



**QUARTERLY
INFORMATION**

09/30/202

smart **fit**

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GLOSSARY

TERMS	GLOSSARY
EGM	Extraordinary General Meeting
AGM	Annual General Meeting
AEGM	Annual and Extraordinary General Meeting
B3	B3 S.A. – Brasil, Bolsa, Balcão
CADE	Administrative Council for Economic Defense
CDB	Bank Deposit Certificate
CDI	Interbank Deposit Certificate
CLP	Chilean pesos – Official currency in Chile
COFINS	Contribution for Social Security Financing
Company or Smartfit	Smartfit Escola de Ginástica e Dança S.A.
Covenants	Contractual Commitment Clauses
COP	Colombian pesos – Official currency in Colombia
CPC	Brazilian Accounting Pronouncements Committee
CRI	Certificates of Real Estate Receivables
CSLL	Social Contribution on Net Income
CVM	Securities and Exchange Commission of Brazil
Dec/23 or 12/31/2023	Financial Information as of and for the year ended December 31, 2023
Sept/24 or 09/30/2024	Financial Information as of and for the nine-month period ended September 30, 2024
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
Group	Smartfit and its subsidiaries
HVLP	High Value / Low Price
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IBR	Banking Reference Indicator
IFRS	International Financial Reporting Standards
IGV	General Sales Tax
INSS	Contributions to the National Institute of Social Security
IPCA	Amplified Consumer Price Index
IPO	Initial Public Offering
IRPJ	Corporate Income Tax
IRRF	Withholding Income Tax
ITR	Quarterly Information
JCP	Interest on Capital
Joint Venture	A joint arrangement whereby the parties have joint control of the arrangement
LALUR	Taxable Income Control Register
LF	Financial Bills
LFT	Financial Treasury Bills
MXN	Mexican pesos – Official currency in Mexico
MOU	Memorandum of Understanding
Note	Note to the Financial Statements
PEN	Peruvian Nuevo Sol – Official currency in Peru
PIS	Social Integration Program
PPA	Purchase Price Allocation
RSU	Restricted Shares
R\$/BRL	Reais – Official currency in Brazil
SPE	Special Purpose Company
STF	Federal Supreme Court
TIIE	<i>“Tasa de Interés Interbancaria de Equilibrio” in Mexico</i>
CGU	Cash-generating Unit
VP	Vice President

CONDENSED BALANCE SHEETS

At September 30, 2024

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

	Notes	Parent		Consolidated	
		09/30/2024	12/31/2023	09/30/2024	12/31/2023
ASSETS					
Current assets					
Cash and cash equivalents	4	45,678	46,505	1,520,856	1,103,433
Investments in financial assets	5	2,070,127	2,052,180	1,446,370	1,509,880
Trade receivables	6	205,522	148,818	508,954	349,007
Related parties	7	98,808	85,123	38,802	32,962
Taxes recoverable	8	95,429	75,187	226,984	228,284
Derivative financial instruments	9	7,303	8,460	8,039	12,939
Other receivables	10	76,185	19,740	202,114	109,629
Total current assets		2,599,052	2,436,013	3,952,119	3,346,134
Noncurrent assets					
Investments in financial assets	5	4,880	4,234	102,762	69,212
Related parties	7	124,678	14,335	20,342	-
Taxes recoverable	8	-	-	26,271	33,289
Derivative financial instruments	9	14,084	14,784	14,084	14,997
Other receivables	10	131,031	121,264	227,463	214,790
Deferred income tax and social contribution	19	472,454	430,115	845,879	798,258
Investments in subsidiaries and joint ventures	11	3,914,053	3,659,845	48,996	40,940
Right-of-use assets	14	1,391,344	1,193,246	4,386,672	3,755,019
Property and equipment	12	1,334,791	1,163,244	4,750,149	4,044,554
Intangible assets	13	154,019	152,209	2,013,315	1,912,984
Total noncurrent assets		7,541,334	6,753,276	12,435,933	10,884,043
TOTAL ASSETS		10,140,386	9,189,289	16,388,052	14,230,177
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	15	149,265	167,449	376,176	399,172
Related parties	7	16,099	42,332	1,428	2,603
Taxes and contributions payable		79,278	84,397	243,226	216,171
Other liabilities	16	80,047	235,299	151,442	283,619
Borrowings	17	134,822	32,482	628,328	594,402
Lease liabilities	14	207,255	186,655	609,692	542,182
Deferred revenue	21	22,526	27,596	213,244	206,083
Derivative financial instruments	9	31,142	-	31,142	-
Total current liabilities		720,434	776,210	2,254,678	2,244,232
Noncurrent liabilities					
Related parties	7	291	291	-	-
Other liabilities	16	19,548	11,924	78,178	24,330
Borrowings	17	2,885,717	2,216,422	4,547,941	3,225,497
Lease liabilities	14	1,237,130	1,070,148	4,182,705	3,565,232
Deferred revenue	21	4,674	132	4,674	132
Deferred income tax and social contribution	19	-	-	5,878	7,719
Derivative financial instruments	9	3,146	36,198	3,146	36,198
Provisions for judicial liabilities	18	9,973	9,702	35,334	31,203
Total noncurrent liabilities		4,160,479	3,344,817	8,857,856	6,890,311
TOTAL LIABILITIES		4,880,913	4,121,027	11,112,534	9,134,543
EQUITY					
	20				
Share capital		2,970,443	2,970,443	2,970,443	2,970,443
Capital reserves		842,333	953,421	842,333	953,421
Legal reserve		770,554	770,554	770,554	770,554
Retained earnings		222,038	-	222,038	-
Other comprehensive income		454,105	373,844	454,105	373,844
Equity attributable to the owners of the Company		5,259,473	5,068,262	5,259,473	5,068,262
Noncontrolling interests		-	-	16,045	27,372
TOTAL EQUITY		5,259,473	5,068,262	5,275,518	5,095,634
TOTAL LIABILITIES AND EQUITY		10,140,386	9,189,289	16,388,052	14,230,177

The accompanying notes are an integral part of this condensed interim financial information.

CONDENSED STATEMENTS OF PROFIT AND LOSS

Period ended September 30, 2024

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

	Notes	Parent				Consolidated			
		Nine-month period ended		Three-month period ended		Nine-month period ended		Three-month period ended	
		09/30/2024	09/30/2023	09/30/2024	09/30/2023	09/30/2024	09/30/2023	09/30/2024	09/30/2023
PROFIT (LOSS)									
Operating revenue	21	1,267,359	1,054,137	442,963	363,051	4,039,705	3,113,568	1,422,133	1,089,190
Costs	22	(811,565)	(688,449)	(279,001)	(236,480)	(2,373,317)	(1,857,886)	(834,583)	(652,440)
Gross profit		455,794	365,688	163,962	126,571	1,666,388	1,255,682	587,550	436,750
Selling expenses	22	(131,216)	(106,633)	(43,416)	(36,685)	(324,773)	(247,192)	(114,993)	(86,913)
General and administrative expenses	22	(202,577)	(171,319)	(69,214)	(67,548)	(414,697)	(334,261)	(146,643)	(127,191)
Other operating income (expenses), net	22	(8,210)	108,875	(6,528)	(24,900)	(19,198)	150,344	(6,750)	(7,890)
Share of profit (loss) of investees	11	324,337	283,052	106,289	94,750	(171)	1,645	1,445	(1,527)
Operating profit before finance income (costs)		438,128	479,663	151,093	92,188	907,549	826,218	320,609	213,229
Finance income	23	169,377	264,586	60,573	83,186	243,575	339,333	88,588	107,746
Finance costs	23	(374,908)	(328,793)	(131,029)	(113,239)	(795,789)	(679,108)	(281,825)	(234,331)
Finance income (costs), net	23	(205,531)	(64,207)	(70,456)	(30,053)	(552,214)	(339,775)	(193,237)	(126,585)
Profit before income tax and social contribution		232,597	415,456	80,637	62,135	355,335	486,443	127,372	86,644
Current		(2,897)	(12,324)	-	(1,858)	(138,124)	(104,191)	(55,528)	(33,498)
Deferred		42,339	-	5,110	-	58,299	25,323	14,780	8,426
Income tax and social contribution	19	39,442	(12,324)	5,110	(1,858)	(79,825)	(78,868)	(40,748)	(25,072)
PROFIT FOR THE PERIOD		272,039	403,132	85,747	60,277	275,510	407,575	86,624	61,572
Profit for the period attributable to:									
Owners of the Company						272,039	403,132	85,747	60,277
Noncontrolling interests						3,471	4,443	877	1,295
Earnings per share attributable to owners of the Company:									
Basic	24	0.4640	0.6877	0.1463	0.1028	0.4640	0.6877	0.1463	0.1028
Diluted	24	0.4485	0.6632	0.1414	0.0991	0.4485	0.6632	0.1414	0.0991

The accompanying notes are an integral part of this condensed interim financial information.

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

Period ended September 30, 2024

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

Notes	Parent				Consolidated				
	Nine-month period ended		Three-month period ended		Nine-month period ended		Three-month period ended		
	09/30/2024	09/30/2023	09/30/2024	09/30/2023	09/30/2024	09/30/2023	09/30/2024	09/30/2023	
OTHER COMPREHENSIVE INCOME									
PROFIT FOR THE PERIOD	272,039	403,132	85,747	60,277	275,510	407,575	86,624	61,572	
<i>Items that may be subsequently reclassified to profit or loss</i>									
Foreign exchange effect on translation of financial statements of foreign subsidiaries	11	73,009	85,150	(175,043)	58,436	73,391	84,939	(175,050)	58,449
<i>Other comprehensive income not reclassified to profit or loss in subsequent periods</i>									
Effect of investments on equity instruments measured at fair value through other comprehensive income		10,310	9,398	5,197	(396)	10,310	9,398	5,197	(396)
Deferred income tax and social contribution on effect of investments in equity instruments measured at fair value	19	(3,058)	8,022	(1,531)	11,088	(3,058)	8,022	(1,531)	11,088
TOTAL OTHER COMPREHENSIVE INCOME		80,261	102,570	(171,377)	69,128	80,643	102,359	(171,384)	69,141
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		352,300	505,702	(85,630)	129,405	356,153	509,934	(84,760)	130,713
<i>Comprehensive income for the period attributable to:</i>									
Owners of the Company						352,300	505,702	(85,630)	129,405
Noncontrolling interests						3,853	4,232	870	1,308

The accompanying notes are an integral part of this condensed interim financial information.

CONDENSED STATEMENTS OF CHANGES IN EQUITY

Nine-month period ended September 30, 2024

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

	Nine-month period ended September 30, 2023									
	Capital reserves				Equity attributable to					
	Share capital	Capital reserve	Equity instruments	Transactions with shareholders	Retained earnings (accumulated losses)	Other comprehensive income	Owners of the Company	Noncontrolling interests	Total consolidated equity	
CHANGES IN EQUITY										
At December 31, 2022	2,970,443	2,237,621	99,841	(39,850)	(1,375,832)	294,163	4,186,386	21,729	4,208,115	
Profit for the period	-	-	-	-	403,132	-	403,132	4,443	407,575	
Other comprehensive income	-	-	-	-	-	102,570	102,570	(211)	102,359	
Total comprehensive income for the period	-	-	-	-	403,132	102,570	505,702	4,232	509,934	
Share-based payments ⁽¹⁾	-	20,972	-	-	-	-	20,972	-	20,972	
Absorption of accumulated losses	-	(1,375,832)	-	-	1,375,832	-	-	-	-	
Dividends paid to subsidiaries	-	-	-	-	-	-	-	(640)	(640)	
Transactions with shareholders recognized directly in equity	-	(1,354,860)	-	-	1,375,832	-	20,972	(640)	20,332	
At September 30, 2023	2,970,443	882,761	99,841	(39,850)	403,132	396,733	4,713,060	25,321	4,738,381	
	Nine-month period ended September 30, 2024									
	Capital reserves					Equity attributable to				
	Share capital	Capital reserve	Equity instruments	Transactions with shareholders	Legal reserve	Retained earnings (accumulated losses)	Other comprehensive income	Owners of the Company	Noncontrolling interests	Total consolidated equity
CHANGES IN EQUITY										
At December 31, 2023	2,970,443	893,430	99,841	(39,850)	770,554	-	373,844	5,068,262	27,372	5,095,634
Profit for the period	-	-	-	-	-	272,039	-	272,039	3,471	275,510
Other comprehensive income	-	-	-	-	-	-	80,261	80,261	382	80,643
Total comprehensive income for the period	-	-	-	-	-	272,039	80,261	352,300	3,853	356,153
Share-based payments ⁽¹⁾	-	15,594	-	-	-	-	-	15,594	-	15,594
Increase in equity interest in subsidiaries ⁽²⁾	-	-	-	(126,682)	-	-	-	(126,682)	(12,801)	(139,483)
Dividends paid to subsidiaries	-	-	-	-	-	(50,001)	-	(50,001)	(2,379)	(52,380)
Transactions with shareholders recognized directly in equity	-	15,594	-	(126,682)	-	(50,001)	-	(161,089)	(15,180)	(176,269)
At September 30, 2024	2,970,443	909,024	99,841	(166,532)	770,554	222,038	454,105	5,259,473	16,045	5,275,518

(1) See note 27.

(2) See note 3.

The accompanying notes are an integral part of this condensed interim financial information.

CONDENSED STATEMENTS OF CASH FLOWS

Nine-month period ended September 30, 2024

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

	Notes	Parent		Consolidated	
		09/30/2024	09/30/2023	09/30/2024	09/30/2023
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the period		272,039	403,132	275,510	407,575
Adjustments to reconcile profit for the period to net cash from operating activities:					
Current and deferred income tax and social contribution	19	(39,442)	12,324	79,825	78,868
Depreciation and amortization	12,13,14	329,188	294,150	1,030,130	851,827
Allowance for expected credit losses	6	(2)	(1,525)	558	(1,842)
Share of profit (loss) of investees	11	(324,337)	(283,052)	171	(1,645)
Remeasurement of previously held interest		-	(176,599)	-	(176,599)
Write-off of intangible assets, property and equipment, and leases		24,040	29,013	24,398	33,578
Interest on borrowings	23	272,954	219,660	441,760	356,104
Interest on leases	23	85,611	66,723	308,416	250,116
Discounts obtained on leases	23	(1,532)	(2,270)	(5,503)	(6,736)
Income from financial investments	23	(147,341)	(207,153)	(193,312)	(247,723)
Gain (loss) on derivative financial instruments	23	867	(9,008)	250	(3,433)
Share-based payment plan	27	16,380	19,880	16,755	20,972
Provisions for judicial liabilities	18	271	5,112	4,100	5,737
Deferred revenue		(528)	(23,873)	11,703	(879)
Others		(6,669)	2,995	(9,013)	(3,125)
Changes in operating assets and liabilities:					
Trade receivables		(56,702)	(47,785)	(160,195)	(75,992)
Related parties		(38,522)	54,406	(14,873)	1,617
Taxes recoverable		(22,007)	865	(16,685)	(6,046)
Other receivables		(52,944)	(36,360)	(84,500)	(58,765)
Trade payables		(18,268)	28,076	(23,953)	30,407
Taxes and contributions payable		10,705	44,431	17,345	64,206
Other liabilities		20,365	22,570	36,472	40,262
Cash generated by operating activities		324,126	415,712	1,739,359	1,558,484
Interest paid on borrowings	17	(144,766)	(156,658)	(311,497)	(286,675)
Interest paid on leases	14	(85,052)	(65,999)	(306,193)	(247,406)
Income tax and social contribution paid		(463)	-	(85,199)	(34,809)
Net cash generated by operating activities		93,845	193,055	1,036,470	989,594
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions to property and equipment	12	(343,723)	(215,668)	(1,108,315)	(787,155)
Additions to intangible assets	13	(9,284)	(2,783)	(34,369)	(7,236)
Direct initial costs of right-of-use assets	14	(50,570)	(12,253)	(56,047)	(17,618)
Proceeds from sale of property and equipment		-	-	-	19,701
Dividends received from subsidiaries		20,771	32,570	-	-
Loans granted		(605)	7,366	(28,807)	(12,355)
Financial investments		129,324	358,830	234,158	442,439
Acquisition of group of assets, net of cash received		-	(7,130)	-	(7,130)
Acquisition of subsidiaries, net of cash received		(197,839)	(129,273)	(278,374)	(85,911)
Capital increase in subsidiaries and joint venture	11	(86,066)	(124,603)	(591)	-
Payment of contingent consideration		-	(521)	-	(521)
Net cash used in investing activities		(537,992)	(93,465)	(1,272,345)	(455,786)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings	17	1,886,704	-	3,073,259	329,327
Repayments of borrowings	17	(1,246,757)	(148,616)	(1,940,697)	(437,168)
Payment of lease	14	(148,252)	(140,851)	(451,723)	(367,533)
Interest on capital paid to investors		(47,455)	-	(47,455)	-
Dividends paid to noncontrolling interests		-	-	(2,571)	(1,867)
Payment (receipt) of transactions with financial derivatives		(920)	-	3,769	-
Others		-	-	-	(9,838)
Net cash generated by (used in) financing activities		443,320	(289,467)	634,582	(487,079)
(INCREASE) DECREASE IN CASH AND CASH EQUIVALENTS		(827)	(189,877)	398,707	46,729
CHANGES IN CASH AND CASH EQUIVALENTS					
Opening balance		46,505	234,037	1,103,433	1,251,418
Exchange differences on cash and cash equivalents		-	-	18,716	16,148
Closing balance		45,678	44,160	1,520,856	1,314,295
(INCREASE) DECREASE IN CASH AND CASH EQUIVALENTS		(827)	(189,877)	398,707	46,729

The accompanying notes are an integral part of this condensed interim financial information.

CONDENSED STATEMENTS OF VALUE ADDED

Nine-month period ended September 30, 2024

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

	Notes	Parent		Consolidated	
		09/30/2024	09/30/2023	09/30/2024	09/30/2023
WEALTH CREATED					
REVENUES					
Service revenue	21	1,455,500	1,211,661	4,304,427	3,329,528
Allowance for expected credit losses	6	2	1,525	(558)	1,842
Other operating income (expenses), net		(8,210)	108,875	(19,198)	150,344
INPUTS PURCHASED FROM THIRD PARTIES					
Cost of sales and services		(280,415)	(222,798)	(756,680)	(567,309)
Materials, electric power, outside services and others		(83,391)	(75,945)	(145,658)	(125,884)
Advertising materials, marketing, promotion funds and others related to sales		(128,165)	(106,469)	(302,917)	(225,484)
GROSS VALUE ADDED		955,321	916,849	3,079,416	2,563,037
RETENTIONS					
Depreciation and amortization	12,13,14	(329,188)	(294,150)	(1,030,130)	(851,827)
WEALTH CREATED BY THE COMPANY		626,133	622,699	2,049,286	1,711,210
WEALTH RECEIVED IN TRANSFER					
Share of profit (loss) of investees	11	324,337	283,052	(171)	1,645
Finance income	23	169,377	264,586	243,575	339,333
TOTAL WEALTH FOR DISTRIBUTION		1,119,847	1,170,337	2,292,690	2,052,188
WEALTH DISTRIBUTED					
PERSONNEL					
Salaries and wages		219,876	177,028	585,530	442,101
Benefits		29,781	25,814	62,742	50,565
Social security costs		14,259	12,716	24,263	20,892
TAXES, FEES AND CONTRIBUTIONS:					
Federal		88,198	119,206	305,544	259,309
State		215	79	3,557	2,264
Municipal		54,879	44,870	77,819	61,273
LENDERS AND LESSORS:					
Interest	23	374,908	328,793	795,789	679,108
Leases		65,692	58,699	161,936	129,101
SHAREHOLDERS:					
Owners' share of profits		272,039	403,132	272,039	403,132
Noncontrolling interests' share of profit		-	-	3,471	4,443
WEALTH DISTRIBUTED		1,119,847	1,170,337	2,292,690	2,052,188

The accompanying notes are an integral part of this condensed interim financial information.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At September 30, 2024

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

1. GENERAL INFORMATION

Smartfit is a company incorporated and based in Brazil, with its registered office at Avenida Paulista 1.294, 2º andar, Bela Vista, São Paulo/SP. The Company is registered with the Securities and Exchange Commission of Brazil (CVM) and its shares were listed for trading on B3 on July 14, 2021 under ticker symbol "SMFT3". The Company is controlled by members of the Corona family, Pátria Private Equity Co-Investment Smartfit FIP and Pátria Private Equity Co-Investment Smartfit Partners Fund – FIP, both companies controlled by investment funds managed by Pátria Investimentos Ltda. ("Pátria").

The Group is the leader in the gym market in Latin America, with the mission of democratizing the access to high quality fitness. Through company owned operations and franchised units, the Company is present in fifteen countries, namely Brazil, Mexico, Colombia, Chile, Peru, Argentina, Paraguay, Uruguay, Panama, Costa Rica, Dominican Republic, Ecuador, Guatemala, El Salvador and Honduras, operating in the HVL P segment with the brand "Smart Fit", in the Premium segment with the brand "Bio Ritmo", and in the digital fitness segment with the brand "Queima Diária" and other digital services. The business segments are defined in note 25 and the main subsidiaries and joint ventures are disclosed in note 11.

The Group continues the expansion plan, with the opening of new clubs and maintenance of the clubs in operation. At September 30, 2024, the Group had a total of 1,591 units in operation (1,438 at December 31, 2023), with a solid cash position.

2. BASIS OF PRESENTATION OF THE CONDENSED INTERIM FINANCIAL INFORMATION**BASIS OF PREPARATION**

The condensed interim financial information for the nine-month period ended September 30, 2024 ("condensed interim financial information") is being presented in accordance with IAS 34 "Interim Financial Reporting" issued by IASB and with technical pronouncement CPC 21 "Interim Financial Reporting", and does not include all information required for annual financial statements. Therefore, this interim financial information should be read in conjunction with the annual financial statements for December 31, 2023 ("annual financial statements"), prepared in accordance with the IFRS issued by IASB and the set of standards issued by CPC. Furthermore, it is also presented consistently with the standards issued by CVM applicable to the preparation of Quarterly Information ("ITR") and with the provisions of the Brazilian Corporate Law.

This condensed interim financial information was not audited. All significant information in the condensed interim financial information, and only this information, is being disclosed and corresponds to the information used in managing the Company's activities. The Group's management estimates that this interim financial information includes all adjustments required to present fairly the results of each period in a manner consistent with the results of the audited annual financial statements. The results for the nine-month period ended September 30, 2024 do not necessarily reflect the proportion of the Group's results for the entire year.

The condensed interim financial information was concluded and authorized for issue by the Group's Board of Directors on November 6, 2024.

GENERAL ACCOUNTING POLICIES

The significant accounting policies adopted in preparing this condensed interim financial information are presented and summarized in the respective notes to the annual financial statements and were consistently applied.

There have been no changes in the accounting practices adopted in preparing this condensed interim financial information in relation to those presented in the annual financial statements.

FUNCTIONAL AND PRESENTATION CURRENCY

The condensed interim financial information is presented in thousands of Brazilian reais (R\$), which is the Company's functional and presentation currency. The functional currency of foreign subsidiaries is the local currency of each jurisdiction in which they operate, the currency in Mexico is the Mexican pesos (MXN); in Colombia the Colombian pesos (COP); in Peru the Peruvian sol (PEN); in Chile the Chilean pesos (CLP); in Argentina the Argentine pesos (ARS); in Paraguay the Guaraní (PYG); in Uruguay the Uruguayan peso (UYU); in Panama the Balboa (PAB), in Costa Rica the Costa Rican Colon; and in the United States of America (for FitMaster LLC) the US Dollar.

For purposes of presenting this condensed interim financial information, the assets and liabilities of the Group's foreign operations are translated using the exchange rates prevailing at the end of the period. The results are translated at the monthly average exchange rates for the period, unless the rates fluctuate significantly during the period, in which case the exchange rates at the date of the transaction will be used. The exchange variations arising from these transactions are recognized in other comprehensive income and accumulated in a separate component in equity.

FOREIGN CURRENCY-DENOMINATED TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency of the Company and each of its subsidiaries and joint ventures using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency are translated into reais using the exchange rates prevailing at the end of the reporting period. Foreign exchange gains and losses resulting from the settlement of these transactions and the translation of monetary assets and liabilities denominated in foreign currency are recognized in Group's statement of profit and loss.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At September 30, 2024

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

HYPERINFLATIONARY ECONOMY

In accordance with CPC 42 / IAS 29 – Financial Reporting in Hyperinflationary Economies, non-monetary assets and liabilities, equity and the statement of profit and loss of subsidiaries operating in hyperinflationary economies are adjusted for the change in the general purchasing power of the currency, applying a general price index.

The financial statements of an entity whose functional currency is the currency of a hyperinflationary economy must be expressed in terms of the current unit of measurement at the balance sheet date and translated to reais at the closing exchange rate for the year.

The Group used the accounting of hyperinflationary economies for its subsidiary Smartfit SAS, in Argentina, applying the rules set out in CPC 42/IAS 29. The effects arising from the translation of the functional currency (Argentine pesos) into the presentation currency (Brazilian real) are recorded in the statement of comprehensive income and only impact the profit or loss for the year upon disposal or dissolution of the company.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial information requires that Management uses estimates and exercises judgment in the process of applying the Group's accounting policies. These estimates are based on Management's experience and knowledge, information available at the reporting date and other factors, including expectations of future events that are considered to be reasonable under normal circumstances. Changes in the facts and circumstances may cause these estimates to be reviewed. Actual future results may differ from these estimates.

NEW AND REVISED STANDARDS AND INTERPRETATIONS ISSUED AND EFFECTIVE

The following standards, which became effective on January 1, 2024, had no significant impact to the Group:

Standard	Description
Amendments to IAS 1	Classification of Liabilities as Current or Noncurrent
Amendments to IAS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback

NEW AND REVISED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The Group has not early adopted the following revised IFRS, already issued but not yet effective:

Standard	Description	Effective for annual periods beginning on or after
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	No definition
IFRS 18	Presentation and Disclosure in Financial Statements	01/01/2027

Management does not expect the adoption of the standards listed above to have a material impact on the Group's financial information in future periods.

3. SIGNIFICANT TRANSACTIONS IN THE PERIOD

PAYMENT OF THE REMAINING INSTALLMENT FOR THE ACQUISITION OF SPORTY PANAMÁ

On January 3, 2024, the Group paid the 2nd installment related to the remaining amount for the acquisition of Sporty Panama, of USD 33,822, equivalent to R\$ 165,810.

INCREASE IN EQUITY INTEREST IN SPORTS WORLD

On February 12, 2024, the Group carried out a private subscription of 17,946,256 shares in Sports World by Latamgym Mexico, for MXN 89.73 million (approximately R\$26,084), and now holds a 19.46% interest in the company, which represents 47,154,122 shares.

According to the analysis performed pursuant to IAS 28, the Group has no significant influence over Sports World. Thus, the investment in this company was considered a financial asset measured at fair value through other comprehensive income, in accordance with CPC 48 / IFRS 9.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At September 30, 2024

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

ACQUISITIONS OF OTHER CLUBS

The Group entered into Purchase and Sale Agreements for the acquisition of 100% of the shares of Academia de Ginástica Tietê Plaza Ltda. ("Tietê Plaza") on February 22, 2024 and ACL Academia de Ginástica Ltda ("ACL") on March 14, 2024, for the total amount of R\$21,946, of which R\$20,561 was paid up to September 30, 2024 and the remaining balance will be paid in five equal annual installments. These companies are franchised units of the Group that operated in accordance with the terms and conditions of the Franchise Agreement.

On March 13, 2024, the Group acquired 100% of the shares of MG-PT Microginásio Portugal Unipessoal Lda ("MG-PT"), for €1.00, this company is a franchised unit of the Group that operated in accordance with the terms and conditions of the Franchise Agreement.

The balance sheet of the acquired companies at the date of acquisition does not show any balances that cannot be reliably estimated and the trial balance of Tietê Plaza as at January 31, 2024 and the trial balance of ACL and MG-PT as at February 29, 2024 are represented by the following group of assets or liabilities:

Business combination	Tietê Plaza	ACL	MG-PT	Total
Assets				
Cash and cash equivalents	239	408	4	651
Trade receivables	-	19	8	27
Other receivables	4	6	120	130
Right-of-use assets	751	1,407	-	2,158
Property and equipment	952	1,216	1,953	4,121
Property and equipment - surplus value	662	992	-	1,654
Intangible assets	-	-	2	2
Intangible assets – customer list	2,649	811	39	3,499
Intangible assets - surplus value	-	-	425	425
Liabilities				
Trade payables	(10)	(127)	(107)	(244)
Other liabilities	(94)	(125)	(124)	(343)
Lease liabilities	(882)	(1,688)	-	(2,570)
Other liabilities	(32)	(317)	(2,933)	(3,282)
Current taxes payable	-	(15)	-	(15)
Deferred tax liabilities on surplus value	(1,126)	(613)	-	(1,739)
Total identifiable assets acquired and liabilities assumed at fair value	3,113	1,974	(613)	4,474
Consideration	14,825	7,121	-	21,946
Goodwill arising on transaction - preliminary	11,712	5,147	613	17,472

Goodwill arising on the transaction is attributable to the future profitability of the acquired business.

For the nine-month period ended September 30, 2024, the acquired businesses contributed to the Group's results with net revenue of R\$7,644 and profit of R\$2,311. Had the business combination taken place at the beginning of the year, operating revenue and profit for the period would have been R\$9,186 and R\$3,672, respectively.

The Group incurred acquisition-related costs in the amount of R\$80 referring to due diligence and PPA.

ACQUISITION OF NONCONTROLLING INTERESTS IN PERU (LATAM GYM S.A.)

On May 2, 2024, the subsidiary Sporty Panamá SA ("Sporty Panamá") entered into a Purchase and Sale Agreement for the acquisition of 100% of the shares of Latam Gym S.A. Company. ("Latam Gym"), headquartered in Peru, which holds 10% of the share capital of Smartfit Peru SAC ("Smartfit Peru"), a subsidiary of the Company headquartered in Peru.

The total amount of the transaction was PEN 88 million, equivalent to approximately R\$120,843, of which R\$70,473 was paid up to September 30, 2024 and the remaining balance will be paid in 18 monthly installments starting in May 2025.

Since the start of Smartfit Peru's operations, the Company held a direct 90% interest in the subsidiary's share capital and, consequently, already consolidated the results and balance sheet in its financial statements, and as a result of the Transaction it now directly and indirectly holds all the shares in its share capital.

The balance sheet of the acquired company on the acquisition date does not present balances that cannot be measured reliably, and Latam Gym's balance sheet referring to April 30, 2024 is represented by the following group of assets or liabilities:

	Latam Gym
Acquisition of noncontrolling interests	
Cash and cash equivalents	40
Other receivables	23
Investments in subsidiaries and joint ventures	7,710
Borrowings	(15,902)
Total identifiable assets acquired and liabilities assumed at fair value	(8,129)
Consideration	120,843

This operation is not considered a business combination, but rather a purchase of noncontrolling interest, involving a change in the percentage of interest in a subsidiary without loss of control. In accordance with applicable accounting standards, these transactions are treated as capital transactions, not affecting goodwill or the result for the period, and any difference between the amount paid or received and the carrying amount of the noncontrolling interest adjusts the parent's equity. This transaction resulted in a record in Sporty Panamá's equity in the amount of R\$129,048. With this operation, the noncontrolling interest that represented R\$7,738 was eliminated from the balance sheet, as the Company now fully controls Latam Gym, which held this interest.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At September 30, 2024

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

ACQUISITION OF BIENSTAR S.A.

On May 27, 2024, the subsidiary Smartfit Uruguay SA entered into a Purchase and Sale Agreement for the acquisition of 100% of the shares of Bienstar S.A. ("Bienstar"), company headquartered in Uruguay. The total amount of the transaction was US\$2 million, equivalent to approximately R\$10,715, of which R\$8,989 was paid up to September 30, 2024 and the remaining balance will be paid within 120 days from the transaction date.

The balance sheet of the acquired company on the acquisition date does not present balances that cannot be measured reliably, and Bienstar S.A.'s balance sheet referring to May 31, 2024 is represented by the following group of assets or liabilities:

	Bienstar
Business combination	
Assets	
Cash and cash equivalents	323
Trade receivables	283
Other receivables	205
Property and equipment	3,360
Liabilities	
Trade payables	(986)
Other liabilities	(2,274)
Total identifiable assets acquired and liabilities assumed at fair value	911
Consideration	10,715
Goodwill arising on transaction - preliminary	9,804

The appraisal reports are preliminary and their measurement ends when the Group obtains the complete information on facts and circumstances existing on the acquisition date. However, the measurement period will not exceed one year from the acquisition date.

For the nine-month period ended September 30, 2024, the acquired business contributed to the Group's results with net revenue of R\$1,267 and loss of R\$2,492. Had the business combination taken place at the beginning of the year, operating revenue and loss for the period would have been R\$4,358 and R\$4,207, respectively.

ACQUISITIONS OF OTHER CLUBS 2023

In December 2023, the Company acquired three subsidiaries (Holandeses, Cohama and Lake) and made the preliminary recording of the PPA. During 2024, the Company finalized the PPA and made some reallocations, adjusting goodwill for the surplus value of customer list, fixed assets and deferred tax. In addition, there were changes to the initial balance sheets of the companies acquired due to initial adjustments to the balance sheets and price adjustments.

On March 15, 2024, based on the purchase and sale agreement, a price adjustment of R\$231 was made in favor of the Group, related to the acquisition of Lake.

During the nine-month period, the Group paid R\$3,241 for the acquisition of Holandeses, R\$4,058 for the acquisition of Lake and R\$4,169 for the acquisition of Cohama.

ACQUISITION OF NONCONTROLLING INTERESTS

On June 24, 2024, the Company acquired a noncontrolling interest in subsidiary Bio Plaza which held 15.58% of the quotas. The Company paid R\$547 to acquire this interest.

On June 25, 2024, the Company acquired a noncontrolling interest in subsidiary BioSanta, which held 24.8% of the quotas. The Company paid R\$2,150 to acquire this interest.

BODYTECH PERU OPERATION

On July 25, 2024, Smartfit Peru S.A.C. ("Smartfit Peru") entered into a commercial agreement with Inverdesa Peru S.A.C. ("Bodytech") whereby Bodytech undertook to discontinue its operations in Peru and not to compete directly or indirectly for three years, granting Smartfit Peru the possibility of entering into new lease agreements with the lessors of the commercial properties previously occupied by Bodytech. The total amount of the transaction was USD 5,232, approximately R\$29,510 for the purchase of equipment, customer list and non-compete. The transactions were accounted for in property and equipment and intangible assets, in accordance with IAS 16/CPC 27 and IAS 38/CPC 04.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At September 30, 2024

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

4. CASH AND CASH EQUIVALENTS

BREAKDOWN OF BALANCES

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Cash and cash equivalents				
Cash and banks	2,042	1,864	328,132	169,636
CDB ⁽¹⁾⁽⁴⁾	32,884	39,557	362,138	458,461
Non-exclusive investment funds ⁽²⁾	10,752	5,084	150,233	84,351
Repurchase agreements ⁽³⁾	-	-	680,201	390,985
Other financial investments	-	-	152	-
Total	45,678	46,505	1,520,856	1,103,433

- (1) They are remunerated at a weighted average rate of 102.25% of the CDI (101.50% in Dec/23) and managed by independent financial institutions. The maturities are variable; however, they are highly liquid, with no loss of remuneration upon redemption.
- (2) These are mainly distributed into subsidiaries Latamgym Mexico with an average annual rate of 9.83% (10.85% in Dec/23) and Latamfit Chile with an average annual rate of 6.43% (10.03% in Dec/23).
- (3) These refer to transactions involving the purchase of securities with repurchase commitment by issuers of the securities, which are mainly remunerated at 100.00% of the CDI (100.00% in Dec/23).
- (4) This includes the balance of the CDBs that compose the portfolio of the Santo Amaro exclusive investment fund remunerated at a weighted average rate of 102.90% of the CDI (102.63% in Dec/23). The maturities are variable; however, they are highly liquid, with no loss of remuneration upon redemption.

5. INVESTMENTS IN FINANCIAL ASSETS

BREAKDOWN OF BALANCES

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Investments in financial assets				
Exclusive investment funds ⁽¹⁾	2,070,127	2,052,180	-	-
Government securities ⁽²⁾	-	-	630,914	570,293
Financial bills ⁽³⁾	-	-	815,452	939,588
Interests in publicly-held company ⁽⁴⁾	-	-	69,202	35,453
Other financial investments	4,880	4,234	33,564	33,758
Total	2,075,007	2,056,414	1,549,132	1,579,092
Current	2,070,127	2,052,180	1,446,370	1,509,880
Noncurrent	4,880	4,234	102,762	69,212

- (1) Refer to the private credit exclusive fixed income investment funds Átila RF CP FI remunerated at a weighted average rate of 108.39% of the CDI (105.36% in Dec/23) and Santo Amaro RF CP remunerated at a weighted average rate of 108.29% of the CDI (105.25% in Dec/23). In the Parent, the amounts of share units held by the Company are presented under Investments in financial assets in the line "Exclusive investment funds". In Consolidated, the financial investment of the funds was fully consolidated into this condensed interim financial information, in accordance with CVM Instruction 408/04, and their balances were presented by each financial component.
- (2) Represented by government securities (LFT) remunerated at a weighted average rate of 101.32% of the CDI (101.49% of the CDI in Dec/23) for the securities of Santo Amaro and Atila funds remunerated at a weighted average rate of 101.14% of the CDI (101.43% in Dec/23).
- (3) Refer to private credit securities by financial institutions of Atila fund remunerated at a weighted average rate of 125.31% of the CDI (109.91% of the CDI in Dec/23) and Santo Amaro fund remunerated at a weighted average rate of 114.06% of the CDI (109.09% of the CDI in Dec/23).
- (4) Refers to the investment in shares of Sports World.

6. TRADE RECEIVABLES

BREAKDOWN OF BALANCES

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Trade receivables				
Trade receivables arising from contracts with customers ⁽¹⁾	205,672	148,970	512,553	352,048
Allowance for expected credit losses	(150)	(152)	(3,599)	(3,041)
Total	205,522	148,818	508,954	349,007

- (1) Trade receivables refer to recurring amounts from gym and corporate customers, promotions and recurring debt, receivables from the sales of gym plans, substantially distributed by the main card operators in Brazil and international card operators, and to the recognition of amounts of the plans.

At September 30, 2024, the average collection period for trade receivables is approximately 32 days (30 days at December 31, 2023).

Due to the Group's business model, the recorded amounts of allowance for expected credit losses are not significant, considering that in the event of non-payment by members, the access to the units is disabled and is only enabled upon settlement of the pending amounts. Accordingly, the Group does not record trade receivables and revenue until the respective payment is made.

As a large portion of sales is made on credit cards, the Group assesses that the credit risk is low (see note 26).

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At September 30, 2024

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

7. RELATED PARTIES

NATURE OF THE RELATED PARTIES

The Company, its subsidiaries and related parties carry out certain transactions among them, related to the Group's financial, commercial and operating aspects. The main transactions are:

- **Trading transactions.** Represented by the amount resulting from an apportionment of administrative expenses centralized in the Company and passed on to the other Group companies, in addition to transactions with joint ventures.
- **Loan agreements.** Remunerated at rates based on the Group's cost of debt at the time of contracting. The contracts have indefinite maturities.
- **Dividends receivable.** These refer to minimum mandatory dividends receivable by the Company from its subsidiaries.

OTHER RELATED-PARTY TRANSACTIONS

The Company has (i) a property lease agreement with one of its shareholders signed in 2015, and interest and amortization arising from lease liabilities in Sept-24 are recognized in profit or loss in the amount of R\$458 (R\$423 in Sept-23).

In addition, the Group has made financial investments in investment funds where it has exclusive participation (100% of the quotas), which are detailed in note 5.

COMPENSATION OF KEY MANAGEMENT PERSONNEL

On April 25, 2024, at the AEGM, the limit of the annual global compensation of the Group's Officers of R\$49,520 for 2024 was approved.

The table below shows the officers' compensation:

	09/30/2024	09/30/2023
Officers' compensation		
Fees	9,049	4,933
Benefits	2,526	1,472
Bonuses	4,600	1,680
Stock option plan	13,768	16,007
Total compensation	29,943	24,092

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At September 30, 2024

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

RELATED-PARTY BALANCES

	09/30/2024				12/31/2023			
	Other receivables		Other liabilities		Other receivables		Other liabilities	
	Trading transactions	Loans, interest on capital and dividends	Trading transactions	Loans, interest on capital and dividends	Trading transactions	Loans, interest on capital and dividends	Trading transactions	Loans, interest on capital and dividends
PARENT								
Subsidiaries								
ADV Esportes	3	-	36	-	349	-	182	-
Smartfin	11,084	-	18	-	20,708	-	184	-
Smartdom	25	10,417	23	-	-	9,347	-	-
Bio Plaza	472	-	1	-	344	5,005	-	-
Asnsmart	102	-	44	-	-	940	-	-
Bioswim	3,392	114,261	4,240 ⁽¹⁾	-	7,986	-	30,953 ⁽¹⁾	-
Biosanta	38	-	131	-	-	749	6	-
Smartrfe	30	-	15	-	-	-	-	-
M2	76	-	336	-	34	245	297	-
SmartMNG	39	-	21	-	64	-	-	-
Biomorum	3	-	-	-	-	-	5,258	-
Racebootcamp	215	-	84	-	7,946	-	-	-
TotalPass	79,368	-	11,164	-	45,265	-	5,522	-
Just Fit	154	-	216	-	28	-	27	-
Bio Pauli	-	-	61	-	-	-	190	-
Bio Franqueadora	12	-	-	-	-	-	4	-
MB Negócios Digitais	-	-	-	-	-	448	-	-
MG-PT	-	3,795	-	-	-	-	-	-
Total balances with related parties	95,013	128,473	16,390	-	82,724	16,734	42,623	-
Current	95,013	3,795	16,099	-	82,724	2,399	42,332	-
Noncurrent	-	124,678	291	-	-	14,335	291	-
CONSOLIDATED								
Joint ventures								
TotalPass Mexico	38,802	20,342 ⁽²⁾	1,428	-	23,580	9,382	2,411	-
Total balances with related parties	38,802	20,342	1,428	-	23,580	9,382	2,411	-

(1) The liabilities balance refers to transactions resulting from the apportionment of administrative expenses and sale of property and equipment.

(2) On January 25, Latamgym Mexico granted a new loan to TotalPass Mexico.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At September 30, 2024

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

RELATED-PARTY TRANSACTIONS

	Nine-month period ended							
	09/30/2024				09/30/2023			
	Operating revenue	Costs	Expenses	Finance income (costs)	Operating revenue	Costs	Expenses	Finance income (costs)
PARENT								
Subsidiaries								
Smartfin	-	-	(1,352)	-	-	-	(3,273)	-
Smartdom	288	-	-	1,001	299	-	-	1,110
Bio Plaza	345	-	-	380	544	-	-	511
Asnsmart	886	-	-	6	833	-	-	276
Bioswim	-	(3,009)	-	-	-	(2,151)	-	-
Biosanta	-	-	-	105	-	-	-	121
M2	269	-	-	-	261	-	-	-
Biomorum	-	(18,263)	-	-	-	(14,493)	-	-
Totalpass	-	(10,409)	-	-	-	(5,259)	-	-
Bio Pauli	-	(553)	-	-	-	-	-	-
Total balances with related parties	1,788	(32,234)	(1,352)	1,492	1,937	(21,903)	(3,273)	2,018
CONSOLIDATED								
Joint ventures								
TotalPass Mexico	40,632	(2,715)	-	-	18,878	(1,948)	-	-
FitMaster	666	(15)	-	-	-	-	-	-
Total balances with related parties	41,298	(2,730)	-	-	18,878	(1,948)	-	-

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At September 30, 2024

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

8. TAXES RECOVERABLE

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Taxes recoverable				
PIS/ COFINS	5,049	2,761	7,660	4,405
IRPJ/ CSLL	26,499	29,242	80,026	79,969
IRRF on financial investments	62,796	42,069	66,152	43,618
IGV/ IVA	-	-	74,394	107,070
Others	1,085	1,115	25,023	26,511
Total	95,429	75,187	253,255	261,573
Current	95,429	75,187	226,984	228,284
Noncurrent	-	-	26,271	33,289

9. DERIVATIVE FINANCIAL INSTRUMENTS

BREAKDOWN OF BALANCES

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Derivative financial investments				
Assets				
Smartfit call option - M2	4,878	5,690	4,878	5,690
Smartfit call option - ASN	734	868	734	868
Smartfit call option - End Fit	14,084	13,916	14,084	13,916
Interest rate swap – Smartfit Mexico	-	-	736	4,692
Interest rate swap – 7 th issue of debentures	1,691	2,770	1,691	2,770
Total	21,387	23,244	22,123	27,936
Current	7,303	8,460	8,039	12,939
Noncurrent	14,084	14,784	14,084	14,997
Liabilities				
Put option of the noncontrolling shareholder – MB Negócios Digitais	28,538	30,305	28,538	30,305
Put option of the noncontrolling shareholder – ASN Smart	1,163	1,328	1,163	1,328
Put option of the noncontrolling shareholder – M2	44	-	44	-
Put option of the noncontrolling shareholder – End Fit	3,146	3,449	3,146	3,449
Put option of the noncontrolling shareholder – Fit Master	1,397	1,116	1,397	1,116
Total	34,288	36,198	34,288	36,198
Current	31,142	-	31,142	-
Noncurrent	3,146	36,198	3,146	36,198

10. OTHER RECEIVABLES

BREAKDOWN OF BALANCES

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Other receivables				
Security deposits ⁽¹⁾	-	197	38,420	40,529
Loans to third parties ⁽²⁾	32,588	25,368	69,203	55,785
Escrow deposits ⁽³⁾	57,855	79,949	79,279	100,936
Prepaid expenses	64,217	28,565	108,384	57,253
Advances to suppliers ⁽⁴⁾	42,929	3,980	101,075	50,965
Others	9,627	2,945	33,216	18,951
Total	207,216	141,004	429,577	324,419
Current	76,185	19,740	202,114	109,629
Noncurrent	131,031	121,264	227,463	214,790

(1) In Consolidated, refers substantially to security deposits for lease contracts in Mexico.

(2) Includes the loan with N2B Nutrição Empresarial Ltda. ("N2B", a startup that operates in the nutrition industry) in the amount of R\$26,740 (R\$22,476 in Dec/23), indexed to the positive IPCA variation, with maturity in February 2025, which will entitle Smartfit to hold a 67.27% interest in N2B in the event of conversion of this loan into common shares.

(3) These are related to administrative and judicial proceedings, mainly in the tax (IRRF withholdings) and social security areas (INSS contributions).

(4) This includes advances made to ensure the negotiated price of imported equipment.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

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

11. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES
BREAKDOWN OF BALANCES

	09/30/2024	Nine-month period ended September 30, 2024		12/31/2023	Nine-month period ended September 30, 2023	
		Investment balance	Share of profit (loss) of investees		Other comprehensive income	Investment balance
PARENT						
Subsidiaries						
Academia Cohama Ltda.	10,955	1,212	-	9,743	-	-
Academia de Ginástica Tietê Plaza Ltda.	16,769	1,944	-	-	-	-
Academia Smart Holandeses Ltda.	9,541	1,493	-	8,048	-	-
ACL Academia de Ginástica Ltda.	7,831	709	-	-	-	-
ADV Esporte e Saúde Ltda.	37,986	4,182	-	33,804	24,845	-
Biopauli Compra, Venda e Administração de Bens Ltda.	12,909	1,125	-	12,872	819	-
Biosanta Academia Ltda.	-	87	-	381	48	-
Centrale Compra, Venda e Locação de Imóveis Ltda.	2,078	(12,932)	-	11,102	1,402	-
Escola de Natação e Ginástica Biomorum Ltda.	15,944	1,366	-	14,578	(3,226)	-
Escola de Natação e Ginástica Bioswim Ltda.	205,930	74,547	-	248,083	54,608	-
Just Fit Empreendimentos e Participações SA	141,240	17,207	-	124,033	24,017	-
Lake Academia de Ginástica Ltda.	10,831	1,153	-	9,909	-	-
M2 - Academia de Ginástica Ltda.	1,759	273	-	1,855	181	-
MB Negócios Digitais S.A.	112,420	4,804	136	110,630	4,158	(30)
Nation CT Academia de Musculação S.A.	24,583	(2,881)	-	4,214	1,183	-
Racebootcamp Academia de Ginástica Ltda.	41,363	175	-	19,118	1,867	-
Smartfin Cobranças Ltda.	(2,473)	2,329	-	(4,802)	10,299	-
SmartMNG Academia de Ginástica Ltda.	53,747	10,038	-	53,744	10,937	-
SmartRFE Academia de Ginástica Ltda.	34,656	3,877	-	34,877	7,086	-
Totalpass Participações Ltda.	(5,840)	(8,130)	-	2,290	(4,236)	-
Corporacion Sport City SA	109,559	10,792	(2,931)	103,344	19,227	7,327
Latamgym SAPI de CV	1,384,895	67,519	(39,385)	1,337,920	28,074	97,083
Servicios Deportivos para Latinoamerica SA	2,022	-	(69)	2,091	1	155
Sporty City SAS	640,292	83,679	22,273	534,340	45,903	61,616
Sporty Panamá S.A.	485,954	17,217	62,410	535,374	5,094	(24,350)
Latamfit Chile SPA	302,740	16,979	28,030	257,731	32,067	(21,934)
Smartfit Peru SAC	85,198	15,769	7,753	61,676	12,758	(1,772)
Smartfit SAS	19,435	1,685	(3,507)	21,257	994	(13,798)
Smartfit Paraguay S.A.	45,041	3,656	1,880	39,505	4,900	(1,321)
Smartfit Uruguay S.A.	39,034	956	1,566	26,386	(2,323)	33
SMFT - Escola de Ginastica e Dança S.A.	(508)	(794)	(65)	-	-	-
Smartfit Maroc	10,344	-	(994)	-	-	-
Joint ventures						
FitMaster LLC	48,858	4,301	3,164	40,940	2,369	(439)
Latamfit, S.L.U	138	-	-	-	-	-
Total	3,905,231	324,337	80,261	3,655,043	283,052	102,570
Included in assets	3,914,053			3,659,845		
Included in liabilities¹	(8,822)			(4,802)		
CONSOLIDATED						
Joint ventures						
FitMaster LLC	48,858	4,301	3,164	40,940	2,369	(438)
Latamfit, S.L.U	138	-	-	-	-	-
Total Pass SA de CV	-	(4,472)	502	-	(724)	(2,861)
Total	48,996	(171)	3,666	40,940	1,645	(3,299)

(1) See note 16.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At September 30, 2024

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

CHANGES FOR THE PERIOD

	Parent	Consolidated
Investments in subsidiaries and joint ventures		
At December 31, 2022	2,816,293	447,994
Capital increases	140,300	-
Acquisition of interest - Sporty Panama	-	(406,648)
Acquisition of subsidiary – Lake	9,790	-
Acquisition of subsidiary – Holandeses	7,994	-
Acquisition of subsidiary – Cohama	9,705	-
Price adjustment - acquisition of control – Sporty Panama	(2,683)	-
Consideration present value adjustment – Sporty Panama	(10,880)	-
Dividends and interest on capital	(46,851)	-
Offset against loan agreement	-	2,864
Gain (loss) on remeasurement of previously held interest	176,599	-
Loss from dilution of equity interest	(14,169)	-
Share-based payments in subsidiaries	(4,206)	-
Share of profit (loss) of investees	493,380	(1,089)
Merger of Field Fit	90	-
Other comprehensive income in subsidiaries	6,726	-
Foreign exchange effects	72,955	(2,181)
At December 31, 2023	3,655,043	40,940
Capital increase ⁽¹⁾	86,066	591
Acquisition of subsidiary - Tietê Plaza ⁽²⁾	14,825	-
Acquisition of subsidiary – ACL ⁽²⁾	7,121	-
Price adjustment	(231)	-
Dividends and interest on capital	(134,339)	-
Offset against loan agreement	-	3,970
Transactions with noncontrolling shareholders	(127,852)	-
Share of profit (loss) of investees	324,337	(171)
Other comprehensive income in subsidiaries	7,252	-
Foreign exchange effects	73,009	3,666
At September 30, 2024	3,905,231	48,996

(1) At September 30, 2024, in parent, this refers to the capital increase in subsidiaries Latamgym México (R\$18,000), Smartfit Uruguay (R\$10,126), Racebootcamp (R\$22,071), Nation CT (R\$23,250), SMTF (R\$350), Centrale (R\$340), FitMaster LLC (R\$453), Smartfit Maroc (R\$11,338) and Latamfit, S.L.U (R\$138).

(2) See note 3.

SUMMARIZED AGGREGATED FINANCIAL INFORMATION ON JOINT VENTURES

	09/30/2024	12/31/2023
BALANCE SHEETS		
Current assets	105,435	45,429
Noncurrent assets	131,001	95,064
Total assets	236,436	140,493
Current liabilities	179,685	86,235
Total liabilities	179,685	86,235
Total equity	56,751	54,258
STATEMENTS OF PROFIT AND LOSS		
Operating revenue	227,279	122,193
Costs and expenses	(226,660)	(118,418)
Operating profit (loss)	619	3,775
Finance income (costs)	(4,245)	(1,165)
Profit (loss) for the period	(3,626)	2,610

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At September 30, 2024

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

12. PROPERTY AND EQUIPMENT

BREAKDOWN OF AND VARIATIONS IN THE BALANCES

	Facilities and leasehold improvements	Machinery and equipment	Furniture and fixtures	IT equipment	Property and equipment in progress	Other property and equipment	Total
PARENT							
At December 31, 2022							
Cost	1,040,872	516,161	133,309	45,346	85,967	103,917	1,925,572
Accumulated depreciation	(531,387)	(213,865)	(55,004)	(25,883)	-	(63,346)	(889,485)
Net value	509,485	302,296	78,305	19,463	85,967	40,571	1,036,087
Additions ⁽³⁾	50,791	76,549	14,231	6,642	208,588	11,104	367,905
Write-offs	(4,963)	(14,056)	(1,774)	(310)	(4,414)	(1,288)	(26,805)
Merger/Spin-off	(30)	(322)	(42)	(2)	-	-	(396)
Acquisition of assets	80	880	112	6	-	-	1,078
Depreciation ⁽⁶⁾	(96,227)	(56,306)	(13,978)	(7,976)	-	(15,075)	(189,562)
Transfers and reclassifications ⁽²⁾	70,967	42,306	9,620	2,483	(165,335)	14,896	(25,063)
At December 31, 2023							
Cost	1,149,983	606,202	155,712	53,514	124,806	128,117	2,218,334
Accumulated depreciation	(619,880)	(254,855)	(69,238)	(33,208)	-	(77,909)	(1,055,090)
Net value	530,103	351,347	86,474	20,306	124,806	50,208	1,163,244
Additions ⁽³⁾	68,517	47,276	12,191	5,056	203,679	10,504	347,223
Write-offs	(427)	(7,533)	(63)	(84)	(3,421)	(64)	(11,592)
Depreciation ⁽⁶⁾	(79,081)	(50,553)	(11,918)	(6,543)	-	(13,078)	(161,173)
Transfers and reclassifications ⁽¹⁾	87,565	81,125	11,660	5,369	(199,814)	11,184	(2,911)
At September 30, 2024							
Cost	1,307,715	710,885	181,656	64,987	125,250	146,351	2,536,844
Accumulated depreciation	(701,038)	(289,223)	(83,312)	(40,883)	-	(87,597)	(1,202,053)
Net value	606,677	421,662	98,344	24,104	125,250	58,754	1,334,791
CONSOLIDATED							
At December 31, 2022							
Cost	2,967,947	1,159,258	296,474	156,747	363,384	150,939	5,094,749
Accumulated depreciation	(1,171,766)	(494,453)	(120,862)	(94,878)	-	(80,771)	(1,962,730)
Net value	1,796,181	664,805	175,612	61,869	363,384	70,168	3,132,019
Additions ⁽³⁾	112,908	88,432	22,300	9,675	1,074,677	17,622	1,325,614
Write-offs	(14,958)	(35,408)	(3,194)	(1,214)	(6,609)	(76)	(61,459)
Acquisition of subsidiaries ⁽⁴⁾	92,883	44,406	21,915	2,095	3,292	4,951	169,542
Acquisition of assets ⁽⁴⁾	80	880	112	6	-	-	1,078
Depreciation ⁽⁶⁾	(312,559)	(130,712)	(37,928)	(24,266)	-	(43,943)	(549,408)
FX effects	27,283	(1,667)	2,389	1,008	18,835	(853)	46,995
Transfers and reclassifications ⁽²⁾	566,907	150,381	71,241	19,593	(906,996)	79,047	(19,827)
At December 31, 2023							
Cost	3,781,399	1,389,082	422,380	173,896	546,583	325,666	6,639,006
Accumulated depreciation	(1,512,674)	(607,965)	(169,933)	(105,130)	-	(198,750)	(2,594,452)
Net value	2,268,725	781,117	252,447	68,766	546,583	126,916	4,044,554
Additions ⁽³⁾	110,899	75,056	27,516	12,393	871,445	19,218	1,116,527
Write-offs	(7,487)	(7,528)	(584)	(336)	(10,827)	(407)	(27,169)
Acquisition of subsidiaries ⁽⁴⁾	7,882	780	157	186	61	69	9,135
Depreciation ⁽⁶⁾	(287,013)	(124,015)	(36,915)	(22,621)	-	(38,838)	(509,402)
FX effects	37,932	16,803	(159)	722	16,119	3,009	74,426
Transfers and reclassifications ⁽¹⁾	525,874	262,586	78,426	20,480	(883,947)	38,659	42,078
At September 30, 2024							
Cost	4,462,622	1,825,202	533,390	208,851	539,434	393,773	7,963,272
Accumulated depreciation	(1,805,810)	(820,403)	(212,502)	(129,261)	-	(245,147)	(3,213,123)
Net value	2,656,812	1,004,799	320,888	79,590	539,434	148,626	4,750,149

(1) In Parent, the remaining balance in the Transfers and reclassifications column refers to reclassifications to Intangible assets (see note 13). In Consolidated, the remaining balance in the Transfers and reclassifications column refers to Property and equipment reclassified to Intangible assets in the amount of R\$4,295 (see note 13) and Right-of-use assets reclassified to Property and equipment in the amount of R\$46,373 (see note 14).

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At September 30, 2024

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

- (2) In Parent, the remaining balance in the Transfers and reclassifications column refers to reclassifications to Intangible assets (see note 13). In Consolidated, the remaining balance in the Transfers and reclassifications column refers to Property and equipment reclassified to Intangible assets in the amount of R\$38,208 (see note 13) and Right-of-use assets reclassified to Property and equipment in the amount of R\$18,381 (see note 14).
- (3) At September 30, 2024, this includes finance costs, capitalized at R\$3,500 (R\$2,447 in Dec/23) in parent and R\$8,212 (R\$4,061 in Dec/23) in consolidated.
- (4) See note 3.
- (5) The estimated annual depreciation rates by main class of assets are as follows: Facilities and leasehold improvements: 10%; Machinery and equipment: 10%; Furniture and fixtures: 10%; IT equipment: 20%

ANALYSIS OF IMPAIRMENT INDICATORS

The Group continuously monitors conditions that may indicate any risk of impairment for property, plant, and equipment, and for the nine-month period ended September 30, 2024, there is no indication of impairment risk.

13. INTANGIBLE ASSETS

BREAKDOWN OF AND VARIATIONS IN THE BALANCES

	Goodwill	Assignment of right of use	Software	Customer list	Trademarks and patents	Other intangible assets	Total
PARENT							
At December 31, 2022							
Cost	82,320	42,773	50,398	-	8,478	-	183,969
Accumulated amortization	-	(36,809)	(13,678)	-	-	-	(50,487)
Net value	82,320	5,964	36,720	-	8,478	-	133,482
Additions	-	-	3,943	-	-	-	3,943
Acquisition of assets	-	16	-	-	-	-	16
Write-offs	-	-	(2)	-	-	-	(2)
Merger/Spin-off	-	(14)	-	-	-	-	(14)
Amortization ⁽³⁾	-	(1,680)	(8,599)	-	-	-	(10,279)
Transfers and reclassifications ⁽¹⁾	-	-	25,063	-	-	-	25,063
At December 31, 2023							
Cost	82,320	42,422	79,317	-	8,478	-	212,537
Accumulated amortization	-	(38,136)	(22,192)	-	-	-	(60,328)
Net value	82,320	4,286	57,125	-	8,478	-	152,209
Additions	-	-	1,102	-	-	8,182	9,284
Write-offs	-	-	(5)	-	-	-	(5)
Amortization ⁽³⁾	-	(1,203)	(9,177)	-	-	-	(10,380)
Transfers and reclassifications ⁽¹⁾	-	-	2,911	-	-	-	2,911
At September 30, 2024							
Cost	82,320	42,422	83,387	-	8,478	8,182	224,789
Accumulated amortization	-	(39,339)	(31,431)	-	-	-	(70,770)
Net value	82,320	3,083	51,956	-	8,478	8,182	154,019

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At September 30, 2024

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

	Goodwill	Assignment of right of use	Software	Customer list	Trademarks and patents	Other intangible assets	Total
CONSOLIDATED							
At December 31, 2022							
Cost	1,323,956	69,919	100,840	44,790	29,280	-	1,568,785
Accumulated amortization	-	(52,263)	(44,079)	(43,312)	(16,673)	-	(156,327)
Net value	1,323,956	17,656	56,761	1,478	12,607	-	1,412,458
Additions	-	5,040	9,903	-	294	-	15,237
Acquisitions of subsidiaries	398,907	-	123	40,758	-	12,809	452,597
Acquisition of assets	-	16	-	-	-	-	16
Write-offs	-	(133)	(202)	-	(301)	-	(636)
Merger/Spin-off	-	-	-	-	-	-	-
Amortization ⁽³⁾	-	(4,366)	(16,497)	(21,724)	(3,287)	(2,377)	(48,251)
FX effects	45,017	1,303	432	(2,599)	126	(924)	43,355
Transfers and reclassifications ⁽¹⁾	-	-	37,704	-	504	-	38,208
At December 31, 2023							
Cost	1,767,880	76,916	147,519	82,948	29,869	11,885	2,117,017
Accumulated amortization	-	(57,400)	(59,295)	(65,035)	(19,926)	(2,377)	(204,033)
Net value	1,767,880	19,516	88,224	17,913	9,943	9,508	1,912,984
Additions	-	-	5,588	8,586	5	20,190	34,369
Acquisitions of subsidiaries ⁽²⁾	27,708	-	2	3,499	-	425	31,634
Write-offs	(231)	-	(120)	-	-	-	(351)
Amortization ⁽³⁾	-	(3,516)	(14,167)	(17,326)	(420)	(2,971)	(38,400)
FX effects	58,712	614	959	4,995	20	1,491	66,791
Transfers and reclassifications ⁽¹⁾	1,769	987	5,696	(2,443)	279	-	6,288
At September 30, 2024							
Cost	1,855,838	77,692	159,015	97,585	29,398	33,991	2,253,519
Accumulated amortization	-	(60,091)	(72,833)	(82,361)	(19,571)	(5,348)	(240,204)
Net value	1,855,838	17,601	86,182	15,224	9,827	28,643	2,013,315

(1) In Parent, the remaining balance in the Transfers and reclassifications column refers to reclassifications to Property and equipment (see note 12). In Consolidated, the remaining balance in the Transfers and reclassifications column refers to Property and equipment reclassified to Intangible assets in the amount of R\$4,295 (see note 12) and reclassifications of R\$1,993 to Deferred tax liabilities.

(2) See note 3.

(3) The estimated annual amortization rates by main class of assets are as follows: Assignment of right of use: 10%; Software: 20%; Customer list: 33%.

ANALYSIS OF IMPAIRMENT INDICATORS

The Group continuously monitors conditions that may indicate any risk of impairment for intangible assets, and for the nine-month period ended September 30, 2024, there is no indication of impairment risk.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At September 30, 2024

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

14. LEASES

BREAKDOWN OF AND VARIATIONS IN THE BALANCES OF RIGHT-OF-USE ASSETS

	Parent			Consolidated		
	Machinery and equipment	Buildings ⁽⁴⁾	Total	Machinery and equipment	Buildings ⁽⁴⁾	Total
Right-of-use assets						
At December 31, 2022	-	1,029,761	1,029,761	126,123	2,941,246	3,067,369
Additions and remeasurements ⁽³⁾	-	384,047	384,047	28,085	1,155,725	1,183,810
Acquisitions of subsidiaries	-	-	-	-	102,098	102,098
Acquisition of assets	-	10,678	10,678	-	10,678	10,678
Merger/Spin-off	-	(4,114)	(4,114)	-	-	-
Write-offs	-	(11,562)	(11,562)	(3)	(59,093)	(59,096)
Depreciation	-	(197,775)	(197,775)	(38,552)	(521,184)	(559,736)
Tax credits on depreciation	-	(16,770)	(16,770)	-	(20,285)	(20,285)
Assignment of right of use ⁽¹⁾	-	(1,019)	(1,019)	-	-	-
FX effects	-	-	-	12,018	36,544	48,562
Transfers and reclassifications ⁽²⁾	-	-	-	(18,381)	-	(18,381)
At December 31, 2023	-	1,193,246	1,193,246	109,290	3,645,729	3,755,019
Additions and remeasurements ⁽³⁾	-	397,455	397,455	-	1,119,518	1,119,518
Acquisitions of subsidiaries ⁽⁵⁾	-	-	-	-	2,158	2,158
Write-offs	-	(5,190)	(5,190)	(40)	(14,872)	(14,912)
Depreciation	-	(157,635)	(157,635)	(23,044)	(459,284)	(482,328)
Tax credits on depreciation	-	(13,540)	(13,540)	-	(16,311)	(16,311)
Assignment of right of use ⁽¹⁾	-	(22,992)	(22,992)	-	-	-
FX effects	-	-	-	1,472	68,429	69,901
Transfers and reclassifications ⁽²⁾	-	-	-	(45,386)	(987)	(46,373)
At September 30, 2024	-	1,391,344	1,391,344	42,292	4,344,380	4,386,672

(1) Refer to the assignment of rental contracts related to Company's units transferred to other Group companies in the period ended September 30, 2024.

(2) Refer to reclassifications to Property and equipment of lease agreements terminated (see note 12).

(3) Includes R\$50,570 (R\$20,103 in Dec/23) in parent and R\$56,047 (R\$24,853 in Dec/23) in consolidated for initial direct costs and a deduction of R\$1,836 in consolidated referring to a leaseback operation.

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

(5) See note 3.

BREAKDOWN OF AND VARIATIONS IN THE BALANCES OF LEASE LIABILITIES

	Parent			Consolidated		
	Machinery and equipment	Buildings	Total	Machinery and equipment	Buildings	Total
Lease liabilities						
At December 31, 2022	-	1,089,870	1,089,870	117,771	3,211,676	3,329,447
Additions and remeasurements	-	363,944	363,944	29,921	1,130,872	1,160,793
Acquisitions of subsidiaries	-	-	-	-	116,672	116,672
Acquisition of assets	-	4,712	4,712	-	4,712	4,712
Merger/Spin-off	-	(4,677)	(4,677)	-	-	-
Write-offs	-	(13,101)	(13,101)	-	(67,909)	(67,909)
Interest incurred	-	92,462	92,462	16,185	326,426	342,611
Considerations ⁽¹⁾	-	(281,256)	(281,256)	(77,813)	(760,307)	(838,120)
Tax credits on interest	-	5,984	5,984	-	7,262	7,262
Assignment of right of use ⁽²⁾	-	(1,135)	(1,135)	-	-	-
FX effects	-	-	-	11,111	40,835	51,946
At December 31, 2023	-	1,256,803	1,256,803	97,175	4,010,239	4,107,414
Additions and remeasurements	-	346,885	346,885	-	1,063,471	1,063,471
Acquisitions of subsidiaries ⁽³⁾	-	-	-	-	2,570	2,570
Write-offs	-	(6,412)	(6,412)	-	(18,034)	(18,034)
Interest incurred	-	85,611	85,611	8,311	300,105	308,416
Considerations ⁽¹⁾	-	(234,836)	(234,836)	(71,765)	(691,654)	(763,419)
Tax credits on interest	-	5,661	5,661	-	6,715	6,715
Assignment of right of use ⁽²⁾	-	(9,327)	(9,327)	-	-	-
FX effects	-	-	-	1,876	83,388	85,264
At September 30, 2024	-	1,444,385	1,444,385	35,597	4,756,800	4,792,397
Current	-	207,255	207,255	21,245	588,447	609,692
Noncurrent	-	1,237,130	1,237,130	14,352	4,168,353	4,182,705

(1) Due to one-off discounts obtained with property owners, the Group recognized R\$1,532 in parent and R\$5,503 in consolidated as discounts obtained with leases at September 30, 2024, and R\$3,073 in parent and R\$9,033 in consolidated at December 31, 2023 (see note 23), which do not change the contracts' conditions.

(2) Refer to the assignment of rental contracts related to Company's units transferred to other Group companies in the period ended September 30, 2024.

(3) See note 3.

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ANALYSIS OF IMPAIRMENT INDICATORS FOR RIGHT-OF-USE ASSETS

The Group continuously monitors conditions that may indicate any risk of impairment for right-of-use assets, and for the nine-month period ended September 30, 2024, there is no indication of impairment risk.

DISCOUNT RATES

Lease liabilities are discounted at average rates between 7.08% and 12.89% in parent and between 2.90% and 19.41% in consolidated.

FLOW OF LEASE MATURITIES

	Consolidated		
	Machinery and equipment	Buildings	Total
2024	7,063	196,304	203,367
2025	17,452	571,530	588,982
2026	5,053	585,049	590,102
2027 onwards	6,029	3,403,917	3,409,946
Total	35,597	4,756,800	4,792,397

The following table shows the potential right of PIS and COFINS recoverable embedded in the rental consideration, according to the periods foreseen for payment and show the following nominal balances and adjusted to present value:

	Consolidated	
	Par value (interest-free)	Adjusted to present value
Lease consideration of properties	7,101,586	4,756,800
PIS/COFINS – 9.25% ⁽¹⁾	202,879	144,776

(1) Levied on property lease contracts signed with legal entities, only in Brazil.

SHORT-TERM LEASES, LEASES OF LOW-VALUE ASSETS AND VARIABLE LEASES

At September 30, 2024, the Company did not incur variable lease expenses in parent and incurred R\$16,219 in consolidated (did not incur variable lease expense in parent and incurred R\$7,025 in consolidated at December 31, 2023).

The Group, in accordance with CPC 06 / IFRS 16 - Leases, in measuring and remeasuring its lease liabilities and right-of-use assets, used the discounted cash flow method without considering the future projected inflation in the flows to be discounted (actual flow and nominal discount rate). Although the accounting methodology used by the Group is in line with the rule set out in CPC 06 / IFRS 16, it generates distortions in the information to be provided, given the current reality of long-term interest rates in the Brazilian economic environment.

Pursuant to Circular Official Letter/CVM/SNC/SEP/No.02/2019, the Company presents below the comparative balances of lease liabilities, right-of-use assets, finance cost, and depreciation expense, taking into account the effect of the future inflation projected for five years based on the Consumer Price Index (IPC) disclosed by central banks of the countries where the Group has its own operations (Brazil, Chile, Colombia, Mexico, Peru, Paraguay, Uruguay, Argentina, Panama and Costa Rica), and discounted at the applicable average rates:

	Consolidated	
	Actual flow	Flow w/ inflation
Right-of-use assets	4,344,380	5,325,063
Lease liabilities	2,339,791	2,409,522
Finance charges	2,417,009	3,342,933
Total lease liabilities	4,756,800	5,752,455
Finance costs	2,417,009	3,342,933
Depreciation expense	4,337,888	5,350,889
Total expenses⁽¹⁾	6,754,897	8,693,822

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

15. TRADE PAYABLES

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Trade payables				
Local currency	148,937	167,280	360,357	365,191
Foreign currency	328	169	15,819	33,981
Total	149,265	167,449	376,176	399,172

In general, the Group operates with an average payment term of 24 days (35 days at December 31, 2023) for its operating suppliers. For property and equipment, payments are made following the negotiation made for each operation.

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16. OTHER LIABILITIES

BREAKDOWN OF BALANCES

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Other liabilities				
Salaries, accruals and social contributions	70,211	49,581	137,328	96,026
Investments in subsidiaries and joint ventures with negative equity ⁽¹⁾	8,822	4,802	-	-
Acquisition of control - Sporty Panama ⁽²⁾	-	163,745	-	163,745
Contingent consideration - MB Negócios Digitais	4,328	4,010	4,328	4,010
Contingent consideration – Latamfit Chile	5,031	4,560	5,031	4,560
Contingent consideration – Just Fit	2,767	2,767	2,767	2,767
Consideration for acquisition – Lake	700	4,895	700	4,895
Consideration for acquisition – Holandeses	800	3,997	800	3,997
Consideration for acquisition – Cohama	800	4,853	800	4,853
Consideration for acquisition – ACL ⁽²⁾	800	-	800	-
Consideration for acquisition – Tietê Plaza ⁽²⁾	800	-	800	-
Consideration for acquisition – Latam Gym ⁽²⁾	-	-	51,249	-
Consideration for acquisition – Bienstar ⁽²⁾	-	-	1,960	-
Others	4,536	4,013	23,057	23,096
Total	99,595	247,223	229,620	307,949
Current	80,047	235,299	151,442	283,619
Noncurrent	19,548	11,924	78,178	24,330

(1) See note 11.

(2) See note 3.

17. BORROWINGS

BREAKDOWN OF BALANCES

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Borrowings				
Debentures	2,884,385	2,205,130	2,884,385	2,205,130
Commercial note	129,722	-	129,722	-
Working capital	6,432	43,774	2,162,162	1,614,769
Total	3,020,539	2,248,904	5,176,269	3,819,899
Current	134,822	32,482	628,328	594,402
Noncurrent	2,885,717	2,216,422	4,547,941	3,225,497
Local currency	3,020,539	2,248,904	3,043,940	2,272,659
Functional currency countries⁽¹⁾	-	-	2,132,329	1,547,240

(1) Loans disbursed in the countries in their respective local currencies.

SUMMARY OF CHANGES IN BORROWINGS

	Parent	Consolidated
Borrowings		
At December 31, 2022	2,000,030	3,419,894
Fundraising	597,500	1,099,507
Acquisitions of subsidiaries	-	42,196
Accrued interest and cost amortization	299,274	485,219
Principal paid	(369,544)	(802,587)
Interest payment	(278,356)	(452,962)
Exchange differences	-	28,632
At December 31, 2023	2,248,904	3,819,899
Fundraising	1,886,704	3,073,259
Acquisitions of subsidiaries	-	15,902
Accrued interest and cost amortization	276,454	449,972
Principal paid	(1,246,757)	(1,940,697)
Interest payment	(144,766)	(311,497)
Exchange differences	-	69,431
At September 30, 2024	3,020,539	5,176,269

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DESCRIPTION OF THE MAIN FINANCIAL AGREEMENTS

	Currency of the agreement	Par value in the currency of the agreement (in millions)	Charges (p.a.)	Maturity	09/30/2024	12/31/2023
PARENT						
DEBENTURES						
Fifth issue	BRL	250.0	CDI +1.90%	09/30/2028	-	140,323
Sixth issue	BRL	1,060.0	CDI+2.40%	12/20/2028	-	1,040,037
Seventh issue - 1 st series	BRL	362.3	CDI+1.50%	10/10/2029	382,217	371,984
Seventh issue - 2 nd series	BRL	37.3	IPCA + 7.37%	10/10/2029	42,491	40,313
Eight issue	BRL	600.0	CDI+1.95%	10/20/2030	622,224	612,473
Ninth issue - 1 st series	BRL	720.0	CDI+1.32%	04/05/2029	752,898	-
Ninth issue - 2 nd series	BRL	600.0	CDI+1.52%	04/05/2031	627,943	-
Tenth issue - 1 st series	BRL	450.0	CDI+1.10%	07/18/2029	456,612	-
COMMERCIAL NOTES						
2 nd issue of Commercial notes	BRL	125.0	CDI+1.37%	04/05/2029	129,722	-
WORKING CAPITAL						
Smartfit Brasil	BRL	100.0	CDI+2.49%	08/15/2027	-	10,477
SUBSIDIARIES						
WORKING CAPITAL						
Latamgym Mexico ⁽¹⁾	MXN	1,300.0	TIIE + 1.90%	03/17/2025	51,790	133,871
Latamgym Mexico ⁽²⁾	MXN	356.7	TIIE + 2.80%	12/31/2024	-	18,843
Latamgym Mexico	MXN	290.0	TIIE + 2.00%	05/31/2027	53,106	72,721
Latamgym Mexico	MXN	300.0	TIIE + 2.00%	09/30/2027	82,465	70,850
Latamgym Mexico	MXN	281.0	TIIE + 2.00%	12/31/2027	33,234	79,614
Latamgym Mexico	MXN	1,750.0	TIIE + 2.00%	07/24/2028	478,843	264,226
SportyCity Colômbia	COP	40,000.0	IBR + 4.95%	02/09/2027	-	39,583
SportyCity Colômbia	COP	36,000.0	IBR + 5.00%	04/01/2027	-	37,664
SportyCity Colômbia	COP	50,361.0	IBR + 3.00%	09/27/2027	65,354	-
Latamfit Chile	CLP	25,218.6	7.22%	10/03/2024	9,464	33,217
Latamfit Chile	CLP	23,000.0	9.48%	12/29/2025	58,152	84,378
Latamfit Chile	CLP	11,091.2	5.67%	12/02/2024	9,655	17,498
Latamfit Chile	CLP	20,000.0	9.55%	08/17/2028	121,022	109,453
Smartfit Peru	PEN	66.0	8.00%	08/09/2024	-	16,994
Smartfit Peru	PEN	62.7	4.78%	07/15/2025	39,373	65,624
Smartfit Peru	PEN	119.1	10.65%	11/30/2025	-	156,500
Smartfit Peru	PEN	60.0	8.11%	09/30/2024	-	79,261
Smartfit Peru	PEN	150.0	8.06%	02/21/2028	220,768	-
Smartfit Peru	PEN	72.0	7.30%	09/18/2028	105,959	-

(1) Non-revolving credit agreement due in two installments, with final maturity on March 17, 2025, with monthly principal repayments beginning after the 25th month from the disbursement. The bonds are secured by a pledge unrelated to property on a bank account that Latamgym SAPI de CV holds in HSBC and is guaranteed by the Company. This agreement restricts any change of control of either the borrower or the payment of dividends and the distributions from the borrower to its parent.

(2) Non-revolving credit agreement with monthly capital repayments starting after the 12th month from the disbursement. This agreement restricts any change of control of either the borrower or the guarantor and restricts the payment of dividends and distributions from the borrower to its parent.

SYNDICATED CREDIT FACILITY

On March 28, 2024, the Board of Directors' meeting approved an increase in the credit facility in the amount of MXN 1,000 million, equivalent to approximately R\$300,000, thus totaling MXN 2,750 million, equivalent to approximately R\$800,000, with the same conditions as the main facility, a total term of 60 months, grace period of 24 months and variable interest rate of TIIE 28 days + spread of 2.00% per year.

In continuation of the disbursements made under the syndicated credit facility obtained in Mexico, during the nine-month period ended September 30, 2024, MXN 800 million, equivalent to approximately R\$218,000 was disbursed. Of the total amount of the credit facility, MXN 1,750 million, approximately R\$478,000, was disbursed.

BORROWING SMARTFIT PERU SAC

On February 14, 2024, the Group entered into a loan agreement in Peru amounting to PEN150 million, equivalent to approximately R\$196 million. The total term for the operation is 48 months, with a fixed annual effective rate of 8.06%.

NINTH ISSUE OF DEBENTURES

On April 5, 2024, the Company issued the 9th Issue of simple Debentures, not convertible into shares, of the unsecured type, in two series, for public distribution, under the automatic registration procedure, aimed at professional investors in the amount of R\$1,320,000, of which R\$720,000 refers to the First Series Debentures, with CDI rate + 1.32%, lower than the ceiling rate of CDI + 1.37%, and maturing in 5 years (April 2029); and R\$600,000 refers to the Second Series Debentures, with a CDI rate +1.52% and maturing in 7 years (April 2031). The funds were paid in on April 26, 2024.

There was also prior authorization for the Company to pay the total optional early redemption price of the simple debentures, not convertible into shares, in a single series, of the unsecured type of the Company's 6th issue, in the amount of R\$1,108,475, occurred on April 29, 2024.

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COMMERCIAL NOTES

On May 6, 2024, the Board of Directors' meeting approved the fundraising through the 2nd public issue of commercial notes, in a single series, in the total amount of R\$125,000.

The nominal unit value of the commercial notes will be subject to interest corresponding to 100% of the average daily rates of DI – One-day Interbank Deposits, “over extra-group”, expressed in percentage for the year, based on 252 business days, increased exponentially by a spread of 1.37% p.a.

Among the maturity clauses, the total optional early redemption clauses and the optional extraordinary amortization clauses stand out.

BORROWINGS LATAMFIT CHILE SPA

During the nine-month period ended September 30, 2024, the Group signed several borrowing agreements in Chile, totaling CLP 32,600 million, equivalent to approximately R\$184,040. The final term of the transactions is 60 months, with rates varying between ICP+ 2.90%% and 8.78%. The main purpose of these transactions is to strengthen the Company's working capital and continue its policy of expansion.

BORROWINGS SPORTY CITY SAS

During the nine-month period ended September 30, 2024, the Group signed several borrowing agreements in Colombia, totaling COP 176,830 million, equivalent to approximately R\$234,376. The final term of the transactions is between 36 and 60 months, with rates varying between IBR+1.65% and IBR+3.00%. The main purpose of these transactions is to strengthen the Company's working capital and continue its policy of expansion.

BORROWINGS SPORTY PANAMÁ SA

During the nine-month period ended September 30, 2024, the Group signed several borrowing agreements in Panama, totaling USD 20.5 million, equivalent to approximately R\$106,123. The final term of the transactions is between 36 and 60 months, with rates varying between 5.85% and SOFR+2.25%. The main purpose of these transactions is to strengthen the Company's working capital and continue its policy of expansion.

TENTH ISSUE OF DEBENTURES

On July 18, 2024, the Company carried out the 10th Issue of simple Debentures, non-convertible into shares, of the unsecured type, for public distribution, under the automatic registration procedure, in the amount of R\$ 450,000, with a CDI rate+1.10% and maturing in 5 years (July 2029). The funds were paid up on August 1, 2024.

There was also prior authorization for the Company to pay the total optional early redemption price of the simple debentures, non-convertible into shares, in a single series, of the unsecured type of the Company's 5th issue, in the amount of R\$151,905, occurred on August 8, 2024. The remaining funds will be used for general corporate purposes and to strengthen working capital.

COVENANTS

The Group made an analysis of the operating guarantees and at September 30, 2024 it was also compliant with the operating and financial covenants (covenants with non-financial clauses), the main ones related to compliance with the allocation of funds raised, disclosure of information, as well as any non-compliance with pecuniary obligations of the debts issued, among others.

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18. PROVISION FOR JUDICIAL LIABILITIES

BREAKDOWN OF AND VARIATIONS IN THE BALANCES

The Group was party to certain labor, civil and tax lawsuits for which the likelihood of loss was considered probable by its legal counsel and, thus, a provision was recognized as follows:

	Civil	Labor	Tax	Total
PARENT				
At December 31, 2022	1,680	1,433	1,512	4,625
Additions and increases	5,042	1,624	205	6,871
Write-offs and reversals	(1,667)	(67)	(60)	(1,794)
At December 31, 2023	5,055	2,990	1,657	9,702
Additions and increases	2,883	3,205	69	6,157
Write-offs and reversals	(4,503)	-	(1,383)	(5,886)
At September 30, 2024	3,435	6,195	343	9,973
CONSOLIDATED				
At December 31, 2022	7,418	1,608	15,862	24,888
Additions and increases	5,711	2,318	1,213	9,242
Write-offs and reversals	(2,183)	(684)	(60)	(2,927)
At December 31, 2023	10,946	3,242	17,015	31,203
Additions and increases	5,002	5,122	808	10,932
Write-offs and reversals	(5,012)	(437)	(1,383)	(6,832)
Exchange differences	26	5	-	31
At September 30, 2024	10,962	7,932	16,440	35,334

LAWSUITS CLASSIFIED AS POSSIBLE LOSS

The Group's Management did not consider necessary to recognize a provision for losses on ongoing civil, labor and tax lawsuits, since the likelihood of loss is considered possible by its legal counsel, as presented in the following table:

	09/30/2024	12/31/2023
Consolidated		
Civil	4,975	9,933
Labor	679	1,813
Tax	8,478	8,986
Total	14,132	20,732

ESCROW DEPOSITS

At September 30, 2024, the Group has escrow deposits of R\$57,855 (R\$79,949 in Dec/23) in parent and R\$79,279 (R\$100,936 in Dec/23) in consolidated related to administrative and judicial proceedings, mainly in the tax (IRRF withholdings) and social security (INSS contributions) areas, which are included under "Other receivables".

	09/30/2024			12/31/2023		
	Provisions	Escrow deposits	Subtotal	Provisions	Escrow deposits	Subtotal
PARENT						
Civil	(3,436)	563	(2,873)	(5,055)	843	(4,212)
Labor	(6,195)	2,330	(3,865)	(2,990)	508	(2,482)
Tax	(342)	54,601	54,259	(1,657)	78,243	76,586
Court-frozen deposits	-	361	361	-	355	355
Total in parent	(9,973)	57,855	47,882	(9,702)	79,949	70,247
CONSOLIDATED						
Civil	(10,963)	1,451	(9,512)	(10,946)	1,369	(9,577)
Labor	(7,932)	2,704	(5,228)	(3,242)	726	(2,516)
Tax	(16,439)	74,761	58,322	(17,015)	98,484	81,469
Court-frozen deposits	-	363	363	-	357	357
Total in consolidated	(35,334)	79,279	43,945	(31,203)	100,936	69,733

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19. CURRENT AND DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION
BREAKDOWN OF PROFIT OR LOSS

	Nine-month period ended			
	Parent		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Income tax and social contribution				
Current	(2,897)	(12,324)	(138,124)	(104,191)
Deferred	42,339	-	58,299	25,323
Total	39,442	(12,324)	(79,825)	(78,868)

RECONCILIATION OF EFFECTIVE INCOME TAX AND SOCIAL CONTRIBUTION EXPENSE

	Nine-month period ended			
	Parent		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Income tax and social contribution				
Profit before income tax and social contribution	232,597	415,456	355,335	486,443
Statutory rate in Brazil	34%	34%	34%	34%
Expected tax assets	(79,083)	(141,255)	(120,814)	(165,391)
Share of profit (loss) of investees	110,275	96,238	(58)	559
Interest on capital	17,000	1,792	17,000	-
Unrecognized deferred tax – temporary differences	-	-	(1,041)	(1,447)
Adjustment of companies taxed on the presumed profit	-	-	10,693	6,595
Difference in rates of foreign subsidiaries	-	-	9,524	19,673
Revaluation of equity interest ⁽¹⁾	-	60,044	-	60,044
Others	(8,750)	(29,143)	4,871	1,099
Total	39,442	(12,324)	(79,825)	(78,868)
Current	(2,897)	(12,324)	(138,124)	(104,191)
Deferred	42,339	-	58,299	25,323
Effective rate	(17%)	3%	22%	16%

(1) See note 3.

VARIATIONS AND BREAKDOWN OF DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

	12/31/2022	Profit (loss)	Acquisition of subsidiaries	Reclassifications	Other comprehensive income	Foreign exchange effect on translation	12/31/2023
PARENT							
Deferred assets							
Leases	27,584	(3,766)	-	-	-	-	23,818
Tax losses	266,070	86,919	-	-	-	-	352,989
Provisions	64,768	(5,490)	-	-	-	-	59,278
Others	-	(5,970)	-	-	-	-	(5,970)
Subtotal	358,422	71,693	-	-	-	-	430,115
Unrecognized deferred tax	(358,422)	358,422	-	-	-	-	-
Total	-	430,115	-	-	-	-	430,115
CONSOLIDATED							
Deferred assets							
Property and equipment	74,418	8,594	1,929	(7,659)	-	9,035	86,317
Leases	84,702	34,519	4,141	(654)	-	1,427	124,135
Tax losses	418,804	65,733	2,791	(4,161)	-	(2,863)	480,304
Provisions	83,267	(12,261)	-	1,748	-	34	72,788
Deferred revenue	9,896	(560)	-	3,290	-	640	13,266
Others	(3,226)	21,748	(10,897)	7,436	(3,114)	1,782	13,729
Subtotal	667,861	117,773	(2,036)	-	(3,114)	10,055	790,539
Unrecognized deferred tax	(482,648)	482,648	-	-	-	-	-
Total	185,213	600,421	(2,036)	-	(3,114)	10,055	790,539
Deferred assets	197,560	584,289	(2,036)	10,897	(3,114)	10,662	798,258
Deferred liabilities	(12,347)	16,132	-	(10,897)	-	(607)	(7,719)

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	12/31/2023	Profit (loss)	Acquisition of subsidiaries	Reclassifications	Other comprehensive income	Foreign exchange effect on translation	09/30/2024
PARENT							
Deferred assets							
Leases	23,818	8,773	-	-	-	-	32,591
Tax losses	352,989	49,964	-	-	-	-	402,953
Provisions	59,278	(5,881)	-	-	-	-	53,397
Others	(5,970)	(10,517)	-	-	-	-	(16,487)
Total	430,115	42,339	-	-	-	-	472,454
CONSOLIDATED							
Deferred assets							
Property and equipment	86,317	(36,713)	-	-	-	(4,878)	44,726
Leases	124,135	23,069	-	-	-	(1,750)	145,454
Tax losses	480,304	96,953	-	-	-	1,618	578,875
Provisions	72,788	(4,097)	-	-	-	262	68,953
Deferred revenue	13,266	(15,831)	-	-	-	315	(2,250)
Others	13,729	(5,082)	(3,730)	-	(3,058)	2,384	4,243
Total	790,539	58,299	(3,730)	-	(3,058)	(2,049)	840,001
Deferred assets	798,258	46,781	-	44,119	(3,058)	(45,377)	840,723
Deferred liabilities	(7,719)	11,518	(3,730)	(44,119)	-	43,328	(722)

20. EQUITY
SHARE CAPITAL

At September 30, 2024, the Company's subscribed and paid-up capital totals R\$2,970,443 (R\$2,970,443 at December 31, 2023), comprising 586,242,289 (586,242,289 at December 31, 2023) registered, book-entry common shares, with no par value, held as follows:

	09/30/2024		12/31/2023	
	Common shares	%	Common shares	%
Shareholder				
Corona family	87,015,094	14.84%	87,015,094	14.84%
Pátria	176,621,477	30.13%	191,821,477	32.72%
Shares held by owners of the Company	263,636,571	44.97%	278,836,571	47.56%
Canada Pension Plan Investment Board – CPPIB ⁽¹⁾	70,851,035	12.09%	70,851,035	12.09%
Novastar Investment Pte. Ltd – GIC ⁽¹⁾	47,921,777	8.17%	52,673,584	8.98%
Other shareholders ⁽²⁾	203,832,906	34.77%	183,881,099	31.37%
Shares publicly traded in the market	322,605,718	55.03%	307,405,718	52.44%
Total	586,242,289	100.00%	586,242,289	100.00%

(1) Shareholders abroad.

(2) Shareholders with less than 5% interest.

21. OPERATING REVENUE AND DEFERRED REVENUE
BREAKDOWN OF OPERATING REVENUE

	Nine-month period ended			
	Parent		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Operating revenue by type of service				
Gym plans	1,392,633	1,113,282	3,868,942	2,952,153
Annual fees	25,990	62,779	262,232	230,240
Membership fees	3,282	2,860	13,564	26,049
Others	33,595	32,740	159,689	121,086
Gross operating revenue	1,455,500	1,211,661	4,304,427	3,329,528
Taxes on revenue	(188,141)	(157,524)	(264,722)	(215,960)
Net sales revenue	1,267,359	1,054,137	4,039,705	3,113,568

Operating revenues by geographic region are disclosed in note 25.

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

REAKDOWN OF DEFERRED REVENUE

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Deferred revenue				
Gym plans	6,505	6,370	55,630	56,589
Annual fees	13,307	17,978	151,412	141,823
Membership fees	1,217	2,718	3,775	5,834
Others	6,171	662	7,101	1,969
Total	27,200	27,728	217,918	206,215
Current	22,526	27,596	213,244	206,083
Noncurrent	4,674	132	4,674	132

22. COST AND EXPENSES BY NATURE

The Group presented the statement of profit and loss using a classification of expenses based on their function. The information on the nature of these expenses recognized in the statement of profit and loss is as follows:

	Nine-month period ended					
	09/30/2024			09/30/2023		
	Costs	Expenses	Total	Costs	Expenses	Total
PARENT						
Personnel and related taxes	201,031	104,306	305,337	165,238	85,543	250,781
Depreciation and amortization, net of PIS and COFINS	305,753	10,127	315,880	273,748	8,142	281,890
Utilities expenses	125,891	332	126,223	111,297	4,911	116,208
Operational support services	72,033	58,027	130,060	61,170	44,331	105,501
Opening of new units	10,577	6,564	17,141	4,560	3,601	8,161
Variable lease of real estate, common area maintenance fees and occupancy expenses	37,705	2,098	39,803	37,628	1,636	39,264
Maintenance	44,247	1,119	45,366	23,426	612	24,038
Media and commercials	-	109,500	109,500	-	90,990	90,990
Credit card management fee	-	15,153	15,153	-	13,567	13,567
Allocation to stock option plans	-	16,380	16,380	-	19,886	19,886
Gain (loss) on remeasurement of previously held interest	-	-	-	-	(176,599)	(176,599)
Others	14,328	18,397	32,725	11,382	72,457	83,839
Total	811,565	342,003	1,153,568	688,449	169,077	857,526
CONSOLIDATED						
Personnel and related taxes	526,908	235,584	762,492	404,759	185,137	589,896
Depreciation and amortization, net of PIS and COFINS	993,444	21,558	1,015,002	818,453	18,435	836,888
Utilities expenses	347,728	1,700	349,428	279,328	10,921	290,249
Operational support services	188,609	107,049	295,658	131,265	77,917	209,182
Opening of new units	31,760	23,604	55,364	18,450	16,860	35,310
Variable lease of real estate, common area maintenance fees and occupancy expenses	117,128	5,325	122,453	94,848	3,708	98,556
Maintenance	121,810	1,889	123,699	78,115	1,032	79,147
Media and commercials	-	232,250	232,250	-	178,544	178,544
Credit card management fee	-	68,364	68,364	-	53,624	53,624
Allocation to stock option plans	-	16,755	16,755	-	20,978	20,978
Gain (loss) on remeasurement of previously held interest	-	-	-	-	(176,599)	(176,599)
Others	45,930	44,590	90,520	32,668	40,552	73,220
Total	2,373,317	758,668	3,131,985	1,857,886	431,109	2,288,995

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23. FINANCE INCOME (COSTS)

	Nine-month period ended			
	Parent		Consolidated	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
FINANCE INCOME				
Interest income	16,745	17,859	22,835	29,237
Exchange differences	384	24,540	12,909	37,086
Income from financial investments	147,341	207,153	193,312	247,723
Gain on derivative financial instruments ⁽¹⁾	1,569	11,323	6,259	12,550
Discounts obtained on leases	1,532	2,270	5,503	6,736
Other finance income	1,806	1,441	2,757	6,001
Total finance income	169,377	264,586	243,575	339,333
FINANCE COSTS				
Interest on borrowings	(272,954)	(219,660)	(441,760)	(356,104)
Interest on leases	(85,611)	(66,723)	(308,416)	(250,116)
Exchange differences	(2,612)	(16,290)	(18,514)	(30,883)
Loss on derivative financial instruments ⁽¹⁾	(2,436)	(2,315)	(6,509)	(9,117)
Other finance costs	(11,295)	(23,805)	(20,590)	(32,888)
Total finance costs	(374,908)	(328,793)	(795,789)	(679,108)
Total finance income (costs), net	(205,531)	(64,207)	(552,214)	(339,775)

(1) See note 9.

24. EARNINGS PER SHARE

CALCULATION OF EARNINGS PER SHARE

The Group calculates earnings per share by dividing the profit for the period by the weighted average number of shares outstanding during the period. The equity instruments that will be or can be settled in Company shares are included in the calculation only when their settlement have diluting impact on the earnings per share.

The table below presents the calculation of profit for the period available to shareholders and the weighted average number of shares outstanding used to calculate basic and diluted earnings per share for each period presented:

	Nine-month period ended			
	Basic		Diluted	
	09/30/2024	09/30/2023	09/30/2024	09/30/2023
Earnings per share				
Earnings attributable to owners of the Company	272,039	403,132	272,039	403,132
Weighted average number of shares during the period (unit)	586,242,289	586,242,289	606,574,607	607,816,049
Earnings per share	0.4640	0.6877	0.4485	0.6632

25. SEGMENT INFORMATION

Management analyzes its operations based on the following business segments:

Operating segments	Description
Smartfit	HVLP services, with a more restricted service offer at a lower cost.
Bio Ritmo	Premium service, which offers a greater variety and a more customized service offer.
Others	Includes other businesses related to fitness services, such as the operations of franchised units, TotalPass, Studios and the digital services of Queima Diária, among others.

Management also analyzes its businesses based on a geographic segmentation, considering the following main markets:

Markets	Description
Brazil	Company owned units in Brazil.
Mexico	Company owned units in Mexico.
Other LATAM	Considers company owned units in Peru, Colombia, Chile, Argentina, Paraguay, Uruguay, Panama and Costa Rica.

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	Nine-month period ended September 30, 2024									
	Brazil				Mexico	Other Latin America			Share of profit (loss) of investees	Consolidated
	Smartfit	Bio Ritmo	Others	Total	Smartfit	Smartfit	Others	Total		
SEGMENTS										
Operating revenue	1,450,519	114,636	208,832	1,773,987	1,017,734	1,241,988	5,996	1,247,984	-	4,039,705
Costs	(904,189)	(69,568)	(75,166)	(1,048,923)	(624,020)	(696,005)	(4,369)	(700,374)	-	(2,373,317)
Gross profit	546,330	45,068	133,666	725,064	393,714	545,983	1,627	547,610	-	1,666,388
Selling expenses				(175,305)	(83,339)			(66,129)	-	(324,773)
General and administrative expenses				(285,812)	(41,957)			(86,928)	-	(414,697)
Other operating income (expenses), net				(23,258)	2,258			1,802	-	(19,198)
Share of profit (loss) of investees				-	-			-	(171)	(171)
Operating profit (loss) before finance income (costs)				240,689	270,676			396,355	(171)	907,549
OTHER INFORMATION										
Costs	(353,194)	(21,210)	(33,058)	(407,462)	(311,780)	(287,524)	(1,806)	(289,330)	-	(1,008,572)
Expenses	(509)	-	(13,810)	(14,319)	(2,862)	(4,377)	-	(4,377)	-	(21,558)
Depreciation and amortization	(353,703)	(21,210)	(46,868)	(421,781)	(314,642)	(291,901)	(1,806)	(293,707)	-	(1,030,130)
Costs	(239,491)	(14,289)	(6,543)	(260,323)	(216,077)	(177,071)	(1,369)	(178,440)	-	(654,840)
Expenses	(606)	-	(3,367)	(3,973)	(1,726)	(2,135)	-	(2,135)	-	(7,834)
Fixed lease	(240,097)	(14,289)	(9,910)	(264,296)	(217,803)	(179,206)	(1,369)	(180,575)	-	(662,674)
Costs	(10,577)	(691)	(4,436)	(15,704)	(3,690)	(12,366)	-	(12,366)	-	(31,760)
Expenses	(6,564)	-	(411)	(6,975)	(10,641)	(5,988)	-	(5,988)	-	(23,604)
Opening of new units	(17,141)	(691)	(4,847)	(22,679)	(14,331)	(18,354)	-	(18,354)	-	(55,364)

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	Nine-month period ended September 30, 2023									
	Brazil				Mexico	Other Latin America			Share of profit (loss) of investees	Consolidated
	Smartfit	Bio Ritmo	Others	Total	Smartfit	Smartfit	Others	Total		
SEGMENTS										
Operating revenue	1,202,256	96,615	172,929	1,471,800	735,022	901,107	5,639	906,746	-	3,113,568
Costs	(765,182)	(66,085)	(58,425)	(889,692)	(477,454)	(486,947)	(3,793)	(490,740)	-	(1,857,886)
Gross profit	437,074	30,530	114,504	582,108	257,568	414,160	1,846	416,006	-	1,255,682
Selling expenses				(137,752)	(67,430)			(42,010)	-	(247,192)
General and administrative expenses				(239,379)	(31,584)			(63,298)	-	(334,261)
Other operating income (expenses), net				155,951	(5,570)			(37)	-	150,344
Share of profit (loss) of investees				-	-			-	1,645	1,645
Operating profit before finance income (costs)				360,928	152,984			310,661	1,645	826,218
OTHER INFORMATION										
Costs	(320,023)	(21,053)	(29,392)	(370,468)	(243,076)	(218,105)	(1,743)	(219,848)	-	(833,392)
Expenses	(509)	-	(10,985)	(11,494)	(2,633)	(4,308)	-	(4,308)	-	(18,435)
Depreciation and amortization	(320,532)	(21,053)	(40,377)	(381,962)	(245,709)	(222,413)	(1,743)	(224,156)	-	(851,827)
Costs	(213,261)	(15,230)	(3,604)	(232,095)	(166,962)	(124,214)	(1,439)	(125,653)	-	(524,710)
Expenses	(598)	-	(2,182)	(2,780)	(1,541)	(2,207)	-	(2,207)	-	(6,528)
Fixed lease	(213,859)	(15,230)	(5,786)	(234,875)	(168,503)	(126,421)	(1,439)	(127,860)	-	(531,238)
Costs	(4,560)	(822)	(616)	(5,998)	(6,734)	(5,718)	-	(5,718)	-	(18,450)
Expenses	(3,601)	(219)	-	(3,820)	(11,122)	(1,918)	-	(1,918)	-	(16,860)
Opening of new units	(8,161)	(1,041)	(616)	(9,818)	(17,856)	(7,636)	-	(7,636)	-	(35,310)

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26. FINANCIAL RISK MANAGEMENT

The sensitivity analyses to market risk below are based on variations in one of the factors while all of the others remain constant. In practice, this is unlikely to occur and changes in several factors may be correlated; for example, changes in interest rates and foreign exchange rates. The analysis provides only a limited overview, at a given point in time. The actual impact on the Group's financial instruments may vary significantly in relation to the impact presented in the sensitivity analysis.

Risk management is carried out by the Group's Management in accordance with the policies approved by the Board of Executive Officers.

The main financial risks that could have a significant adverse impact on the Group's strategy, performance, results of operations and financial situation are described below. The risks listed below are not presented in a particular order of relative importance or probability of occurrence.

MARKET RISK MANAGEMENT

The market risk to which the Group is exposed consists of the possibility of fluctuations in foreign exchange and interest rates impacting the valuation of financial assets or liabilities, as well as of certain expected cash flows being negatively impacted by changes in interest rates, foreign exchange rates or other price variables.

We present below a description of the risks mentioned above, as well as a breakdown of the extent to which the Group is exposed and an analysis of the sensitivity to changes in each of the relevant market variables.

FOREIGN EXCHANGE RISK MANAGEMENT

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will vary as a result of changes in exchange rates. The Group's exposure to foreign exchange risk mainly arises from its operating activities (when revenues or expenses are denominated in a currency other than the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Company and its Brazilian subsidiaries are not exposed to significant foreign exchange risks for transactions carried out in currencies other than the Brazilian real, as the amounts of transactions in other currencies are not material.

The Company is exposed to foreign exchange risk on its investments in foreign subsidiaries and joint ventures, mainly in its operations in Mexico, Colombia, Chile, Peru, Panama, Costa Rica, Argentina, Paraguay and Uruguay due to the transactions carried out in currencies other than the local currency of these countries. Management believes that these are long-term investments and monitors the operational return on these investments and any short-term foreign currency fluctuations will not have immediate financial impacts for the Group. In addition, Management believes that the interest rate risk is limited, since all revenues (and nearly all expenses) are incurred in the local currency in the country in which the Group operates. Therefore, there is no significant exposure to fluctuations in foreign currency.

INTEREST RATE RISK MANAGEMENT

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in the market interest rates. The Group's exposure to interest rate risk mainly arises from its long-term obligations subject to variable interest rates.

The Company raises borrowings in local currency with the financial institutions, at fixed and variable interest rates, among which there is the CDI, to cover the cash requirements for financial investments and customer financing. Concurrently, the Company makes financial investments linked to CDI, aiming at partially offsetting the impacts on profit or loss. Additionally, foreign subsidiaries also have borrowings in their local currencies, mainly at variable rates for Mexico and Colombia and fixed rates for Chile and Peru. The Group's main borrowings are described in note 17.

The sensitivity analyses below have been established based on interest rate exposures at September 30, 2024. A 10% increase or decrease represents management's assessment of a reasonably possible change in interest rates. A positive number below would indicate an increase in results (finance income) and a negative number would indicate a decrease in results (finance costs). If interest rates were 10% higher/lower, with no changes in other variables, the effects would be as follows:

	Impact on profit or loss	
	10% increase	10% decrease
PARENT		
Interest rate sensitivity		
Variable interest	(9,910)	9,910
CONSOLIDATED		
Interest rate sensitivity		
Variable interest	(18,947)	18,947

In Mexico, the Group contracted an interest rate swap with a bank to hedge the total exposure of a borrowing, swapping the variable interest rate (TIIE) for a fixed rate. The instruments have terms similar to those of the hedged item. The mark-to-market, in the amount of R\$617, is recognized as income in finance income (costs), and the Group has not applied hedge accounting for this instrument.

In Brazil, the Group contracted an interest rate swap to hedge the total exposure of the 2nd series of the 7th issue of debentures, swapping the IPCA index for the CDI. The instrument has a structure similar to that of the hedged item. The mark-to-market, in the amount of R\$1,999, is recognized as income in finance income (costs), and the Group has not applied hedge accounting for this instrument.

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PRICE RISK MANAGEMENT

Investments in shares of listed companies are subject to market price risk arising from uncertainties regarding the future values of such equity investments. The Group manages the share price risk through a monitoring of the changes in prices in order to identify significant movements.

The Group holds investments in shares of Sports World, a company listed on the Mexican Stock Exchange. The table below details the effect that a 10% variation in the prices of this company's shares would have on the Group's other comprehensive income:

	Impact on profit or loss	
	10% increase	10% decrease
CONSOLIDATED		
Price sensitivity		
Shares of listed company	6,920	(6,920)

LIQUIDITY RISK MANAGEMENT

Liquidity risk refers to the inability to have the necessary resources to meet obligations in the short, medium and long term.

The Group manages the liquidity risk by continuously monitoring budgeted and actual cash flows, combining the maturity profiles of financial and operating assets and liabilities, and maintaining adequate cash reserves. Because of the dynamics of its business, the Group maintains borrowing flexibility by maintaining bank credit facilities with some financial institutions.

The table below shows the maturity of the financial liabilities contracted by the Group:

	Maturity			Total
	Between 0 and 1 year	Between 1 and 2 years	Over 2 years	
PARENT				
At September 30, 2024				
Trade payables	149,265	-	-	149,265
Related parties	16,099	291	-	16,390
Taxes and contributions payable	79,278	-	-	79,278
Other liabilities	80,047	19,548	-	99,595
Borrowings ⁽¹⁾	468,610	342,351	4,006,633	4,817,594
Lease liabilities ⁽¹⁾	329,711	314,956	1,426,126	2,070,793
Derivative financial instruments	31,142	-	3,146	34,288
Total	1,154,152	677,146	5,435,905	7,267,203
CONSOLIDATED				
At September 30, 2024				
Trade payables	376,176	-	-	376,176
Related parties	1,428	-	-	1,428
Taxes and contributions payable	243,226	-	-	243,226
Other liabilities	151,442	78,178	-	229,620
Borrowings ⁽¹⁾	1,006,131	952,301	5,390,710	7,349,142
Lease liabilities ⁽¹⁾	931,022	943,149	5,219,368	7,093,539
Derivative financial instruments	31,142	-	3,146	34,288
Total	2,740,567	1,973,628	10,613,224	15,327,419

(1) Includes interest to be accrued.

At September 30, 2024, there are guarantees granted by the Group by means of letters of guarantee from independent financial institutions related to the payment of lease agreements and several accounts payable in the amount of R\$59,686 (R\$49,004 at December 31, 2023). Additionally, in parent, there are guarantees granted by the Company through SBLC for borrowing agreements of certain subsidiaries, in the amount of R\$503,904 (R\$317,888 at December 31, 2023).

Fund raising may contain operational and financial covenants. Generally, financial covenants are related to the liquidity level in respect of the ratio of cash and cash equivalents and short-term debt, and to the gearing ratio in respect of the ratio of net debt and EBITDA accumulated for the last 12 months (see note 17).

The estimated budget for the following years was approved by Management and demonstrates capacity to fulfill obligations.

CREDIT RISK MANAGEMENT

Credit risk is the risk that the counterparty to a business transaction will fail to fulfill an obligation under a financial instrument or customer contract, which would lead to the recognition of losses. The operations of the Group comprise the provision of services related to physical fitness activities. Services are legally supported by agreements and other legal instruments that may be necessary. The Group is exposed to credit risk for cash and cash equivalents, financial investments and derivative financial instruments held with financial institutions and for the position of receivables generated in trading transactions. The carrying amounts of these financial instruments, as disclosed in notes 4, 5, 6, 9 and 10, represent the Group's maximum credit exposure.

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For the balances of cash and cash equivalents, financial investments and derivative financial Instruments, in order to minimize the credit risk, the Group presents investment strategies in meetings of the Board of Directors, which are restricted to banking relationships in validated financial institutions. In these meetings, monetary limits and risk concentration are also established, which are regularly updated. The Group's exclusive investment funds contain a portfolio based mainly on federal government securities, financial bills and repurchase agreements.

For the balances of trade receivables, the credit risk is mitigated by the fact that a large part of the sales are made using as means of payment the credit card, and are substantially securitized with the credit card companies. The Group assesses the concentration of risk related to trade receivables as low, since its customers are located in several jurisdictions/countries.

On the other hand, the Group's business model with recurring collection reduces the risk of losses and, in case of non-payment by the members, the access to the units is blocked, and is reinstated only in the settlement of the amounts pending payment. With this operating model, the Group does not record trade receivables (and its revenue) for the members while they do not regularize the plan and return to use the gym. For this reason, the amounts provisioned for expected credit losses are not material.

We present below trade receivables arising from contracts with customers, by maturity:

	Parent		Consolidated	
	09/30/2024	12/31/2023	09/30/2024	12/31/2023
Customer list by late payment range				
Current	199,619	135,138	498,130	327,333
Past due:				
Up to 30 days	1,255	12,112	7,158	16,480
From 31 to 60 days	1,037	488	764	2,312
From 61 to 90 days	219	155	1,898	411
From 91 to 180 days	1,587	815	371	1,949
From 181 to 360 days	1,164	174	3,719	2,727
More than 361 days	791	88	513	836
Total	205,672	148,970	512,553	352,048

Other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, the Group expects these amounts to be received on maturity.

The Group has no guarantee for trade receivables and other receivables.

CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders and to maintain an adequate capital structure to reduce the cost of capital.

The Group's capital structure consists of cash and cash equivalents (note 4), investments in financial assets (note 5), trade receivables (note 6), other receivables (note 10), trade payables (note 15), other liabilities (note 16), borrowings (note 17) and equity (note 20).

Management reviews the Company's capital structure and its ability to settle liabilities on a periodic basis and timely monitors the average term of receivables and payables, taking the necessary actions to maintain them at levels considered adequate for financial management purposes.

Net debt is as follows:

	09/30/2024	12/31/2023
Consolidated		
Cash and cash equivalents	1,520,856	1,103,433
Investments in financial assets	1,549,132	1,579,092
Borrowings	(5,176,269)	(3,819,899)
Lease liabilities	(4,792,397)	(4,107,414)
Net debt	(6,898,678)	(5,244,788)
Equity	5,259,473	5,068,262
Net debt	(1.31)	(1.03)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At September 30, 2024

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

FINANCIAL INSTRUMENTS BY CATEGORY
FAIR VALUE HIERARCHY OF THE FINANCIAL INSTRUMENTS

The determination of fair value is disclosed in note 5 to the annual financial statements.

The tables below present the Group's financial assets measured at fair value at September 30, 2024 and their allocation to the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
PARENT				
Assets				
Investments in financial assets				
Exclusive investment funds and other financial investments	-	2,075,007	-	2,075,007
Other receivables				
N2B loan	-	-	26,740	26,740
Derivative financial instruments				
Call option of the noncontrolling shareholder – M2 Academia de Ginástica	-	-	4,878	4,878
Call option of the noncontrolling shareholder – ASN Smart	-	-	734	734
Call option of the noncontrolling shareholder – End Fit	-	-	14,084	14,084
Interest rate swap – 7 th issue of debentures	-	1,691	-	1,691
Total	-	2,076,698	46,436	2,123,134
Liabilities				
Derivative financial instruments				
Put option of the noncontrolling shareholder – MB Negócios Digitais	-	-	(28,538)	(28,538)
Put option of the noncontrolling shareholder – M2 Academia de Ginástica	-	-	(1,163)	(1,163)
Put option of the noncontrolling shareholder – ASN Smart	-	-	(44)	(44)
Put option of the noncontrolling shareholder – End Fit	-	-	(3,146)	(3,146)
Put option of the noncontrolling shareholder – Fit Master	-	-	(1,397)	(1,397)
Total	-	-	(34,288)	(34,288)
CONSOLIDATED				
Assets				
Cash and cash equivalents				
Repurchase agreements	-	680,201	-	680,201
Investments in financial assets				
Exclusive investment funds and other financial investments	-	1,451,246	-	1,451,246
Interests in publicly-held company	69,202	-	-	69,202
Other receivables				
N2B loan	-	-	26,740	26,740
Derivative financial instruments				
Call option of the noncontrolling shareholder – M2 Academia de Ginástica	-	-	4,878	4,878
Call option of the noncontrolling shareholder – ASN Smart	-	-	734	734
Call option of the noncontrolling shareholder – End Fit	-	-	14,084	14,084
Interest rate swap – Smartfit Mexico	-	736	-	736
Interest rate swap – 7 th issue of debentures	-	1,691	-	1,691
Total	69,202	2,133,874	46,436	2,249,512
Liabilities				
Derivative financial instruments				
Sale obligation of the noncontrolling shareholder – MB Negócios Digitais	-	-	(28,538)	(28,538)
Sale obligation of the noncontrolling shareholder – ASN	-	-	(1,163)	(1,163)
Sale obligation of the noncontrolling shareholder – M2 Academia de Ginástica	-	-	(44)	(44)
Sale obligation of the noncontrolling shareholder – End Fit	-	-	(3,146)	(3,146)
Sale obligation of the noncontrolling shareholder – Fit Master	-	-	(1,397)	(1,397)
Total	-	-	(34,288)	(34,288)

CHANGES IN LEVEL 3 ASSETS AND LIABILITIES

	Parent		Consolidated	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Financial instruments - Level 3				
At December 31, 2022	21,574	(36,990)	21,574	(36,990)
Gains and losses recognized in profit or loss	21,443	792	21,443	792
At December 31, 2023	43,017	(36,198)	43,017	(36,198)
Additions	3,500	-	3,500	-
Gains and losses recognized in profit or loss	(81)	1,910	(81)	1,910
At September 30, 2024	46,436	(34,288)	46,436	(34,288)

The Group's policy is to recognize transfers between the different categories of the fair value hierarchy when they occur or when there are changes in circumstances causing the transfer. In the period ended September 30, 2024, there were no transfers between the different hierarchies used to determine the fair value of the Group's financial instruments.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At September 30, 2024

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

When quoted prices are not available in an active market, fair values (especially derivative instruments) are based on recognized valuation methods. The Group uses various valuation models to measure Level 3 instruments, the details of which are presented in the following table:

Description	Price model/method	Assumptions	Fair value hierarchy
Put option of the noncontrolling shareholder – MB Negócios Digitais	Option pricing model with Monte Carlo simulation	EBITDA, share value, average cost of capital, dividend rate, volatility of EBITDA and share value, correlation between EBITDA and share value, interest rate and CDI.	Level 3
N2B loan	Discounted cash flow	Projected future result in the N2B business, discounted with a specific WACC for this transaction.	Level 3
Put option of the noncontrolling shareholder – ASN Smart	Option pricing model with Monte Carlo simulation	EBITDA, share value, average cost of capital, volatility of EBITDA and share value, correlation between EBITDA and share value, interest rate.	Level 3
Put option of the noncontrolling shareholder – End Fit	Option pricing model with Monte Carlo simulation	EBITDA, share value, average cost of capital, volatility of EBITDA and share value, correlation between EBITDA and share value, interest rate.	Level 3
Put option of the noncontrolling shareholder – Fit Master	Option pricing model with Monte Carlo simulation	EBITDA, share value, average cost of capital, volatility of EBITDA and share value, correlation between EBITDA and share value, interest rate.	Level 3
Put option of the noncontrolling shareholder – M2	Option pricing model with Monte Carlo simulation	EBITDA, share value, average cost of capital, volatility of EBITDA and share value, correlation between EBITDA and share value, interest rate.	Level 3

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES MEASURED AT AMORTIZED COST

The balance of “Borrowings” is monetarily adjusted based on market indexes (CDI) and contractual rates (note 17) and, due to market conditions, the fair value of borrowings is R\$2,979,308 in parent and R\$5,110,324 in consolidated.

The fair value of cash and cash equivalents, trade receivables, other receivables, trade payables, and other liabilities does not differ significantly from their carrying amount.

27. SHARE-BASED PAYMENT

On April 24, 2024, the Board of Directors approved the grant of 203,225 Restricted Shares under the Long-Term Incentive Plan with Restricted Shares, approved at the Extraordinary General Meeting of September 25, 2023. The contracts were signed in June 2024 with a vesting period of 3 years.

Of this total, 133,834 shares were granted to executives from the head office and subsidiaries in Brazil and will be accounted for at Fair Value. The value of RSU SMFT3 was defined base on the average of the closing prices of the last 30 trading sessions on B3, resulting in R\$25.38, a value that will be reviewed annually. These shares were accounted for with a corresponding entry in capital reserve.

The remaining 69,391 shares, granted to executives of foreign subsidiaries, will be settled in cash due to the impossibility of payment in equity instruments. Therefore, they were recognized with a corresponding entry in “Other liabilities”, subject to mark-to-market.

VARIATIONS IN PLANS

At September 30, 2024, the amount recognized in profit or loss in parent was R\$16,380 (R\$19,886 in Sept/23), R\$14,902 referring to SOP against a capital reserve and R\$1,478 referring to RSU, with R\$692 with a corresponding entry in capital reserve and R\$786 with a corresponding entry in “Other liabilities”. Regarding the phantom shares, the amount recognized in profit or loss was R\$375 (R\$1,092 in Sept/23) against “Other liabilities”. The expense is recognized individually by plan and number of options linked to each vesting period, in accordance with CPC 10 (R1) / IFRS 2.

28. ADDITIONAL INFORMATION

INSURANCE

The policy adopted by the Group considers mainly the concentration of risks and their materiality, taking into consideration the nature of their activities and the advice of their insurance brokers. At September 30, 2024, the basic insurance coverage is R\$10,917,716 and the coverage for loss of profits is R\$18,000.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At September 30, 2024

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

29. ADDITIONAL INFORMATION TO THE STATEMENTS OF CASH FLOWS

According to CPC 03 (R2) / IAS 7 - Statement of Cash Flows, certain investing and financing activities do not have direct impact on the current cash flows, although they affect the Company's asset and cash structure.

The exclusion of transactions that do not involve cash or cash equivalents from the statement of cash flows is consistent with the purpose of this statement, since these items do not involve cash flows in the current period.

NON-CASH TRANSACTIONS	Notes	Parent		Consolidated	
		09/30/2024	09/30/2023	09/30/2024	09/30/2023
Additions of right-of-use assets	14	346,885	244,783	1,063,471	798,758
Acquisition of subsidiaries and joint ventures	3	1,600	-	54,809	-
Transfers between property and equipment, intangible assets, and right-of-use assets		2,911	8,944	6,288	16,812
Dividends receivable from subsidiaries		114,261	-	-	-
Offset against loan granted		-	-	3,970	3,585

30. EVENTS AFTER THE REPORTING PERIOD

ACQUISITION OF VELOCITY GROUP

As informed in a Notice to the Market on November 2, 2024, Smart Fit's wholly-owned operating subsidiaries, Racebootcamp and Bioswim, completed the acquisition of 100% of the shares of Velocity Academia de Ginástica Ltda. ("Velocity"). In the scope of the Transaction, the Buyers will pay to the shareholders of the Velocity group ("Sellers") an estimated amount of: (i) R\$163.0 million paid one business day after the closing of the transaction ("Closing Date"); (ii) R\$10.0 million will be released from the 3rd anniversary of the Closing Date to the 6th anniversary; and (iii) R\$10.0 million subject to compliance with certain conditions and goals established in the Contract, and such payment will not occur before 12 months from the Closing Date. The purchase price allocation process is being carried out by the Company for the transaction to be accounted for in accordance with IFRS3.

ELEVENTH ISSUE OF DEBENTURES

On October 21, 2024, the Company carried out the 11th Issue of simple Debentures, non-convertible into shares, of the unsecured type, for public distribution, under the automatic registration procedure, in the amount of R\$300,000, with a CDI rate + 0.89% and maturing in 5 years (October 2029). The funds were paid up on October 31, 2024. The proceeds from the issue will be used by the Company for general corporate purposes and to strengthen working capital.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

At September 30, 2024

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

31. MANAGEMENT**BOARD OF DIRECTORS****CHAIRMAN**

Daniel Rizardi Sorrentino

DIRECTORS

Edgard Gomes Corona

Thiago Lima Borges

Diogo Ferraz de Andrade Corona

Luis Felipe França Pereira da Cruz

Claudia Elisa e Pinho Soares

Wolfgang Stephan Schwerdtle

Ricardo Lerner Castro

Felipe Rodrigues Affonso

SUPERVISORY BOARD

Helena Turola de Araújo Pena

Evelyn Veloso Trindade

Rubens Approbato Machado Junior

AUDIT COMMITTEE

Edward Ruiz

Claudia Elisa e Pinho Soares

Welerson Cavalieri

EXECUTIVE BOARD

Edgard Gomes Corona

Chief Executive Officer

André Macedo Pezeta

Chief Financial Officer

José Luís Rizzardo Pereira

Chief Investor Relations Officer

Diogo Ferraz de Andrade Corona

Chief Operating Officer

Juana Melo Pimentel

Chief Legal, Compliance, Data Protection and ESG Officer

Alexandre Gregjanin

Chief Technology Officer

Nassim Miguel Hueb Neto

Chief People and Management Officer

Itamar Hercolano Junior

Chief Expansion Officer

Wellington de Oliveira

Alyne Quinalha Amorim

Chief Controlling Officer

Accountant - CRC SP340782/O-0

A free translation from Portuguese into English of Independent Auditor's Review Report on individual and consolidated interim financial information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB)

Independent auditor's review report on individual and consolidated interim financial information

To the Shareholders, Board of Directors and Officers
Smartfit Escola de Ginástica e Dança S.A.
São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Smartfit Escola de Ginástica e Dança S.A. ("Company") contained in the Quarterly Information Form (ITR) for the quarter ended on September 30, 2024, which comprises the statement of financial position as at September 30, 2024, and the related statements of profit or loss and of comprehensive income for the three and nine-months periods then ended, and of changes in equity and of cash flows for the nine-month period then ended, including explanatory notes, including material accounting policies and other explanatory information.

Responsibility of the board of directors for interim financial information

The executive board is responsible for preparation of the individual interim financial information in accordance with NBC TG 21 Interim Financial Reporting and of the consolidated financial information in accordance with NBC TG 21 and IAS 34 Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards for the review of interim financial information (NBC TR 2410 Review of Interim Financial Information Performed by the Auditor of the Entity and ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily to those responsible for financial and accounting matters, and the application of analytical procedures and other review procedures. The scope of a review is significantly less than that of an audit conducted in accordance with auditing standards and, consequently, did not allow us to obtain assurance that we became aware of all significant matters that could be identified in an audit. Therefore, we do not express an audit opinion.



Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated interim financial information included in the Quarterly Information referred to above was not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR), and presented consistently with the rules issued by the Securities and Exchange Commission (CVM).

Other information accompanying the interim financial information and the auditor's report

The executive board is responsible for such other information, which comprises the Disclosure of Results.

Our conclusion on the individual and consolidated interim financial information does not cover the Disclosure of Results and we do not express any form of assurance conclusion thereon.

In connection with our review of the individual and consolidated interim financial information, our responsibility is to read the Disclosure of Results and, in doing so, consider whether this report is materially inconsistent with the interim financial information or our knowledge obtained in the review or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Disclosure of Results, we are required to report that fact. We have nothing to report in this regard.

Other matters

Statements of value added

The quarterly information referred to above includes the individual and consolidated statements of value added (SVA) for the nine-month period ended on September 30, 2024, prepared under the responsibility of the Company's Management, and presented as supplementary information for IAS 34 purposes. These statements were subject to review procedures conducted jointly with the review of the quarterly information for the purpose of concluding whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, pursuant to such standard and consistently with the individual and consolidated interim financial information taken as set.



São Paulo, November 06, 2024.

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


Raphael de Oliveira Costa
Accountant CRC-SP295905/O