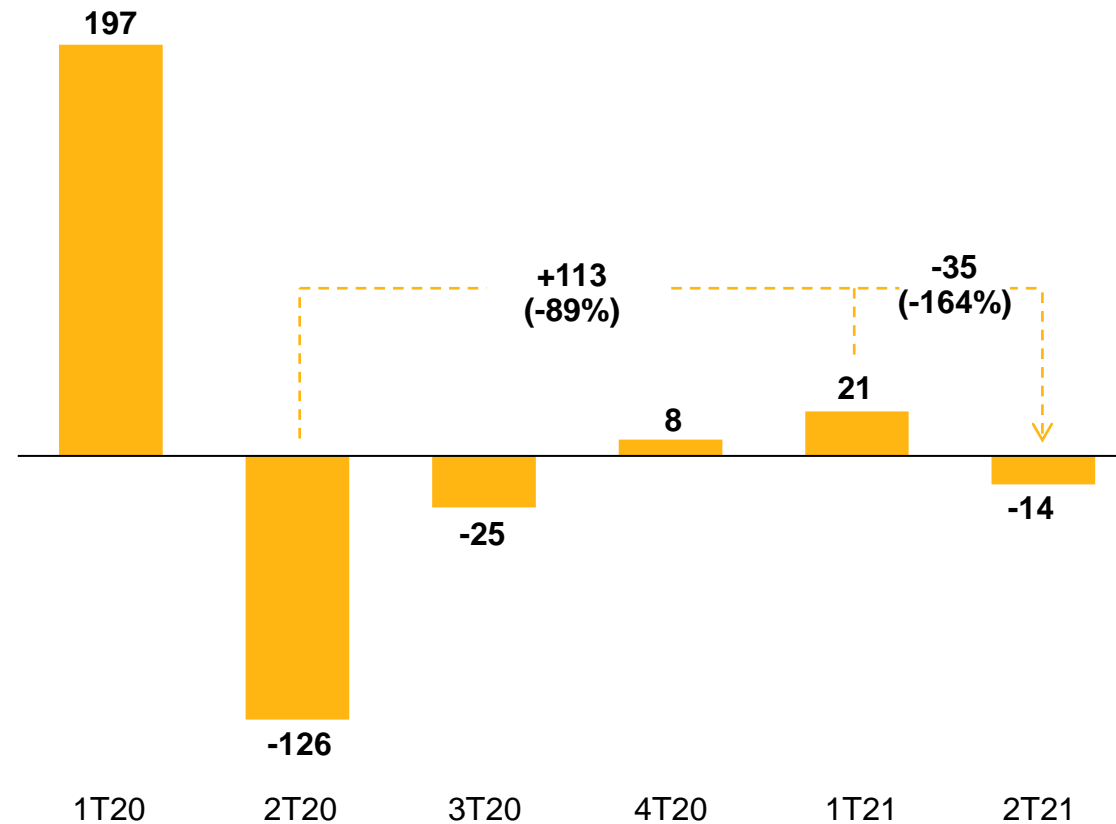


EXPENSES EVOLUTION (R\$MM)



- ✓ Expenses were up R\$17M in 2Q21 vs. 2Q20 mainly due to the acquisition of Queima Diária, which added R\$11M to expenses in the period.
- ✓ Reduction of R\$12M in expenses in 2Q21 vs. 1Q21 driven by reduced sales efforts, due to restricted mobility and several restrictions in place throughout 2Q21

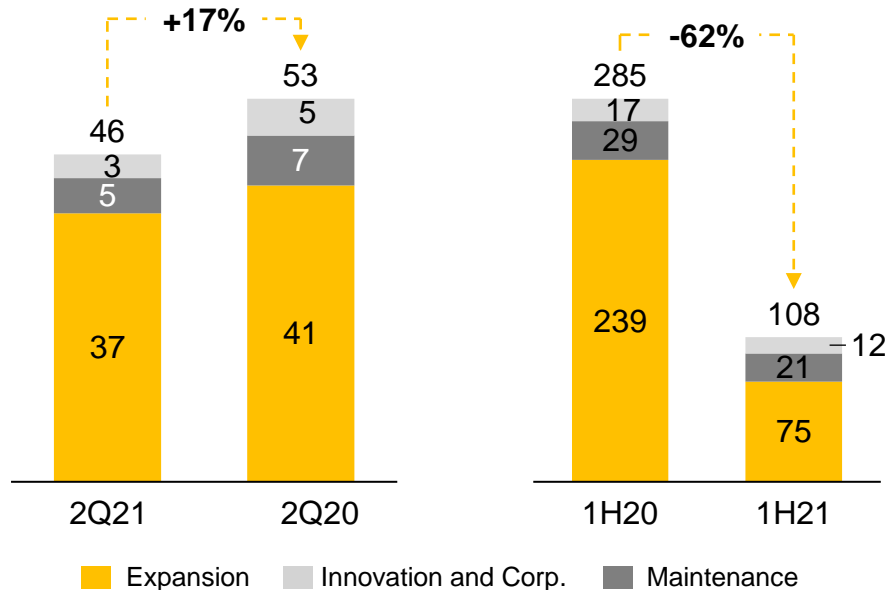
EBITDA EVOLUTION (R\$MM)



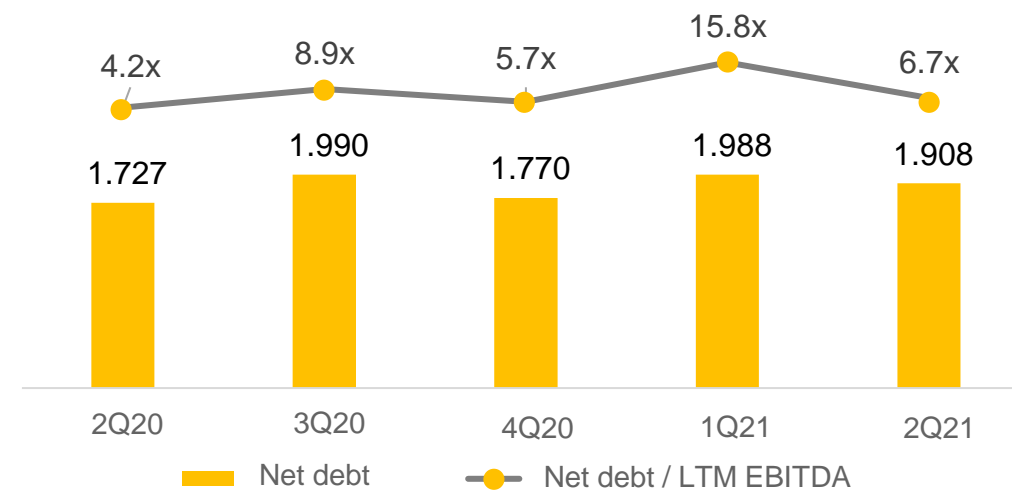
- ✓ Stable EBITDA through the last four quarters due to the initiatives to manage the relationship with our club members and initiatives to reduce costs and expenses
- ✓ EBITDA of R\$8M in 1H21, in spite of the restrictions put in place and the closing of the clubs for 21% of the days of the 1st half of the year.
- ✓ The performance vs. 1Q21 was negatively impacted by the reduced owned clubs member base in 2Q21

IMPROVED CREDIT RATING AND REDUCED FINANCIAL LEVERAGE

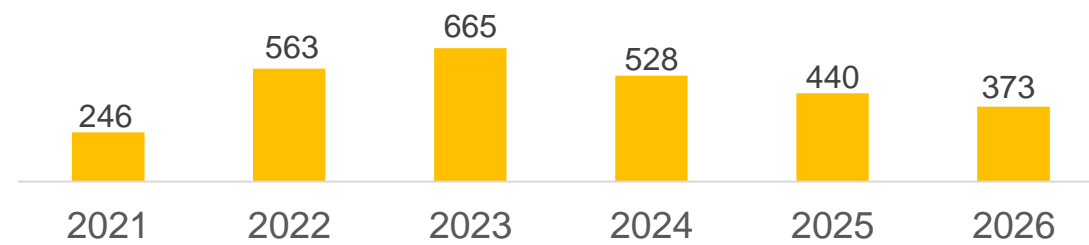
CAPEX R\$MM



Net Debt R\$MM and Net Debt / LTM EBITDA



Debt Amortization Schedule R\$MM



- Expansion capex reduced in 1H21 vs. 1H20, due to strategic initiatives put in place to finance growth
- Investments to accelerate the digitalization of our services and the customer experience remain a priority
- Stable net debt with a net debt / LTM EBITDA of 6.7x. Credit rating upgraded to AA- (BRA) due to the R\$2.6bn proceeds from the IPO.
- Lengthened debt profile, well distributed over the years.

Q&A



Final Remarks

